

FIGA
FLORIDA INSURANCE GUARANTY ASSOCIATION



**Board of Directors' Meeting
August 19, 2022 10:00 AM
Conference Call**



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1. **CALL TO ORDER, OPENING REMARKS & ANTI-TRUST PREAMBLE**
 2. **RECEIVER'S REPORT** (Verbal)
 3. **CLAIMS REPORT**
 - Claims Activity Report July 31, 2022
 - New Insolvency Update
 4. **ASSESSMENT DISCUSSION**
 - Cash Balance Forecast
 - Assessment Options (Action)
 - Assessment Loan Resolution (Action)
 5. **OTHER BUSINESS, CLOSING REMARKS & ADJOURNMENT**

**CALL TO ORDER, OPENING REMARKS & ANTI-TRUST
PREAMBLE**

Florida Insurance Guaranty Association

August 19, 2022

ANTI-TRUST POLICY STATEMENT

It is the established policy of Florida Insurance Guaranty Association (FIGA) to comply fully with all laws and regulations applicable to its operations. While the creation and operation of a guaranty fund is beneficial to consumers and does not raise concerns under federal or state antitrust laws, because the activities and functions of FIGA bring together representatives of insurance companies that may be in competition, it is the policy of FIGA, in the course of its activities and functions, to discourage and prohibit disclosure of competitive information that might be, under certain circumstances and along with other conduct, alleged to be violative of federal or state antitrust laws. Because the burdens of defending even a frivolous antitrust suit are considerable, it is important to administer and operate FIGA in a manner so as to avoid even the appearance of facilitating anticompetitive conduct.

RECEIVER'S REPORT (Verbal)

CLAIMS REPORT

- Claims Activity Report July 31, 2022
- New Insolvency Update

- Claims Activity Report July 31, 2022

2022 Claim Activity Summary

As of: 7/31/2022



	AUTO		ALL OTHER		Total	
	July	2022	July	2022	July	2022
Beginning Claim Count	498	804	8512	1730	9010	2534
New Claims	1	75	4763	13596	4764	13671
Reopened Claims	57	887	338	1323	395	2210
Closed Claims	109	1319	1114	4150	1223	5469
Ending Claim Count	447	447	12499	12499	12946	12946

Claim Activity Report

Inception-to-Date Totals on Active Estates

As of: 7/31/2022



			Claim Count			ITD Payment Activity				Outstanding Reserves				
Estate Name	Insolv Date	ST	Open	Closed	Total	Loss	Expense	UEP	Total	ITD Recovered	Loss	Expense	Total	Total Incurred
Southern Fidelity	6/15/2022	FL	4,742	13	4,755	16,804	16,308	-	33,112	-	12,263,785	3,025,011	15,288,796	15,321,908
St Johns	2/25/2022	FL	3,628	1,078	4,706	10,915,102	929,661	169,593,368	181,438,131	-	40,959,189	11,599,330	52,558,519	233,996,650
Avatar	3/14/2022	FL	2,149	613	2,762	7,728,348	410,724	31,308,433	39,447,504	147	29,797,740	3,643,180	33,440,921	72,888,572
Lighthouse	4/28/2022	LA	911	59	970	290,452	7,233	25,897,118	26,194,803	-	10,742,564	1,704,137	12,446,701	38,641,503
Gulfstream	7/28/2021	FL	743	1,467	2,210	17,775,863	1,582,768	36,526,782	55,885,413	(757)	15,612,719	3,025,326	18,638,046	74,522,702
Windhaven Ins Co	1/6/2020	FL	314	26,017	26,331	38,713,125	1,490,328	727,253	40,930,707	(446,247)	559,373	1,239,991	1,799,364	42,283,823
Florida Specialty	10/2/2019	FL	175	3,500	3,675	39,096,421	5,991,639	33,452,398	78,540,457	(128,233)	3,010,201	2,353,809	5,364,010	83,776,234
American Capital	4/14/2021	FL	128	207	335	133,216,223	2,836,766	27,750,160	163,803,149	(824,336)	226,939,885	4,917,606	231,857,491	394,836,304
Windhaven National	3/5/2020	TX	96	6,396	6,492	29,506,546	348,211	1,716,393	31,571,149	(595,418)	420,926	192,080	613,006	31,588,736
Global Liberty	10/12/2021	NY	30	4	34	345,000	26,532	-	371,532	-	1,672,402	146,439	1,818,841	2,190,373
Bedivere	3/11/2021	PA	11	5	16	-	-	-	-	-	11,000	510	11,510	11,510
Homewise Preferred	11/4/2011	FL	5	752	757	40,243,703	12,502,177	10,954	52,756,834	(669,789)	347,495	59,649	407,144	52,494,190
Homewise	11/18/2011	FL	3	1,653	1,656	22,833,768	7,476,281	725,025	31,035,074	(390,733)	253,420	32,295	285,715	30,930,056
Atlantic Preferred	5/31/2006	FL	2	25,953	25,955	310,809,401	28,697,032	100,900,075	440,406,507	(1,613,199)	40,000	4,201	44,201	438,837,509
Sawgrass	11/28/2018	FL	2	-	2	-	3,862	-	3,862	-	35,000	26,139	61,139	65,000
Sunshine State	6/3/2014	FL	2	822	824	11,855,824	2,701,225	23,334,678	37,891,727	(334,812)	83,224	17,426	100,650	37,657,565
AequiCap	3/7/2011	FL	1	1,566	1,567	48,881,258	9,533,263	4,185,709	62,600,230	(324,664)	-	-	-	62,275,567
Aries	11/14/2002	FL	1	33,313	33,314	128,467,050	16,262,757	17,484,478	162,214,285	(911,314)	1	4,524	4,525	161,307,496
Castlepoint	4/1/2017	CA	1	206	207	8,370,433	2,763,615	-	11,134,048	(63,956)	45,000	2,266	47,266	11,117,357
Fidelity Nat'l	3/15/1999	FL	1	4,177	4,178	9,227,127	399,064	3,570,218	13,196,409	(113,847)	1	436	437	13,082,999
Magnolia	4/30/2010	FL	1	2,035	2,036	28,861,333	7,389,077	11,532,388	47,782,798	(97,457)	120,000	13,077	133,077	47,818,418
Northwestern Nat'l	5/12/2019	WI	1	1	2	2,512	675	-	3,187	-	17,856	300	18,156	21,342
Western General	8/5/2021	CA	1	2	3	-	-	-	-	-	1,500	1	1,501	1,501
Nat'l Group	10/10/2011	FL	-	1,307	1,307	15,258,553	4,220,647	4,112,158	23,591,358	(80,960)	-	-	-	23,510,398
ULLICO	5/30/2013	DE	-	143	143	2,792,254	1,054,635	190,416	4,037,305	(2,820)	-	-	-	4,034,485
Total: 25 estates			12,948	111,289	124,237	905,207,099	106,644,477	493,018,005	1,504,869,581	(6,598,395)	342,933,281	32,007,733	374,941,013	1,873,212,199

- New Insolvency Update
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Memo

To: Board of Directors
From: William Hughes
Date: August 19, 2022
Re: Claims Insolvency Update

American Capital Assurance Corp- Liquidation Date 4/14/2021

American Capital is a Florida Domestic company that wrote master policies for condominium complexes, apartment complexes, retirement centers and other large commercial residential buildings. This is the largest estate, in terms of total incurred dollars. As of 7/31/22 there are 335 reported claims of which 207 or 62% have been closed within 15 months. The remaining 128 claims involve large complex coverage and damage investigations, including some appellate appraisal issues. The large majority of these claims are significant in scope and exceed \$1,000,000 and in some cases greater than \$10,000,000. The lack of proper documentation from the carrier has required the adjusters to reconstruct and reinvestigate the files with experts in an attempt to procure supporting evidence to substantiate the causation, coverage and damages. Most of the remaining claims have defense counsel involved along with numerous experts including engineers and damage consultants.

We have a very experienced team of adjusters handling these claims and negotiating settlements. Overall we are making good progress on these claims, however they do take time to resolve given their multi-million dollar exposures. The reserves are still somewhat fluid as any change could result in million dollar adjustments. Our total incurred to date including \$28M in premium refunds exceeds \$394M and could exceed \$400M.

Gulfstream Insurance Company- Liquidation Date 7/28/2021

Gulfstream is a Florida Domestic company based in Sarasota, Florida. that wrote personal lines homeowners polices. This estate is similar to the earlier Florida Specialty estate.

Through 7/31/22 we have received 2,210 claims, which is about a 100 net claim increase over the past 2 months. To date we have closed 1,467 or 66% of the total claims received, leaving 743 open. Of the remaining claims, 280 are in litigation mostly as a result of roof causation or reparability issues.

St Johns Insurance Company- Liquidation Date 2/25/22

St Johns is a Florida Domestic company based in Orlando, Florida that wrote personal lines homeowners policies. Similar to Gulfstream and Florida Specialty.

Through 7/31/22, we have received 4,706 claims. We are anticipating over 5,000 claims considering reopened claims for various reasons such as depreciation reimbursement, supplements, public adjuster and plaintiff attorney involvement. Of these 4,706 claims over 817 are in litigation. The majority of this litigation involves roof losses from Hurricane Irma. We continue to receive a high call volume from insureds for this estate. Considering the high call volume, we are utilizing 3 TPAs to handle this estate. This is providing enhanced customer service and faster claims handling.

Avatar P & C Insurance Company- Liquidation Date 3/14/22

Avatar is a Florida domestic company based out of Tampa, Florida who wrote personal lines homeowners policies. Similar to St Johns and Gulfstream.

As of 7/31/22 we have received 2,762 claims of which 1,255 are in litigation. This is an extremely high number of litigated claims (45%). Thus far we have closed 613 leaving 2,149 to be resolved. The claims handling by Avatar pushed these claims into suit. Many of these lawsuits involve older Hurricane Irma claims, an event that occurred on 9/10/2017, almost 5 years ago.

Lighthouse Property Insurance Corp- Liquidation Date 4/28/22

Lighthouse is a domestic company based out of Baton Rouge, Louisiana who wrote personal lines homeowners policies in 5 states including Florida.

As of 7/31/22, we have received 970 claims and have closed 59. This estate, is similar to Avatar, St. Johns, Gulfstream in that it involves homeowner roof claims.

The handling of this estate may move faster since there is less litigation. 2 TPAs are handling this estate.

Southern Fidelity- Liquidation Date 6/15/2022

Southern Fidelity is a Florida domestic company based out of Tallahassee, Florida. They wrote personal lines homeowners and some liability policies. As of 7/31/22, we have received 4,755 claims. We are anticipating and planning for close to 6,000 claims with new and reopened claims. We are currently waiting for the images from the Florida receiver for this estate however we do have some access to the Southern Fidelity ImageRight system which has some notes, estimates and photos. This access is assisting the adjusters in their investigations. This estate, being homeowners, is similar to the other homeowner estates.

Weston Property & Casualty Insurance Company- Liquidation Date 8/8/2022

Weston P & C is a domestic company based out of Weston, Florida who wrote wind policies for personal and commercial lines risks.

As of 8/10/22 we are aware of 183 claims. We will be transitioning and integrating those claims to FIGA adjusters for handling and resolution. Note that we have coverage for this estate for 30 days from the date of insolvency which takes us just past the Labor Day holiday.

ASSESSMENT DISCUSSION

- Cash Balance Forecast
- Assessment Options (Action)
- Assessment Loan Resolution (Action)

- Cash Balance Forecast
-



Memo

To: Board of Directors
From: Holly Newell
Date: August 19, 2022
Re: Cash Forecast Update as of July 31, 2022

The state of Florida has experienced five insolvencies since the beginning of this calendar year. Most recently, the Florida's Department of Financial Services ordered Southern Fidelity Insurance Company (Southern Fidelity) into liquidation on June 15, 2022, and Weston Property & Casualty Insurance Company (Weston) into liquidation on August 8, 2022. The two recent insolvencies resulted in FIGA receiving in excess of 5,000 claims with approximately \$205M in unpaid losses and return premium.

We worked with our financial advisors and general counsel to determine financing options in light of the recent insolvencies. Exhibit 1, Quarterly Cash Balance, Reserves, and Surplus(Deficit) Forecast shows the surplus/(deficit) for the remainder of this calendar year and the following calendar year under the following two scenarios:

1. Current Situation

In the absence of additional funding, the available cash balance for the All Other Account would decrease from \$117.8M at July 2022 to \$32M at December 2022 imposing a delay in claim payments.

2. 2022B Assessment (.70%) and \$150M Loan

FIGA receives a \$150M loan to cover current cash flow needs. FIGA extends the .70% assessment for policy effective dates through 12/31/2023 and collects \$170M from its members for the 2022B assessment. The available cash balance for the All Other Account would decrease from \$117.8M at July 2022 to \$147M at December 2022 without any delay in claim payments.

Exhibit 1 contains the following key assumptions:

- \$180 million in expected losses and premium refunds for Southern Fidelity

- \$25 million in expected losses and premium refunds for Weston
- \$30 million distribution received in September 2022 for Southern Fidelity Estate
- \$5 million received in September 2022 for Lighthouse Estate
- \$10-\$25 million in monthly claim payments
- Collect \$126 million in 2021 assessment proceeds over the next 7 months
- Collect \$55 million in 2022 assessment proceeds in August 2023, once the 2022A assessment loan is paid in full
- No losses included for future insolvencies

Florida Insurance Guaranty Association
Exhibit 1: Quarterly Cash Balance, Reserves and Surplus(Deficit) Forecast
Other Account
Updated as of August 15, 2022

(in millions)

Scenarios	Jul 22	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23
<u>1. Current Path</u>							
Cash Balance	\$ 117.8	\$ 55.5	\$ 32.2	\$ 35.0	\$ 1.3	\$ 23.1	\$ 0.9
Reserves	374.9	414.9	369.9	334.9	304.9	274.9	254.9
Surplus (Deficit)	(257.1)	(359.4)	(337.7)	(299.9)	(303.6)	(251.8)	(254.0)
<u>2. Borrow \$150M and Extend 2021 .70% Assessment</u>							
Cash Balance		\$ 200.5	\$ 147.8	\$ 116.0	\$ 52.5	\$ 59.4	\$ 11.5
Reserves		409.9	334.9	264.9	204.9	159.9	114.9
Surplus (Deficit)		(209.4)	(187.1)	(148.9)	(152.4)	(100.5)	(103.4)

Key Assumptions:

- 1) \$180 million in expected losses and premium refunds for Southern Fidelity
- 2) \$25 million in expected losses and premium refunds for Weston
- 3) \$30 million distribution received in September 2022 for Southern Fidelity Estate
- 4) \$5 million received in September 2022 from Lighthouse Estate
- 5) \$10-\$25 million monthly claim payments.
- 6) Collect \$126 million in 2021 assessment proceeds over next 7 months
- 7) Collect \$55 million in 2022 assessment proceeds in August 2023
- 8) No losses included for future insolvencies.

- Assessment Options (Action)
-

Memo

To: Board of Directors
From: Corey Neal
Date: August 19, 2022
Re: Assessment Discussion

As a result of the recent insolvencies of Southern Fidelity Insurance Company and Weston P& C, Insurance Company, FIGA is in the position of needing another assessment in the All Other account. FIGA assessments are governed by Chapter 631.57 (3), Florida Statutes and Article VII of the Plan of Operation (POO).

We are now at the point to begin assessment deliberations where the Board will need to answer three questions:

- 1) Is an assessment needed?
- 2) Do projections support adequate cash on hand to pay claims for at least 6 months?
- 3) What is the assessment cash need (assessment rate) and when is it needed (effective date / assessment year)?

For every 0.1% increase in assessment, approximately \$24 million will be raised based on a conservative \$24.5 billion premium base estimated for 2023. In 18 months, we would raise approximately \$172M at a .70% assessment rate. In addition to the estimated \$35M in estate distributions, our initial cost estimation for Southern Fidelity and Weston is fully funded.

Staff Recommendation / Options

Based on this analysis, staff recommends the Board:

- 1) certify the need for an assessment;
- 2) request the Florida Office of Insurance Regulation:
 - a. levy an .70 assessment on all FIGA member insurers;
 - b. establish a January 1, 2023 through December 31, 2023 assessment year;
 - c. direct member insurers to collect a surcharge on eligible premium;
- 3) authorize FIGA to borrow \$150M from Wells Fargo in accordance with POO

A FIGA Assessment Workshop will also be held to educate and guide members through the payment remittance process needed to comply with loan documents.

- Assessment Loan Resolution (Action)
-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FLORIDA INSURANCE GUARANTY ASSOCIATION, INCORPORATED AUTHORIZING THE NEGOTIATED SALE OF ITS NOT TO EXCEED \$150,000,000 INSURANCE SPECIAL ASSESSMENT LOANS SECURED BY THE 0.70% 2022 FIGA ASSESSMENT (ALL OTHER ACCOUNT); AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, SECURITY AGREEMENT, AND TRUST AGREEMENT FOR SUCH LOANS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Part II of Chapter 631, Florida Statutes (the "Act"), creates a nonprofit corporation known as the Florida Insurance Guaranty Association, Incorporated (the "Association") and creates two separate accounts to be administered by the Association identified as (a) the auto liability and auto physical damage account, and (b) the account for all other insurance to which the Act applies (the "All Other Account");

WHEREAS, all insurers defined as member insurers in the Act are members of the Association as a condition of their authority to transact insurance in the State of Florida (the "State"), and in the event an insurer becomes insolvent, the Act provides a mechanism for the payment of covered claims under certain insurance policies of such insolvent insurers to avoid excessive delay in payment to claimants or policyholders and to avoid financial loss due to such insolvency;

WHEREAS, the Act further provides that the Office of Insurance Regulation (the "Office"), upon certification of the Board of Directors of the Association (the "Board"), shall levy assessments in a uniform percentage against insurers in an aggregate amount in any one calendar year not exceeding two percent of that insurer's direct written premiums in this State for the All Other Account, to facilitate the payment of such covered claims in the All Other Account (the "Covered Claims");

WHEREAS, pursuant to a Resolution adopted earlier today, the Board approved certification to the Office of its need for a 0.70% assessment levied pursuant to section 637.51(3)(a), Florida Statutes, on premium written by All Other Account members during the 12-month period beginning January 1, 2023 through December 31, 2023 (the "Anticipated Assessment") for payment of Covered Claims;

WHEREAS, the Board anticipates that the Office will issue an order (the "Anticipated Order") approving the Association's certification and ordering the Anticipated Assessment be remitted to the Association on a quarterly basis;

WHEREAS, the Act provides authority to borrow funds necessary to effect the purposes of the Act in accord with the Association's plan of operation (the "Plan of

Operation”) which requires that the Board approve all contracts for any financing agreements;

WHEREAS, due to the anticipated timing of receipt of the Anticipated Assessment by the Association following the quarter in which it is collected pursuant to the anticipated terms of the Anticipated Order and the present need to honor Covered Claims, it is in the best interest of the Authority to borrow funds to effect the purposes of the Act;

WHEREAS, Wells Fargo Bank, National Association (the “Lender”) has committed to providing loans to the Association in an aggregate amount not exceeding \$150,000,000 (the “Loans”) repayable as follows:

(a) A term loan in an amount of \$60,000,000 (“Facility No. 1”) bearing interest at a variable rate that resets on the first Banking Day of each month (the “Adjustment Date”) at a rate equal to the Term SOFR (as defined in the Financing Documents) on such Adjustment Date plus 0.81%, with principal of \$5,000,000 becoming due on September 1, 2023, \$10,000,000 becoming due on December 1, 2023, \$20,000,000 becoming due on March 1, 2024, \$10,000,000 becoming due on June 1, 2024 and \$15,000,000 becoming due on September 1, 2024 and allowing prepayment at par on any Adjustment Date and prepayment is further allowed on any date that is not an Adjustment Date subject to a prepayment fee; and

(b) A term loan in an amount of \$90,000,000 (“Facility No. 2”) that bears interest at a fixed rate per annum that will be set approximately two days prior to delivery of the Facility No. 2, provided however, that such fixed rate shall not exceed 4.50%, with principal of \$25,000,000 becoming due on June 1, 2023, \$25,000,000 becoming due on September 1, 2023, \$25,000,000 becoming due on December 1, 2023, and \$15,000,000 becoming due on March 1, 2024, with prepayment allowed on any day subject to a prepayment fee;

WHEREAS, the Loans shall be secured by and repaid from the Anticipated Assessment including the Anticipated Assessment on deposit in the Trust Account held by the Trustee pursuant to the Trust Agreement authorized herein and, should such Anticipated Assessment be insufficient for the repayment in full of the Loans, the Association covenants to certify to the Office the need for an assessment pursuant to section 637.51(3)(a), Florida Statutes, on the All Other Account in an amount sufficient to enable the Association to repay the Loans, but not to exceed the maximum rate allowed by law (together with the Anticipated Assessment, the “Pledged Assessments”), all as further described in the Financing Documents approved herein;

WHEREAS, it is in the best interests of the Association and is hereby determined that the Loans authorized herein will be sold through negotiated sale to the Lender due

to (a) the uncertain conditions in the global financial markets, and (b) the urgency of paying the Covered Claims in an expeditious manner.

NOW, THEREFORE, BE IT RESOLVED by the Florida Insurance Guaranty Association, Incorporated, as follows:

1. The Association hereby finds, determines and declares the matters hereinabove set forth.

2. The Association hereby authorizes the issuance and sale of Facility No. 1 and Facility No. 2 with the terms described above and in the Loan Agreement attached hereto as Exhibit A, such Loans to be secured solely by the Pledged Assessments.

3. The Executive Director is hereby delegated the authority to negotiate and approve the final terms of sale of the Loans, provided that the financial details of Facility No. 1 and Facility No. 2 described in this Resolution may not be modified.

4. The Association hereby approves the forms of and authorizes the execution and delivery by the Executive Director on behalf of the Association of the (a) Loan Agreement attached hereto as Exhibit A, (b) Security Agreement attached hereto as Exhibit B, and (c) Trust Agreement attached hereto as Exhibit C (collectively, the "Financing Agreements"). Such Financing Agreements are subject to such changes, completion, insertions or omissions as may be approved by the Executive Director, provided that the requirements of Section 3 above are satisfied, and the execution or certification of such Financing Agreements by the Executive Director, which is hereby authorized, shall be conclusive evidence of such approval.

5. The Bank of New York Mellon Trust Company, N.A., is hereby selected and designated as trustee under the Trust Agreement and as registrar and paying agent thereunder.

6. Corey Neal, the Executive Director, and the other officers, and members of the Board are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver the named documents and any and all other agreements, documents, instruments, assents, acceptances, assignments, financing statements and approvals which they may deem necessary or advisable in order to consummate the transactions contemplated by this resolution.

7. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 19th day of August, 2022.

Exhibit A
Loan Agreement

LOAN AGREEMENT

This Loan Agreement (as amended from time to time, this "Agreement") is dated August 31, 2022, and is between Wells Fargo Bank, National Association (the "Bank"), a national banking association, and Florida Insurance Guaranty Association, Incorporated (the "Borrower"), a Florida nonprofit corporation.

1. DEFINITIONS

In addition to the terms which are defined elsewhere in this Agreement, the following terms have the meanings indicated for the purposes of this Agreement:

1.1. "Additional Assessment" means any assessment, other than the Initial Assessment, levied by the OIR after the date of this Agreement pursuant to Section 631.57(3)(a), Florida Statutes or Section 631.57(3)(e), Florida Statutes (to the extent said Section 631.57(3)(e) is applicable pursuant to law) in order to enable the Borrower to timely pay its obligations to the Bank hereunder (as expressed in the order of OIR imposing the assessment) in the event the Initial Assessment is insufficient for such purpose, which may be pursuant to one or more future orders of the OIR that dedicate, either fully or proportionately, an assessment, in order to enable the Borrower to timely pay its obligations under this Agreement and/or other, unrelated loans.

1.2. "Assessments" means the Initial Assessment and any Additional Assessment.

1.3. "Banking Day" means a day other than a Saturday, Sunday or other day on which the Federal Reserve Bank of New York is closed.

1.4. "Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

1.5. "Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

1.6. "Collateral" is defined in the Security Agreement.

1.7. "Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

1.8. "Initial Assessment" means the 0.7% assessment levied by the OIR pursuant to Section 631.57(3)(a), Florida Statutes and the 2022 FIGA Assessment (All Other Account), Case No. [____]-22, order dated August [____], 2022.

1.9. "OIR" means the Office of Insurance Regulation of the Financial Services Commission within the Department of Financial Services of the State.

1.10. "Organizational Legislation" means Part II, Chapter 631, Florida Statutes.

1.11. "Payment Date" means, (i) with respect to Facility No. 1, each of June 1, 2023, September 1, 2023, December 1, 2023, March 1, 2024, June 1, 2024, and September 1, 2024, and (ii) with respect to Facility No. 2, each of June 1, 2023, September 1, 2023, December 1, 2023, and March 1, 2024.

1.12. "Plan of Operation" means the Borrower's Plan of Operation as approved by the Board of Directors

of the Borrower on May 11, 2017.

1.13. "Security Agreement" means the Security Agreement, dated of even date herewith, between the Bank and the Borrower, as the same may be amended from time to time.

1.14. "State" means the State of Florida.

1.15. "Trust Agreement" means the Trust Agreement, dated of even date herewith, among the Bank, the Borrower and the Trustee, as the same may be amended from time to time.

1.16. "Trust Fund" is defined in the Trust Agreement.

1.17. "Trustee" means The Bank of New York Mellon Trust Company, N.A., and its successors as Trustee pursuant to the Trust Agreement

2. FACILITY NO. 1: VARIABLE RATE TERM LOAN AMOUNT AND TERMS

2.1. Loan Amount. The Bank agrees to provide a term loan ("Facility No. 1") to the Borrower in the amount of \$60,000,000.00 (the "Facility No. 1 Commitment").

2.2. Availability Period. Facility No. 1 is available in one disbursement from the Bank on the date of this Agreement.

2.3. Repayment Terms.

2.3.1. The Borrower will pay interest on Facility No. 1 on June 1, 2023, and then on each Payment Date thereafter until payment in full of all principal outstanding under Facility No. 1.

2.3.2. The Borrower will repay installments of principal of Facility No. 1 in the amount of \$5,000,000 on September 1, 2023; in the amount of \$10,000,000 on December 1, 2023; in the amount of \$20,000,000 on March 1, 2024; and in the amount of \$10,000,000 on June 1, 2024. On September 1, 2024, the Borrower will repay the entire remaining principal balance of Facility No. 1 plus all accrued interest thereon.

2.3.3. Each payment made on Facility No. 1 shall be credited first to any interest then due and second, to the outstanding principal balance hereof.

2.3.4. The Borrower may prepay Facility No. 1 in full or in part at any time upon three days prior written notice to Bank. The prepayment will be applied to the most remote payment of principal of Facility No. 1 due under this Agreement.

2.3.5. Each prepayment of Facility No. 1, whether voluntary, by reason of acceleration or otherwise, will be accompanied by (i) the amount of accrued interest on the amount prepaid, and (ii) if the prepayment is made on a day other than an Adjustment Date (as defined in Section 2.4.2), a prepayment fee as described in Section 2.3.6. No prepayment fee is due for prepayments made on an Adjustment Date.

2.3.6. In consideration of the Bank providing the Borrower with the option to prepay Facility No. 1 on a day other than an Adjustment Date, or if Facility No. 1 shall become due and payable at any time on a day other than an Adjustment Date by acceleration, Borrower shall pay to Bank immediately upon demand a fee which is the amount, if any, by which paragraph (i) exceeds paragraph (ii) below:

(i) The amount of interest that would have accrued on the amount prepaid at the interest rate applicable to such amount had it remained outstanding until the next succeeding Adjustment Date.

(ii) The amount of interest that would have accrued on the amount prepaid at Term SOFR (without adding any spread or margin specified in [part (a) under Section 2.4) that would have been applicable to such amount had Facility No. 1 been disbursed on the repayment date and remained outstanding until the next succeeding Adjustment Date.

Borrower acknowledges that prepayment of such amount may result in Bank incurring additional costs, expenses and/or liabilities, and that it is difficult to ascertain the full extent of such costs, expenses and/or liabilities. Borrower, therefore, agrees to pay the above-described prepayment fee and agrees that said amount represents a reasonable estimate of the prepayment costs, expenses and/or liabilities of Bank.

2.4. Interest Rate.

2.4.1. The interest rate borne by the outstanding principal of Facility No. 1 is a rate per year equal to 0.81% above Term SOFR as determined on each Adjustment Date.

2.4.2. The interest rate will be initially established on the date of this Agreement and will be adjusted on October 3, 2022 and on the first Banking Day of each month thereafter (each such adjustment date, an "Adjustment Date") and remain fixed until the next Adjustment Date. If the Adjustment Date in any particular month would otherwise fall on a day that is not a Banking Day then the Adjustment Date for that particular month will be the first Banking Day immediately following thereafter (and the interest rate as of the preceding Adjustment Date shall continue up to, but shall not include, such next Adjustment Date).

2.4.3. "Term SOFR" is a rate of interest equal to the Term SOFR Screen Rate for a one-month tenor on the day (such day, the "Term SOFR Determination Day") that is two U.S. Government Securities Business Days prior to the Adjustment Date (for delivery on such Adjustment Date), as such rate is published by CME; provided, however, that (i) if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Screen Rate for the applicable tenor has not been published by CME and a Benchmark Replacement Date with respect to the Term SOFR Screen Rate has not occurred, then Term SOFR will be the Term SOFR Screen Rate for such tenor as published by CME on the first preceding U.S. Government Securities Business Day for which such Term SOFR Screen Rate for such tenor was published by CME so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Term SOFR Determination Day and (ii) if Term SOFR determined as provided above (including pursuant to clause (i) of this proviso) shall ever be less than zero, then Term SOFR shall be deemed to be zero.

2.4.4. For purposes of this Section 2.4:

2.4.4.1. "CME" means CME Group Benchmark Administration Limited (or a successor administrator of the Term SOFR Screen Rate selected by Bank in its reasonable discretion).

2.4.4.2. "SOFR" means a rate per annum equal to the Secured Overnight Financing Rate as

administered by the Federal Reserve Bank of New York (or a successor administrator).

2.4.4.3. "Term SOFR Screen Rate" means the forward-looking SOFR term rate administered by CME.

2.4.4.4. "U.S. Government Securities Business Day" means any Banking Day, except any Banking Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

3. FACILITY NO. 2: FIXED RATE TERM LOAN AMOUNT AND TERMS

3.1. Loan Amount. The Bank agrees to provide a term loan ("Facility No. 2") to the Borrower in the amount of \$90,000,000.00 (the "Facility No. 2 Commitment").

3.2. Availability Period. Facility No. 2 is available in one disbursement from the Bank on the date of this Agreement.

3.3. Interest Rate. The interest rate borne by the outstanding principal of Facility No. 2 is [%] [**Spread = 76 bps**] per year.

3.4. Repayment Terms.

3.4.1. The Borrower will pay interest on Facility No. 2 on June 1, 2023, and then on each Payment Date thereafter until payment in full of all principal outstanding under Facility No. 2.

3.4.2. The Borrower will repay installments of principal on Facility No. 2 in the amount of \$25,000,000 on June 1, 2023; in the amount of: \$25,000,000 on September 1, 2023; and in the amount of \$25,000,000 on December 1, 2023. On March 1, 2024 (the "Facility No. 2 Maturity Date") the Borrower will repay the entire remaining principal balance of Facility No. 2 plus all accrued interest thereon.

3.5. Prepayments. The Borrower may prepay the principal of Facility No. 2 in full or in part at any time upon three days prior written notice to Bank. The prepayment will be applied to the most remote payment of principal of Facility No. 2 due under this Agreement. Each prepayment of Facility No. 2, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid, and a Breakage Fee in accordance with Exhibit A hereto.

4. COLLATERAL

4.1. Personal Property. Without limiting the description of the Collateral or the provisions of the Security Agreement, the personal property listed below now owned or owned in the future by the Borrower will secure the Borrower's obligations to the Bank under this Agreement.

4.1.1. The Assessments, including the Borrower's right to payment thereof and the proceeds of collection thereof.

4.1.2. The Trust Fund and all property, including investment property, therein as described in the Trust Agreement.

4.2. Regulation U of the Board of Governors of the Federal Reserve System places certain restrictions on loans secured by margin stock (as defined in the Regulation). The Bank and the Borrower shall comply with Regulation U. If any of the collateral is margin stock, the Borrower shall provide to the Bank a Form U-1 Purpose Statement.

5. LOAN ADMINISTRATION AND FEES

5.1. Fees. The Borrower agrees to pay the fees for the closing of the transaction as shown in the closing statement executed by the Borrower.

5.2. Collection of Payments; Payments Generally.

5.2.1. Interest and principal payments will be made to the Bank by wire transfer in accordance with instructions provided by the Bank to the Borrower and Trustee.

5.2.2. Each disbursement by the Bank and each payment by or on behalf of the Borrower will be evidenced by records kept by the Bank which will, absent manifest error, be conclusively presumed to be correct and accurate and constitute an account stated between the Borrower and the Bank.

5.2.3. All payments to be made by or on behalf of the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff.

5.3. Borrower's Instructions. Subject to the terms, conditions and procedures stated elsewhere in this Agreement, the Bank may honor instructions for repayments and any other instructions under this Agreement given by the Borrower, or by any one of the individuals the Bank reasonably believes is authorized to sign this Agreement on behalf of the Borrower (each an "Authorized Individual"). The Bank may honor any such instructions made by any one of the Authorized Individuals, whether such instructions are given in writing or by telephone, telefax or Internet and intranet websites designated by the Bank with respect to separate products or services offered by the Bank.

5.4. Banking Days. All payments and disbursements which would be due or which are received on a day which is not a Banking Day will be due or applied, as applicable, on the next Banking Day. Any extension or contraction of time shall be reflected in computing interest or fees, as the case may be.

5.5. Interest Calculation. For Facility No. 1, except as otherwise stated in this Agreement, all interest and fees, if any, will be computed on the basis of a 360-day year and the actual number of days elapsed. This results in more interest on Facility No. 1 or a higher fee than if a 365-day year is used. For Facility No. 2, except as otherwise stated in this Agreement, all interest and fees, if any, will be computed on the basis of a 360-day year comprised of 12 months of 30 days each. Installments of principal which are not paid when due under this Agreement shall continue to bear interest until paid. To the extent that any calculation of interest or any fee required to be paid under this Agreement shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

5.6. Default Rate; Late Payment Fee. Upon the occurrence of any Event of Default or after maturity or after judgment has been rendered on any obligation under this Agreement, all amounts outstanding under this Agreement, including any unpaid interest, fees, or costs, will at the option of the Bank bear interest at a rate which is 6% higher than the rate of interest otherwise provided under this Agreement.

This may result in compounding of interest. This will not constitute a waiver of any default or Event of Default. The Borrower agrees to pay the Bank on demand a late fee in an amount of 4% of any payment that is more than fifteen days late. The imposition and payment of a late fee shall not constitute a waiver of the Bank's rights with respect to the default or Event of Default.

5.7. Taxes. All payments due to the Bank hereunder will be made by or on behalf of the Borrower free and clear of all withholding or other taxes. If any such taxes are imposed on any payments made by or on behalf of the Borrower, the Borrower will pay the taxes and will pay to the Bank the full amounts due hereunder.

If any State of Florida excise tax on documents is due with respect to this Agreement, the Borrower will pay the same, and authorizes the Bank to deduct the same from the proceeds of Facility No. 1 at the time of the initial disbursement thereof.

5.8. Successor Rate. Notwithstanding anything to the contrary contained in this Agreement or in any related loan document (for the purposes of this Section 5.8, a swap agreement by and between Borrower and Bank or any of its affiliates is not a loan document):

5.8.1. If a Benchmark Transition Event occurs, the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes under this Agreement or under any related loan document. Any Benchmark Replacement will become effective on the applicable Benchmark Replacement Date without any further action or consent of Borrower.

5.8.2. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Bank will have the right to make Conforming Changes from time to time and any amendments implementing such Conforming Changes will become effective without any further action or consent of Borrower.

5.8.3. Bank will promptly notify Borrower of (i) the implementation of any Benchmark Replacement, (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement and (iii) the removal or reinstatement of any tenor of a Benchmark pursuant to the provisions of this Agreement. Any determination, decision or election that may be made by Bank pursuant to this Section 5.8, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and will be made in its sole discretion and without Borrower consent.

5.8.4. At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Screen Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Bank in its reasonable discretion or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions ("IOSCO") Principles for Financial Benchmarks, then Bank may modify Section 2.4 of this Agreement (or any similar or analogous section, including any terms defined therein) for any Benchmark settings at or after the occurrence of either (A) or (B) in this paragraph to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) as selected by Bank in its reasonable discretion or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative or in compliance with or aligned with the IOSCO Principles for Financial Benchmarks for a Benchmark (including a Benchmark Replacement), then Bank may modify Section 2.4 of this Agreement (or any similar or analogous section, including any terms defined therein) for all Benchmark settings at or after such time to

reinstate such previously removed tenor.

5.8.5. As used in this Agreement, each of the following capitalized terms has the meaning given to such term below:

5.8.5.1. “Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (A) if such Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an interest period pursuant to this Agreement or (B) otherwise, any payment period for interest calculated with reference to such Benchmark that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definitions of “Term SOFR” pursuant to the provisions of this Agreement. For the avoidance of doubt, the Available Tenor is a period of one-month as of the effective date of this Agreement.

5.8.5.2. “Benchmark” means, initially, the Term SOFR Screen Rate; provided, however, that if a Benchmark Transition Event has occurred with respect to the Term SOFR Screen Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to the provisions of this Agreement.

5.8.5.3. “Benchmark Administrator” means, initially, CME or any insolvency or resolution official with authority over such administrator.

5.8.5.4. “Benchmark Replacement” means the sum of: (A) the alternate reference rate that has been selected by Bank as the replacement for the then-current Benchmark and (B) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Bank, in each case, giving due consideration to (x) any selection or recommendation by the Relevant Governmental Body at such time for a replacement reference rate, the mechanism for determining such a rate, the methodology or conventions applicable to such alternate reference rate, or the spread adjustment, or method for calculating or determining such spread adjustment, for such rate, or (y) any evolving or then-prevailing market convention for determining an alternate reference rate as a replacement to the then-current Benchmark, the methodology or conventions applicable to such rate, or the spread adjustment, or method for calculating or determining such spread adjustment, for such rate for U.S. dollar-denominated syndicated or bilateral credit facilities; provided, however, that if the Benchmark Replacement as determined as provided above would be less than zero, then the Benchmark Replacement shall be deemed to be zero for the purposes of this Agreement and the related loan documents.

5.8.5.5. “Benchmark Replacement Date” means the date specified by Bank in a notice to Borrower following a Benchmark Transition Event.

5.8.5.6. “Benchmark Transition Event” means the occurrence of one or more of the following events with respect to any then-current Benchmark: a public statement or publication of information by or on behalf of the Benchmark Administrator or a regulatory supervisor for the Benchmark Administrator announcing that (A) the Benchmark Administrator has ceased or will cease to provide such Benchmark, or, if such Benchmark is a term rate, all Available Tenors of such Benchmark, permanently or indefinitely, or (B) such Benchmark is, or, if such Benchmark is a term rate, all Available Tenors of such

Benchmark are, not, or as of a specified future date will not be, representative of underlying markets or in compliance with or aligned with the IOSCO Principles for Financial Benchmarks.

5.8.5.7. “Relevant Governmental Body” means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

6. CONDITIONS

Before the Bank is required to extend any credit to the Borrower under this Agreement, it must receive any documents and other items it may reasonably require, in form and content acceptable to the Bank, including the items specifically listed below.

6.1. Authorizations. Evidence that the execution, delivery and performance by the Borrower of this Agreement, the Trust Agreement and the Security Agreement have been duly authorized.

6.2. KYC Information.

6.2.1. Upon the request of the Bank, the Borrower shall have provided to the Bank, and the Bank shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act.

6.2.2. If the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, it shall have provided a Beneficial Ownership Certification to the Bank if so requested.

6.3. Agreement, Security Agreement and Trust Agreement. Signed originals of this Agreement, the Security Agreement and the Trust Agreement.

6.4. Perfection and Evidence of Priority. Evidence that the security interest in the Collateral created by the Security Agreement in favor of the Bank is properly perfected to the extent perfection is achievable by the filing of a financing statement and prior to all others' rights and interests in the Collateral.

6.5. Payment of Fees. Payment of all fees, expenses and other amounts due and owing to the Bank or its counsel.

6.6. Assessments. The Borrower shall deliver (i) the Order from OIR as to the 0.7% assessments referenced in the definition of “Initial Assessment,” and (ii) a certificate of the Borrower that the Initial Assessment remains in effect, is valid and has not been the subject of appeal by any insurer subject thereto.

6.7. Legal Opinion. A written opinion from the Borrower's legal counsel, covering such matters as the Bank may require. The legal counsel and the terms of the opinion must be acceptable to the Bank.

6.8. General Certificate. A certificate from an authorized representative of the Borrower, certifying as to the incumbency and genuineness of the signature of each officer of the Borrower executing this Agreement, the Security Agreement and the Trust Agreement and certifying that attached thereto is a true, correct and complete copy of (A) a certificate as of a recent date of the good standing of the Borrower under the laws of the State, and (B) a certified copy of the resolution of the Borrower duly adopted by the Board of Directors of the Borrower authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement, the Security Agreement and the Trust Agreement.

6.9. Plan of Operation. A certified copy of the Plan of Operation.

7. REPRESENTATIONS AND WARRANTIES

When the Borrower signs this Agreement, and until all obligations under this Agreement are repaid in full, the Borrower makes the following representations and warranties.

7.1. Formation. The Borrower is duly formed and existing under the laws of the State.

7.2. Authorization. This Agreement, the Security Agreement and the Trust Agreement, are within the Borrower's powers, have been duly authorized, and do not conflict with the Plan of Operation or Organizational Legislation.

7.3. Beneficial Ownership Certification. The information included in the Beneficial Ownership Certification most recently provided to the Bank, if applicable, is true and correct in all respects.

7.4. Government Sanctions.

7.4.1. The Borrower represents that it is not nor, to the knowledge of the Borrower, is any director, officer, employee, agent, affiliate, subsidiary, direct or indirect parent, or representative of the Borrower (a "Person"), an individual or entity currently the subject or target of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "Sanctions"), nor is the Borrower located, organized or resident in a country or territory that is the subject of Sanctions.

7.4.2. The Borrower represents and covenants that it will not, directly or indirectly, use the proceeds of the credit provided under this Agreement, or lend, contribute or otherwise make available such proceeds to any other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, (i) is the subject or target of Sanctions, (ii) in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions, (iii) would result in a violation of Sanctions by the Bank or any of the Bank's affiliates if such funding had been conducted by the Bank or such affiliate, or (iv) would be prohibited by any Anti-Money Laundering Laws or Anti-Corruption Laws (each as defined below).

7.4.3. (a) Each Person has instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Anti-Money Laundering Laws and Anti-Corruption Laws, and Sanctions; and (b) to the best of Borrower's knowledge, after due care and inquiry, no Person is under investigation for an alleged violation of any Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws by a Governmental Authority that enforces such laws. As used herein: "Anti-Corruption Laws" means: (i) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (ii) the U.K. Bribery Act 2010, as amended; and (iii) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which the Borrower or any Person is located or doing business. "Anti-Money Laundering Laws" means applicable laws or regulations in any jurisdiction in which the Borrower or Person is located or doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

7.5. Financial Information. All financial and other information that has been or will be supplied to the

Bank is sufficiently complete to give the Bank accurate knowledge of the Borrower's financial condition, including all material contingent liabilities. Since the date of the most recent financial statement provided to the Bank, there has been no material adverse change in the business condition (financial or otherwise), operations, properties or prospects of the Borrower.

7.6. Lawsuits. There is no lawsuit, tax claim or other dispute pending or threatened against the Borrower regarding the Assessments which, if lost, would impair the Borrower's financial condition or ability to repay its obligations as contemplated by this Agreement or any other agreement contemplated hereby, except as have been disclosed in writing to the Bank prior to the date of this Agreement.

7.7. Other Obligations. The Borrower is not in default on any obligation for borrowed money, or any lease, contract, instrument or obligation, except as has been disclosed in writing to the Bank prior to the date of this Agreement.

7.8. Tax Matters. The Borrower has no knowledge of any pending assessments or adjustments of income tax for itself for any year and all taxes due have been paid, except as have been disclosed in writing to the Bank prior to the date of this Agreement.

7.9. Collateral. All Collateral is owned by the Borrower free of any liens or interests of others.

7.10. No Event of Default. There is no event which is, or with notice or lapse of time or both would be, a default or Event of Default under this Agreement.

7.11. Location of Pledgor. The Borrower is a "registered organization" pursuant to the Florida Uniform Commercial Code, created pursuant to the Organizational Legislation and is "located" in the State.

7.12. ERISA Plans. The Borrower does not and will not during the term of this Agreement maintain any Plan. The following terms have the meanings indicated for purposes of this Agreement:

7.12.1. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

7.12.2. "Plan" means a plan within the meaning of Section 3(2) of ERISA.

7.13. No Plan Assets. The Borrower represents that, as of the date hereof and throughout the term of this Agreement, the Borrower is not (1) a Plan, (2) a plan or account subject to Section 4975 of the Internal Revenue Code of 1986 (the "Code"); (3) an entity deemed to hold "plan assets" of any such plans or accounts for purposes of ERISA or the Code; or (4) a "governmental plan" within the meaning of ERISA.

7.14. Enforceable Agreement. This Agreement, the Security Agreement and the Trust Agreement are each a legal, valid and binding agreement of the Borrower, enforceable against the Borrower in accordance with its terms, and any instrument or agreement required under this Agreement, when executed and delivered, will be similarly legal, valid, binding and enforceable.

7.15. No Conflicts. This Agreement does not conflict with any law, agreement, or obligation by which the Borrower is bound, including, without limitation, any agreement related to borrowed money or the grant of security therefor. No approval, consent, exemption, authorization or other action by, or notice to or filing with, any counterparty to an agreement for borrowed money or the grant of security therefore is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement, except as has been obtained by the Borrower prior to the date of this Agreement

7.16. Government Authorization. No approval, consent, exemption, authorization, or other action by, or

notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement, the Trust Agreement or the Security Agreement.

7.17. Usury. The interest rates for the Facility No. 1 and the Facility No. 2 do not violate any applicable law of the State regarding permissible maximum rates of interest.

8. COVENANTS

The Borrower agrees, so long as credit is available under this Agreement and until the Bank is repaid in full:

8.1. Use of Proceeds. To use the proceeds of the credit extended under this Agreement only for the lawful purposes of the account established pursuant to Section 631.55(2)(b), Florida Statutes and in compliance with the Plan of Operation.

8.2. Financial Information. To provide the following financial information and statements in form and content acceptable to the Bank, and such additional information as requested by the Bank from time to time. The Bank reserves the right, upon written notice to the Borrower, to require the Borrower to deliver financial information and statements to the Bank more frequently than otherwise provided below.

8.2.1. Within 270 days after the end of each fiscal year of the Borrower, the annual financial statements of the Borrower, certified and dated by an authorized financial officer. These financial statements must be audited (with an unqualified opinion) by the Borrower's certified public accountant.

8.3. Other Debts. Not to have outstanding or incur any indebtedness for borrowed money or capital lease obligation payable from or secured by the Assessments.

8.4. Other Liens. Not to create, assume, or allow any security interest or lien (including judicial liens) on property the Borrower now or later owns, including, without limitation, the Collateral, without the Bank's written consent, except for the security interest created by the Security Agreement and Trust Agreement.

8.5. Additional Negative Covenants. Not to, without the Bank's written consent:

8.5.1. Enter into any consolidation, merger, or other combination, or become a partner in a partnership, a member of a joint venture, or a member of a limited liability company.

8.5.2. Acquire or purchase a business or its assets.

8.5.3. Engage in any business activities substantially different from the Borrower's present business.

8.5.4. Liquidate or dissolve.

8.6. Notices to Bank. To promptly notify the Bank in writing of:

8.6.1. Any default or Event of Default under this Agreement, or any event which, with notice or lapse of time or both, would constitute an Event of Default.

8.6.2. Any change in the Organizational Legislation or Plan of Operation.

8.7. Compliance with Laws. To comply with the requirements of all laws and all lawful orders, writs, injunctions and decrees applicable to it, including, without limitation, all Sanctions, Anti-Money-Laundering Laws, and Anti-Corruption Laws.

8.8. Books and Records. To maintain adequate books and records, including complete and accurate records regarding all collateral required hereby.

8.9. Audits. To allow the Bank and its agents to inspect the Borrower's properties and examine, audit, and make copies of books and records at any time. If any of the Borrower's properties, books or records are in the possession of a third party, including the Trustee, the Borrower authorizes that third party to permit the Bank or its agents to have access to perform inspections or audits and to respond to the Bank's requests for information concerning such properties, books and records.

8.10. Perfection of Liens. To help the Bank perfect and protect its security interests and liens in the Collateral, and reimburse it for related costs it incurs to protect its security interests and liens in the Collateral.

8.11. Cooperation. To take any action reasonably requested by the Bank to carry out the intent of this Agreement.

8.12. Patriot Act; Beneficial Ownership Regulation. Promptly following any request therefor, to provide information and documentation reasonably requested by the Bank for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.

8.13. Assessments.

8.13.1. The Borrower will direct all payors of the Assessments to make payment thereof directly to the Trustee. If the Borrower receives any payment of Assessments it shall pay the same to the Trustee on or before the fifteenth Business Day (as defined in the Trust Agreement) of the next February, May, August or November after receipt by the Borrower. The Borrower shall not be permitted to withdraw funds from the Trust Fund except as provided in the Trust Agreement. In implementing the procedures for the collection of the Initial Assessment, the Borrower will not grant insurers subject thereto the flexibility to pay the Initial Assessment in full by any date that is after July 30, 2024.

8.13.2. If the proceeds of the Initial Assessments are or are projected by the Borrower to be insufficient to enable the Borrower to timely pay its obligations to the Bank hereunder, the Borrower will take all lawful action necessary, including but not limited to certification by the Board of Directors of the Borrower to OIR, in order to cause OIR to levy an Additional Assessment to the maximum extent allowed by law sufficient to enable the Borrower to timely pay its obligations to the Bank hereunder.

8.13.3. Promptly upon the levy by OIR of any Additional Assessment, the Borrower shall deliver to the Bank the order of OIR as to such assessment on premiums written, with respect to such Additional Assessment and which shall specify, without limitation, the percentage of premium of such order that constitutes the Additional Assessment, or if not so specified in such order, the Borrower shall promptly provide a certificate to the Bank specifying the percentage of premium of such order that constitutes an Additional Assessment hereunder.

8.13.4. Prior to causing OIR to levy any assessment pursuant to Section 631.57(3)(a), Florida Statutes, to secure additional indebtedness for borrowed money or capital lease obligations of the

Borrower ("Additional Debt"), the Executive Director of the Borrower shall certify: (i) no uncured event of default has occurred under this Agreement, the Trust Agreement or the Security Agreement, (ii) upon issuance of the Additional Debt, the Assessments collected and to be collected are projected to be sufficient to repay the outstanding obligations under this Agreement when due and payable, and (iii) upon issuance of the Additional Debt, the assessments pledged to repay such Additional Debt and any other then outstanding indebtedness for borrowed money or capital lease obligations of the Borrower that are collected and to be collected are projected to be sufficient to repay such obligations when due and payable.

9. DEFAULT AND REMEDIES

If any of the events in Sections 9.1 through 9.8 below (each, an "Event of Default") occurs, the Bank may do one or more of the following without prior notice except as required by law or expressly agreed in writing by Bank: declare the Borrower in default and require the Borrower to repay its entire debt immediately but only from the Collateral. In addition, if any Event of Default occurs, the Bank shall have all rights, powers and remedies available under any instruments and agreements required by or executed in connection with this Agreement, as well as all rights and remedies available at law or in equity.

9.1. Failure to Pay. The Borrower fails to make a payment under this Agreement within three days after the date when due.

9.2. Breach of Covenants. The Borrower fails to timely comply with any provision hereof or of the Security Agreement or Trust Agreement. If, in the Bank's opinion, any breach is capable of being remedied but the applicable document does not provide a cure or remedy period, the breach will not be considered an Event of Default under this Agreement for a period of ten days after the earlier of (x) the date that the Borrower knew or should have known of the breach, and (y) the date on which the Bank gives written notice of the breach to the Borrower, provided that the breach is cured by the end of such ten day period.

9.3. Cross-default. Any default occurs under any agreement in connection with any indebtedness for borrowed money of the Borrower to anyone other than the Bank, or any indebtedness for borrowed money of anyone other than the Borrower that is guaranteed by the Borrower.

9.4. False Information. The Borrower has given the Bank false or misleading information or representations.

9.5. Bankruptcy/Receivers. The Borrower files a bankruptcy petition as a debtor, a bankruptcy petition is filed against any the Borrower and is not dismissed within thirty days or the Borrower acquiesces therein, or a receiver or similar official is appointed for the Borrower or a substantial portion of the Borrower's operations.

9.6. Lien Priority. The Bank fails to have an enforceable first priority security interest in the Collateral.

9.7. Government Action. The State of Florida takes action that the Bank reasonably believes materially adversely affects the Borrower's ability to timely pay the Borrower's obligations to the Bank pursuant to this Agreement.

9.8. Invalidity. Any provision of this Agreement, the Security Agreement, or the Trust Agreement is declared null and void by any court with competent jurisdiction on the Borrower; or the Borrower (A) claims that any such agreement is not valid or binding on it, or (B) repudiates its obligations under any such agreement.

10. ENFORCING THIS AGREEMENT; MISCELLANEOUS

10.1. Basis of Accounting. Except as otherwise stated in this Agreement, all financial information provided to the Bank and all financial covenants will be made consistent with modified basis of cash receipts and disbursements, as further described in Note 1 of the Borrower's audited financial statements for the fiscal year ended December 31, 2021.

10.2. Governing Law. Except to the extent that any law of the United States may apply, this Agreement shall be governed and interpreted according to the laws of the State, without regard to any choice of law, rules or principles to the contrary. Nothing in this paragraph shall be construed to limit or otherwise affect any rights or remedies of the Bank under federal law.

10.3. Venue and Jurisdiction. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Florida (the "State") without giving effect to the conflict of laws principles thereof that would require the application of any other laws. Any action or suit arising out of or relating to this Agreement shall be filed in either the United States District Court for the Northern District of Florida, or in the State of Florida Trial Courts in the Second Circuit, Leon County, Florida. The provisions of this section are material inducements to the parties' acceptance of this Agreement.

10.4. Successors and Assigns. This Agreement is binding on the Borrower's and the Bank's successors and assignees. The Borrower agrees that it may not assign this Agreement without the Bank's prior consent. The Bank may sell participations in or assign either loan facility and the related loan documents, and may exchange information about the Borrower with actual or potential participants or assignees.

10.5. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER DOCUMENTS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION AND (c) CERTIFIES THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.

10.6. Severability; Waivers. If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

10.7. Expenses.

10.7.1. The Borrower shall pay to the Bank immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees, expended or incurred by the Bank in connection with (i) the negotiation and preparation of this Agreement and any related agreements in the amount of \$30,000.00, and (ii) filing, recording and search fees with respect to any collateral and books and records of the Borrower.

10.7.2. The Borrower will indemnify and hold the Bank and its officers, employees and agents harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising

directly or indirectly out of (i) this Agreement or any document required hereunder, (ii) any credit extended or committed by the Bank to the Borrower hereunder and (iii) any litigation or proceeding related to or arising out of this Agreement, any such document, or any such credit, including, without limitation, any act resulting from (A) the Bank complying with instructions the Bank reasonably believes are made by any Authorized Individual and (B) the Bank's reliance on any Communication executed using an Electronic Signature (as those terms are defined in Section 10.15), or in the form of an Electronic Record, that the Bank reasonably believes is made by any Authorized Individual. Notwithstanding the foregoing, the Borrower is not required to indemnify the Bank for any loss, liability, damages, judgments or costs to the extent determined by a final non-appealable judgment of a court of competent jurisdiction to be attributable to the gross negligence or willful misconduct of the Bank.

10.7.3. The Borrower shall reimburse the Bank for any reasonable costs and attorneys' fees incurred by the Bank in connection with (a) the enforcement or preservation of the Bank's rights and remedies and/or the collection of any obligations of the Borrower which become due to the Bank and in connection with any "workout" or restructuring, and (b) the prosecution or defense of any action in any way related to this Agreement, the credit provided hereunder or any related agreements, including without limitation, any action for declaratory relief, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by the Bank or any other person) relating to the Borrower or any other person or entity.

10.8. One Agreement. This Agreement, the Trust Agreement and the Security Agreement constitute the entire agreement between the Borrower and the Bank with respect to the credit subject hereto and supersede all prior negotiations, communications, discussions and correspondence concerning the subject matter hereof. In the event of any conflict between this Agreement and any other agreements required by this Agreement, this Agreement will prevail.

10.9. Notices. Unless otherwise provided in this Agreement or in another agreement between the Bank and the Borrower, all notices required under this Agreement shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Agreement, or to such other addresses as the Bank and the Borrower may specify from time to time in writing (any such notice a "Written Notice"). Written Notices shall be effective (i) if mailed, upon the earlier of receipt or five days after deposit in the U.S. mail, first class, postage prepaid, or (ii) if hand-delivered, by courier or otherwise (including telegram, lettergram or mailgram), when delivered. In lieu of a Written Notice, notices and/or communications from the Bank to the Borrower may, to the extent permitted by law, be delivered electronically (i) by transmitting the communication to the electronic address provided by the Borrower or to such other electronic address as the Borrower may specify from time to time in writing, or (ii) by posting the communication on a website and sending the Borrower a notice to the Borrower's postal address or electronic address telling the Borrower that the communication has been posted, its location, and providing instructions on how to view it (any such notice, an "Electronic Notice"). Electronic Notices shall be effective when the communication, or a notice advising of its posting to a website, is sent to the Borrower's electronic address.

10.10. Headings. Article and paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Agreement.

10.11. Borrower/Obligor Information; Reporting to Credit Bureaus. The Borrower authorizes the Bank at any time to verify or check any information given by the Borrower to the Bank, check the Borrower's credit references and obtain credit reports and other credit bureau information from time to time in connection with the administration, servicing and collection of the loans under this Agreement. The Borrower agrees

that the Bank shall have the right at all times to disclose and report to credit reporting agencies and credit rating agencies such information pertaining to the Borrower as is consistent with the Bank's policies and practices from time to time in effect.

10.12. Amendments. This Agreement may only be amended by a writing signed by the parties hereto; which, to the extent expressly agreed to by the Bank in its discretion, may include being amended by an Electronic Record signed by the parties hereto using Electronic Signatures pursuant to the terms of this Agreement.

10.13. Electronic Records and Signatures; Counterparts. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "Communication"), including Communications required to be in writing, may, if agreed by the Bank, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. The Borrower agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Borrower to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Bank. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Bank may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the Bank's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Bank is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Bank pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Bank has agreed to accept such Electronic Signature, the Bank shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any obligor without further verification and (b) upon the request of the Bank any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

10.14. Maximum Interest Rate. Notwithstanding any other provision contained in this Agreement, the Bank does not intend to charge and the Borrower shall not be required to pay any amount of interest or other fees or charges that is in excess of the maximum permitted by applicable law. Any payment in excess of such maximum shall be refunded to the Borrower or credited against principal, at the option of the Bank. It is the express intent hereof that the Borrower not pay and the Bank not receive, directly or indirectly, interest in excess of that which may be lawfully paid under applicable law including the usury laws in force in the state of Florida.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers, all as of the day and year first written above.

WELLS FARGO BANK,
NATIONAL ASSOCIATION

FLORIDA INSURANCE GUARANTY
ASSOCIATION, INCORPORATED

By: _____

Name: Linda Hollowell
Title: Senior Vice President

By: _____

Name: Corey Neal
Title: Executive Director

Address where notices to the Bank
are to be sent:

Wells Fargo Bank, National Association
100 S. Ashley Drive, 10th Floor
Tampa, FL 33602
Attn: Linda Hollowell

Address where notices to the Borrower
are to be sent:

Florida Insurance Guaranty
Association, Inc.
P.O. Box 14249
Tallahassee, FL 32317
Attn: Corey Neal

With a copy to:

Kutak Rock LLP
2300 Main Street, Suite 800
Kansas City, MO 64108
Attn: Andrew Borders

EXHIBIT A

1. Upon the occurrence of a Break Event, the Breakage Fee shall be calculated and paid as set forth in this Exhibit A. Capitalized terms used in this Exhibit A and not otherwise defined herein have the meanings assigned thereto in the Agreement to which this Exhibit A is attached.

The following defined terms are used in this Exhibit:

“Break Date” means any date that a prepayment of Facility No. 2 is made.

“Break Event” means any prepayment of Facility No. 2.

“Day Count Fraction” is the anticipated basis on which interest is to be computed on Facility No. 2. The Day Count Fraction utilizes a 360-day year and consisting of twelve 30-day months.

“Maturity Date” means March 1, 2024.

“Fixed Rate” means [____ %] per annum.

“Scheduled Due Date” means each date specified on Schedule I hereto.

“Schedule of Outstanding Principal Amount” is the anticipated principal amount of Facility No. 2 scheduled to be outstanding on the date Facility No. 2 is funded and on the Scheduled Due Date. The Schedule of Outstanding Principal Amounts for the Scheduled Due Dates is specified on Schedule I hereto.

2. In connection with any Break Event, a Breakage Fee shall be paid by the Borrower if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Break Event if the Breakage Fee for that Break Event is a negative number. Breakage Fees will be determined by the Bank, on the Banking Day next preceding any Break Date and will be calculated for Facility No. 2 as follows:

“Breakage Fee” for any Break Event is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Fixed Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Break Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

(1) the Bank computes such present values by discounting each such series of amounts described in clause (i) and (ii) above from the Scheduled Due

Date to the Break Date using a series of discount factors corresponding to the Scheduled Due Date as determined by the Bank from the swap yield curve that the Bank would use as of the Break Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

(2) the “Affected Principal Amount” for an Affected Principal Period is the principal amount of Facility No. 2 reflected in the Schedule of Outstanding Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Break Date by the reference to such Schedule of Outstanding Principal Amounts before giving effect to any Break Event on that Break Date, and for any Break Event, multiplying each such principal amount times the Prepayment Fraction;

(3) “Affected Principal Period” is each period from and including a Scheduled Due Date to but excluding the next succeeding Scheduled Due Date; provided, however, if the Break Date is not a Scheduled Due Date, the initial Affected Principal Period shall be the period from and including the Break Date to but excluding the next succeeding Scheduled Due Date and the Affected Principal Period for such initial Affected Principal Period shall be the amount stated in the Schedule of Outstanding Principal Amounts outstanding for the Scheduled Due Date next preceding the Break Date;

(4) “Prepayment Fraction” means, for each Scheduled Due Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of this Agreement to reduce the amount of the prepayment otherwise due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and

(5) “Break Rate” means, for any Break Date, and with respect to Facility No. 2, the fixed rate the Bank determines is representative of what swap dealers would be willing to pay to the Bank (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a quarterly basis in return for receiving the daily average of SOFR over a one-month period (or such alternate rate index designated for use in lieu of SOFR by the International Swaps and Derivatives Association) based payments monthly under interest rate swap transactions that would commence on such Break Date, and mature on, or as close as commercially practicable to, the Maturity Date;

3. The Bank shall determine the Breakage Fee hereunder in good faith using such methodology as the Bank deems appropriate under the circumstance, and the Bank’s determination shall be conclusive and binding in the absence of manifest error.

SCHEDULE I

<u>Scheduled Due Date</u>	<u>Schedule of Outstanding Principal Amounts</u>
August 31, 2022	\$90,000,000.00
June 1, 2023	\$65,000,000.00
September 1, 2023	\$40,000,000.00
December 1, 2023	\$15,000,000.00
March 1, 2024	\$0.00

Exhibit B
Security Agreement

SECURITY AGREEMENT

1. THE SECURITY. Florida Insurance Guaranty Association, Incorporated (the "Debtor") hereby assigns and grants to Wells Fargo Bank, National Association, its successors and assigns (the "Bank") a security interest in the following described property now owned or hereafter acquired by the Debtor (the "Collateral"):

(a) All accounts consisting of the right to payment of (i) the 0.7% assessment levied by the Office of Insurance Regulation of the Financial Services Commission within the Department of Financial Services of the State of Florida (the "OIR") pursuant to Section 631.57(3)(a), Florida Statutes and the 2022 FIGA Assessment (All Other Account), Case No. [order#]-22, order dated August __, 2022 (the "Initial Assessment"), and (ii) any future assessment levied by the OIR after the date of this Security Agreement (the "Agreement") pursuant to Section 631.57(3)(a) or Section 631.57(3)(e), Florida Statutes (to the extent said Section 631.57(3)(e) is applicable pursuant to law) in order to enable the Debtor to timely pay the Indebtedness (as defined herein and as expressed in the order of OIR imposing the assessment) in the event that the Initial Assessment is insufficient for such purpose, which may be pursuant to one or more future orders of the OIR ("Future Orders") that dedicate an assessment or a portion thereof, in order to enable the Debtor to timely pay Indebtedness and all instruments and general intangibles related thereto; provided, however, that to the extent such Future Orders dedicate a portion of the assessment levied thereunder to other, unrelated loans (the "Unrelated Assessment Portion"), such Unrelated Assessment Portion shall not constitute Collateral hereunder and no security interest shall be granted hereunder in such Unrelated Assessment Portion;

(b) The Trust Fund created pursuant to the Trust Agreement (as amended from time to time, the "Trust Agreement"), dated of even date herewith, among the Bank, the Debtor and The Bank of New York Mellon Trust Company, N.A., and all property, including investment property, therein, as described in said Trust Agreement.

(c) All cash or non-cash proceeds of the Collateral, and all income, benefits and property receivable on account of the Collateral, and all supporting obligations covering any Collateral.

(d) All books, data and records pertaining to any Collateral, whether in the form of a writing, photograph, microfilm or electronic media, including but not limited to any computer-readable memory and any computer software necessary to process such memory (the "Books and Records").

2. INDEBTEDNESS. The obligations secured by this Agreement are the payment and performance of all obligations to the Bank under the Loan Agreement (as amended from time to time, the "Loan Agreement"), dated of even date herewith, between the Debtor and the Bank which provides for extensions of credit in the principal amount of \$150,000,000.00. All of the obligations secured under this Agreement are collectively referred to as the "Indebtedness".

3. DEBTOR'S COVENANTS. The Debtor represents, covenants and warrants that unless compliance is waived by the Bank in writing:

(a) The Debtor agrees: (i) to permit the Bank to exercise its rights under this Agreement; (ii) to execute and deliver such documents as the Bank deems necessary to create, perfect and continue the security interests contemplated by this Agreement; (iii) not to change its name or its business structure without giving the Bank at least thirty days prior written notice; and (iv) to cooperate with the Bank in perfecting all security interests granted by this Agreement and in obtaining such agreements from third parties as

the Bank deems necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of its rights under this Agreement.

(b) The Debtor agrees with regard to the Collateral, unless the Bank agrees otherwise in writing: (i) that the Bank is authorized to file financing statements in the name of the Debtor to perfect the Bank's security interest in the Collateral; (ii) that the Bank is authorized to notify any account debtors or any other persons of the Bank's interest in the Collateral; (iii) not to permit any lien on the Collateral, except in favor of the Bank; (iv) not to sell, hypothecate or dispose of, nor permit the transfer by operation of law of, any Collateral or any interest in the Collateral, except pursuant to the Trust Agreement; (v) to keep, in accordance with the modified basis of cash receipts and disbursements described in Note 1 of the Borrower's audited financial statements for the fiscal year ended December 31, 2021, complete and accurate Books and Records regarding all the Collateral, and to permit the Bank to inspect the same and make copies at any reasonable time; (vi) if requested by the Bank, to receive and use reasonable diligence to collect the Collateral and apply the same as required by the Trust Agreement; (vii) not to commingle the Collateral, or collections with respect to the Collateral, with other property; and (viii) in the event the Bank elects to receive payments or rights to payment or proceeds hereunder, to pay all expenses incurred by the Bank, including expenses of accounting, correspondence, collection efforts, reporting to account or contract debtors, filing, recording, record keeping and other expenses.

4. **BANK RIGHTS.** The Debtor appoints the Bank its attorney in fact to perform any of the following rights, which are coupled with an interest, are irrevocable until termination of this Agreement and may be exercised from time to time by the Bank's officers and employees, or any of them, whether or not the Debtor is in default: (a) to perform any obligation of the Debtor hereunder in the Debtor's name or otherwise; (b) to prepare, execute, file, record or deliver financing statements, continuation statements, termination statements, statements of assignment or like documents to perfect, preserve or release the Bank's interest in the Collateral; (c) to verify facts concerning the Collateral by inquiry of obligors thereon, or otherwise; and (e) to do all other acts and things and execute all documents in the name of the Debtor or otherwise, deemed by the Bank as necessary, proper and convenient in connection with the preservation, perfection or enforcement of its rights hereunder.

5. **DEFAULTS.** It shall be an Event of Default hereunder if there is an Event of Default as defined in the Loan Agreement.

6. **BANK'S REMEDIES AFTER DEFAULT.** Upon the occurrence of an Event of Default, the Bank may do any one or more of the following, to the extent permitted by law:

(a) Declare any Indebtedness immediately due and payable, without notice or demand.

(b) Enforce the security interest given hereunder pursuant to the Uniform Commercial Code and any other applicable law.

(c) Require the Debtor to segregate all collections and proceeds of the Collateral so that they are capable of identification and deliver daily such collections and proceeds to the Bank in kind.

(d) Require the Debtor to direct all account debtors to forward all payments and proceeds of the Collateral to a post office box under the Bank's exclusive control.

(e) Give notice to others of the Bank's rights in the Collateral, to enforce or forebear from enforcing the same.

(f) Demand and collect any payments on and proceeds of the Collateral.

(g) Have a receiver appointed by any court of competent jurisdiction to take possession of the Collateral. The Debtor hereby consents to the appointment of such a receiver and agrees not to oppose any such appointment.

(h) Exercise all rights, powers and remedies which the Debtor would have, but for this Agreement, with respect to all Collateral.

(i) Exercise any other remedies available to the Bank at law or in equity.

7. MISCELLANEOUS.

(a) Any waiver, express or implied, of any provision hereunder and any delay or failure by the Bank to enforce any provision shall not preclude the Bank from enforcing any such provision thereafter.

(b) Except to the extent that any law of the United States may apply, this Agreement shall be governed and interpreted according to the laws of Florida, without regard to any choice of law, rules or principles to the contrary. Nothing in this paragraph shall be construed to limit or otherwise affect any rights or remedies of the Bank under federal law.

(c) All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

(d) All terms not defined herein are used as set forth in the Uniform Commercial Code.

(e) The Debtor shall pay to the Bank immediately upon demand the full amount of all payments, advances, and expenses, including reasonable attorneys' fees, expended or incurred by the Bank in connection with (a) the perfection and preservation of the Collateral or the Bank's interest therein, and (b) the realization, enforcement and exercise of any right, power, privilege or remedy conferred by this Agreement, relating to the Debtor, or in any way affecting any of the Collateral or the Bank's ability to exercise any of its rights or remedies with respect to the Collateral.

(f) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties. This Agreement may not be assigned by the Debtor.

(g) If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced

8. NOTICES. All notices required under this Agreement shall be given in the manner provided for in the Loan Agreement.

9. AMENDMENTS. This Agreement may only be amended by a writing signed by the parties hereto; which, to the extent expressly agreed to by the Bank in its discretion, may include being amended by an Electronic Record signed by the parties hereto using Electronic Signatures pursuant to the terms of this Agreement.

10. ELECTRONIC RECORDS AND SIGNATURES. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this

Agreement (each a "Communication"), including Communications required to be in writing, may, if agreed by the Bank, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. The Debtor agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Debtor to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Debtor enforceable against the Debtor in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Bank. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Bank may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the Bank's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Bank is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Bank pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Bank has agreed to accept such Electronic Signature, the Bank shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Debtor without further verification and (b) upon the request of the Bank any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

11. SEVERABILITY; WAIVERS. If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as the date set forth below.

Dated: August 31, 2022.

WELLS FARGO BANK, NATIONAL ASSOCIATION

FLORIDA INSURANCE GUARANTY ASSOCIATION,
INCORPORATED

By:

Name: Linda Hallowell

Title: Senior Vice President

By:

Name: Corey Neal

Title: Executive Director

Address where notices to the Bank
are to be sent:

Address where notices to the Borrower
are to be sent:

Wells Fargo Bank, NATIONAL ASSOCIATION

100 South Ashley Drive, 10th Floor

Tampa, Florida 33602

Attention: Linda Hallowell

Florida Insurance Guaranty Association, Inc.

P.O. Box 14249

Tallahassee, FL 32317

Attention: Corey Neal

Telephone: (850) 523-1888

With a copy to:

Kutak Rock LLP

2300 Main Street, Suite 800

Kansas City, Missouri 64108

Attention: Andrew Borders, Partner

Exhibit C
Trust Agreement

TRUST AGREEMENT

THIS TRUST AGREEMENT (this "Agreement"), is dated August 31, 2022, and is among Wells Fargo Bank, National Association (together with its successors and assigns, the "Creditor"), a national banking association, Florida Insurance Guaranty Association, Incorporated (the "Borrower"), a Florida nonprofit corporation and The Bank of New York Mellon Trust Company, N.A. (together with its successors, the "Trustee"), a national banking association, as Trustee.

WITNESSETH:

WHEREAS, the Creditor and the Borrower have entered into a Loan Agreement (as amended from time to time, the "Loan Agreement"), dated of even date herewith, and pursuant to which the Borrower has agreed to enter into this Agreement in order to provide a source of payment and security for the obligations of the Borrower to the Creditor pursuant to the Loan Agreement (the "Obligations");

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein set forth and in order to provide a source of and security for the timely payment of the Obligations, the Borrower does by these presents hereby deliver to and give, grant, assign and pledge to the Trustee and to its successors in the trust hereby created, all right, title, and interest of the Borrower in and to all cash balances and all investments held from time to time hereunder.

TO HAVE AND TO HOLD, in trust, upon the terms herein set forth, for the benefit, security and protection, as herein described, of the Creditor.

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to words and terms elsewhere defined in this Agreement, as used herein, unless some other meaning is plainly intended, the following terms and phrases shall have the following meanings:

"Additional Assessment" means any assessment, other than the Initial Assessment, levied by the OIR after the date of this Agreement pursuant to Section 631.57(3)(a)–, Florida Statutes or Section 631.57(3)(e), Florida Statutes (to the extent said Section 631.57(3)(e) is applicable pursuant to law) in order to enable the Borrower to timely pay its obligations to the Creditor pursuant to the Loan Agreement (as expressed in the order of OIR imposing the assessment) in the event the Initial Assessment is insufficient for such purpose, which may be pursuant to one or more future orders of the OIR that dedicate, either fully or proportionately, an assessment, in order to enable the Borrower to timely pay its obligations under the Loan Agreement and/or other, unrelated loans.

"Assessments" means the Initial Assessment and any Additional Assessment.

"Business Day" means any day other than a Saturday or Sunday or a day on which the office of the Trustee or Creditor set forth in or pursuant to Section 4.05 hereof is lawfully closed.

"Facility No. 1" is defined in the Loan Agreement.

"Facility No. 2" is defined in the Loan Agreement.

"Initial Assessment" means the 0.7% assessment levied by the OIR pursuant to Section 631.57(3)(a), Florida Statutes and the 2022 FIGA Assessment (All Other Account), Case No. [order#]-22, order dated August __, 2022.

"OIR" means the Office of Insurance Regulation of the Financial Services Commission within the Department of Financial Services of the State of Florida.

"Payment Date" means, (i) with respect to Facility No. 1, each of June 1, 2023, September 1, 2023, December 1, 2023, March 1, 2024, June 1, 2024, and September 1, 2024, and (ii) with respect to Facility No. 2, each of June 1, 2023, September 1, 2023, December 1, 2023, and March 1, 2024.

"Permitted Investments" means United States money market funds investing only in U.S. Treasury securities or any government securities (i.e., securities issued or guaranteed as to principal and interest by the U.S. government or its agencies or instrumentalities, or repurchase agreements collateralized solely by U.S. Treasury securities or any government securities and cash.

"Trust Fund" means the fund so designated and established under Section 2.01 of this Agreement.

Section 1.02. Uses of Phrases. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice-versa.

ARTICLE II

ESTABLISHMENT OF FUND; FLOW OF FUNDS

Section 2.01. Creation of Trust Fund. There is hereby created and established with the Trustee a special and irrevocable trust fund designated the "Trust Fund" to be held in the custody of the Trustee separate and apart from other funds of the Borrower or the Trustee.

Section 2.02. Deposits to Trust Fund. The Borrower shall deposit or cause to be deposited all proceeds of the Assessments in the Trust Fund. If the Borrower receives any payment of Assessments it shall pay the same to the Trustee on or before the fifteenth Business Day of the next February, May, August or November after receipt by the Borrower. The Borrower shall direct the payor of any Assessment to pay the same directly to the Trustee in accordance with written payment instructions provided by the Trustee.

Section 2.03. Application of Trust Fund. The Trustee shall apply the moneys deposited in the Trust Fund in accordance with the provisions hereof. The Trustee shall not invest any moneys held hereunder or sell, transfer, or otherwise dispose of the moneys held hereunder except as provided in this Agreement.

Section 2.04. Irrevocable Trust Created. Except as expressly provided herein, the deposit of moneys in the Trust Fund shall constitute an irrevocable deposit for the benefit of the Creditor and the Creditor has a security interest in the Trust Fund and all property therein.

Section 2.05. Use and Investment of Moneys in Trust Fund.

(a) Not less than three Business Days before any payment from the Borrower to the Creditor pursuant to the Loan Agreement is due, including, without limitation, each Payment Date, the Creditor shall provide written notice thereof to the Borrower and the Trustee. On each Payment Date and any other due date for any payment specified in such written notice, the Trustee shall withdraw from the Trust Fund the amount due to the Creditor, and shall pay such amount to the Creditor.

(b) Unless the Trustee has received written notice from the Creditor stating that an Event of Default (as defined in the Loan Agreement) has occurred and is continuing pursuant to the Loan Agreement, subject to Sections 2.05(c) and (d) below, the Trustee shall invest moneys in the Trust Fund in Permitted Investments and shall liquidate such investments, pursuant to written instructions from the Borrower, and in the absence of such instructions money in the Trust Fund shall be held un-invested and without liability for interest.

(c) If the Trustee has received written notice from the Creditor stating that an Event of Default (as defined in the Loan Agreement) has occurred and is continuing pursuant to the Loan Agreement, the Trustee shall invest moneys in the Trust Fund in Permitted Investments, and may liquidate investments, only (subject to Section 2.05(d) below) pursuant to written instructions from the Creditor, and in the absence of such instructions money in the Trust Fund shall be held un-invested and without liability for interest.

(d) Notwithstanding anything in Section 2.05(b) or (c), the Trustee shall liquidate investments in the Trust Fund at such times and in such amounts as shall enable the Trustee to make the payments required by Section 2.05(a).

Section 2.06. General Provisions Regarding Investments.

The Trustee shall be entitled to assume that any investment directed in writing by the Borrower or Creditor as provided herein is and remains a Permitted Investment, absent actual knowledge by the Trustee of information to the contrary, and such written direction shall be deemed to be a certification that such directed investments constitute Permitted Investments.

The Borrower and the Creditor agree that trade confirmations of investments are not required to be issued or provided by the Trustee.

For the purpose of determining the amount on deposit to the credit of the Trust Fund, obligations purchased as an investment of moneys therein shall be valued at the cost or market price thereof, whichever is lower, inclusive of accrued interest.

The Trustee shall not be liable for any loss or penalty resulting from any investment or liquidation of investments made in accordance herewith.

The Trustee may make investments permitted or required hereby through its own investment division, subsidiaries, affiliates or other bank facilities established for such purposes and may charge its ordinary and customary reasonable fees for such investments.

Section 2.07. Transfer of Funds After All Payments Required by the Loan Agreement Are on Deposit. After Facility No. 1 has been paid in full and all amounts to become due from the Borrower to the Creditor pursuant to the Loan Agreement for Facility No. 2 have been deposited in the Trust Fund, upon the written request of the Borrower the Creditor shall in writing direct the Trustee to transfer all remaining moneys and investments in the Trust Fund to or at the written direction of the Borrower.

Section 2.08. Trustee Fees and Expenses. The Borrower agrees to provide for the payment, from lawfully available funds of the Borrower, of the compensation due and owing the Trustee which compensation shall be paid at such times and in such amounts shown on Exhibit A. In no event shall the Trustee have any lien, security interest or right of set-off or withdrawal whatsoever upon any of the moneys or investments held in the Trust Fund for the payment of such compensation, or for the payment or reimbursement of any expenses incurred by the Trustee in connection with this Agreement.

Section 2.09. Reporting by Trustee; Reconciliation.

(a) By the tenth day of each February, May, August and November, the Trustee shall provide or make available (in a manner that both the Borrower and the Creditor are able to access) to the Borrower and the Creditor a written report in reasonable detail regarding the funds held by the Trustee in the Trust Fund as of the last Business Day of the immediately preceding January, April, July or October, including deposits made, investments made and liquidated, and payments made during the three months then ending, and beginning and ending balances for such three months.

(b) In the event the Borrower determines that any funds paid to the Trustee are not proceeds of Assessments, the Borrower may provide a written certification to the Trustee and the Creditor identifying any amounts held by the Trustee in the Trust Fund that are not proceeds of the Assessments and instructing the Trustee to withdraw such funds from the Trust Fund and pay the same to the Borrower, and (i) provided that the Trustee has not been notified in writing by the Creditor that an Event of Default (as defined in the Loan Agreement) exists, the Trustee shall withdraw such funds from the Trust Fund and pay the same to the Borrower or (ii) if the Trustee has been notified by the Creditor that an Event of Default (as defined in the Loan Agreement) exists, the Trustee shall not withdraw such funds from the Trust Fund or pay them to the Borrower except with the written consent of the Creditor, and until such time as the Borrower and Creditor resolve the objection, the funds in dispute shall remain in suspense in the Trust Fund and shall not be used for any purpose until the issue is resolved by the Creditor and Borrower evidenced by a joint written direction to the Trustee or an order of a court of competent jurisdiction.

ARTICLE III

CONCERNING THE TRUSTEE

Section 3.01. Appointment of Trustee. The Borrower and the Creditor appoint The Bank of New York Mellon Trust Company, N.A. as Trustee under this Agreement.

Section 3.02. Acceptance by Trustee. By execution of this Agreement, the Trustee accepts its duties and obligations hereunder.

Section 3.03. Liability of Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

So long as the Trustee applies all moneys held hereunder as required hereby, it shall not be liable for any deficiencies in the amounts necessary to make the payments required hereby.

The Trustee shall keep such books and records as shall be consistent with prudent industry practice and shall make such books and records available for inspection by the Borrower and Creditor at all reasonable times during normal business hours of the Trustee. In the event of the Trustee's failure to account for any of the moneys received or acquired by it hereunder, said moneys shall be and remain the property of the Borrower in trust as herein provided and subject to the security interest of the Creditor therein.

The duties and obligations of the Trustee shall be determined by the express provisions of this Agreement and no additional covenants or obligations shall be read into this Agreement against the Trustee. The Trustee may consult with counsel (which may not also be counsel for the Borrower or Creditor) with respect to any matter relevant to this Agreement, and be entitled to receive from the Borrower reimbursement of the reasonable fees, costs and expenses of such counsel, and in reliance upon the opinion of such counsel the Trustee shall have full and complete authorization and protection in respect of any

action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively proved or established by a certificate signed by an authorized officer of the Borrower or Creditor, as the case may be, and the Trustee may in good faith conclusively rely upon such certificate.

The Trustee may conclusively rely upon and shall be fully protected in acting and conclusively relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Trustee shall not be required to expend its own funds for the performance of its duties under this Agreement.

The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic, riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

If any portion of the Trust Fund is at any time attached, garnished or levied upon, or otherwise subject to any writ, order, decree or process of any court, or in case disbursement of Trust Fund is stayed or enjoined by any court order, the Trustee is authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders, decrees or process so entered or issued, including but not limited to those which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction; and if the Trustee relies upon or complies with any such writ, order, decree or process, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even if such order is reversed, modified, annulled, set aside or vacated.

Section 3.05. Resignation or Removal of Trustee. The Trustee may resign from its duties hereunder at any time upon thirty days' prior written notice to the Borrower and Creditor; provided however, such resignation shall not become effective until a successor Trustee has been appointed by the Borrower and Creditor, and such successor Trustee has accepted such appointment in writing. Upon receiving such notice of resignation, the Borrower and Creditor shall promptly appoint a successor Trustee; however, if no successor has been appointed within the thirty day notice period, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor until a successor shall have been appointed as herein provided. The Trustee may be removed upon thirty days' notice by written direction executed by the Borrower and Creditor if no Event of Default exists, or by the Creditor if an Event of Default exists, or by a final, non-appealable order of a court of competent jurisdiction holding that the Trustee has not complied with its duties hereunder and appointing a successor Trustee.

Section 3.06 Suspension of Performance; Disbursement into Court. If, at any time, (a) a dispute exists with respect to any obligation of the Trustee hereunder, (b) the Trustee is unable to determine, to the Trustee's sole satisfaction, the Trustee's proper actions with respect to its obligations hereunder, or (c) the Borrower and the Creditor have not, within thirty days after receipt of a notice of resignation, appointed a successor the Trustee to act hereunder, then the Trustee may, in its sole discretion, take either or both of the following actions:

(i) suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of the Trustee or until a successor the Trustee shall have been appointed;

(ii) petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to the Trustee, for instructions with respect to such dispute or uncertainty and, to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all, and not less than all, assets in the Trust Fund.

The Trustee shall have no liability to the Borrower or the Creditor for suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise due to any delay in any other action required or requested of the Trustee, except as otherwise set forth in the first paragraph of Section 3.03.

Section 3.07 Tax Reporting. The Trustee has no responsibility for the tax consequences of this Agreement. The Borrower and the Creditor agree to (i) assume all obligations imposed upon each of them now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement and (ii) request and direct the Trustee in writing with respect to withholding and other taxes, assessments or other governmental charges applicable to them, and advise the Trustee in writing with respect to any certifications and governmental reporting that may be required as to them under any applicable laws or regulations. Except as otherwise agreed by the Trustee in writing, the Borrower and the Creditor each agree for itself that the Trustee has no tax reporting or withholding obligation as to the Borrower and the Creditor except to the Internal Revenue Service with respect to Form 1099 reporting on dividends and distributions, interest, proceeds of broker and barter exchanges and payments of gross proceeds. All investment earnings and losses and proceeds of sales and exchanges shall be reported to the Borrower as the owner of the Trust Fund.

The Trustee acknowledges that it has received all identifying information regarding the Borrower and the Creditor requested by the Trustee so that the Trustee may comply with its regulatory obligations and reasonable business practices, including without limitation a completed United States Internal Revenue Service Form W-9.

Section 3.08 Indemnification of the Trustee. The Borrower shall indemnify and hold harmless the Trustee and each director, officer, employee and affiliate of the Trustee (each, an "Indemnified Party") upon demand against any and all claims (whether asserted by Creditor or any other person or entity and whether or not valid), actions, proceedings, losses, damages, liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, costs and expenses) (collectively, "Losses") arising from this Agreement or the Trustee's actions hereunder, except to the extent such Losses are finally determined by a court of competent jurisdiction, which determination is not subject to appeal, to have been directly caused solely by the gross negligence or willful misconduct of such Indemnified Party in connection with the Trustee's material breach of this Agreement. The Borrower further agrees to indemnify each Indemnified Party for all costs, including without limitation reasonable attorneys' fees, costs and expenses incurred by such Indemnified Party relating to the enforcement of the Creditor's and the Borrower's obligations hereunder. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such counsel shall be paid upon demand by the Borrower. The obligations of the Borrower under this Section shall survive any termination of this Agreement or the sooner resignation or removal of the Trustee.

Section 3.09 Identifying Information. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, the Trustee requires documentation to verify its formation and existence as a legal entity. Prior to execution of this Agreement, the Trustee has completed to its satisfaction all requirements under the USA PATRIOT Act, the USA FREEDOM Act, the Bank Secrecy Act, and the regulations of the U.S. Department of the Treasury Office of Foreign Assets Control.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Amendments to this Agreement. This Agreement may be amended only in writing executed by the Borrower, the Creditor and the Trustee; which, to the extent expressly agreed to by the Creditor in its discretion, may include being amended by an Electronic Record signed by the parties hereto using Electronic Signatures pursuant to the terms of this Agreement.

Section 4.02. Successors; No Assignment. This Agreement is binding on the Borrower's, the Trustee's, and the Creditor's successors and assignees. This Agreement may not be assigned by the Borrower or by the Trustee. This Agreement may be assigned by the Creditor, but only to any individual or entity to which the Creditor assigns the Loan Agreement and Security Agreement.

Section 4.03. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Trustee under and pursuant to the provisions hereof shall have been made.

Section 4.04. Execution by Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded for all purposes as an original, and all of which, together, shall constitute and be but one and the same instrument.

Section 4.05. Notices. All notices required under this Agreement shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses set forth below, or to such other addresses as the Creditor, the Borrower or the Trustee may specify from time to time in writing (any such notice a "Written Notice"). Written Notices shall be effective (i) if mailed, upon the earlier of receipt or five days after deposit in the U.S. mail, first class, postage prepaid, or (ii) if hand-delivered, by courier or otherwise (including telegram, lettergram or mailgram), when delivered.

If to the Borrower: Florida Insurance Guaranty Association, Inc.
P.O. Box 14249
Tallahassee, FL 32317
Attention: Corey Neal, Executive Director

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256
Attention: Corporate Trust

If to the Creditor: Wells Fargo Bank, National Association
100 South Ashley Drive, 10th Floor
Tampa, Florida 33602

Attention: Linda Hallowell, Senior Vice President
With a copy to:

Kutak Rock, Lender's Counsel
2300 Main Street, Suite 800
Kansas City, Missouri 64108
Attention: Andrew Borders

Section 4.06. Governing Law, Jurisdiction and Venue. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Florida (the "State") without giving effect to the conflict of laws principles thereof that would require the application of any other laws. Any action or suit arising out of or relating to this Agreement shall be filed in either the United States District Court for the Northern District of Florida, or in the State of Florida Trial Courts in the Second Circuit, Leon County, Florida. The provisions of this section are material inducements to the parties' acceptance of this Agreement.

Section 4.07 Entire Agreement, No Third-Party Beneficiaries. This Agreement constitutes the entire agreement between the signatory parties hereto relating to the holding and distribution of Trust Fund, and sets forth in their entirety the obligations and duties of the Trustee with respect to Trust Fund. If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. Nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the signatory parties hereto and the Indemnified Parties any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 4.08 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER DOCUMENTS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION AND (c) CERTIFIES THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.

Section 4.09 Electronic Records and Signatures. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "Communication"), including Communications required to be in writing, may, if agreed by the Creditor, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. The Borrower and Trustee agree that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Borrower and Trustee, as applicable, to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Borrower and Trustee, as applicable, enforceable against the Borrower and Trustee in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Creditor. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such

counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Creditor of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Creditor may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the Creditor's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Creditor is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Creditor pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Creditor has agreed to accept such Electronic Signature, the Creditor shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any obligor without further verification and (b) upon the request of the Creditor any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Borrower, the Creditor and the Trustee have duly executed this Agreement as of August 31, 2022.

WELLS FARGO BANK-NATIONAL
ASSOCIATION

FLORIDA INSURANCE GUARANTY
ASSOCIATION, INCORPORATED

By:
Name: Linda Hallowell
Title: Senior Vice President

By:
Name: Corey Neal
Title: Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Name: Wayne E. Edmiston, Jr.
Title: Vice President

EXHIBIT A

TRUSTEE FEES AND EXPENSES

(i) In consideration of the services rendered by the Trustee under the Agreement, the Borrower agrees to pay the Trustee an one-time fee of \$_____, to be paid on the date hereof, for all services to be incurred as Trustee in connection with such services, plus agrees to promptly pay, as incurred, reimbursement at cost for ordinary out-of-pocket expenses including postage and publication costs. The term "ordinary out-of-pocket expenses" means expenses of holding and disbursing the Trust Fund as provided herein and includes, but is not limited to, publication costs, postage and legal fees, costs and expenses as incurred.

(ii) The Borrower shall also promptly reimburse the Trustee for any extraordinary expenses incurred by it in connection herewith. The term "extraordinary expenses" includes (a) expenses arising out of the assertion of any third party, excluding the Creditor, to any interest in the Trust Fund or any challenge to the validity hereof, including reasonable attorneys' fees, costs and expenses and (b) expenses (other than ordinary expenses) not occasioned by the Trustee's willful misconduct or negligence.

(iii) The fees and expenses payable by the Borrower under paragraphs (i) or (ii) shall not be paid from the Trust Fund, but shall be paid by the Borrower from legally available funds of the Borrower.

STATE OF FLORIDA
COUNTY OF LEON

I, Paula Lutes, as Secretary of the Association, do hereby certify that the foregoing is a true and correct copy of the resolution passed and adopted by the Florida Insurance Guaranty Association, Incorporated on the 19th day of August, 2022.

IN WITNESS WHEREOF, I hereunto set my hand this 19th day of August, 2022.

Paula Lutes, Secretary
Florida Insurance Guaranty Association, Incorporated

OTHER BUSINESS, CLOSING REMARKS & ADJOURNMENT