LIMITED SERVICE AGREEMENT

Effective_____, this Agreement is entered into by and between Mount Beacon Managing General Agency, and Mount Beacon Insurance Company, Inc. hereafter referred to as "Company", and _____hereinafter referred to as "Agent".

It being the intent of the Agent and Company to provide for stability in their relationship, this Agreement shall have an initial term beginning on the date agreed by the parties and extending through December 31 of the same calendar year. Thereafter, the agreement shall renew for additional one-year periods commencing each January 1, unless either party gives the other thirty(30) days' written notice of its decision not to renew this Agreement or the Agreement otherwise is terminated in accordance with Article VII.

These parties hereto mutually agree to the following:

I. Authority of Agent

The authority of the Agent shall extend to the lines and coverages as described in the Commission Schedule issued by the Company.

The Agent is an independent contractor, not an employee of the Company. Subject to requirements imposed by law, the terms of this Agreement and the underwriting rules and regulations and binding guidelines of the Company, the Agent is authorized to:

A. Solicit and assist in effectuating the Company's replacement contracts on policies assumed from Citizens Property Insurance Corporation ("Citizens") at the time of the policyholders' respective expirations in Citizens and receipt of replacement policy offers from the Company and at each subsequent renewal thereof while the applicable policies and this Agreement remain in effect. This Agreement does not confer any authority to solicit or bind any other policies on behalf of the Company.
B. Bind and execute the insurance contracts governed by this Agreement in accordance with the company underwriting and binding guidelines and requirements applicable to the Citizens assumption program.
C. Provide all usual and customary services of an insurance agent on insurance contracts placed by the Agent with the Company.
D. Exercise authority personally or through authorized employees.
E. Represent other companies.

F. Exercise exclusive and independent control of time and the conduct of the Agency.
G. Advance premiums on behalf of policyholders, in which event the Agent accepts full responsibility for collection of such premiums from the policyholders.

The Authority of the Agent may be terminated, suspended or modified in accordance with Article VII of this Agreement, or as otherwise stated therein.

II. Duties of Agent

The Agent agrees to:

A. Comply with the underwriting rules, manuals and regulations of the Company, provided that the Company has furnished the Agent with copies of, and all changes to, said rules, manuals and regulations.
B. Comply with accounting procedures as hereinafter set forth.
C. Allow the Company to have access during normal business hours to the Agent's books, records and files for the purpose of determining any fact relative to business placed with the Company by the Agent. The Company shall provide the Agent with reasonable notice prior to any inspection.
D. Ensure that Agent's employees or independent contractors acting with respect to the Company's business are duly licensed and appointed where required and are subject to the Agent's oversight and control.
E. Maintain errors and omissions coverage in amounts equal to or exceeding $1,000,000 per occurrence and $2,000,000 in the aggregate or having a combined single limit of $2,000,000.
F. Refrain from identifying the Company or its logos, insignia or other property in advertising, publications or similar media without the prior written consent of the Company.

III. Premium Accounting

The Agent and the Company shall comply with the following accounting procedures:

A. Itemized statements of money due shall be prepared monthly by the Company.
B. The balance shown in the statement due the Company, or due the Agent shall be payable not later than 45 days after the end of the account month for which such statement was prepared.
C. The omission of any item(s) from a monthly statement shall not affect the responsibility of either party to account for and pay all amounts due to other, nor shall it prejudice the rights of either party to collect all such amounts due from the other. Any extension of time granted to an insured by the Agent for the payment of premium due on any policy issued by the Company shall be done at the sale responsibility of the Agent, who shall be accountable to the Company in accordance with the provisions contained in this Agreement.
D. All premiums collected or received by the Agent shall be held by the Agent in trust for the Company until paid to the Company.
E. The Agent agrees to be accountable for the payment of the earned premium on each binder given or executed by the Agent.

F. Additional exposures which may develop premium through audits, inspections, and/or reporting form policies shall be immediately endorsed onto the policy. At the request of Agent, the Company will assume responsibility for the collection of audited premiums and retrospective additional premiums which the Agent has been unable to collect despite a demonstrable effort to do so. Agent must make such request of the Company within 45 days of the premium billing date and no commission will be paid on premiums collected by Company.

IV. Commissions

It is agreed that:

A. The Company will pay and the Agent will accept as compensation for all services rendered under this Agreement the commission percentages upon specific lines of business specified in the Commission Schedule, which is a part of this Agreement.

B. The terms of this Agreement shall not prohibit the negotiation of special commission rates on individual policies by mutual agreement of the Agent and the Company.

V. Amendments

A. The Company from time to time may change the commission rates set forth in the schedule to this Agreement upon thirty (30) days' prior written notice to the Agent. Changes to the commission rates will apply to new and renewal policies with effective dates following the notice period.

B. The Company shall give the Agent at least thirty (30) days' notice of intent to negotiate a change in, or amendment to, this Agreement before those changes shall go into effect.

VI. Indemnification

A. The Company shall indemnify and hold the Agent harmless against all liability, including attorney's fees and costs of investigation and defense incident thereto arising as a result of (i) a Company act or omission, except to the extent the Agent has caused, contributed to or compounded such error; or (ii)failure of insured to receive notice of cancellation, nonrenewal, impairment of aggregate limits, or any other notice affecting coverage on Company billed business, where such notices are sent directly to the insured by the Company;

B. The Company's obligation to indemnify shall be conditioned upon prompt notification by the Agent to the Company of any claim made or legal action brought against the Agent which is subject to indemnification as set forth above and the Company shall have the right to direct the investigation, settlement and defense of any such claim or action. If the Agent fails to notify the Company pursuant to this Section, the Company's obligation to indemnify the Agent under this Section shall not apply.

C. The Agent shall indemnify, hold harmless, save and defend the Company against liability for damages (including reasonable expenses and legal fees) caused or resulting from any act or omission of the Agent or breaches of this Agreement except to the

extent that the Company caused, compounded or contributed to the Agent's act or omission.

D. The Agent's obligation to indemnify shall be conditioned upon prompt notification by the Company to the Agent of any claim made or legal action brought against the Company which is subject to indemnification as set forth above and the Agent shall have the right to direct the investigation, settlement and defense of any such claim or action. If the Company fails to notify the Agent pursuant to this Section, the Agent's obligation to indemnify the Company under this Section shall not apply.

E.

VII. Termination

A. This Agreement may be terminated at any time by written mutual consent of the parties.

B. This Agreement may be terminated immediately by the Agent upon written notice to the Company.

C. Except as provided in Section VII, paragraph D, this agreement may be terminated by the Company upon thirty (30) days' written notice to the Agent.

D. Except if required to be extended by law, this Agreement shall terminate:

1. Automatically, if any public authority of applicable jurisdiction cancels or declines to renew the license or certificate of authority of the Agent or the Company.
2. Automatically upon the effective date of the sale or transfer of the Agent's business or the Agent's book of business. The Agent agrees to give advance notice to the Company of any contemplated sale or transfer of the Agency's business, or its consolidation with a successor firm, in order that the Company may, at its election cancel the within Agreement or, with the consent of the parties in interest enter into a new Agency Agreement with the successor.
3. Immediately upon any party giving written notice to the other party, in the event of abandonment, fraud, material breach of contract, gross or willful misconduct or bad faith on the part of a party. Gross and willful misconduct shall include, but not be limited to:
    a. the failure of the Agent to pay any funds owning to the Company for any reason within ten (10) days after a request has been made by the Company;
    b. the misdirection or misappropriation of the funds or property of the Company by the Agent;
    c. The delegation or attempted delegation of any of the Agent's obligations and/or assignment or attempted assignment of any of the Agent's rights under this Agreement without the prior written consent of the Company;
4. Immediately, should any party at any time;
    a. become subject to an insolvency proceeding;
    b. go into liquidation, whether voluntary or compulsory, or suffer the appointment of a receiver;
    c. become involved in serious financial difficulties evidenced by, but not limited to, any petition for reorganization, bankruptcy or receivership, or any attachment of a major portion of assets, or any judgment rendered remaining unsatisfied for thirty (30) days or more without having been bonded by an authorized surety company admitted in the jurisdiction where the judgment is entered; or

d. be convicted, found guilty of or plead no contest, without regard to the fact that adjudication is withheld, to a felony or a crime involving the business of insurance.

E. Upon termination of this Agreement:

1. Agent shall be permitted to continue to service through the respective policy expiration dates and to account for premium in the same manner as provided in this Agreement.
2. If applicable, the Company shall assume the responsibility of notifying insureds of its intent not to renew their respective policies following the Agent's termination. The Company shall send copies of such nonrenewal notices to the Agent prior to or concurrent with mailing to the insured.

VIII. Ownership Expirations

A. The use and control of expirations, including those on direct billed business, the records thereof, and the Agent's work product, shall remain in the undisputed possession and ownership of the Agent, and the Company shall not use its records of those expirations in any marketing method for the sale, service or renewal of any form of insurance coverage, or other product which shall abridge the Agent's right of ownership, use and control, nor shall the company refer or communicate this expiration information or work product to any other agent or broker; provided, however, that to ensure timely service to policyholder following terminations due to abandonment, neglect or similar circumstances, if the Agent does not notify the Company within thirty (30) days of termination of this Agreement of the Agent's intent to exercise possession of and control over the expirations, the Company may in its sole discretion renew or nonrenew policies without obligation to the Agent therefore and make such arrangements as the Company is its sole discretion considers appropriate for the future servicing of the policies. During the thirty (30) day notice period (or until such earlier time as the Agent provides the notice contemplated by this provision), the Company may renew or nonrenew such of the policies as it considers appropriate in its sole discretion.

B. In the event of termination of this agreement, if the Agent has not then properly accounted for and paid all premiums to the company for which the Agent is liable, the use and control of such expirations including all right, title, and interest in and to the records thereof shall be vested in the Company as of the date of such termination. In the exercise of its right to collect any indebtedness due from the Agent through use and control of such expirations, the Company shall use reasonable business judgment in selling such expirations and shall be accountable to the Agent for any sums received which, net of expenses, exceed the amount of indebtedness. The Agent shall remain liable for the excess of the indebtedness over the sums received by the Company. Any indebtedness due from the Agent shall not prevent application of the sums received by the Company. Any indebtedness due from the Agent shall not prevent application of the ownership of expirations clause in favor of the Agent if the Agent furnishes collateral security acceptable to the Company in the amount of such indebtedness to be held by the Company until the indebtedness is satisfied. A difference of opinion

with respect to balances owed by the Agent does not constitute a failure to pay and does not have the effect of vesting title to expirations in the Company.

C. Nothing in this section shall interfere with the company's obligation to renew policies containing contractual renewal guarantees or which must be renewed pursuant to state law, regulation, or by order of government authority, and the agent shall be entitled to receive commissions on such policies at the prevailing rate of commission then in effect. The Company's obligation to renew for reasons set forth in this paragraph shall not in any other way alter or interfere with the Agent's ownership of expirations as provided in this section.

IX. Additional Provisions

A. The Company reserves the right to mail or deliver to any policyholder offers or solicitations that would enable the policyholder, upon application and payment of premium, to add one or more supplemental coverages to his policy. Any premium generated by such offers shall be credited to the Agent in accordance with the commission schedule attached hereto and as may be amended from time to time, provided that the Agent holds appropriate licenses and appointments for the lines of business transacted.

B. This Agreement represents the entire understanding of the parties with respect to the subject matter hereof, and supersedes and terminates any prior or contemporaneous agreements, whether written or oral, in which the Agent and the Company are parties, except that commissions earned under any prior agreements will continue to be paid. Agent will perform all acts proper to continue and service insurance written under any previous agency agreement and renewal of any business previously written under such agreement shall be deemed renewals under the Agreement.

C. The Company shall not be responsible for any costs or expenses incurred by Agent, whether on the Agent's own behalf or on the Company's behalf, unless such costs or expense are approved in advance and in writing by the Company.

D. Agent acknowledges and agrees that Agent is fully responsible for the acts and omissions of all persons, whether licensed or unlicensed, whom Agent employs, retains, or allows to transact or assist in the transacting of insurance under the Agreement as if those acts or omissions were those of the Agent.

E. This Agreement shall not be assigned by a party to any other person without the prior written consent of the other.

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be duly executed by their corporate officers on the dates as indicated hereafter.

"AGENT"_____ **"COMPANY"** _____

Signature **Signature**

By: _____ **By:**_____

COMMISSION SCHEDULE

It is mutually understood and agreed as follows:

The Agent shall be entitled to receive as its sole commission and payment for any insurance coverage written under the Agreement the commission rates defined below. The rate of commission payable to the Agent will be based on the commissionable policy premium received.

No commissions are payable on any policy fees and surcharges.

Commissions payable under this contact are as provided below:

Homeowners	10%
Manufactured Homes	10%