

**HOMEOWNERS LIMITED REPRESENTATIVE SERVICE AGREEMENT with
Avatar Management LLC**

of the

Avatar Property & Casualty Insurance Company

This Agreement is made and entered into effective as of _____, by and between Avatar Management LLC, which has its administrative offices at 1408 N. Westshore Blvd., Suite 805, Tampa, FL 33607 and is hereinafter referred to as "MGA", and _____ hereinafter referred to as "Limited Representative."

WITNESS THAT:

In consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

I. APPOINTMENT AND AUTHORITY

1. This Agreement is subject to the restrictions imposed upon MGA, insurance carrier(s) and Limited Representative by law. The terms of this Agreement apply to business in which MGA and Limited Representative transact through "Take Out" policies removed from Citizens Property Insurance Corporation (Citizens) by Avatar Property & Casualty Insurance Company during the term of this agreement and referred to in the Citizens Property Insurance Corporation Assumption Agreement.
2. Limited Representative is an independent contractor and not an employee of MGA. MGA does hereby grant authority to Limited Representative to provide all limited policy services as an insurance agent, for which Limited Representative has authority from the MGA, on all contracts of insurance covered by this agreement. Limited Representative understands and agrees the "servicing fee" paid on such business is reflective of services required by MGA.
3. Limited Representative shall not have binding authority on behalf of the MGA unless prior written approval for the specific insurance policy to be bound has been granted by MGA and accepted by Limited Representative. Any binding authority granted to the Limited Representative may be revoked at any time by notice from MGA. **Any binding authority granted to the Limited Representative will be specifically limited to binding authority necessary to fulfill Limited Representative's obligations under this Agreement as it relates to "Take Out" policies from Citizens.**
4. Limited Representative shall conduct business on behalf of MGA only pursuant to

authority granted by this Agreement and in accordance with the underwriting guidelines, rules and other written directives furnished to Limited Representative by MGA. The underwriting guidelines and written directives may be amended by MGA at any time. Authority granted to Limited Representative by MGA will be limited to that authority necessary to properly service MGA "Take Out" policies from Citizens.

5. Limited Representative understands that MGA is not an insurance company or carrier, cannot function as one and must follow the requirements of the issuing carrier.
6. Limited Representative shall maintain proper licenses, where business is conducted.
7. Limited Representative acknowledges that MGA will suspend binding or writing policies of insurance providing coverage for fire, windstorm, explosion, riot and civil commotion, or extended coverage, except renewals (in the same company) of an existing policy containing such coverage:
 - (a) In accordance with the company's storm procedures, or when hurricane or tornado watches or warnings have been posted, or there are definite indications or general knowledge by the public that a named storm may be expected in the immediate future within the vicinity of the risk in question;
 - (b) When a named storm is in progress;
 - (c) When a civil disorder, disturbance, civil commotion or riot is in progress;
 - (d) When there are definite indications or general knowledge by the public that a civil disorder, disturbance, civil commotion or riot is imminent or may be expected in the immediate future within the vicinity or area of the risk in question;
 - (e) On any risk in an area, subdivision, municipality, city, county, commonwealth or state, which is under curfew or martial law because of civil unrest; or
 - (f) Upon receipt of any request from the company relating to implementation of the company's exposure management plan.

II. PREMIUMS AND "SERVICING FEES"

1. Limited Representative shall accept in a fiduciary capacity all premiums received on behalf of the insurance carrier or MGA. Premium collected and policy change requests must be forwarded to MGA no later than the fifth (5th) calendar day following the

effective date of such change.

2. Limited Representative agrees that the full "servicing fee" paid to the Limited Representative by the MGA shall be the Limited Representative's sole and full compensation on such business placed through the Limited Representative with the applicable insurance company, and that such "servicing fees" are payable in consideration of the faithful performance by the Limited Representative of his duties and obligations as set forth in this Agreement. Undisputed "servicing fees" in the hands of the applicable insurance company or MGA may be applied at any time to, and as offset against, any due and unpaid obligations to the applicable insurance company or MGA.
3. Limited Representative agrees that assignment of "servicing fees" shall not bind the applicable insurance company or the MGA without its prior written consent.
4. Limited Representative shall refund MGA "servicing fees" on cancelled policies and on reductions in premiums at the same rate "servicing fees" were originally earned. Whether such action is taken during the continuance of this Limited Representative Agreement or after its termination, refunded "servicing fees" must be received by MGA no later than forty-five (45) days after MGA's notification to Limited Representative. If Limited Representative has failed to promptly account for and pay to MGA premiums or other monies for which Limited Representative is liable, MGA reserves the right to withhold payment of any and all "servicing fees" to Limited Representative. Any such withholding shall be credited to Limited Representative's account. Any surplus "servicing fees" over and above the premiums or other monies Limited Representative owes MGA shall be paid to Limited Representative. However, if "servicing fee" retained does not fully satisfy the premiums or monies Limited Representative owes MGA then Limited Representative shall remain liable for those premiums or monies Limited Representative owes MGA.

III. INDEMNIFICATION

MGA shall indemnify and hold the Limited Representative harmless for all fines, penalties and related expenses which the Limited Representative may incur as a result of any action of MGA which is in violation of any law or regulation or contract or other duty, including any and all liability and cost of defense resulting from any suit or other action being brought against Limited Representative for any error or omission of MGA, its principals, or its employees.

In addition, Limited Representative shall indemnify and hold MGA and the applicable insurance company harmless for all fines, penalties and related expenses which MGA or the applicable insurance company may incur as a result of any action of Limited Representative which is in violation of any law or regulation, including any and all liability and cost of defense resulting from any suit being brought against any and all parties for any error or omission of the Limited Representative, its principals, or its

employees. The parties understand and agree that Limited Representative will obtain and maintain at all times during the term of the Agreement insurance for errors and omissions of the Limited Representative, its principals, and its employees in an amount of not less than \$500,000 per occurrence and \$1,000,000 aggregate liability limits; and that this agreement is conditioned upon Limited Representative obtaining and maintaining such insurance.

IV. SUCCESSOR CLAUSE

Limited Representative shall notify MGA of its intent to sell, merge or otherwise transfer ownership in the expirations of business placed with MGA. Such notice shall be given as soon as practicable but not less than thirty (30) days prior to the effective date of any such proposed transaction. MGA shall not unreasonably withhold its appointment of any successor agency provided that Limited Representative has given the notice required by this Article and has complied in all material respects with the obligations imposed upon Limited Representative by this Agreement.

V. SUSPENSION OR TERMINATION

1. After a period of three years from the assumption date of the last affected policy, this agreement may be terminated by either party by providing 90 days' advance written notice to the other or upon such greater number of days notice as may be required by applicable state law. Effective immediately from the date of such notice, Limited Representative's authority is revoked.
2. This agreement will terminate immediately and automatically, if any public authority cancels or declines to renew Limited Representative's license or certificate of authority.
3. This agreement will terminate immediately and automatically on the effective date of the sale or transfer to, or merger with, a successor of Limited Representative's business, unless MGA has agreed in writing to appoint the successor as Limited Representative in accordance with Article IV of this Agreement.
4. This agreement will terminate immediately upon either party giving written notice to the other in the event of abandonment, fraud, insolvency, or gross and willful misconduct on the part of such other party.

5. Provided, that the period of three years from the assumption date specified in this article or referenced in Article VI or any other portion of this Agreement may be extended in two (2) year increments beginning at the end of the initial three-year period. This may be done by Limited Representative mailing notice of each such extension to MGA at least thirty (30) days prior to the expiration of this Agreement.
6. The parties acknowledge the State Farm exclusive agency contract, and that this agreement is effective only so long as and to the extent that the Limited Representative has requested and State Farm has granted its consent in writing pursuant to its agency agreement.

VI. OWNERSHIP OF POLICYHOLDER INFORMATION

During and after the termination of this agreement, information regarding names, addresses, and ages of policyholders, the description and location of insured property; expiration or renewal dates of policies coming into the MGA's possession, including all forms, computer-related and electronic files, and other materials upon which this information is recorded (hereinafter "policyholder information"), shall remain in the undisputed control of Limited Representative. MGA will not use policy or policyholder information in any marketing for the sale, service or renewal of any form of insurance, unless the policyholder selects another agent of record, and that agent of record is not a party to a State Farm exclusive agency contract.

In the event of any pending or threatened litigation, administrative proceeding, regulatory action or other legal proceeding, the Limited Representative shall provide to MGA in a timely manner upon receipt of a written request copies of any designated records applicable to business hereunder; provided, that MGA shall be required to pay to Limited Representative a reasonable per page charge for all copies provided. Such copies and the expiration information therein remain, however, subject to the confidentiality, ownership and all other provisions of this agreement and shall not be used for marketing any other purposes inconsistent with this agreement.

VII. MISCELLANEOUS

1. All supplies including forms and policies furnished by MGA shall always remain the property of MGA and shall be returned to MGA or its representative upon demand.
2. All notices, claims or demands required or permitted to be given hereunder, shall be in writing and shall be delivered by hand, or mailed (properly addressed and postage prepaid, either by certified or registered mail with return receipt requested or by first class mail), or by overnight courier, or by telecopy with confirming

copy by first class mail mailed on the same day as the telecopy was transmitted. Notices to MGA or Limited Representative shall be delivered to the address listed above herein, or at such other address that has been provided the other party in writing. Notices delivered by hand delivery or telecopy shall be deemed delivered when received by addressee. Notices mailed (by United States mail or overnight courier) shall be deemed delivered when mailed. Telecopy notices shall be deemed delivered upon confirmation of transmission to the telecopy number provided by addressee.

3. This Agreement shall be subject to and construed under the laws of the State of Florida, without regard to any choice of law rules that may direct the application of the laws of another jurisdiction. Any action brought to enforce or interpret the terms or conditions of this Agreement shall be subject to the jurisdiction of, and shall be prosecuted in, the Superior Court of the State of Florida, for the County of Hillsborough.
4. This Agreement shall not be amended unless both parties consent to such amendment in writing.
5. The Parties agree to keep strictly confidential all information which relates to any business hereunder, including information relating to any insureds or customers of either party which is provided (by "Providing Party") to the other (or "Receiving Party"). Such information shall be herein identified as "Confidential Information." Confidential information shall not include (i) information previously known by the Receiving party, (ii) information available from public sources, or (iii) information available from third parties on a non-confidential basis. Unless otherwise agreed in writing, the Confidential Information shall be used solely for the purposes for which provided, and may be disclosed only to employees of the Receiving Party and others with a need to know ("Representatives"). Representatives shall be required by the Receiving Party to comply with this paragraph, and the Receiving Party shall be liable for any breach of this paragraph by its Representatives. The Receiving Party shall immediately notify the Providing Party if it is requested or compelled by legal process to disclose any Confidential Information, and shall assist and cooperate with all efforts of the Providing Party to obtain a protective order, negotiate the terms of disclosure, or otherwise respond to the legal process.

The Receiving Party agrees that Confidential Information shall remain confidential and shall not be disclosed to any third party other than to perform the business of insurance as permitted by law and contemplated by this Agreement. In the event the Receiving Party intends to disclose Confidential Information, the Receiving Party agrees to provide affected policyholders, customers and/or consumers with the required legal notice and to otherwise comply with applicable

law with regard to such disclosure.

This Agreement supersedes any and all previous Limited Representative Agreements, agency agreements, or similar agreements between MGA (or the applicable insurance company) and Limited Representative.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this ____ day of _____, 2008.

MGA: _____

Limited Representative's Name:

By: _____

By:

Title

Title

Agency Name

Street Address

City/Zip

**THE FOLLOWING ITEMS
MUST ALSO BE COMPLETED:**

Tax ID: _____

Phone #: _____

Fax #: _____

E-mail: _____

"SERVICING FEE" SCHEDULE

The Limited Representative will accept and MGA will pay as full compensation, for all services rendered under this Limited Representative Agreement, the percentage of "servicing fee(s)" specified below:

HOMEOWNER "SERVICING FEE" SCHEDULE

New Business: 10% Renewal: 10% (based upon total policy premium)

"Servicing fee" will be paid:

On any premium received by MGA and recorded by MGA, subject to an offset by MGA, of any return "servicing fee(s)" due from Limited Representative, or on any premium written by Limited Representative and recorded by MGA, subject to an offset by MGA, of any return "servicing fee(s)" due from Limited Representative.

"Servicing fees" will not be paid on the policy fee or state mandated taxes and surcharges.

"Servicing fees" will not be paid on the installment fee. Premiums are to be remitted in gross.

"Servicing fees" will be paid to Limited Representative within 30 days after the end of the month in which such premiums are recorded by MGA, subject to deduction by MGA of any return "servicing fees" due from Limited Representative with the monthly production statement. Monthly "servicing fee" statements will reflect the composite of all transactions on policies, monetary endorsements, cancellations, additional premiums, and renewals.

Unearned "servicing fees" as a result of cancellations or endorsements resulting in return premiums will be deducted from the monthly "servicing fee" check sent to Limited Representative.

Limited Representative shall refund to MGA "servicing fees" on cancelled policies and on reductions in premiums at the same rate "servicing fees" were originally earned whether such action is taken during the continuance of this Limited Representative Agreement or after its termination.