

Section 1: 8-K

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 29, 2019

1347 PROPERTY INSURANCE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36366
(Commission
File Number)

46-1119100
(IRS Employer
Identification No.)

7861 Woodland Center Blvd., Tampa, FL 33614
(Address of principal executive offices, including Zip Code)

(813) 579-6213
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	PIH	The Nasdaq Stock Market LLC
8.00% Cumulative Preferred Stock, Series A, \$25.00 par value per share	PIHPP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

See the information set forth in Item 2.03 of this Current Report on Form 8-K, which is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On November 29, 2019, 1347 Property Insurance Holdings, Inc. (the “Borrower”) entered into an Amended and Restated Loan Agreement and a related Amended and Restated Commercial Note (collectively, the “Amended and Restated Loan Agreement”) with Hancock Whitney Bank (the “Lender”), which increases the existing non-revolving line of credit by an additional \$10.0 million (the “Line of Credit Increase”), resulting in an amended and restated non-revolving line of credit loan in the aggregate principal amount of up to \$17.0 million. Immediately prior to the closing of the Asset Sale (as defined below), the Company drew \$7.0 million under the line of credit, which was repaid to the Lender as of the closing of the Asset Sale.

The line of credit will expire, and the principal amount, together with all accrued interest, will be payable in a single payment due, on the earlier of (i) the closing of the transactions contemplated by the Equity Purchase Agreement (as hereinafter defined) or (ii) December 31, 2019 (the earliest of such dates, the “Maturity Date”). The Amended and Restated Loan Agreement provides for the Line of Credit Increase to be drawn in a single advance, at any time prior to the Maturity Date. Proceeds of borrowings under the Amended and Restated Loan Agreement may be used for providing short-term working capital to the Borrower’s subsidiaries and other general corporate purposes. The line of credit is secured by a collateral assignment of the Borrower’s right to receive cash proceeds under the Equity Purchase Agreement, dated February 25, 2019 (the “Equity Purchase Agreement”), by and among FedNat Holding Company, as Purchaser (“FedNat”), the Borrower, as Seller, and Maison Managers, Inc., Maison Insurance Company, and ClaimCor, LLC, subsidiaries of the Borrower (the “Subsidiaries”), pursuant to which the Borrower has agreed to sell the Subsidiaries to FedNat (the “Asset Sale”), pursuant to the terms and conditions thereof.

Borrowings under the Amended and Restated Loan Agreement will bear interest at a rate per annum equal to one-month ICE LIBOR (rounded up to the nearest one-eighth (1/8th) of one percent or rounded up to one-eighth (1/8th) of one percent if the reported one-month ICE LIBOR is less than zero) plus a margin of 3.000%. The initial interest rate is 4.875% per annum, to be adjusted on the first day of each calendar month. The Amended and Restated Loan Agreement also includes provisions relating to the potential discontinuation of LIBOR and replacement rate.

The Amended and Restated Loan Agreement contains certain restrictive covenants and provides for customary events of default with corresponding grace periods, as described in the Company’s Current Report on [Form 8-K](#) regarding the original Loan Agreement filed with the Securities and Exchange Commission on August 23, 2019.

The foregoing description of the Amended and Restated Loan Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended and Restated Loan Agreement and related Amended and Restated Commercial Note, which are filed as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
10.1	Amended and Restated Loan Agreement, executed November 29, 2019, by and between Hancock Whitney Bank, as Lender, and 1347 Property Insurance Holdings, Inc., as Borrower.
10.2	Amended and Restated Commercial Note, executed November 29, 2019, by and between Hancock Whitney Bank, as Lender, and 1347 Property Insurance Holdings, Inc., as Borrower.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 2, 2019

1347 PROPERTY INSURANCE HOLDINGS, INC.

By: /s/ John S. Hill

John S. Hill

Chief Financial Officer

Section 2: EX-10.1

Exhibit 10.1

AMENDED AND RESTATED LOAN AGREEMENT

This Amended and Restated Loan Agreement (this “Agreement”) is dated November 29, 2019 and is made and entered into by and among HANCOCK WHITNEY BANK, a Mississippi state chartered bank (“Bank”), and 1347 PROPERTY INSURANCE HOLDINGS, INC., a Delaware corporation (“Borrower”). This Agreement amends and restates in its entirety that certain Loan Agreement dated August 20, 2019 among Bank and Borrower (the “Prior Agreement”) pursuant to which Bank made a non-revolving line of credit loan in the maximum principal amount of Seven Million Dollars (\$7,000,000.00) (the “Existing Line of Credit”).

A. THE LOAN. Subject to the terms and conditions of this Agreement and provided Borrower timely and completely performs all obligations in favor of Bank contained in this Agreement and in any other agreement, whether now existing or hereafter arising, Bank will increase the Existing Line of Credit by an additional Ten Million Dollars (\$10,000,000.00) (the “Line of Credit Increase”), resulting in a **NON-REVOLVING LINE OF CREDIT LOAN** (collectively, the “Line of Credit,” which term shall include all renewals, extensions or modifications thereof) to Borrower in the maximum aggregate principal amount of Seventeen Million Dollars (\$17,000,000.00), bearing interest per annum at the rate or rates provided in that certain Amended and Restated Commercial Note dated on or about the date hereof (as further amended, modified, restated and/or supplemented at any time or from time to time, the “Note”) in said principal sum from Borrower in favor of Bank, from date of advance until paid, with all principal and outstanding interest due and payable on the first to occur of (i) the Closing (as defined and provided in the Equity Purchase Agreement (as defined in Section D.(4) below)) and (ii) December 31, 2019 (the earliest of such dates, the “Maturity Date”). The Line of Credit Increase will be drawn by Borrower in a single advance, at any time during the period of time commencing on the date hereof through and including the day preceding the Maturity Date.

B. EFFECT OF AGREEMENT AND DEFINITIONS. The promissory note or notes referenced in Section A and any renewals, modifications or replacements for such note(s) and any other notes that may from time to time be delivered by Borrower to Bank are subject to the terms of this Agreement without further reference. “Loan” shall collectively mean any and all loans made available to Borrower under Section A of this Agreement (including without limitation the Existing Line of Credit and the Line of Credit Increase) and all renewals, extensions or modifications thereof as well as any other loans made available to Borrower by Bank from time to time. “Loan Documents” shall mean this Agreement, any other loan agreement(s), the promissory note(s) evidencing the Loan, any continuing guaranty(ies) by Borrower, any security document(s) provided for in this Agreement and any and all other documents by Borrower evidencing or securing the obligations of Borrower to Bank, direct or contingent, due or to become due, now existing or hereafter arising and any and all other documents evidencing or securing the obligations of Borrower to Bank, including without limitation, all agreements with respect to any swap, forward, future, or derivative transaction or option or similar agreement involving, or settled by reference to, one or more interest rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value. The Loan and all other obligations of Borrower to Bank, direct or contingent, due or to become due, now existing or hereafter arising, shall be secured by any security documents provided for in this Agreement, any collateral set forth in any promissory note executed by Borrower, and any other Loan Documents. “Generally Accepted Accounting Principles” means Generally Accepted Accounting Principles as set forth in the *FASB Accounting Standards Codification* as established and published by the Financial Accounting Standards Board. Accounting principles are applied on a “consistent basis” when the accounting principles applied in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

C. USE OF PROCEEDS. The proceeds from the Loan will be used for the purposes of providing short-term working capital to Borrower’s subsidiaries and other general corporate purposes.

D. REPRESENTATIONS, WARRANTIES AND COVENANTS. Borrower represents, warrants and covenants to Bank that:

- (1) **Organization and Authorization.** Borrower is an entity which is duly organized, validly existing and, if a corporation, in good standing under applicable laws. Borrower's execution, delivery and performance of this Agreement and all other documents delivered to Bank has been duly authorized and does not violate Borrower's articles of incorporation (or other governing documents), material contracts or any applicable law or regulations. All documents delivered to Bank are legal and binding obligations of Borrower who executed same. Borrower shall not change Borrower's jurisdiction of organization, domicile, name, legal form, taxpayer identification number or state organization or identification number or Borrower's type or form of organizational structure without providing Bank not less than thirty (30) days' advance written notice thereof.
- (2) **Compliance with Tax and other Laws.** Borrower shall comply, and cause its subsidiaries to comply, with all laws that are applicable to Borrower's or any such subsidiary's business activities, including, without limitation, all laws regarding (i) the collection, payment and deposit of employees' income, unemployment, Social Security, sales and excise taxes; (ii) the filing of returns and payment of taxes; (iii) pension liabilities including ERISA requirements; (iv) environmental protection; and (v) occupational safety and health.
- (3) **Financial Information.** Borrower shall furnish to Bank such financial and other information, including without limitation, financial statements as and when reasonably requested by Bank. All financial statements and financial information submitted to Bank in accordance with this Agreement shall include, among other things, detailed information regarding (i) any entities, such as corporations, partnerships, or limited liability companies of which the Borrower is the majority owner and (ii) any entities of which the Borrower is not the majority owner, but for which Borrower is directly or contingently liable on debts or obligations of any kind incurred by those entities. All financial statements or records submitted to Bank via electronic means, including, without limitation by facsimile, open internet communications or other telephonic or electronic methods, including, without limitation, documents in Tagged Image Format Files ("TIFF") or Portable Document Format ("PDF") shall be treated as originals, fully binding and with full legal force and effect and the parties waive any rights they may have to object to such treatment. The Bank may rely on all such records in good faith as complete and accurate records produced or maintained by or on behalf of the party submitting such records.
- (4) **Mergers, etc.** Without the prior written consent of Bank, Borrower shall not (a) be a party to a merger, or consolidation, (b) acquire all or substantially all of the assets of another entity, (c) sell, lease or transfer all, or substantially all, of Borrower's assets, except as provided in the Equity Purchase Agreement (as herein defined); or (d) change Borrower's jurisdiction of organization, domicile, name, legal form or type or organizational structure or state organizational or taxpayer identification number. Borrower shall not permit any material change to be made in the character of Borrower's business as carried on at the original date of this Agreement. Borrower shall not purchase, retire or redeem any shares of its capital stock without the prior written consent of Bank. "Equity Purchase Agreement" shall mean that certain Equity Purchase Agreement dated February 25, 2019 by and among Fednat Holding Company, a Florida corporation, Borrower as "Parent", and Borrower's subsidiaries Maison Managers, Inc., a Delaware corporation, Maison Insurance Company, a Louisiana corporation, and Claimcor, LLC, a Florida limited liability company.
- (5) **Indebtedness and Liens.** Other than obligations incurred in the ordinary course of business, Borrower shall not create any additional obligations for borrowed money. Borrower shall not mortgage or encumber any of Borrower's assets or suffer any liens to exist on any of Borrower's assets without the prior written consent of Bank, other than purchase money liens incurred in the ordinary course of business.

- (6) **Other Liabilities.** (a) Borrower shall not lend to or guarantee, endorse or otherwise become contingently liable in connection with the obligations, stock or dividends of any person, firm or corporation, except as currently exists and as reflected in the financial statements of Borrower as previously submitted to Bank; (b) Borrower shall not default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any indenture, agreement or other instrument to which Borrower is a party (the effect of which would materially adversely affect the business or properties of Borrower); and (c) except as disclosed or referred to in the financial statements furnished to Bank, there is no litigation, legal or administrative proceeding, investigation or other action of any nature pending or, to the knowledge of Borrower, threatened against or affecting Borrower which involves the possibility of any judgment or liability not fully covered by insurance, and which may materially and adversely affect the business or assets of Borrower or Borrower's ability to carry on business as now conducted.
- (7) **Documentation.** The Loan Documents shall be on the Bank's standard forms, with such modifications as may be required or agreed to by Bank, or on such other forms as Bank may accept in its sole discretion. Upon the written request of Bank, Borrower shall promptly and duly execute and deliver all such further instruments and documents and take such further action as Bank may deem necessary to obtain the full benefits of the Loan Documents.
- (8) **[Intentionally Omitted].**
- (9) **Collateral.** As security for payment and performance of Loan and any and all other obligations of Borrower to Bank under the Loan Documents, whether direct or contingent, due or to become due, now existing or hereafter arising, Borrower has granted to Bank a first priority security interest in all of its right to receive the net proceeds of the Cash Consideration (as defined in the Equity Purchase Agreement) pursuant to that certain Collateral Assignment and Pledge of Proceeds Under Equity Purchase Agreement dated as of August 20, 2019 (as amended, modified, restated and/or supplemented, the "Collateral Assignment") which Borrower shall reaffirm in writing as of the date hereof. Borrower covenants and agrees with Bank that, until such time as the Line of Credit has been indefeasibly paid in full and the commitment of Bank thereunder irrevocably terminated, Borrower shall not give to the Purchaser (as defined in the Equity Purchase Agreement) any instructions as to payment of the Net Cash Proceeds (as defined in the Collateral Assignment) contrary to those set forth in Section 3 of the Collateral Assignment, without Bank's prior written consent in its sole discretion.
- (10) **[Intentionally Omitted].**
- (11) **Setoff.** If an event of Default shall have occurred and be continuing, the Bank shall have the right to set off and apply against the obligations in such manner as the Bank may determine, at any time and without notice to the Borrower, any and all deposits (general or special, time or demand, provisional or final) or other sums at any time credited by or owing from the Bank, or any financial institution affiliate of Bank, to the Borrower whether or not the Loan obligations are then due. As further security for the Loan obligations, the Borrower hereby grants to the Bank a security interest in all money, instruments, and other property of the Borrower now or hereafter held by the Bank, or any financial institution affiliate of Bank, including, without limitation, property held in safekeeping. In addition to the Bank's right of setoff and as further security for the Loan obligations, the Borrower hereby grants to the Bank a security interest in all deposits (general or special, time or demand, provisional or final) and other accounts of the Borrower now or hereafter on deposit with or held by the Bank, or any financial institution affiliate of Bank, and all other sums at any time credited by or owing from the Bank, or any financial institution affiliate of Bank, to the Borrower. The rights and remedies of the Bank hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which the Bank may have.

E. CONDITIONS PRECEDENT TO LOAN. Bank shall be obligated to make the Loan only so long as: (i) all of the Loan Documents required by this Agreement have been delivered to Bank, (ii) Borrower is current in the performance of all of the other obligations of Borrower contained in the Loan Documents, (iii) no Default and no event has occurred which, with the passage of time, would constitute a Default, and (iv) no adverse material change in the financial condition of any Borrower has occurred.

F. DEFAULT. The occurrence of any of the following events constitute a default hereunder (each, a "Default"): (i) the failure of Borrower to make any payment on any Loan when due, (ii) the failure of Borrower to observe or perform promptly when due any covenant, agreement or obligation under this Agreement or under any of the other Loan Documents that has not been cured to the reasonable satisfaction of Bank within thirty (30) days after receipt by Borrower of written notice thereof from Bank or waived in writing by Bank; (iii) the occurrence of any breach of or default under the Collateral Assignment; (iv) the material inaccuracy at any time of any warranty, representation or statement made to Bank by Borrower under this Agreement or the other Loan Documents; (v) Borrower shall fail to discharge within a period of thirty (30) days after the commencement of any attachment, sequestration or similar proceeding or proceedings against any of its assets or properties; (vi) a final judgment for the payment of money in excess of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) in the aggregate shall be entered by a court or courts against Borrower and the same shall not be discharged or a stay of execution shall not be procured, within thirty (30) days from the date of the entry thereof; (vii) any Borrower shall fail to pay when due any principal of or any interest on any other debt, or the maturity of such other debt shall have been accelerated; (viii) the filing by or against Borrower of a proceeding under the United States Bankruptcy Code or for any other relief afforded debtors or affecting rights of creditors generally under the laws of any jurisdiction; (ix) any material adverse change in the financial condition of Borrower or any material discrepancy between the financial statement submitted by Borrower and the actual financial condition of Borrower; (x) any statement, warranty or representation made by Borrower to Bank proves to be untrue in any material respect when made; and (xi) any discontinuance or termination by any Guarantor of its obligations under any guaranty of any Loan. In the event of a Default, Bank, at its option, shall have the right to exercise any and all of its rights and remedies under the Loan Documents.

G. MISCELLANEOUS PROVISIONS. Borrower agrees to pay, on demand, all of the costs, expenses and fees incurred in connection with the making or enforcement of the Loan, including attorneys' fees and appraisal fees. This Agreement is not assignable by Borrower and no party other than Borrower is entitled to rely on this Agreement. No condition or other term of this Agreement may be waived or modified except by a writing signed by Borrower and Bank. This Agreement shall supersede and replace any commitment letter between Bank and Borrower relating to any Loan. If any provision of this Agreement shall be held to be legally invalid or unenforceable by any court of competent jurisdiction, all remaining provisions of this Agreement shall remain in full force and effect.

H. INDEMNIFICATION. THE BORROWER HEREBY INDEMNIFIES THE BANK AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AND AGENTS FROM, AND HOLDS EACH OF THEM HARMLESS AGAINST, ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS, AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) TO WHICH ANY OF THEM MAY BECOME SUBJECT WHICH DIRECTLY OR INDIRECTLY ARISE FROM OR RELATE TO (A) THE NEGOTIATION, EXECUTION, DELIVERY, PERFORMANCE, ADMINISTRATION, OR ENFORCEMENT OF ANY OF THE LOAN DOCUMENTS, (B) ANY OF THE TRANSACTIONS CONTEMPLATED BY THE LOAN DOCUMENTS, (C) ANY BREACH BY THE BORROWER OF ANY REPRESENTATION, WARRANTY, COVENANT, OR OTHER AGREEMENT CONTAINED IN ANY OF THE LOAN DOCUMENTS, (D) THE PRESENCE, RELEASE, THREATENED RELEASE, DISPOSAL, REMOVAL, OR CLEANUP OF ANY HAZARDOUS MATERIAL LOCATED ON, ABOUT, WITHIN, OR AFFECTING ANY OF THE PROPERTIES OR ASSETS OF THE BORROWER OR ANY SUBSIDIARY, OR (E) ANY INVESTIGATION, LITIGATION, OR OTHER PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY THREATENED INVESTIGATION, LITIGATION, OR OTHER PROCEEDING, RELATING TO ANY OF THE FOREGOING. WITHOUT LIMITING ANY PROVISION OF THIS AGREEMENT OR OF ANY OTHER LOAN DOCUMENT, IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT EACH PERSON TO BE INDEMNIFIED UNDER THIS SECTION SHALL BE INDEMNIFIED FROM AND HELD HARMLESS AGAINST ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS, AND EXPENSES (INCLUDING ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THE SOLE OR CONTRIBUTORY NEGLIGENCE OF SUCH PERSON BUT NOT SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

I. LIMITATION OF LIABILITY. Neither the Bank nor any affiliate, officer, director, employee, attorney, or agent of the Bank shall have any liability with respect to, and the Borrower hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by the Borrower in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents. The Borrower hereby waives, releases, and agrees not to sue the Bank or any of the Bank's affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents.

J. NO DUTY. All attorneys, accountants, appraisers, and other professional persons and consultants retained by the Bank shall have the right to act exclusively in the interest of the Bank and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to the Borrower or any of the Borrower's shareholders, to any Borrower or to any other person.

K. BANK NOT FIDUCIARY. The relationship between the Borrower and the Bank is solely that of debtor and creditor, and the Bank has no fiduciary or other special relationship with the Borrower, and no term or condition of any of the Loan Documents shall be construed so as to deem the relationship between the Borrower and the Bank to be other than that of debtor and creditor.

L. EQUITABLE RELIEF. The Borrower recognizes that in the event the Borrower fails to pay, perform, observe, or discharge any or all of its obligations to the Bank, any remedy at law may prove to be inadequate relief to the Bank. The Borrower therefore agrees that the Bank, if the Bank so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

M. NO WAIVER; CUMULATIVE REMEDIES. No failure on the part of the Bank to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement and the other Loan Documents are cumulative and not exclusive of any rights and remedies provided by law.

N. SUCCESSORS AND ASSIGNS. This Agreement is binding upon and shall inure to the benefit of the Bank and the Borrower and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Bank.

O. SURVIVAL. All representations and warranties made in this Agreement or any other Loan Document or in any document, statement, or certificate furnished in connection with this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents and repayment of the Borrower's obligations to the Bank, and no investigation by the Bank or any closing shall affect the representations and warranties or the right of the Bank to rely upon them.

P. OFAC. Borrower (i) is not a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) does not engage in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such person in any manner violative of Section 2, or (iii) is not a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

Q. PATRIOT ACT. The Bank hereby notifies Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of such Person and other information that will allow such Bank to identify such Person in accordance with the Patriot Act. Borrower shall provide such information and take such other actions as are reasonably requested by the Bank in order to assist the Bank in maintaining compliance with the Patriot Act.

R. WAIVER OF JURY TRIAL. BANK AND BORROWER KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS BORROWER MAY HAVE TO TRIAL BY JURY IN ANY LEGAL PROCEEDING BASED ON, ARISING OUT OF, OR IN ANY WAY RELATED TO: THIS AGREEMENT; THE OBLIGATIONS; ANY NOTES, LOAN AGREEMENTS, OR ANY OTHER LOAN DOCUMENT OR AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONNECTION WITH ANY OF THE OBLIGATIONS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THIS JURY WAIVER ALSO APPLIES TO ANY CLAIM OR, COUNTERCLAIM, CAUSE OF ACTION OR DEMAND ARISING FROM OR RELATED TO (I) ANY COURSE OF CONDUCT, COURSE OF DEALING, OR RELATIONSHIP OF BORROWER, OR ANY OTHER PERSON WITH BANK OR ANY EMPLOYEE, OFFICER, DIRECTOR OR ASSIGNEE OF BANK IN CONNECTION WITH THE OBLIGATIONS WITH BANK; OR (II) ANY STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON BY OR ON BEHALF OF BANK TO BORROWER, OR ANY OTHER PERSON IN CONNECTION WITH THE OBLIGATIONS REGARDLESS OF WHETHER SUCH CAUSE OF ACTION ARISES BY CONTRACT, TORT OR OTHERWISE. BORROWER HEREBY ACKNOWLEDGES THAT THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT TO THE BANK IN EXTENDING CREDIT TO THE BORROWER, THAT THE BANK WOULD NOT HAVE EXTENDED SUCH CREDIT WITHOUT THIS JURY TRIAL WAIVER, AND THAT BORROWER HAS BEEN REPRESENTED BY AN ATTORNEY OR HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY IN CONNECTION WITH THIS JURY TRIAL WAIVER AND UNDERSTANDS THE LEGAL EFFECT OF THIS WAIVER. BORROWER FURTHER CERTIFIES THAT NO PERSON HAS REPRESENTED TO IT, EXPRESSLY OR OTHERWISE, THAT BANK OR ANY OTHER PERSON WOULD NOT, IN THE EVENT OF A LEGAL PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER.

S. ENTIRE AGREEMENT; AMENDMENT; WAIVERS; NO NOVATION. This Agreement, the Note, and the other Loan Documents referred to herein embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto. There are no oral agreements among the parties hereto. The provisions of this Agreement and the other Loan Documents to which the Borrower is a party may be amended or waived only by an instrument in writing signed by the parties hereto. This Agreement and the modifications made herein are modifications to the Prior Agreement and nothing contained herein is intended by the parties to be, nor shall anything herein be deemed or construed to be, a novation of the Prior Agreement, the Existing Line of Credit or any other Loan Document, nor shall anything herein affect the lien priority of any collateral securing the Line of Credit.

T. MAXIMUM INTEREST RATE. No provision of this Agreement or any other Loan Document shall require the payment or the collection of interest in excess of the maximum amount permitted by applicable law. If any excess of interest in such respect is hereby provided for, or shall be adjudicated to be so provided, in any Loan Document or otherwise in connection with this loan transaction, the provisions of this Section shall govern and prevail and neither the Borrower nor the sureties, guarantors, successors, or assigns of the Borrower shall be obligated to pay the excess amount of such interest or any other excess sum paid for the use, forbearance, or detention of sums loaned pursuant hereto. In the event the Bank ever receives, collects, or applies as interest any such sum, such amount which would be in excess of the maximum amount permitted by applicable law shall be applied as a payment and reduction of the principal of the indebtedness evidenced by the Note or any other promissory note executed in connection with the Loan; and, if the principal of the Note has been paid in full, any remaining excess shall forthwith be paid to the Borrower. In determining whether or not the interest paid or payable exceeds the Maximum Rate, the Borrower and the Bank shall, to the extent permitted by applicable law, (a) characterize any non-principal payment as an expense, fee, or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the entire contemplated term of the indebtedness evidenced by the Note so that interest for the entire term does not exceed the maximum rate allowed by applicable law, as it changes from time to time.

U. NOTICES. All notices and other communications provided for in this Agreement and the other Loan Documents to which the Borrower is a party shall be given in writing and made by telecopy or mailed by certified mail return receipt requested, or delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof; or, as to any party at such other address as shall be designated by such party in a notice to the other party given in accordance with this section. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopy, subject to mechanical confirmation of receipt, or when personally delivered or, in the case of a mailed notice, when duly deposited in the mails, in each case given or addressed as aforesaid.

V. GOVERNING LAW; VENUE; SERVICE OF PROCESS. This Agreement is made and delivered in the State of Florida and shall be governed by and construed in accordance with the laws thereof without reference to the conflicts of law principles that would cause the application of the laws of another jurisdiction. Borrower hereby irrevocably submits and consents to the exclusive personal jurisdiction and venue of any state or federal court in Florida located in the same judicial district as the office of Bank specified in the first paragraph of this Agreement and agrees that all actions or proceedings arising directly, indirectly or otherwise in connection with, out of, related to or from this Agreement shall be litigated only in one of the foregoing described courts. Borrower, for itself and its successors and its assigns, and for any person claiming under or through any of them, hereby knowingly and voluntarily waives any and all rights to have the jurisdiction and venue of any litigation arising directly, indirectly or otherwise in connection with, out of, related to or from this Agreement in any other court, and hereby knowingly and voluntarily waives any and all rights to remove this action to, or to transfer, dismiss, or change venue to, any other court. Borrower further acknowledges and agrees that neither Bank nor any person acting on behalf of Bank has in any way agreed with or represented to Borrower that the provisions of this paragraph have been waived or will not be fully enforced by Bank. The Borrower agrees that service of process upon it may be made by certified or registered mail, return receipt requested, at its address specified or determined in accordance with the provisions of the Notices section above. Nothing herein or in any of the other Loan Documents shall affect the right of the Bank to serve process in any other manner permitted by law or shall limit the right of the Bank to bring any action or proceeding against the Borrower or with respect to any of its property in courts in other jurisdictions.

W. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

X. SEVERABILITY. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be invalid or illegal.

Y. SALE; ASSIGNMENT; PARTICIPATIONS. Borrower acknowledges that the Bank has the right to sell, assign, transfer, negotiate, or grant participations in all or any part of any Loan and any other Loan Documents, including, without limitation, this Agreement, any promissory notes representing the Obligations, and all Loan Documents, without notice to the undersigned and that the Bank may disclose any documents and information which the Bank now has or later acquires relating to the Borrower or any collateral in connection with such sale, assignment, transfer, negotiation, or grant. Borrower agrees that the Bank may provide information relating to the Loan and any other Loan Documents or relating to Borrower to the Bank's parent, affiliates, subsidiaries and service providers.

Z. CONSTRUCTION. The Borrower and the Bank acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by the Borrower and the Bank.

AA. AGREEMENT REGARDING BANKRUPTCY AUTOMATIC STAY. In the event of the filing of any voluntary or involuntary petition in bankruptcy by or against the Borrower, the Borrower shall not assert or request any other party to assert that the automatic stay provided in Bankruptcy Code § 362 shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of the Bank to enforce any rights it has or may come to have by virtue of this Agreement, the Loan Documents, or any other rights the Bank has or may come to have against the Borrower, or against the collateral securing the Line of Credit; further, in the event of the filing of any voluntary or involuntary petition in bankruptcy by or against the Borrower, the Borrower will not seek a supplemental stay or any other relief, whether injunctive or otherwise, pursuant to Bankruptcy Code § 105, or any other provision of the Bankruptcy Code or applicable federal or state law to stay, interdict, condition, reduce or inhibit the ability of the Bank to enforce any rights it has or may come to have by virtue of this Agreement, the loan documents, or applicable law against the Borrower or against the collateral.

BANK:

HANCOCK WHITNEY BANK

By: /s/ Kenneth C. Misemer
Name: Kenneth C. Misemer
Title: Senior Vice President
Address for Notices: 2202 North Westshore Boulevard, Suite 150,
Tampa, Florida 33607
Telephone No.: (813) 998-2884
Attention: Kenneth C. Misemer, Senior Vice President

BORROWER:

1347 PROPERTY INSURANCE HOLDINGS, INC.

By: /s/ John S. Hill
Name: John S. Hill
Title: Vice President, Secretary and CFO

Address for Notices:
4201 Congress Street, Suite 140
Charlotte, NC 28209
Telephone No. : 727-709-8851
Attention: D. Kyle Cerminara

NOTICE OF INDEMNIFICATION:

BORROWER HEREBY ACKNOWLEDGES
AND AGREES THAT THIS AGREEMENT
CONTAINS CERTAIN
INDEMNIFICATION PROVISIONS
PURSUANT TO SECTION H HEREOF.

INTERNAL USE ONLY

Section 3: EX-10.2

Exhibit 10.2

THIS AMENDED AND RESTATED COMMERCIAL NOTE AMENDS AND RESTATES IN ITS ENTIRETY THAT CERTAIN COMMERCIAL NOTE DATED AUGUST 20, 2019 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$7,000,000.00 TO BORROWER AND PAYABLE TO BANK (THE "PRIOR NOTE"). THE INDEBTEDNESS EVIDENCED BY THE PRIOR NOTE SHALL NOW BE PAYABLE IN ACCORDANCE WITH THIS AMENDED AND RESTATED COMMERCIAL NOTE.

AMENDED AND RESTATED COMMERCIAL NOTE

\$17,000,000.00

November 29, 2019

For value received, the undersigned maker(s) (hereinafter referred to individually, collectively, and interchangeably as "Borrower"), jointly and severally, if more than one, promises to pay to the order of HANCOCK WHITNEY BANK, a Mississippi state chartered bank ("Bank"), with an office located at 2202 North Westshore Boulevard, Suite 150, Tampa, Florida 33607, the sum of SEVENTEEN MILLION DOLLARS (\$17,000,000.00), or so much thereof as is drawn and remains outstanding, together with interest thereon, in accordance with the terms set forth in this Amended and Restated Commercial Note ("Note").

REPAYMENT:

Principal, together with all accrued interest thereon, shall be due and payable in a single payment due on the first to occur of (i) the Closing (as defined and provided in the Equity Purchase Agreement (as defined in Loan Agreement (defined below)) and (ii) December 31, 2019 (the earliest of such dates, the "Maturity Date").

Unless sooner declared due and payable in accordance with the provisions of this Note, on the Maturity Date, all outstanding principal, interest, fees, costs and expenses owing by Borrower to Bank shall be due and payable in full without notice or demand. Provided no other agreement between the Borrower and Bank expressly imposes a prepayment penalty, Borrower may prepay without penalty any principal on this Note in whole or in part and any prepayments made on this Note shall be applied to the principal payment(s) due on this Note in the inverse order of their maturity.

INTEREST:

The interest rate on this Note is subject to change from time to time based on changes in an independent benchmark which is the One Month ICE LIBOR (the "Benchmark"). As used in this Note, the term "One Month ICE LIBOR" shall mean the One Month London InterBank Offered Rate in U.S. Dollars as calculated and published by the Intercontinental Exchange Benchmark Administration Ltd. ("ICE," or the successor thereto if ICE is no longer making a London Interbank Offered Rate available) and in effect on the first day of each calendar month. The Benchmark shall be obtained by Bank from an intermediary rate reporting source such as Bloomberg, L.P. or other authoritative rate reporting source as selected by Bank, and is based on an average of interbank offered rates for one month deposits in U.S. Dollars based on quotes from designated banks in the London market. The Benchmark shall be rounded up to the nearest one-eighth (1/8th) of one percent by Bank to determine the index (the "Index"). Notwithstanding anything in this Note to the contrary, if the Benchmark as reported by Bloomberg, L.P. or other rate reporting source is less than zero, then it shall be deemed to be zero percent (0.0%) and the Index shall be rounded up to one-eighth (1/8th) of one percent. Interest on the unpaid balance of this Note shall accrue at a variable rate equal to the Index plus a margin of 3.000% per annum. The initial Index based on the Benchmark (rounded up to the nearest one-eighth (1/8th) of one percent or rounded up to one-eighth (1/8th) of one percent if the reported Benchmark is less than zero) is 1.875% per annum resulting in an initial interest rate on this Note of 4.875% per annum. The Index shall be adjusted on the first day of each calendar month. The Index is not necessarily the lowest rate charged by Bank for any particular class of borrowers or credit extensions. Borrower understands that Bank may make loans based on other rates as well. If an announcement has been made that the Benchmark will be discontinued during the term of this Note or if the Benchmark is officially discontinued, no longer available, or deemed by Bank in its reasonable discretion to no longer qualify as a valid reference rate during the term of this Note (a "Benchmark Discontinuance Event"), then Bank reserves the right to select a replacement benchmark ("Replacement Benchmark") that will be generally comparable in function and effect to the respective One Month ICE LIBOR term rate referenced by the original Index, or if Bank determines that an acceptable comparable benchmark cannot be identified, Bank may designate a Replacement Benchmark that is generally then prevailing for comparable loans made by similar commercial lenders operating in the Bank's market. In connection with the designation of Replacement Benchmarks to replace the respective One Month ICE LIBOR term rates, Bank may adjust the interest rate spread applied to the Replacement Benchmark (the "Replacement Benchmark Spread") (i) in accordance with market conventions prevailing at the time the Benchmark is replaced and (ii) such that the effective "all in" rate on the Note will be substantially equivalent to the effective "all in" rate applied to the Note prior to the designation of the Replacement Benchmark. The Bank shall have the right upon making a determination as to a Replacement Benchmark and the Replacement Benchmark Spread, notwithstanding any other provision of this Note to the contrary, to implement the Replacement Benchmark and Replacement Benchmark Spread, without any further action or consent of the Borrower, and the Note shall be automatically deemed amended to incorporate the Replacement Benchmark and Replacement Benchmark Spread. Bank shall promptly notify Borrower of the designation of a Replacement Benchmark and Replacement Benchmark Spread as a result of the occurrence of a Benchmark Discontinuance Event. Borrower may obtain the current Index or Replacement Benchmark and Replacement Benchmark Spread, as applicable, from Bank upon Borrower's request. Bank's determination of the

Index, Replacement Benchmark or Replacement Benchmark Spread, at any time, shall be conclusive absent demonstrable error. A failure or delay in exercising any right, power, or privilege by Bank will not be presumed to operate as a waiver of the ability to exercise such rights.

Default Rate. After maturity, whether that maturity results from acceleration or otherwise, interest shall, to the extent permitted by applicable law, accrue at the Default Rate. Additionally, upon the occurrence of any Event of Default hereunder other than a delinquent payment (and from and after the date of such occurrence), interest shall, to the extent permitted by applicable law, accrue at the Default Rate. The Default Rate shall be 18% per annum but in no event in excess of the maximum rate permissible under applicable law.

All interest shall be computed on the basis of the actual number of days elapsed over a year composed of 360 days. Interest shall accrue from the first date that funds are advanced to Borrower until all sums due hereunder are paid in full.

Notwithstanding the foregoing, under no circumstances will the effective rate of interest on this Note exceed the maximum rate permissible under applicable law. To the extent federal law permits Bank to contract for, charge or receive a greater amount of interest, Bank reserves the right to rely on federal law for the purpose of determining the maximum rate. It is the intention of Borrower and Bank to conform strictly to any applicable usury laws. The aggregate of all consideration which constitutes interest under applicable law that is contracted for, charged or received under this Note shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be credited to the principal balance on this Note or, if this Note shall have been paid in full, refunded to Borrower.

All payments to be made by the Borrower to Bank under or pursuant to this Note shall be in immediately available United States currency, without setoff or counterclaim, and in the event that any payments submitted hereunder are in funds not available until collected, said payments shall continue to bear interest until collected.

LATE PAYMENT AND NSF CHARGES: In the event any installment payment of principal and/or interest is more than ten (10) days past due Borrower promises to pay, in addition to the amount otherwise due hereunder, a delinquency charge of 5.00% of the unpaid portion of the regularly schedule payment, but not more than \$1,000.00. In the event that any payment under this Note by check or preauthorized charge is later dishonored or returned to Bank unpaid due to insufficient funds, Borrower agrees to pay Bank an additional NSF check charge equal to \$25.00.

LINE OF CREDIT: This Note evidences a non-revolving line of credit, which is subject to the terms of that certain Amended and Restated Loan Agreement (as amended, modified, restated and/or supplemented at any time or from time to time, the "Loan Agreement") dated as of the date of this Note, between Bank and Borrower, as the same may be amended from time to time.

Advances may be made by Bank upon the written, telephonic or facsimile request of Borrower, and Bank is authorized to rely conclusively upon such requests when received from a person purporting to be Borrower or Borrower's authorized officer or representative. Borrower covenants and agrees to furnish to Bank written confirmation of any non-written request for an advance within five (5) days of the resulting loan or advance, but any such loan or advance shall be deemed to be made under and entitled to the benefits of this Note irrespective of any failure by Borrower to furnish such written confirmation.

The unpaid principal balance of this Note at any time shall be the total amounts loaned or advanced hereunder by Bank, less the amount of payments or prepayments of principal made hereon by or for the account of Borrower. It is contemplated that by reason of prepayments there may be times when no indebtedness is owing hereunder; but notwithstanding such occurrences, this Note and any agreements and instruments securing the same shall remain valid and shall be in full force and effect as to loans or advances made pursuant to and under the terms of this Note subsequent to each occurrence. In the event that the unpaid principal amount hereof at any time, for any reason, exceeds the maximum amount hereinabove specified, Borrower promises and agrees to pay the excess principal amount promptly upon demand; such excess principal amount shall in all respects be deemed to be included among the loans or advances made pursuant to the other terms of this Note, shall bear interest at the rate or rates stated herein, and shall be fully secured by all collateral.

BALANCE OWING: The amount from time to time outstanding under this Note and each payment on this Note shall be evidenced by entries in Bank's internal records, which shall be conclusive evidence absent manifest error of (a) the amount of principal and interest owing on this Note from time to time; (b) the amount of each advance made to Borrower under this Note; and (c) the amount of each principal and/or interest payment received by Bank on this Note. The failure of Bank to make an accurate entry of advances and payments shall not limit or otherwise affect the obligation of Borrower to repay funds actually advanced by Bank hereunder. Any loan or advance shall be conclusively presumed to have been made under the terms of this Note to or for the benefit of Borrower when made in accordance with such requests and directions, or when made pursuant to the terms of any written agreement executed in connection herewith between Borrower and Bank, or when said advances are deposited to the credit of the account of Borrower with Bank regardless of the fact that persons other than those authorized hereunder may have authority to draw against such account, or when applied as a payment of principal and/or interest to another obligation of Borrower to Bank.

OBLIGORS: Any or each party to this Note (including each maker and endorser) and any or each surety and guarantor of this Note bound under separate instrument or agreement are hereinafter referred to jointly and severally as "Obligor."

SET-OFF: Borrower hereby grants to Bank a continuing right of set-off and compensation against all property of Borrower that is now or hereafter on deposit with, in the possession of, under the control of or held by Bank, including, without limitation, all cash, deposit accounts, funds on deposit, stocks, bonds, treasury obligations and other securities, investment property, financial assets, securities accounts, notes, documents, instruments, certificates of deposit, items, chattel paper, and other property (except IRA, pension, other tax-deferred retirement accounts and any accounts or property held in a trust or fiduciary capacity for which setoff would be prohibited by law), together with all property added to or substituted for any of the foregoing, and all interest, dividends, income, fruits, accessions and proceeds of any of the foregoing.

EVALUATIONS: Borrower represents and warrants that the indebtedness evidenced by this Note was contracted for by Borrower at Borrower's request based upon Borrower's own independent determination of need. Borrower and each other Obligor understand and agree that any appraisals or evaluations made by or for the Bank of the financial condition of any person or the value of any property were made solely for the Bank's benefit and Bank in no way has represented or warranted the financial condition of any person or the value of any property in making or obtaining said appraisals or evaluations or in extending credit to Borrower or any other Obligor. Borrower and each other Obligor understand and agree that they have no right to rely on Bank's appraisals or evaluations in assuming this debt and executing this instrument and that their obligation to pay the debt represented by this Note is independent of any such appraisals or evaluations.

RENEWAL: If an earlier note of Borrower to Bank is renewed at the time of execution hereof, then this Note constitutes an extension, but not a novation, of the amount of the unpaid and continuing indebtedness, and all rights held by Bank under the earlier note shall continue in full force and effect.

DEFAULT: A Default (as defined in the Loan Agreement) shall constitute an "Event of Default" under this Note.

REMEDIES: Bank shall have the remedies of a secured party under the Uniform Commercial Code of Florida in addition to any and all other remedies which may be available to it, all of which shall be cumulative and may be pursued singly, successively or together against any Obligor and/or any security given at any time to secure the payment hereof, all at the sole discretion of Bank. Failure on the part of Bank to exercise any right described herein or in such other documents shall not constitute a waiver of such right or preclude Bank's subsequent exercise thereof. If any notice of sale or other intended disposition of the collateral is required by law to be given, Borrower hereby agrees that a notice sent in compliance with applicable law or if applicable law does not define the required notice period then at least ten (10) days prior to such action shall constitute reasonable notice to Borrower. If the proceeds of any collateral securing this Note disposed of by Bank are insufficient to pay this Note in full, Obligor shall remain fully obligated for any deficiency.

FEES AND EXPENSES: Obligor agrees to pay on demand all charges, fees, costs and/or taxes levied or assessed against Bank in connection with this Note or any collateral securing this Note, together with all reasonable attorney's and paralegal's fees and expenses, and all other costs and expenses incurred by Bank in connection with the preparation, enforcement (including, without limitation, in bankruptcy, probate or administration proceeding or otherwise), workout, restructuring or collection of this Note, whether or not suit is filed, including such fees incurred in bankruptcy proceedings, at state and/or federal trial and appellate court levels, together with all other costs and expenses that may be incurred by Bank in connection with the enforcement of this Note or the preservation or enforcement of any of Bank's rights or interests with respect to any collateral securing this Note.

WAIVER: Borrower waive(s), on behalf of itself and each Obligor, presentment, demand, protest, notice of dishonor, notice of demand or intent to demand, notice of acceleration or intent to accelerate, and all other notices, and agree(s) that no extension or indulgence to the undersigned (or any of them) or release, substitution or nonenforcement of any security, or release or substitution of any of the undersigned, any guarantor or any other party, whether with or without notice, shall affect the obligations of any of the undersigned. The undersigned waive(s) all defenses or right to discharge available under Section 3-605 of the Florida Uniform Commercial Code and waive(s) all other suretyship defenses or right to discharge and waives any right to receive notice of interest rate changes.

Each Obligor also agrees Bank may, one or more times, in its sole discretion, without releasing or affecting any of its rights and without notice to or the consent of such Obligor, take any one or more of the following actions: (a) release, renew, extend or modify the obligations of Borrower or any other Obligor; (b) release, exchange, modify, or surrender in whole or in part Bank's rights with respect to any collateral for this Note; (c) with the consent of Borrower, modify or alter the term, interest rate or due date of any payment of this Note; (d) grant any postponements, compromises, indulgences, waivers, surrenders or discharges or modify the terms of its agreements with Borrower or any other Obligor; (e) change its manner of doing business with Borrower or any other Obligor or person; or (f) impute payments or proceeds of any collateral furnished by any Obligor, in whole or in part to any costs, interest, or principal due on this Note, or to any other obligation of any Obligor to Bank, or in the event of a third party claim thereto retain the payments or proceeds as collateral for this Note without applying same toward payment of this Note, and each Obligor hereby expressly waives any claims or defenses arising from any such actions.

COMMERCIAL USE: Borrower warrants and represents to Bank and all other holders of this Note that all loans evidenced by this Note are and will be for business, commercial, or other similar purpose and not primarily for personal, family, or household purposes.

SALE/ASSIGNMENT: Borrower acknowledge(s) that the Bank has the right to sell, assign, transfer, negotiate, or grant participations in all or any part of this Note and any related obligations, including, without limit, this Note, without notice to the undersigned and that the Bank may disclose any documents and information which the Bank now has or later acquires relating to the undersigned or to any collateral or to any Obligor or this Note in connection with such sale, assignment, transfer, negotiation, or grant. Borrower agree(s) that the Bank may provide information relating to this Note or relating to the undersigned to the Bank's parent, affiliates, subsidiaries and service providers.

GOVERNING LAW, JURISDICTION AND VENUE: THIS NOTE IS MADE AND DELIVERED IN THE STATE OF FLORIDA AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS THEREOF WITHOUT REFERENCE TO THE CONFLICTS OF LAW PRINCIPLES THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. BORROWER AND EACH OTHER OBLIGOR PARTY TO THIS NOTE HEREBY IRREVOCABLY SUBMITS AND CONSENTS TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT IN FLORIDA LOCATED IN THE SAME STATE JUDICIAL CIRCUIT OR FEDERAL DISTRICT COURT AND DIVISION, AS APPLICABLE, AS THE OFFICE OF BANK SPECIFIED IN THE FIRST PARAGRAPH OF THIS NOTE AND AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING DIRECTLY, INDIRECTLY OR OTHERWISE IN CONNECTION WITH, OUT OF, RELATED TO OR FROM THIS NOTE SHALL BE LITIGATED ONLY IN ONE OF THE FOREGOING DESCRIBED COURTS. BORROWER AND EACH OTHER OBLIGOR PARTY TO THIS NOTE, FOR THEMSELVES, AND THEIR RESPECTIVE HEIRS, SUCCESSORS AND ITS ASSIGNS, AND FOR ANY PERSON CLAIMING UNDER OR THROUGH ANY OF THEM, HEREBY KNOWINGLY AND VOLUNTARILY WAIVES ANY AND ALL RIGHTS TO HAVE THE JURISDICTION AND VENUE OF ANY LITIGATION ARISING DIRECTLY, INDIRECTLY OR OTHERWISE IN CONNECTION WITH, OUT OF, RELATED TO OR FROM THIS NOTE IN ANY OTHER COURT, AND HEREBY KNOWINGLY AND VOLUNTARILY WAIVES ANY AND ALL RIGHTS TO REMOVE THIS ACTION TO, OR TO TRANSFER, DISMISS, OR CHANGE VENUE TO, ANY OTHER COURT. BORROWER AND EACH OTHER OBLIGOR PARTY TO THIS NOTE FURTHER ACKNOWLEDGES AND AGREES THAT NEITHER BANK NOR ANY PERSON ACTING ON BEHALF OF BANK HAS IN ANY WAY AGREED WITH OR REPRESENTED TO BORROWER OR SUCH OBLIGOR THAT THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN WAIVED OR WILL NOT BE FULLY ENFORCED BY BANK.

WAIVER OF JURY TRIAL. BORROWER KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS BORROWER MAY HAVE TO TRIAL BY JURY IN ANY LEGAL PROCEEDING BASED ON, ARISING OUT OF, OR IN ANY WAY RELATED TO: THIS NOTE; THE OBLIGATIONS; ANY NOTES, LOAN AGREEMENTS, OR ANY OTHER LOAN DOCUMENT OR AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONNECTION WITH ANY OF THE OBLIGATIONS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THIS JURY WAIVER ALSO APPLIES TO ANY CLAIM, COUNTERCLAIM, CAUSE OF ACTION OR DEMAND ARISING FROM OR RELATED TO (I) ANY COURSE OF CONDUCT, COURSE OF DEALING, OR RELATIONSHIP OF BORROWER, ANY OBLIGOR, OR ANY OTHER PERSON WITH BANK OR ANY EMPLOYEE, OFFICER, DIRECTOR OR ASSIGNEE OF BANK IN CONNECTION WITH THE OBLIGATIONS; OR (II) ANY STATEMENT (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PERSON BY OR ON BEHALF OF BANK TO BORROWER, ANY OBLIGOR, OR ANY OTHER PERSON IN CONNECTION WITH THE OBLIGATIONS, REGARDLESS OF WHETHER SUCH CAUSE OF ACTION ARISES BY CONTRACT, TORT OR OTHERWISE. BORROWER HEREBY ACKNOWLEDGES THAT THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT TO THE BANK IN EXTENDING CREDIT TO THE BORROWER, THAT THE BANK WOULD NOT HAVE EXTENDED SUCH CREDIT WITHOUT THIS JURY TRIAL WAIVER, AND THAT BORROWER HAS BEEN REPRESENTED BY AN ATTORNEY OR HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY IN CONNECTION WITH THIS JURY TRIAL WAIVER AND UNDERSTANDS THE LEGAL EFFECT OF THIS WAIVER. BORROWER FURTHER CERTIFIES THAT NO PERSON HAS REPRESENTED TO IT, EXPRESSLY OR OTHERWISE, THAT BANK OR ANY OTHER PERSON WOULD NOT, IN THE EVENT OF A LEGAL PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER.

MISCELLANEOUS: The provisions of this Note may not be waived or modified except in writing, signed by Bank and Borrower. Failure of Bank to exercise rights, remedies or options Bank may have upon the happening of one or more of the events giving rise to such rights, remedies or options shall not constitute a waiver of the right to exercise the same or any other right, remedy or option at any subsequent time in respect to the same or any other event. The acceptance by Bank of any payment hereunder that is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the rights, remedies or options granted herein to Bank at that time or at any subsequent time or nullify any prior exercise of any such right, remedy or option without the express written acknowledgment of the Bank.

If any provision of this Note shall be held to be legally invalid or unenforceable by any court of competent jurisdiction, all remaining provisions of this Note shall remain in full force and effect.

The term "Bank" includes transferees, successors, and assigns of Bank, and all rights of Bank hereunder shall inure to the benefit of its transferees, successors, and assigns. All obligations of Obligor shall bind Obligor's heirs, legal representatives, successors, and assigns.

The descriptive headings of the several sections of this Note are inserted for convenience only and shall not in any way affect the meaning or construction hereof.

Bank may, at its option and in its sole discretion, maintain and rely upon a photocopy, electronic copy or other reproduction of this Note, and Borrower and each other Obligor, for themselves and their respective heirs, successors, and assigns, and any person claiming by or through any of them, hereby waive any and all objections to, and claims or defenses based upon, the failure of Bank to produce the original hereof for any purpose whatsoever.

THIS NOTE EMBODIES THE FINAL, ENTIRE AGREEMENT OF BORROWER AND BANK WITH RESPECT TO THE SUBJECT MATTER HEREOF. NO COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS NOTE. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

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INTERNAL USE ONLY

BORROWER:

1347 PROPERTY INSURANCE HOLDINGS, INC.,
a Delaware corporation

By: /s/ John S. Hill

Name: John S. Hill

Title: Vice President, Secretary and CFO

DOCUMENTARY STAMP TAX IN THE AMOUNT OF \$2,450.00 HAS BEEN PAID DIRECTLY TO THE FLORIDA DEPARTMENT OF REVENUE IN CONNECTION WITH THIS NOTE.

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