

## VOTING AGREEMENT AND IRREVOCABLE PROXY

THIS VOTING AGREEMENT AND IRREVOCABLE PROXY (this "Agreement") is made and entered into effective as of April 1, 2005, by and among Lone Star Risk Retention Group, Inc., a Texas corporation (the "Corporation"), Willowcrest Management Group, LLC, a South Carolina limited liability company ("Willowcrest"), and the shareholders of the Corporation which have executed this Agreement in counterpart by electronic signature (each, a "Shareholder" and collectively, the "Shareholders"). The Corporation and Willowcrest shall execute a copy of this Agreement in person, which copy shall be kept at the principal office of the Corporation, and each Shareholder shall adopt the terms and conditions of this Agreement by electronic signature.

WHEREAS, pursuant to the federal Liability Risk Retention Act of 1986, 15 U.S.C. § 3901, et seq., as amended, each Shareholder has purchased a certain number of shares of stock of the Corporation (the "Shares") in connection with the purchase of insurance from the Corporation;

WHEREAS, in order to insure the competent management of the Corporation in the interest of all of the shareholders thereof and as a material inducement and condition to the Corporation issuing Shares to the Shareholders, the Shareholders have agreed to enter into this Agreement;

WHEREAS, the parties hereto are entering into this Agreement in accordance with Section 2.30(B) of the Texas Business Corporation Act;

NOW, THEREFORE, in consideration of covenants, conditions and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. *Representations and Warranties.* Each Shareholder hereby represents and warrants to Willowcrest and the Corporation as follows:

(a) This Agreement has been duly executed by electronic signature and delivered by, and constitutes the valid and binding agreement of, such Shareholder, enforceable against such Shareholder in accordance with its terms.

(b) The execution by electronic signature and delivery of this Agreement will not violate or result in a default under or conflict with any agreement, indenture, mortgage, note, bond, lease or other contract or instrument to which such Shareholder is a party.

(c) The Shares owned by such Shareholder and the certificates representing such Shares, if any, are now and at all times during the term hereof shall be held by such Shareholder, free and clear of any and all liens, claims, security interests, proxies, voting trusts or agreements, understandings or arrangements or any other encumbrances whatsoever which would interfere with the voting of such Shares or the granting of any proxy, except for any such encumbrances or proxies arising hereunder.

2. *Voting Agreement.* Each Shareholder hereby covenants and agrees that, during the term of this Agreement, at any and all meetings of shareholders of the Corporation, or at any adjournment thereof or in any other circumstances upon which a vote, consent (including unanimous written consents), agreement or other approval is sought, such Shareholder shall vote (or cause to be voted) all of the Shares owned by such Shareholder and shall otherwise consent or agree in such manner as may be directed by Willowcrest in its sole and absolute discretion, including without limitation to elect individuals to the Corporation's Board of Directors (whether at any annual election of the Board of Directors, in connection with filling any vacancy as a result of any termination, removal or resignation of any member of the Board of Directors or otherwise) as designated by Willowcrest. Each Shareholder, as a holder of Shares, shall be present in person or by proxy at all meetings of shareholders of the Corporation so that all Shares are counted for purposes of determining the presence of a quorum at such meeting.

3. *Covenants.* Each Shareholder hereby covenants and agrees that prior to the termination of this Agreement, such Shareholder shall not (i) without the prior written consent of Willowcrest and the Corporation transfer (which term shall include, without limitation, for the purposes of this Agreement, any sale, gift, pledge, transfer, encumbrance or other form of disposition of any kind or nature whatsoever) any of the Shares owned by such Shareholder or any interest therein or enter into any contract, option or other arrangement or understanding with respect to any such transfer; (ii) grant any proxy, power of attorney or other authorization in or with respect to any of the Shares owned by such Shareholder; (iii) deposit any of the Shares owned by such Shareholder into any voting trust or enter into any voting agreement or other understanding or arrangement with respect to such Shares; or (iv) take any other action which would make any representations or warranties of such Shareholder contained herein untrue or incorrect or have the effect of preventing or disabling such Shareholder from performing its obligations under this Agreement.

4. *Grant of Irrevocable Proxy; Appointment of Proxy.* In furtherance of Section 2 hereof:

(a) Each Shareholder hereby irrevocably grants to, and appoints, Matthew S. Robinson, or such other person as Willowcrest may designate from time to time, as the Shareholder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Shareholder, to vote all of the Shares owned by such Shareholder at any meeting of the shareholders of the Corporation, or at any adjournment thereof or in any other circumstances upon which a vote, agreement, consent (including unanimous written

consents) or other approval is sought, as set forth in Section 2 hereof. Such attorney-in-fact may evidence the taking of any action, giving of any consent or the voting of such Shares by the execution of any document or instrument for such purpose in the name of such Shareholder.

(b) Each Shareholder hereby represents that any proxies given in respect of the Shares owned by such Shareholder prior to the granting of the proxy set forth in this Agreement are not irrevocable, and that any such proxies are hereby revoked.

(c) Each Shareholder hereby affirms that the irrevocable proxy set forth in this Section 4 is given in connection with, and in consideration of, the issuance of Shares by the Corporation to the Shareholder and that such irrevocable proxy is given to secure the performance of the duties of such Shareholder under this Agreement. Each Shareholder hereby further affirms that this irrevocable proxy is coupled with an interest and may under no circumstances be revoked. Each Shareholder hereby ratifies and confirms all that the proxy and attorney-in-fact appointed pursuant to this Section 4 may lawfully do or cause to be done by virtue hereof. **SUCH IRREVOCABLE PROXY IS EXECUTED AND INTENDED TO BE IRREVOCABLE IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2.29(C) OF THE TEXAS BUSINESS CORPORATION ACT.**

5. *Certain Events.* Each Shareholder agrees that this Agreement and the obligations hereunder shall attach to all of the Shares owned by such Shareholder and shall be binding upon any person or entity to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, including without limitation such Shareholder's successors and assigns. In the event of any stock split, stock dividend, merger, reorganization, recapitalization or other change in the capital structure of the Corporation or the acquisition of additional shares of the Corporation's stock or other voting securities of the Corporation by such Shareholder after the date hereof, the number of Shares subject to the terms of this Agreement shall be adjusted automatically as appropriate and this Agreement and the obligations hereunder shall attach automatically to any such additional shares of the Corporation's stock or other voting securities of the Corporation issued to or acquired by such Shareholder.

6. *Further Assurances.* Each Shareholder shall, upon request of Willowcrest or the Corporation, execute and deliver such additional documents and take such further actions as may reasonably be deemed by Willowcrest or the Corporation to be necessary or desirable to carry out the provisions hereof and to vest the power to vote Shares as contemplated by Section 4 in the attorney-in-fact described therein.

7. *Termination.* This Agreement, and all rights and obligations of the parties hereunder, including without limitation, the proxy set forth in Section 4, shall terminate upon the unanimous written consent of all of the parties hereto.

8. *Legends.* Each certificate representing Shares, whether now held or hereafter acquired, shall be endorsed by the Corporation with a legend reading substantially as follows:

“THE SHARES EVIDENCED HEREBY ARE SUBJECT TO A VOTING AGREEMENT AND IRREVOCABLE PROXY, A COPY OF WHICH IS ON FILE AT THE OFFICE OF THE CORPORATION AND IS AVAILABLE UPON REQUEST), AND BY ACCEPTING ANY INTEREST IN SUCH SHARES THE PERSON ACCEPTING SUCH INTEREST SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SUCH VOTING AGREEMENT AND IRREVOCABLE PROXY. ANY ATTEMPTED SALE, TRANSFER, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF SUCH AGREEMENT AND PROXY SHALL BE VOID AND OF NO FORCE AND EFFECT.”

9. *Miscellaneous.*

(a) This Agreement may be executed (whether by electronic signature or otherwise) in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall be considered one and the same instrument.

(b) This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

(c) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, including but not limited to the Texas Uniform Electronic Transactions Act, without regard to the principles of conflicts of laws thereof.

(d) Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise, by any of the Shareholders without the prior written consent of Willowcrest and the Corporation. Any assignment in violation of the foregoing shall be null and void and of no force or effect whatsoever. This Agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

(e) Each Shareholder hereby acknowledges and agrees that irreparable damage would occur and that Willowcrest and the Corporation would not have any adequate

remedy at law in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached. Each Shareholder further acknowledges and agrees that Willowcrest and the Corporation shall each be entitled to an injunction or injunctions to prevent breaches by such Shareholder of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity.

(f) If any term, provision, covenant or restriction herein, or the application thereof to any circumstance, shall, to any extent, be held by a court of competent jurisdiction to be invalid, void or unenforceable, such term, provision, covenant or restriction shall be modified or voided, as may be necessary to achieve the intent of the parties to the extent possible, and the remainder of the terms, provisions, covenants and restrictions herein and the application thereof to any other circumstances, shall remain in full force and effect, shall not in any way be affected, impaired or invalidated, and shall be enforced to the fullest extent permitted by law.

(g) Any term or provision of this Agreement may be waived by the party entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement, if, as to any party, it is duly authorized in writing by such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any such other breach.

(h) No amendment, modification or waiver in respect of this Agreement shall be effective against any party unless it shall be in writing and signed by such party.

(i) Each party hereby acknowledges and agrees that (i) this Agreement, either alone or together with the other documents and instruments referenced herein, constitutes a “transaction” within the meaning of the Texas Uniform Electronic Transactions Act; and (ii) such party intends to conduct and to complete such transaction by electronic means pursuant to and in accordance with the terms and conditions of the Texas Uniform Electronic Transactions Act. Each Shareholder shall adopt and agree to be bound by the terms and conditions of this Agreement by electronic signature within the meaning of the Texas Uniform Electronic Transactions Act.