

CONTRACT NO. KC-337-25
Professional Services Contract

This Professional Services Contract ("Contract") is between Kitsap County, a Washington state political subdivision, having its principal offices at 614 Division Street, Port Orchard, Washington 98366 ("County") and Monica Meyer Consulting, a Non-Profit having its principal offices at 18201 NE Cedar Dr., Battle Ground, WA 98604 ("Contractor").

In consideration of the terms and conditions of this Contract, the parties agree as follows:

SECTION 1. TERM AND EFFECTIVE DATE

- 1.1 The Contract will become effective July 1, 2025 and terminate June 30, 2026, unless terminated or extended. The Contract may be extended for additional consecutive terms at the mutual agreement of the parties. In no event will the Contract become effective unless and until it is approved and executed by the duly authorized representative of Kitsap County.

SECTION 2. SERVICES

- 2.1. Scope of Work. The Contractor shall provide all "Services" identified in Attachment A: (Scope of Work), which is incorporated herein by reference. The Contractor shall provide its own equipment, labor, and materials.
- 2.2. Contract. "Contract" means this Contract and any exhibits, amendments, and solicitation documents accepted by the County, and Exhibits A – Description of Services; Exhibit B - Compensation; Attachment A – Service Definitions; Attachment B – Special Terms and Conditions Attachment; E - DRW Access Agreement; Attachment F - Certification Regarding Debarment, Suspension, and Other Responsibility Matters; Attachment G – Certification Regarding Lobbying Attachment; and H – Confidentiality and Data Security. All such documents are incorporated herein in full by this reference.
- 2.3. Personnel. The Contractor shall have and maintain complete responsibility for its Personnel. "Personnel" means Contractor and Contractor's employees, subcontractors, volunteers, interns, agents, and any other person utilized by the Contractor directly or indirectly or through third parties to perform any Services under the Contract. The Contractor shall promptly remove any Personnel performing Services on request from the County Representative.
- 2.4. Standards. The Contractor warrants that i) Contractor has the qualifications, knowledge, experience, skills, and resources necessary to provide all Services; ii) all Services shall be provided by Personnel experienced in their respective fields and in a manner consistent with the standards of care, skill, diligence, and knowledge commonly possessed and exercised by experienced professionals in the same discipline in the same or similar circumstances; and iii) all Services shall be performed to the County's reasonable satisfaction and according to the schedule agreed to by the parties.
- 2.5. Communication. The Contractor shall keep the County informed of the progress of the Services in the manner, method, and intervals requested by the County.

SECTION 3. COMPENSATION AND PAYMENT

- 3.1. Compensation. The maximum amount of compensation paid under the Contract by the County shall not exceed \$38,000. A description of the compensation is provided in Attachment B: Compensation, which is incorporated herein by reference.
- 3.2. Invoice. The Contractor will submit one (1) invoice to the County per month for payment of Services completed to date, unless otherwise provided herein. Each invoice shall identify the Services performed, dates performed, and any other information requested by the County.
- 3.3. Payment. The County will make reasonable efforts to pay the Contractor within thirty (30) days from the date the County receives a complete and correct invoice, unless otherwise provided herein. All funds disbursed to the Contractor will be processed by Direct Deposit via Automated Clearing House (ACH), unless otherwise agreed to by the parties.
- 3.4. Insurance/W-9 Compliance. All payments are expressly conditioned upon the Contractor's compliance with all insurance requirements and submission of a current IRS W-9 form to the County. Payments may be suspended in full in the event of noncompliance. Upon full compliance, payments will be released to the Contractor unless otherwise provided herein.
- 3.5. Restrictions. The Contractor will only be entitled to receive payment for Services expressly authorized in the Contract, and received during the Contract term and accepted by the County. The Contractor acknowledges oral requests and approvals of additional services or additional compensation are prohibited and unenforceable. Advance payments are not authorized.

SECTION 4. TERMINATION

- 4.1. For Convenience. The County may terminate the Contract, in whole or in part, without penalty, for any reason or no reason, with ten days prior notice to the Contractor.
- 4.2. For Funding issues. If any funding for Services is not available, withdrawn, reduced, or limited in any way, or if additional or modified conditions are placed on the funding after the Contract becomes effective, the County may: (1) accept a decreased price offered by the Contractor; (2) terminate the Contract; or (3) terminate the Contract and re-solicit the requirements.
- 4.3. Termination for Default. The County may immediately terminate the Contract, in whole or part, due to the failure of the Contractor to comply with any Contract term or condition, or to make satisfactory progress in performing the Contract, subject to the provisions of 11.1, or if the County determines the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity. The Contractor shall immediately notify the County if the Contractor becomes suspended or debarred.
- 4.4. Procedures. Upon receipt of notice of termination, the Contractor shall stop all Services as directed in the notice, notify Personnel of the termination date, and minimize further costs. All goods, materials, documents, data, and reports prepared by the Contractor under the Contract shall become the property of, and delivered to, the County on demand. A final payment will be made to the Contractor only for Services performed and accepted by the County through the effective date of termination. No costs incurred after the effective date of the termination will be paid.

SECTION 5. INDEMNIFICATION

- 5.1. To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless Kitsap County and its elected and appointed officials, officers, employees, and agents (collectively "Indemnitees") from and against all Claims resulting from or arising out of the performance of the Contract, whether such Claims arise from the acts, errors, or omissions of the Contractor, its Personnel, third parties, or Kitsap County, or anyone directly or indirectly employed by any of them or anyone for whose acts, errors, or omissions any of them may be liable. It is the specific intent of the parties that the Indemnitees shall, in all instances, except Claims arising from the sole negligence or willful misconduct of the Indemnitees, be indemnified by the Contractor from and against any and all Claims.
- 5.2. With regard to any Claim against any Indemnatee by any of the Contractor's Personnel, or anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the Contractor's indemnification obligation shall not be limited in any way by a limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor or Contractor's Personnel under workers compensation acts, disability benefit acts, or other employee benefit acts. Solely for the purposes of this indemnification provision, the Contractor expressly waives its immunity under Title 51 RCW (Industrial Insurance) and acknowledges this waiver was mutually negotiated by the parties.
- 5.3. Architectural, Landscape Architectural, Engineering, or Land Surveying Services. Should a court of competent jurisdiction determine the Contract is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the County, its officers, officials, employees, and agents, the Contractor's liability hereunder, including the duty and cost to defend, will be only to the extent of the Contractor's negligence.
- 5.4. Claim. "Claim" means all losses, claims, suits, actions, liabilities, damages, demands, judgments, settlements, expenses, fines, or other liabilities of any kind or nature whatsoever, including without limitation, all costs including costs of Claim processing, investigation, reasonable attorneys' fees, and damages, for any personal or bodily injury, sickness, disease, disability, or death, or loss or damage to tangible or intangible business or property, including the loss of use. Claim includes any infringement of copyright, patent, trademark, or other proprietary rights of any third parties arising out of Contract performance or use by the County of materials furnished or work performed under the Contract.

- 5.5. Obligations/Notice of Claim. The County will provide the Contractor notice of the assertion of liability by a third party that may give rise to a Claim by County against the Contractor based on the indemnity contained herein. The Contractor shall respond to the County's tender of defense of a claim in writing within fourteen (14) calendar days from the notice date, and will advise the County if the Contractor accepts or denies tender of the claim. The County may in its discretion withhold all or part of any payment due the Contractor under the Contract until the Contractor responds to such notice. The Contractor shall keep the County timely and fully informed through all stages of the defense and promptly respond to and comply with County's requests for information. The County at all times reserves the right, but has no obligation to participate in the defense and settlement of any Claim. Such participation shall not constitute a waiver of the Contractor's indemnity and defense obligations under the Contract. The Contractor shall not settle or compromise any Claim in any manner that imposes any obligations upon the County without the prior written consent of the County. The Contractor shall promptly advise the County of any occurrence or information known to the Contractor that could reasonably result in a Claim against the County. The violation of any provisions of this Section, including improper refusal to accept tender, is a material breach.

SECTION 6. INSURANCE

- 6.1. Minimum Insurance Required. The Contractor and its subcontractors, if any, shall procure and maintain, until all of the Contract obligations have been fully discharged, including any warranty period, all insurance required in this Section with an insurance company duly licensed in Washington State with an A.M. Best Company ratings of not less than A-VIII and a category rating of not less than "8", with policies and forms satisfactory to the County. Use of alternative insurers requires prior written approval from the County. Coverage limits shall be at minimum the limits identified in this Section, or the limits available under the policies maintained by the Contractor without regard to the Contract, whichever is greater.
- 6.2. Professional Liability. Not less than \$1,000,000 per claim and \$2,000,000 annual aggregate. Coverage will apply to liability for professional error, act or omission arising out of or in connection with the Contractor's Services under the Contract. The coverage shall not exclude bodily injury, property damage or hazards related to the work rendered as part of the Contract or within the scope of the Contractor's services under the Contract, including testing, monitoring, measuring operations or laboratory analysis where such Services are rendered under the Contract.
- 6.3. Commercial General Liability ("CGL"). Not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. Coverage shall include personal injury, bodily injury, and property damage for premise-operations liability, products/completed operations, personal/advertising injury, contractual liability, independent contractor liability, and stop gap/employer's liability. Coverage shall not exclude or contain sub-limits less than the minimum limits required herein, without the prior written approval of the County. The certificate of insurance for the CGL policy shall expressly cover the indemnification obligations required by the Contract.
- 6.4. Automobile Liability.
- ☒ Contractor shall maintain personal automobile insurance on all vehicles used for Contract purposes as required by law.

☐ Not less than \$100,000 per occurrence and \$300,000 annual aggregate. If a personal automobile liability policy is used to meet this requirement, it must include a business rider and cover each vehicle to be used in the performance of the Contract. If Contractor will use non-owned vehicles in performance of the Contract, the coverage shall include owned, hired, and non-owned automobiles.

☐ Not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. Coverage shall include liability for any and all owned, hired, and non-owned vehicles. Coverage may be satisfied with an endorsement to the CGL policy.

- 6.5. Umbrella or Excess Liability. The Contractor may satisfy the minimum liability limits required for the CGL and Automobile Liability under an Umbrella or Excess Liability policy. There is no minimum per occurrence limit of liability under the Umbrella or Excess Liability; however, the annual aggregate limit shall not be less than the highest "Each Occurrence" limit for either CGL or Automobile Liability. The Contractor agrees to an endorsement naming the County as an additional insured as provided in this Section, unless the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.
- 6.6. Workers' Compensation and Employer Liability. If applicable, the Contractor shall maintain workers' compensation insurance as required under the Title 51 RCW (Industrial Insurance), for all Contractor's Personnel eligible for such coverage. If the Contract is for over \$50,000, then the Contractor shall also maintain employer liability coverage with a limit of not less than \$1,000,000.
- 6.7. Primary, Non-Contributory Insurance/Subcontractors. The Contractor's and its subcontractors' insurance policies and additional named insured endorsements will provide primary insurance coverage and be non-contributory. Any insurance or self-insurance programs maintained or participated in by the County will be excess and not contributory to such insurance policies. All Contractor's and its subcontractors' liability insurance policies must be endorsed to show as primary coverage. The Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All subcontractors shall comply with all insurance and indemnification requirements herein.
- 6.8. Review of Policy Provisions. Upon request, the Contractor shall provide a full and complete copy of all requested insurance policies to the County. The County reserves the right without limitation, but has no obligation to revise any insurance requirement, or to reject any insurance policies that fail to meet the requirements of the Contract. The County also has the right, but no obligation to review and reject any proposed insurer providing coverage based upon the insurer's financial condition or licensing status in Washington. The County has the right to request and review the self-insurance retention limits and deductibles, and the Contractor's most recent annual financial reports and audited financial statements, as conditions of approval. Failure to demand evidence of full compliance with the insurance requirements or failure to identify any insurance deficiency shall not relieve the Contractor from, nor be construed or deemed a waiver, of its obligation to maintain all the required insurance at all times as required herein.

- 6.9. Waiver of Subrogation. In consideration of the Contract award, the Contractor agrees to waive all rights of subrogation against the County, its elected and appointed officials, officers, employees, and agents. This waiver does not apply to any policy that includes a condition that expressly prohibits waiver of subrogation by the insured or that voids coverage should the Contractor enter into a waiver of subrogation on a pre-loss basis.
- 6.10. Additional Insured, Endorsement and Certificate of Insurance. All required insurance coverage, other than the workers' compensation and professional liability, shall name the County, its elected and appointed officials, officers, employees, and agents, as additional insureds and be properly endorsed for the full available limits of coverage maintained by Contractor and its subcontractors. Endorsement is not required if the Contractor is a self-insured government entity, or insured through a government risk pool authorized by Washington State.

The Certificate of Insurance and endorsement shall identify the Contract number and shall require not less than thirty (30) days' prior notice of termination, cancellation, nonrenewal or reduction in coverage. At the time of execution, the Contractor shall provide the Certificate of Insurance, endorsement, and all insurance notices to: Risk Management Division, Kitsap County Department of Administrative Services, 614 Division Street, MS-7, Port Orchard, Washington 98366.

- 6.11. General. The coverage limits identified herein are minimum requirements only and will not in any manner limit or qualify the liabilities or obligations of the Contractor under the Contract. All insurance policy deductibles and self-insured retentions for policies maintained under the Contract shall be paid by the Contractor. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County, its elected and appointed officials, officers, employees, or agents. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, subject to the limits of the insurer's liability.
- 6.12. Claims-Made. If the Contractor's liability coverage is written as a claims-made policy, the Contractor shall purchase an extended-reporting period or "tail" coverage for a minimum of three (3) years following completion of the performance or attempted performance of the provisions of this Contract.

SECTION 7. NOTICE AND CONTRACT REPRESENTATIVES

- 7.1. Any notices, demands and other communications required by the Contract will be effective if personally served upon the other party or if mailed by registered or certified mail, postage prepaid, return receipt requested, to the other party's Contract Representative at the address below. Notice may also be given by facsimile with the original to follow by regular mail. Notice will be deemed to be given three (3) days following the date of mailing, or immediately if personally served. For service by facsimile, service will be effective at the beginning of the next working day. Each party will designate a "Contract Representative", which may be changed by providing fifteen (15) days prior notice to the other party.

County's Contract Representative

Name: Heidi Scheibner
Title: DD County Coordinator
Address: 614 Division St., MS-23 Port Orchard, WA, 98366

Phone: 360-337-4624
Email: Hscheibner@kitsap.gov

Contractor's Contract Representative

Name: Monica Meyer
Title: CEO
Address: Monica Meyer Consulting, 18201 NE Cedar Dr., Battle Ground, WA 98604
Phone: 360-904-8938
Email: Mmeyer0801@gmail.com

SECTION 8. AMENDMENTS, SUBCONTRACTS, INDEPENDENT CONTRACTOR

- 8.1. Amendment. No amendment or modification to the Contract will be effective without the prior written consent of the authorized representatives of the parties.
- 8.2. Successors and Assigns. To the extent permitted by law, the Contract is binding on the parties' respective partners, successors, assigns, executors, and legal representatives.
- 8.3. Assignments. Except with the prior written consent of the other party, each party shall not assign or transfer, including by merger (whether that party is the surviving or disappearing entity), consolidation, dissolution, or operation of law any right, duty, obligation, or remedy under the Contract. Any purported assignment or transfer in violation of this section shall be void.
- 8.4. Subcontracts. The Contractor shall provide the County a list of all subcontractors and the subcontractors' proposed responsibilities. "Subcontract" means any contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or service for the performance of the Contract. All subcontracts shall incorporate by reference the terms and conditions of this Contract. The Contractor is solely responsible for the performance and payment of its subcontractors.
- 8.5. Independent Contractor. Each party under the Contract shall be for all purposes an independent contractor. Nothing contained herein will be deemed to create an association, a partnership, a joint venture, or a relationship of principal and agent, or employer and employee between the parties. The Contractor shall have complete responsibility and control over its Personnel. Neither the Contractor nor its Personnel shall be, or be deemed to be, or act or purport to act, as an employee, agent or representative of the County. The Contractor and its Personnel shall have no County employee-type benefits of any kind whatsoever, including without limitation, insurance, pension plan, vacation pay or sick pay, or other right or privilege afforded to County employees. The Contractor and its Personnel shall be responsible for payment of all insurance, taxes, and benefits.

SECTION 9. OWNERSHIP, CONFIDENTIAL INFORMATION AND BREACH

- 9.1. Ownership. Any and all data, reports, analyses, documents, photographs, pamphlets, plans, specifications, surveys, films, or any other materials created, prepared, produced, constructed, assembled, made performed, or otherwise produced by the Contractor or its Personnel for delivery to the County under this Contract shall be the sole and absolute property of the County. All such property shall constitute "work made for hire" as defined by the U.S. Copyright Act of 1976, 17 U.S.C § 101, and the ownership of the copyright and any other intellectual property rights in such property shall vest in the County at the time of its creation. Ownership of the intellectual property includes the right to copyright, patent, and register, and the ability to transfer these rights. Material the Contractor uses to perform this Contract that is not created, prepared, constructed, assembled, made, performed, or otherwise produced for or paid for by the County is owned by the Contractor and is not "work made for hire" within the terms of the Contract.
- 9.2. Confidential Information/Breach. The Contractor shall ensure that all personal identifying information, financial information, and other information submitted or made available to the Contractor by, or on behalf of, the County, or acquired or developed by the Contractor in the performance of the Contract (unless publicly available) is kept confidential, secured, and protected to prevent unauthorized access. Such information will be utilized by the Contractor solely as necessary for the performance of Services under the Contract and not made available to any other person without the County's prior written consent. In the event of unauthorized access or other security breach, the Contractor shall immediately notify the Contract Representative and shall at its sole expense comply with all requirements of RCW 19.255.010, in effect at any given time. Upon expiration or termination of the Contract, all confidential information shall be returned to the County or destroyed at the County's discretion.

SECTION 10. REPRESENTATIONS AND RECORDS

- 10.1. No Fee. The Contractor certifies it has not received, nor paid or agreed to pay, another person or entity, other than a bona fide employee working exclusively for the Contractor, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of the Contract.
- 10.2. Licenses, Permits and Taxes. The Contractor shall, at its own expense, have and maintain all licenses, registrations, permits, and approvals necessary for the performance of the Contract, including without limitation, registration with the Washington State Department of Revenue. The Contractor shall pay all fees (including licensing fees) and applicable federal, state, and local taxes.
- 10.3. Compliance. The Contractor and its Personnel, and the Services provided by the Contractor and its Personnel, shall comply with all applicable laws, codes, and standards in effect at any given time regardless as to whether such laws are referred to by the County. If required for the Services provided, the Contractor and its Personnel shall submit to a background check as directed by the County.

- 10.4. Nondiscrimination. The Contractor and its Personnel shall not discriminate against any person on the basis of race, color, creed, religion, national origin, age, sex, marital status, sexual orientation, veteran status, disability, or other circumstance prohibited by federal, state, or local law, and shall comply with Title VI of the Civil Rights Act of 1964, P.L. 88-354 and Americans with Disabilities Act of 1990 in the performance of the Contract.
- 10.5. Public Records. The Contractor agrees that the Contract and all records associated with the Contract shall be available to the County for inspection and copying by the public pursuant to the Public Records Act, Chapter 42.56 RCW ("Act"). If the County determines that records in the custody of the Contractor are needed to respond to a request under the Act, the Contractor shall make all such records promptly available to the County at no cost to the County. With the exception of the Contract, if the Contractor considers any portion of any record, electronic or hard copy, to be protected from disclosure under the Act, the Contractor shall clearly identify all specific information it claims to be confidential or proprietary. If the County receives a request under the Act to inspect or copy proprietary information that has been identified by the Contractor as protected from disclosure and the County determines that release of the information is required by the Act or otherwise appropriate, the County's sole obligation will be to make a reasonable effort to notify the Contractor of the request and the date that such protected information will be released unless the Contractor obtains a court order to enjoin disclosure pursuant to RCW 42.56.540. If the Contractor fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified. The County has no obligation on behalf of the Contractor to claim any exemption from disclosure under the Act. The County will not be liable to the Contractor for releasing records pursuant to the Act.
- 10.6. Advertising, Logo. The Contractor shall not use, advertise, or promote for commercial benefit information concerning the Contract or use any trade name, trademark, or logo of the County, without the County's prior written consent.
- 10.7. Audit and Record Retention. The Contractor and its Personnel shall retain all books, documents, and records relating to performance of the Contract and Services provided in connection with this Contract for six (6) years after completion of the Contract or longer if requested by the County. All records shall be subject to inspection and audit by the County. Upon request, the Contractor shall promptly make available to the County a legible copy of all books, documents, and records at no cost to the County.

SECTION 11. RIGHTS AND REMEDIES

- 11.1. Failure to Perform. If County determines the Contractor has failed to perform any material obligation of the Contract, and such failure has not been cured within ten (10) days' following notice from the County, the County may without penalty, in its discretion, withhold all monies due the Contractor until such failure is cured to the reasonable satisfaction of the County.
- 11.2. Right of Assurance. If the County in good faith has reason to believe the Contractor does not intend, or is unable to perform, or continue performing under the Contract, the County may demand in writing that the Contractor give a written assurance of intent to perform. Should the Contractor fail to provide adequate assurance to the reasonable satisfaction of the County, by the date specified the demand, the County may terminate all or part of the Contract and pursue all other rights and remedies available at law and in equity.

- 11.3. Responsibility for Errors. All Services shall be completed to the reasonable satisfaction of the County and as required herein. Upon request, the Contractor shall provide any clarifications and/or explanations regarding any Services provided as required by the County, at no additional cost to the County. In the event of an error or omission under the Contract, the Contractor shall, at no cost to the County, provide all necessary design drawings, estimates, and all other professional services the County deems necessary to rectify and correct the matter to the satisfaction of the County. The Contractor shall continue to be responsible for the accuracy of Services, even after the Work is accepted by the County and the termination or expiration of the Contract.
- 11.4. Remedies. All County rights and remedies under the Contract are in addition to, and shall in no way limit, any other rights and remedies that may be available to the County at law and in equity.
- 11.5. Right of Off-Set; Reimbursement. The County will be entitled to offset against any sums due the Contractor and to reimbursement from the Contractor for any damages, expenses, or costs incurred by the County due to the Contractor's nonconforming performance or failure to perform the Services under the Contract.
- 11.6. Waiver. Either party's failure to insist upon the strict performance of any provision of the Contract, or to exercise any right based upon a breach thereof or the acceptance of any performance during such breach, will not constitute a waiver of any right or remedy under the Contract unless expressly so agreed in writing by an authorized representative.
- 11.7. Breach. In the event of a material breach by the Contractor, the County may procure, on terms and in the manner that it deems appropriate, Services to replace those under the Contract. The Contractor shall be liable to the County for any and all costs, expenses, penalties, and fees incurred by the County in procuring such Services in substitution for those due from the Contractor under the Contract.

SECTION 12. GOVERNING LAW, DISPUTES

- 12.1. Governing Law; Venue. The Contract will be governed in all respects by the laws of the State of Washington, both as to interpretation and performance, without regard to conflicts of law or choice of law provisions. Any action arising out of or in connection with the Contract may be instituted and maintained only in a court of competent jurisdiction in Kitsap County, Washington or as provided by RCW 36.01.050.
- 12.2. Disputes. Conflicts and disagreements between the parties related to the Contract will be promptly brought to the attention of the County. Any dispute relating to the quality or acceptability of performance or compensation due the Contractor will be decided by the County's Contract Representative. All decisions of the County's contract Representative are considered final; however, nothing herein prohibits either party from seeking judicial relief.

SECTION 13. PREVAILING WAGE

Does Not Apply

SECTION 14. GENERAL PROVISIONS

- 14.1. Implied Contract Terms. Each provision of law and any terms required by law to be in the Contract are made a part of the Contract as if fully stated in it.
- 14.2. Headings/Captions. Headings and captions used are for convenience only and are not a part of the Contract and do not in any way limit or amplify the terms and provisions hereof.
- 14.3. No Party the Drafter. The Contract is the product of negotiation between the parties, and no party is deemed the drafter of the Contract.
- 14.4. No Third Party Beneficiary. No provision of the Contract is intended to, nor will it be construed to, create any third party beneficiary or provide any rights or benefits to any person or entity other than the County and the Contractor.
- 14.5. Severability. If a court of competent jurisdiction holds any provision of the Contract to be illegal, invalid, or unenforceable, in whole or in part, the validity of the remaining provisions will not be affected, and the parties' rights and obligations will be construed and enforced as if the Contract did not contain the particular provision held to be invalid. If any provision of the Contract conflicts with any statutory provision of the State of Washington, the provision will be deemed inoperative to the extent of the conflict or modified to conform to statutory requirements.
- 14.6. Precedence. The Contract documents consist of this Contract and its attachments and exhibits. In the event of a conflict between or among the Contract documents, the order of precedence shall be this Contract, then the attachments and exhibits.
- 14.7. Counterparts/Electronic Signatures. The Contract may be executed in several counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. A facsimile, email, or other electronically delivered signautres of the parties shall be deemed to constitute original signatures and deemed to constitute duplicate originals.
- 14.8. Non-Exclusive Contract. The County may at its discretion enter into multiple agreements to obtain the same or similar services that are the subject of this Contract or may have its own employees perform the same or similar services contemplated by the Contract.
- 14.9. Survival. Those provisions of this Contract that by their sense and purpose should survive expiration or termination of the Contract shall so survive. Those provisions include, without limitation: Sections 5 (Indemnification), 6 (Insurance), 8.5 (Independent Contractor), 9 (Ownership, Confidential Information and Breach), 11 (Rights and Remedies), 12 (Governing Law, Disputes), and 14 (General Provisions).
- 14.10. Entire Agreement. The parties acknowledge the Contract is the product of negotiation between the parties and represents the entire agreement of the parties with respect to its subject matter. All previous agreements and representations, whether oral or written, entered into prior to this Contract are hereby revoked and superseded by the Contract.
- 14.11. Authorization. Each party signing below warrants to the other party, that they have the full power and authority to execute this Contract on behalf of the party for whom they sign.

Dated this 31 day of July, 2025

MONICA MEYER CONSULTING, INC.



Signature

Monica Meyer

Print Name

President, Owner M Meyer Consulting, Inc.

Title

Dated this 6 day of August, 2025

KITSAP COUNTY, WASHINGTON



VICTORIA BRAZITIS,
COUNTY ADMINISTRATOR

EXHIBIT A: DESCRIPTION OF SERVICES

The contractor shall provide autism training, education, information and technical assistance to a broad array of entities as outlined below.

At the request of the County;

1. The contractor will provide information, training and consultation to agency staff, clients, families and guardians pertaining to effective programs that are critical in the support of individuals with autism in employment and community inclusion. Areas covered will include review of the characteristics of autism, communication strategies, executive function and theory of mind, social narratives and choice boards, sensory inventory and needs, functional behavior assessment, positive behavior supports, employment development and event planning. The contractor will work with county contracted agencies in determining the appropriate approach in the delivery of information.
2. The contractor will work closely with county contracted providers providing one on one technical assistance and training in all aspects of community-based, individual supported employment for clients currently receiving individual employment or community inclusion services.
3. The contractor will provide training and support to local school districts. The training will cover effective strategies that are critical in the support of students with autism to prepare for life after school. Strategies taught will include how to identify, develop and use functional communication systems and assistive technology to increase the student's ability to independently navigate, engage and participate in community organizations and work in local businesses.
4. The contractor will provide training and support to agency staff as requested in job development activities, job site supports such as: creation of work systems, identifying and customizing job tasks, assistive technology, and communication systems.
5. The contractor will inform county staff by monthly progress reports throughout this process.

EXHIBIT B: COMPENSATION

The contractor will be paid up to five hundred hours (300) of service, not to exceed the total amount of \$38,000.

Professional Hours will be reimbursed at \$125 an hour. Report Hours will be reimbursed at \$40 an hour.

Miscellaneous Expenses:

Mileage will be reimbursed at IRS standard rates per mile between the contractor's place of business and Kitsap County Services agencies.

<https://mileagepad.com/irsmileage-rates>

Contractor will be reimbursed for meals based on receipts when working 6 or more hours per day.

Reimbursement of actual costs for meals and lodging will be based on the current US General Services Administration per diem rates.

<http://www.gsa.gov/portal/category/100120>

Total amount allotted for expenses should not exceed \$3,000 (inclusive of the \$38,000 contract amount).

ATTACHMENT A: SERVICE DEFINITIONS BARS

Child Development Services (Birth to Three)

Child Development Services are designed to meet the developmental needs of each eligible child and the needs of the family related to enhancing the child's development. Service may include assistive technology, audiology, family training/home visits, health services, medical services, nursing services, nutrition services, occupational therapy, physical therapy, psychological services, sign language, social work, special instruction, speech-language pathology, vision, and transportation. Services are provided in natural environments to the maximum extent appropriate.

Individual Supported Employment

Individual Supported Employment services are a part of a Client's pathway to employment and are tailored to individual needs, interests, abilities, and promote career development. These are individualized services necessary to help persons with developmental disabilities obtain and continue integrated employment at or above the state's minimum wage in the general workforce. These services may include intake, discovery, assessment, job preparation, job marketing, job supports, record keeping and support to maintain a job. (per [Individual Employment and Billable Activities](#))

Individualized Technical Assistance Services

Individualized Technical Assistance services are part of a Client's pathway to employment or community inclusion. This service provides assessment and consultation to the employment provider to identify and address existing barriers to employment. This is in addition to supports received through supported employment and community inclusion services for clients who have not yet achieved their goal.

Community Inclusion

Individualized services provided in integrated community settings with other individuals without disabilities. The activities are based on Client interests and provide opportunities typically experienced by the general public of similar age in their local community, accessible by public transit or a reasonable commute from their home. The goal of the service is to support clients to participate, contribute, and develop relationships with community members who are not paid staff. (per [Community Inclusion Billable Activities](#)) These services may be authorized for individuals 62 and older. These services may be authorized in addition to or instead of employment support (Individual Employment) for working age individuals who have received nine months

of employment support.

Infrastructure Projects

Projects in support of Clients (services not easily tracked back to a specific working age client) or that directly benefit a Client(s) but the Client is not working age. Examples include planning services like benefits planning and generic job development e.g. "Project Search."

Start-up Projects

Projects that support an agency or directly benefit the agency. Examples include equipment purchases and agency administrative support.

Partnership Projects

Collaborative partnerships with school districts, employment providers, DVR, families, employers and other community collaborators needed to provide the employment supports and services young adults with developmental disabilities require to become employed during the school year they turn 21.

ATTACHMENT B: SPECIAL TERMS AND CONDITIONS

SECTION 1. Definitions

- 1.1 **“Acuity Level”** means the level of Client’s abilities and needs as determined through the DDA assessment.
- 1.2 **“ALSA Web Access (AWA)”** means a web-based portal to the Developmental Disabilities Administration CARE system designed to support county services for DDA clients.
- 1.3 **“Additional Consumer Services”** refers to indirect client service types as follows:
- 1) **“Community Information and Education”**: Activities to inform and/or educate the general public about developmental disabilities and related services. These may include information and referral services; activities aimed at promoting public awareness and involvement; and community consultation, capacity building and organization activities.
 - 2) **“Training”**: To increase job related skills and knowledge of staff, providers, volunteers, or interning students in the provision of services to people with developmental disabilities. Also, to enhance program-related skills of board or advisory board members.
 - 3) **“Other Activities”** reserved for special projects and demonstrations categorized into the following types:
 - A. **Infrastructure projects**: Projects in support of clients (services not easily tracked back to a specific working age client) or that directly benefit a client(s), but the client is not of working age. Examples include planning services, like benefits planning, and generic job development; e.g. “Project Search.”
 - B. **Start-up Projects**: Projects that support an agency or directly benefit the agency. Examples include equipment purchases and agency administration support.
 - C. **Partnership Project**: Collaborative partnerships with school districts, employment providers, DVR, families, employers and other community collaborators needed to provide the employment supports and services young adults with developmental disabilities require to become employed during the school year they turn 21.
- 1.4 **“ADSA”** means Aging and Disability Services.
- 1.5 **“Budget and Accounting Reporting System (BARS)”** means a master classification of balance sheet, revenue, and expenditure/expenses accounts.

- 1.6 **“Client”** means a person with a developmental disability as defined in Chapter [388-823](#) WAC who is currently eligible and active with the Developmental Disabilities Administration or is an identified PASSR client.
- 1.7 **“Competitive Integrated Employment”** means work performed by a Client on a part time or full-time basis, within an integrated setting within the community that meets HCBS setting requirements. The Client must meet be compensated at minimum wage or higher, using the higher federal, state or local rate, and at a rate comparable to the wage paid to non-disabled workers performing the same tasks, including the same benefits and opportunities for advancement.
- 1.8 **“Consumer Support”** refers to direct client service types as follows:
- 1) **“Community Inclusion” or “CI”**: means individualized services provided in integrated community settings with other individuals without disabilities. The activities are based on Client interests and provide opportunities typically experienced by the general public of similar age in their local community, accessible by public transit or a reasonable commute from their home. The goal of the service is to support clients to participate, contribute, and develop relationships with community members who are not paid staff. These services may be authorized for individuals 62 and older. These services may be authorized in addition to or instead of employment support (Individual Employment) for working-age individuals who have received nine months of employment support.
 - 2) **“Child Development Services” or “CDS”**: Birth to three services are designed to meet the developmental needs of each eligible child and the needs of the family related to enhancing the child’s development. Services are provided in natural environments to the maximum extent appropriate. Service may include assistive technology, audiology, family training/home visits, health services, medical services, nursing services, nutrition services, occupational therapy, physical therapy, psychological services, sign language, social work, special instruction, speech-language pathology, vision, and transportation.
 - 3) **“Individual Supported Employment” or “IE”**: Services are part of a Client’s pathway to employment and are tailored to individual needs, interests, abilities, and promote career development. These are individualized services necessary to help persons with developmental disabilities obtain and continue integrated employment at or above the state’s minimum wage in the general workforce. These services may include intake, discovery, assessment, job preparation, job marketing, job supports, record keeping and support to maintain a job.
 - 4) **“Individualized Technical Assistance” or “ITA”**: Services are part of a Client’s pathway to individual employment or community inclusion. This service provides assessment and consultation to the employment provider to identify and address existing barriers to employment. This is in addition to supports received

through supported employment services or community inclusion for Clients who have not yet achieved their goal.

- 1.9 **“Contractor”** means a vendor whom the county contracts for services.
- 1.10 **“County”** means the political subdivision of the state of Washington and the county or counties entering into this Program Agreement.
- 1.11 **“DDA Case Resource Manager (CRM)”** means case manager for DDA clients.
- 1.12 **“County Service Authorization (CSA)”** means authorization of county services.
- 1.13 **“Developmental Disabilities (DD)”** means a disability attributable to intellectual disability, cerebral palsy, epilepsy, autism, or another neurological or other condition of an individual found by the secretary to be closely related to an intellectual disability or to require treatment similar to that required for individuals with intellectual disabilities, which disability originates before the individual attains the age of eighteen, which has continued or can be expected to continue indefinitely, and which constitutes a substantial limitation to the individual.
- 1.14 **“Developmental Disabilities Administration (DDA)”** means a division within DSHS.
- 1.15 **“DDA Regional office (DDA Region)”** means the regional DDA office that supports DDA clients.
- 1.16 **“DRW”** means Disability Rights of Washington (Formally known as Washington Protection and Advocacy System, WPAS).
- 1.17 **“DSHS”** means the state Department of Social and Health Services.
- 1.18 **“Division of Vocational Rehabilitation (DVR)”** means a division within the Department of Social and Human Services.
- 1.19 **“Medicaid Home and Community Based Services (HCBS)”** means services occur in the Client’s home rather than institutions or other isolated settings. These programs serve a variety of targeted population groups, such as people with intellectual or developmental disabilities, physical disabilities, and/or mental illnesses.
- 1.20 **“Preadmission Screening and Resident Review (PASSR)”** means individuals with intellectual disabilities or related conditions (ID/RC) who have been referred for nursing facility (NF) care.

- 1.21 **“Person Centered Service Plan (PCPS)”** means a document that authorizes and identifies the DDA paid services to meet a Client’s assessed needs. Formally referred to as the Individual Support Plan.
- 1.22 **“Quality Assurance”** means an adherence to all contract requirements, including DDA policy 6.13, Provider Qualifications for Employment and Day Program Services, DDA Guiding Values, County Guide to Achieving Developmental Disability Administration’s Guiding Values and the Criteria for Evaluation, as well as focus on reasonably expected levels of performance, quality and practice.
- 1.23 **“Quality Improvement”** means a focus on activities to improve performance above minimum standards and reasonably expected levels of performance, quality and practice.
- 1.24 **“RCW”** means Revised Code of Washington.
- 1.25 **“Service Provider”** is a qualified Client service vendor who is contracted to provide Employment and Day Program services.
- 1.26 **“WAC”** means Washington Administrative Code.

SECTION 2. Credentials and Minimum Requirements

- 2.1 The Contractor will comply with the Developmental Disabilities Administration’s [Policy 6.13, Program Provider Qualifications](#).
- 2.2 **Home and Community Based Waiver Services assignment of Medicaid Billing Rights:** The Contractor agrees to assign the Developmental Disabilities Administration its Medicaid billing rights for services to DDA clients eligible under the Title XIX program in this agreement.
- 2.3 **Single State Medicaid Agency-DSHS.** DSHS, as the single state Medicaid Agency, has administrative authority for Title XIX coverage of services for people with developmental disabilities per 42 CFR 431.10. The County only has responsibility for services covered in this agreement.
- 2.4 **Qualified Board Members:** The Contractor, if it has a board, shall include members knowledgeable about developmental disabilities. The Contractor shall assure that potential conflict of interest (real or apparent) will not arise. Such a conflict will arise when a Board member is a guardian, legal representative, family member or other decision maker for the client. The Contractor shall document specific measures taken to ensure a conflict of interest does not exist.
- 2.5 **Background and Criminal History Check:** The Contractor shall ensure a background criminal history clearance is required every three years for all

employees, subcontractors, and/or volunteers who may have unsupervised access to vulnerable DSHS clients, in accordance with RCW 43.43.830-845, RCW 74.15.030, and Chapter 388. WAC. If the entity elects to hire or retain an individual after receiving notice that the applicant has a conviction for an offense that would disqualify the applicant from having unsupervised contact with vulnerable adults, as defined in Chapter 74.34 RCW, the County shall deny payment for any subsequent services rendered by the individual provider. The Contractor shall utilize DSHS Background Check Central Unit (BCCU) to obtain background clearances.

- 2.6 **Reporting Abuse and Neglect:** The Contractor is a mandated reporter under RCW 74.34.020 (13) and must comply with the reporting requirements described in RCW 74.34.035, .040 RCW, and 26.44 RCW. If the Contractor is contacted by DSHS that a Contractor is cited or on the registry for a substantiated finding, then that associated staff will be prohibited from providing services under this contract.

The Contractor will promptly report to DSHS per Policy 5.13 Protection from Abuse and Policy 6.08 (mandated reporting Requirements for Employment and Day Program Services Providers), incorporated by reference, if:

- A. They have reasonable cause to believe that abandonment, abuse, financial exploitation or neglect (as defined in RCW 74.34.020) of a person who has a developmental disability (as defined in RCW 71A.10.020) has occurred.
 - B. If they have reason to suspect that sexual or physical assault of such a person has occurred, they shall also immediately report to the appropriate law enforcement agency.
- 2.7 **Duplicative Funding.** Client services shall not be reimbursed under this Agreement when the same services are paid for under the Rehabilitation Act of 1973, as amended in 1993 (DVR), P.L. 94-142 (Public Education), or any other source of public or private funding.
- 2.8 **Compliance with Law, Rules and Regulations.** The Contractor agrees to abide by the terms of the Developmental Disabilities Administration Policy Manual as applicable; available at website: <http://www.dshs.wa.gov/dda/county-best-practices>.

DDA Policies: 4.11 County Services for Working Age Adults, 5.05 Limited English Proficiency (LEP) Clients, 5.06 Client Rights, 5. 13, Protection From Abuse: Mandatory Reporting, 5.14 Positive Behavior Support, 5.15 Use of Restrictive Procedures, 5.17 Physical/Manual Intervention Techniques, 6.08 Mandatory Reporting Requirements for Employment and Day Program Providers, 6.13 Provider Qualifications for Employment and Day Program Services, 9.03 Employee Protection from Bloodborne Pathogens, 12.01 Incident

Management, 15.03 Community Protection Standards for Day/Employment Programs; 15.19 Positive Behavior Support for Children and Youth; 5.20 Restrictive Procedures and Physical Interventions with Children and Youth; 5.23 Functional Assessments and Positive Behavioral Support Plans: Employment and Day.

WACS: 388-825, Developmental Disabilities Administration Service Rules; 388-06, Background Checks; 388-823, Developmental Disabilities Administration Intake and Determination of Developmental Disabilities; 388-845-0001,0030, 0210,0215,0220,0600-0610,1400-1410,2100,2110, Developmental Disabilities Administration Home and Community Based Waivers; 388-828, Developmental Disabilities Administration (DDA) Assessment; 296-24, General Health and Safety; 296-62, General Occupational Health Standards

RCWS: 43.43.830-845 Background Checks; 71.A.14.070 Confidentiality of Information; 49.17, Washington Industrial Safety and Health Act; 26.44 Abuse of Children; 74.34 Abuse of Vulnerable Adults; 44.04.280, Respectful Language.

County Guide to Achieve Developmental Disability Administration's Guiding Values

DDA Guiding Values

Criteria for Evaluation

DDA Guidelines for Community Assessments within Employment and Vocational Programs

Budgeting, Accounting and Reporting System (BARS), Developmental Disabilities Administration

Disability Rights of Washington Access Agreement

Any other requirements established by the Department of Social and Health Services, the County, and rules and regulations promulgated thereunder, and rules and regulations of the state and federal government as applicable, which control disposition of funds granted under this Work Order, and any subcontract.

SECTION 3. Statement of Work

- 3.1 **Number of People Served:** The number of people served shall be determined by County Service Authorizations. The number of people served may fluctuate as people enter/leave the Contractor's service over the contract period.

- 3.2 **Limitation to the Waiver Services:** The Contractor will act in accordance with WAC 388-845 by monitoring the client's yearly waiver limits for consumer Employment or Day support services.
- 3.3 **Direct Client Services and Program Outcomes:** The Contractor will provide services as defined and outlined in the Service Information Forms. An Individual Support Plan will be developed for each person referred to the Contractor with a County Service Authorization for IE and CI services that reflect the individual's preferences. Each plan will contain the minimum elements outlined in Attachment D, Criteria for Evaluation. The Individual Support Plan should be developed within 60 days of a participant beginning services and updated at least annually or more frequently if appropriate. The Contractor will provide a copy of the participant's Individual Support Plan to the respective CRM, County staff, guardian and others as appropriate.

Prior to beginning services, the Contractor will clearly communicate the maximum service hours the client can expect to receive. The Contractor will also communicate the service hour information to the County. If a change occurs in the maximum service hours expected, the client, the client's DDA Case Resource Manager and County staff will be informed prior to the change.

The client's DDA PCSP is the driver for the service. The AWA County Service Authorization and updated Planned Rates information will not exceed the client's DDA PCSP maximum listed service hours. The amount of service the client receives should match AWA Planned Rates and County Service Authorization information.

Six-month progress reports describing the progress made towards achieving Client's goal(s) will be provided by the Contractor to the respective CRM, participant, County staff and/or guardian, if any, within 30 days following the six-month period. The client six-month progress reports will also include the client service hours received by the Contractor. The report will be provided on an on-going, six-month interval within 30 days following the six-month period of client's annual plan date. The report will summarize activities and outcomes made towards the Client's individualized goal(s).

All clients will be contacted by their Contractor according to client need, and at least once per month.

- 3.4 Employment and day services must adhere to the Home and Community Based settings requirements of 42CFR 441.301 (c)(4), including:
- a. The setting is integrated in the greater community and supports Client full access to the greater community;
 - b. Ensures the Client receives services in the community to the same

degree of access as individuals not receiving Medicaid HCBS;

- c. Provides opportunities to seek employment and work in competitive integrated settings; and
- d. The setting facilitates individual choice regarding services and supports, and who provides them.

- 3.5 For Individual Employment where the service provider is also the client's employer, long-term funding will remain available to the service provider/employer for six months after the employee/DDA client's date of hire. At the end of the six month period, if the DDA client continues to need support on the job, another service provider who is not the employer of record must provide the support unless the County issues prior written approval for the service provider to continue to provide long-term supports, if needed. If the County approves the continuation of long-term supports where the service provider is also the Client's employer, the County will regularly monitor these positions to assure fading efforts occur when appropriate and any potential conflict of interest is addressed.
- 3.6 **Utilization of DVR, PASS and IRWE:** In developing employment support plans for individuals with developmental disabilities, the Contractor shall utilize Division of Vocational Rehabilitation (DVR) per the DVR/DDA MOU, Social Security work incentive programs, such as Plans for Achieving Self Support (PASS) and Impairment-Related Work Expense (IRWE), for those who are programmatically eligible.
- 3.7 **Compliance with Confidentiality and Data Security Policies.** The Contractor shall take any necessary and reasonable steps to comply with the Confidentiality and Data Security Policy incorporated by reference herein.
- 3.8 **Contractor Grievance Process and Procedures.** The Contractor will incorporate the elements identified in the Criteria for An Evaluation System, Developmental Disabilities, (Attachment D) into their Grievance Process/Procedures, including a review of grievances by the Contractor's Board of Directors as appropriate.
- 3.9 **Contractor Conflict of Interest Process and Procedures.** The Contractor will develop a plan that addresses potential conflict of interest(s) when applicable as outlined in [Policy 6.13, Program Provider Qualifications](#). A copy of the plan will be provided to County staff for review and approval.

SECTION 4. Evaluation

- 4.1 **Contractor Evaluation System.** The Contractor shall complete and have available for review a Service Evaluation System. The evaluation shall include the Criteria for an Evaluation System, quality assurance and quality improvements. A copy of such Service Evaluation System shall be provided upon request to the County for review and approval.
- 4.2 **Program Evaluation.** The County shall evaluate and review services delivered to reasonably assure compliance and quality. The County shall conduct at least one visit to each subcontractor every two (2) years excluding Child Development Services subcontractors. The County shall conduct at least one visit to Child Development Services providers every three (3) years. The County shall maintain written documentation of all evaluations, recommendations and corrective action plans for each subcontractor. Copies of such documentation will be provided to the DDA upon request.

SECTION 5. Billing and Payment

- 5.1 **Approval of Fees-County Responsibility:** The County reserves the right to approve fees/rates paid to the Contractor for the service(s) being provided under this agreement.
- 5.2 **Work Order Budget.** The County shall pay the Contractor allowable, allocable and reimbursable costs, as defined in the DDA Budgeting Accounting and Reporting System Manual Supplement. Fiscal Year (FY) reimbursement for FY 25 shall not exceed the revenue for the FY revenue listed on the County Service Authorizations. Furthermore, these payments shall not exceed the Contractor's actual reimbursable cost for the service.
- 5.3 **Compliance with BARS Policies.** The Contractor shall take any necessary and reasonable steps to comply with the currently effective DDA BARS Supplement Manual incorporated by reference herein.
- 5.4 **Monthly Vouchers with Documentation.** All requests for reimbursement by the Contractor for performance hereunder must be submitted on an invoice signed by the Director or designee. The AWA documentation is also required for reimbursement via electronic transmission (e-mail attachment). The Contractor may submit a combined claim for all programs/services covered by this agreement, provided the claim for each individual is separately identified.
- 5.5 **A claim for each individual is made on the AWA system documents by indicating the number of service units delivered to each individual listed, and the fee per unit.** A unit is defined as:

- A. An "Hour" which is at least fifty (50) minutes of direct service. Partial hour to the quarter may be recorded; and
- B. A "Month" represents a minimum of one (1) service visit, which is at least fifty (50) minutes of direct service for Child Development Services (CDS) reimbursement.

5.6 **Timeliness of and Modification to Billings.** The County must receive all initial invoices with documentation within ten (10) calendar days following the last day of the month for which reimbursement is claimed. If an invoice or required documentation is incorrect, it will be returned to the Contractor. The Contractor can expect to receive payment from a correct invoice and documentation within thirty days from time of receipt by the County. Corrected invoices and documentation will be accepted throughout the period of the contract as long as they are received within sixty (60) calendar days of the associated fiscal year, unless an extension is approved by the County. The County agrees to provide instruction and training to the Contractor on the use of the AWA system.

5.7 **Internal Control.** The Contractor shall establish and maintain a system of internal control systems that includes written policy/procedural manuals for information systems, personnel, and accounting/ finance to ensure the efficient and proper processing and use of contract funds. The manuals should provide sufficient detail such that operations can continue should staffing change or absences occur. The Contractor should be able to demonstrate the ability to safeguard public funds including maintaining books, records, documents and other materials relevant to the provision of goods and services.

SECTION 6. NON-COMPLIANCE

6.1 **Recovery of Fees.** If the Contractor bills and is paid fees for services that the County later finds were (a) not delivered or (b) not delivered in accordance with applicable standards, the County shall recover the fees for those services and contractor shall fully cooperate during the recovery.

6.2 **Corrective Action Process.** If the County Contract Administrator finds indications of non-compliance during the Reports on Numbers Served and Outcomes or learns that the Contractor is out of compliance with any of the other terms or conditions of this contract, the following process will be pursued by designated County staff.

- A. A corrective action plan, if required, will be initiated by County staff with the Contractor.
- B. If the above process does not result in a resolution acceptable to the County, staff may contact the Contractor for the purpose of official, verbal

notification of non-compliance and to establish a date when representatives of the Contractor and County shall discuss the areas of non-compliance and attempt to resolve the issues.

- C. Within five (5) working days of the verbal notification, the County will provide the Contractor, via certified mail, a written summary of the areas of non-compliance.
- D. Within twenty (20) working days of the date the written notification is mailed, a discussion shall be held between the County and Contractor staff about the areas of non-compliance.
- E. If the County and the Contractor cannot agree on a corrective action plan within ten (10) working days of the discussion described in the previous paragraph, the County shall withhold payment related to the area(s) of non-compliance, unless a written, time-limited extension of the ten (10) day period is issued by the County.
- F. The evaluation procedure and corrective action process outlined above shall not replace the dispute resolution process outlined in the Basic Interagency Agreement with the Contractor. It is a precursor to that process.
- G. Nothing in this section shall preclude audits by other duly authorized representatives of the County, the State Auditor's Office or federal officials so authorized by law, nor shall it preclude the recoupment of overpayments identified through those audit procedures.

SECTION 7. CONTRACTING/SUB-CONTRACTING

- 7.1 **County Approval of Subcontractors.** Subcontracting for direct services is not allowed under this program agreement.

SECTION 8. DSHS/DRW ACCESS AGREEMENT

- 8.1 The DRW February 27, 2001 Access Agreement with DDA is incorporated by reference. The Contractor assures that it and its subcontractors have reviewed the Access Agreement. The agreement covers DRW access to individuals with developmental disabilities, clients, programs and records, outreach activities, authority to investigate allegations of abuse and neglect, other miscellaneous matters, and is binding for all providers of DDA contracted services.

SECTION 9. AUDITING AND COST RECOVERY

- 9.1 **Audit Requirements.** Independent Audits will be submitted annually to the Kitsap County DD Contract Administrator in the following manner:

The Contractor shall acquire a financial audit by an independent auditing firm to determine, at a minimum, the fiscal integrity of the financial transactions and reports of the Contractor. Copies of the audit and management letter shall be submitted to the County Human Services Department within nine months of the end of the Contractor's fiscal year.

The Contractor shall provide an independent audit of the entire organization, which;

- A. Is performed by an independent Certified Public Accountant, the Washington State Auditor's Office, or another entity, which the County and the Contractor mutually agree will produce an audit which meets the requirements described in items B and C below.
 - B. Provides statements consistent with the guidelines of AICPA SOP 78-10, Reporting for Other Non-Profit Organizations.
 - C. Is performed in accordance with generally accepted auditing standards and with Federal Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and meeting all requirements of OMB Circular A-133, as applicable for agencies receiving federal funding in the amount of \$750,000 or more during the fiscal year.
 - D. The Contractor shall submit one (1) copy of the audit and the management letter directly to the County immediately upon completion. The audit must be accompanied by documentation indicating the Contractor's Board of Directors has reviewed the audit.
- 9.2 **Maintenance of Records.** The Contractor shall maintain all books, records, documents, reports, and other evidence, which sufficiently and properly reflect all direct and indirect costs related to the performance of this contract. The Contractor will keep all client records, reports, and documents a minimum of six (6) years for clients to be eligible under Title XIX. These records shall be subject to inspection, review or audit by personnel of both parties and other personnel duly authorized by the County and the Office of the State Auditor. In the event of litigation, unresolved audits and/or unresolved claims, the Contractor agrees to retain all records, reports and other documentation until all such litigation, claims and audits have been resolved.
- 9.3 **Suspension, Debarment, and Lobbying.** The Contractor shall certify, on a separate attachment form (Attachment F) that it is not presently debarred,

suspended, proposed for debarment, declared ineligible, or voluntarily excluded form covered transaction by any Federal debarment or agency. Also, the Contractor, on a separate form (Attachment G), will certify that it does not use Federal funds for lobbying purposes. Both forms are attached to this Contract.

ATTACHMENT E: DRW ACCESS AGREEMENT

ACCESS AGREEMENT BETWEEN DISABILITY RIGHTS OF WASHINGTON AND

THE DEVELOPMENTAL DISABILITIES ADMINISTRATION DEPARTMENT OF SOCIAL AND HEALTH SERVICES.

This agreement is entered into by the Washington Disability Rights of Washington, (hereinafter DRW), the protection and advocacy system authorized pursuant to the Developmental Disabilities Assistance and Bill of Rights Act of 1975, 42 U.S.C. sec. 6000, et seq. to investigate alleged incidents of abuse, neglect and rights violations of persons with developmental disabilities, and the Developmental Disabilities (Administration hereinafter DDA) of the Department of Social and Health Services, for the purpose of clarifying the rights and responsibilities of DRW with respect to its access; to individuals with developmental disabilities, clients, programs, and records.

The Department of Social and Health Services, specifically DDA, is responsible for providing services to, individuals with developmental disabilities, to the extent funding is available. In providing those services, DDA must protect the confidentiality of records and information regarding those individuals pursuant to the state and federal confidentiality laws.

DRW is charged by federal law to protect the legal and human rights of individuals with developmental disabilities. DRW provides legal and related. advocacy services to meet that obligation. DRW is also required to maintain the confidentiality of records and information regarding individuals with developmental disabilities consistent with 42 U.S.C.

§ 6000, et seq.

This agreement governs the access of DISABILITY RIGHTS OF WASHINGTON System to DDA employees who do not work in Residential Habilitation Centers (RHCs) and records maintained by DDA which are associated with individuals with developmental disabilities living outside of RHCs.

Federal laws and regulations also provide DRW with access to community programs and individuals with developmental disabilities served by DDA contract providers. DDA will work with community providers and DRW to arrive at an agreement governing access to DDA contracted programs and the people served by them.

I. General.

A. That all terms used in this agreement which we defined in the Developmental Disabilities Assistance and Bill of Rights Act of 1975, 42 U.S.C. § 6000, et seq. will have the meaning given to them in the Act, unless otherwise stated in this agreement

B. This agreement is intended to carry out the provisions of the Developmental

Disabilities Assistance and Bill of Rights. Act of 1975, 42 U.S.C. § 6000, et. seq., and therefore, if this agreement is or becomes inconsistent with the Act or the implementing regulations promulgated thereto, the terms of the Act and its implementing regulations will control.

C. If any provision of the agreement is held invalid, the parties intend that the remainder of the agreement not be affected.

II. Definitions.

A. Actively Aggressive: means that the individual with developmental disabilities is assaulting others or is threatening to do so, or the individual with developmental disabilities is actively harming him or herself

B. Client Services: means legal representation. The term does not include monitoring and observation.

C. Complaint: as defined in 45 CFR 1386, or hereinafter amended, includes, but is not limited to, any report or communication, whether formal or informal, written or oral, received by DRW including media accounts, newspaper articles, telephone calls (including anonymous calls), from any source alleging abuse or neglect of an individual with a developmental disability.

D. DDA Consumer: means an individual with a developmental disability receiving support from a program funded by DDA. The term includes DDA consumers who have died or whose whereabouts are unknown. See 45 CFR 1386.22(a)(2).

E. DDA Employees: includes those individuals who are employed by DDA or who volunteer for DDA to provide services to individuals with developmental disabilities.

F. Emergencies: means actions, omissions, or conditions that immediately threaten an individual with a developmental disability's health, life or well being.

G. Individual with a Developmental Disability: means individuals with developmental disabilities in the process of applying for or who have been found eligible for services from DDA.

H. Monitoring: means unaccompanied access to all residents of a program at reasonable times, which at a minimum shall include normal working and visiting hours to ensure program compliance with respect to the rights and safety of DDA consumers. See 45 C.F.R- §1386.22(g).

I. Probable Cause: as defined in 45 CFR 1386, or hereinafter amended, means a reasonable ground for belief that an individual with developmental disabilities has been, or may, be, subject to abuse or neglect. The individual making such determination may base the decision on reasonable inferences drawn from his or her experience or training regarding similar incidents, conditions or problems that are usually associated with abuse and neglect.

J. Program: consistent with the definition of "facility" in 45 CFR 1386.19 includes any setting that provides care, treatment services and habilitation, even if only "as needed" or under a contractual arrangement. Programs include, but are not limited to, community living arrangements (e.g., group homes, adult family homes, congregate care facilities, boarding homes, individual residences and apartments), day programs, juvenile detention centers, nursing homes, homeless shelters, jails and prisons.

K. Provider: means those individuals/corporations with whom DDA contracts to provide services to DDA consumers, including but not limited to behavioral management services, family support services, vocational support services, sheltered employment, tenant support, intensive tenant support, alternative living, supported living, group home, adult family home, and congregate care facilities, chore services, Medicaid personal care and other personal assistance services.

L. Provider Employee: includes those individuals who are employed by a provider or who volunteer for a provider to provide services to individuals with developmental disabilities.

M. Records: as defined in 42 U.S.C. § 6042 and 45 CFR 1386(22)(b), or hereinafter amended, reports prepared by any state staff or reports prepared by an agency charged with investigating reports of incidents of abuse, neglect, injury, or death that describe incidents of abuse, neglect, injury, or death occurring at a facility, investigative documents and discharge planning records. The term records also includes DDA consumer abuse and neglect committee reports but does not include peer review death reports, attorney work product, and records which are otherwise privileged under state or federal law.

N. Regular Program Activity: includes work assignments, education programs, therapy, health services, and daily living activities.

O. SOLA: means the DDA consumer support program, State Operated Living Alternative.

P. DRW Client(s):

(1) Individuals with developmental disabilities who do not have a guardian or legal representative and who indicate either orally or in writing to a DRW

employee that they want DRW to represent them.

(2) Individuals with developmental disabilities without guardians who are unable to communicate their wishes regarding protection and advocacy services when DRW has received a complaint of abuse and/or neglect about the individual with a disability, or DRW determines that there is probable cause to believe that the individual with a developmental disability has been abused or neglected.

(3) Individuals with developmental disabilities who have a guardian or legal representative where the guardian or legal representative has consented to the representation in writing.

(4) Individuals with developmental disabilities whose guardian or legal representative fails or refuses to act on behalf of the individual with a developmental disability, despite being contacted by DRW, after a court has determined that the guardian has failed or refuses to act.

(5) A DRW client does not include those instances where DRW represents the guardian. DRW shall notify the DDA Regional Administrator or designee in writing that it represents the individual with developmental disabilities and forward a copy of that notice to either the guardian or the individual with developmental disabilities.

Q. DRW Employees: includes paid employees and volunteer employees as identified by DRW. Each employee shall carry DRW identification.

III. Access to Programs.

A. DDA will not obstruct DRW access to programs when consistent with the law and will ensure that SOLA and other programs staffed by DDA employees will comply with this agreement. For programs which contract with DDA to provide services, DDA will not obstruct DRW access to programs when consistent with the law, but DRW will assume primary responsibility for enforcing its access rights. DRW will attempt to resolve access issues at the lowest level possible. In cases where there is danger of imminent or continuing harm to an individual with developmental disabilities, DRW will report the occurrence to DDA, consistent with the Washington State Bar Association Rules of Professional Responsibility and other applicable state law. In those cases and where there is a pattern of failure to provide access for DRW to a program or DDA consumers, DRW will report this failure to DDA, and DDA will respond by investigating the allegation of failure to provide access and will take appropriate actions.

B. DRW staff will identify themselves to any staff present when they arrive at a program by showing a DRW photo identification badge. DRW shall provide the DDA-director with a list of employee and their pictures by July 1, 1997, and DRW shall update this list as necessary.

C. DRW shall have access to SOLAs and other programs staffed by DDA employees as specified in this section. This agreement does not affect the right of an individual with a developmental disability served by such a program who owns or rents his or her own home to deny DRW access to programs or the residences of individuals who are served by programs.

D. DRW staff shall have access to all programs when DRW has received a complaint or has probable cause to believe than an incident of abuse, neglect, or other rights violation has occurred;

E. DRW staff shall have access to all living areas of SOLAs and other programs staffed by DDA employees during regular business hours for the purpose of providing information on legal rights and self advocacy to the individuals with disabilities who participate in, the program. During the course of such access DRW staff shall be allowed to engage in informal discussions with the individuals with disabilities, out of the presence of DDA employees or others; in an area that affords privacy.

F. DRW staff may visit any location where residents are served by DDA employees, where the purpose is observation or monitoring compliance with respect to the rights and safety of service recipients (CFR 1386.22(g)(2)). Such observation and monitoring activities need not be limited to clients of DRW, and DRW staff shall not be required to schedule or give prior notice of such visits to DDA employees, provided that DRW has the permission of a DDA consumer. DRW staff shall be permitted to monitor the program without an accompanying DDA employee. DRW staff shall conduct all monitoring activities in a manner which is respectful of the privacy of the individuals with disabilities who reside in the monitored program.

IV. Access to Individuals with Developmental Disabilities.

A. DRW staff will be provided access to their clients in the same manner as such access is provided to privately retained and/or court appointed attorneys. DDA shall assist and support the professional relationship between DRW and its clients. Written consent for such access is not required.

B. DRW recognizes that all individuals with developmental disabilities have the right to refuse to talk with DRW, to have a third party present during the interview or to reschedule the appointment for a more convenient time. DRW shall advise their clients and other individuals with developmental disabilities with whom they have

contact of these rights before each meeting. A person who does not wish to talk with DRW staff shall be allowed to communicate this directly and privately to DRW staff unless he or she overtly manifests fear of being alone with the DRW staff. When the individual with a developmental disability overtly manifests such fear by words or behavior, DRW shall respect that person's desires and not meet alone with that person.

C. DRW will encourage its clients and other individuals with developmental disabilities to notify DDA and/or providers of complaints regarding DDA services and to resolve those complaints through any existing dispute resolution process.

D. DRW staff shall comply with all safety and security requirements of DDA. DDA will communicate these requirements to DRW staff.

E. DDA employees shall not interfere with DRW staff in obtaining a private space for meetings between DRW staff and individuals with developmental disabilities. Private space does not mean a common area room or other location which would afford other residents and DDA employees open access to DRW employees in living areas or on the grounds. DDA employees shall respect the confidentiality needs of the individual with a developmental disability and DRW. Where an individual with a developmental disability indicates that he or she does not want to meet in a private space, DRW staff will respect this request.

F. DRW staff will not be required to schedule visits with DDA employees in advance of their visits. However, DRW staff may contact DDA employees to do so if access to a DRW client or other individual with a developmental disability will be facilitated due to the individual's daily activities.

G. DRW staff shall have the right to unaccompanied access to any SOLA or program staffed by DDA employees, and access to any individual DRW client or DD consumer they are authorized to serve, subject to the following limitations:

(1) While DRW need not notify the DDA employees prior to meeting with its client or DDA consumer, DRW agrees not to disturb a client or DDA consumer if the DRW employee arrives at the residence or other building in which the client or DDA consumer is served and the client or DDA consumer is engaged in regularly scheduled program activity. In such case, DRW staff will be to observe or otherwise verify the programming without disturbing it. If DRW staff presence disturbs or is objected to by the DRW client or any other DDA consumer who is present, DRW staff shall make arrangements to meet with the DRW client or DDA consumer at a later time. Where consulted prior to making an appointment, DDA employees will cooperate with DRW staff in making scheduling arrangements. The DRW employee shall not disturb nor interrupt the activity. If the activity is confidential, DRW shall

obtain the client or DDA consumer's permission to observe the activity or shall respect the client or DDA consumer's right to privacy. DRW staff will then either wait until the activity is completed or reschedule the visit at a time that is mutually agreeable to DRW staff and its individual client or DDA consumer, no later than 48 hours later.

(2) If the DRW employee arrives for a meeting with a client or DDA consumer and the individual is actively aggressive, in programming to address this behavior, or receiving "one-to-one" supervision, in such a situation, DRW staff will be permitted to observe the individual from a safe distance or otherwise verify that the individual is actively aggressive. DRW staff will, then either:

(a) wait until the individual's aggressive behavior has stopped and be permitted to meet with the individual privately while DDA employees remain in viewing distance; unless such distance would place the individual with developmental disabilities at serious risk of harm based on that individual's documented behavioral issues; if the individual would be at serious risk of harm, DRW and DDA shall work cooperatively to address DRW need for confidentiality with the individual's need for safety; provided that any such interview does not interfere with the individual's Behavior Support Program, Individual Program Plan, Individual Service Plan, or other program plan, nor interfere with staffing needs for other individuals with developmental disabilities; or

(b) reschedule the visit at a time mutually agreeable to DRW and DDA employees, but no later than forty-eight (48) hours;

(c) if the DRW staff is notified that an individual is either actively aggressive or receiving one-to-one supervision and if knowing this the staff chooses to meet with the individual, DRW agrees to release, indemnify, and hold DDA, DSHS, the State and its employees, agents, officers, and servants harmless for any injuries that occur from any claims or cause of action asserted by any DRW employee or agent who is injured as a result of any act committed by an individual with developmental disabilities except that those circumstances where DDA employees willful misconduct is the proximate cause of the injury to DRW employee or agent. DRW agrees that its staff shall sign a statement to this effect prior to requesting to meet with any such individual. If the DRW staff refuses to sign such an agreement, DDA employees may deny the DRW staff access to the individual until such time as DDA employees determine that safety to the DRW staff is no longer an issue. When a DRW staff member elects to meet with an individual who is actively aggressive, it is neither negligent nor willful

misconduct for a state employee to allow the meeting to take place.

H. All individuals with developmental disabilities who wish to contact DRW staff shall be provided uncensored access to writing materials, DRW address and toll-free telephone number, a stamped envelope, and/or access to a telephone for private conversations without monitoring by or permission from DDA employees.

I. SOLAs and programs staffed by DDA employees shall permit individuals with developmental disabilities to set appointments with DRW staff at times agreeable to both the individual with a developmental disability and DRW staff. If the DDA employees know that a meeting with a DDA consumer will be disruptive of the DDA consumer's regular program activity, DRW staff shall be informed of this and allowed to reschedule the appointment in order to meet with the DDA consumer so that the appointment does not disrupt his or her regular activity.

V. Access to Records of Individuals with Developmental Disabilities.

A DRW has access to records as provided in 42 U.S.C. § 6042, et. seq. DRW has legal authority to review an individual with developmental disabilities' records only when there is consent or, if a DDA consumer is unable to consent, there is a complaint or probable cause to believe a DDA consumer has suffered abuse or neglect. DRW has no general right to review records except in these circumstances.

B. Upon receiving a valid, written consent, DDA will have 48 hours in which to schedule an appointment with DRW so that it may come to the record location to review specified records. DDA will verify that DRW has received consent to view such records, or if the DDA consumer is unable to consent and there is no guardian to consent, that there is a complaint or probable cause to believe, the DDA consumer has suffered abuse or neglect. DDA shall make the requested records within its possession available within five working days from the date the request is made.

C. DRW may access records of:

(1) any DDA consumer if he or she consents, or if he or she has a legal guardian with the power to consent for the DDA consumer and that guardian consents;

a) the DDA consumer or guardian shall give written authorization for access on a form approved by DRW and DDA jointly.

(2) any DDA consumer:

a) who by reason of his or her mental or physical condition is unable to authorize DRW to have access to their records;

b) who does not have a legal guardian, conservator or other legal representative, or for whom the legal guardian is the state; and

c) with respect to whom a complaint has been received by DRW or with respect to whom, as a result of monitoring or other activities there is probable cause to believe that such individual has been subject to abuse or neglect.

d) If records are requested pursuant to this section, the request shall be in writing and will state that the resident, by reason of his or her mental or physical condition is unable to authorize DRW to have access to his or her records, does not have a legal representative, and that a complaint has been received by DRW with, respect to the DDA consumer or that there is probable cause to believe the resident has been subjected to abuse or neglect. The DDA case manager will make a determination regarding whether a DDA consumer is able to consent to access within 3 working days, except in case of an emergency.

(3) In the case of a resident who has a legal guardian, and upon request by DRW, DDA will provide DRW with the name, address and telephone number of the legal guardian by 5 p.m. the next business day so that DRW can contact such representative and offer its assistance. If the guardian has been contacted by DRW and failed or refused to act on behalf of the individual DRW has received a complaint sufficiently that sufficiently identifies the individual or DRW has probable cause to believe that the health or safety of the individual is in serious and immediate jeopardy, DRW shall obtain court approval for such access.

a) If a guardian refuses to consent to allow DRW access to records, and DRW still wants access, DRW will file a lawsuit to access the records and allow a court to determine whether the guardian has failed or refused to act on behalf of the DDA consumer. DRW agrees to provide legal notice to DDA of any such proceeding. If the guardian refuses to provide written consent for DRW to access the records, DDA shall not make the records available absent a court order.

b) DRW shall attempt to contact the guardian to obtain consent. Unless an emergency exists, then DRW shall contact the standby guardian if one has been designated. If no standby guardian is appointed and the guardian is unavailable, and DRW determines that the DDA consumer is at risk of serious injury or death, DDA shall make the records available to DRW to review.

D. DRW staff may review the requested records within normal business hours in

the building or room in which such records are provided. A DDA employee may remain in the room while the records are viewed. Under no circumstances may DRW staff remove the original records, or any part thereof, from the room where they are viewed.

E. DRW agrees to reimburse DDA for the costs of copies at the same rate charged for public disclosure requests, currently \$.15 per page. When feasible, copies will be provided on the day the copies are requested. If that is not possible, DDA will make the copies available within 10 days of the request.

F. DRW shall request a guardian information or access to DDA consumer records of the DDA Regional Administrator of the region in which the DDA consumer resides. Thereafter, their contact regarding that DDA consumer shall be the regional administrator, or his or her designee. DDA shall provide DRW a list with contact information for purposes of access to records. DDA agrees to update that list at least annually.

G. In order to access DDA records, DRW will send a written request directly to the DDA Regional Administrator or designee in custody of the records. In the request, DRW will identify the individual whose records it seeks. DRW need not identify the individual by name, but must sufficiently identify the individual so that the person reviewing the request can determine whose records are being sought. DRW will specify which records it wants and for which time periods. DRW will also indicate that it has received a complaint concerning the individual so that it has probable cause to believe the individual has suffered abuse or neglect. DRW need not further specify the nature of the complaint nor who made the complaint.

H. In the event DDA denies access to records pursuant to a request, DRW staff may request that the denial be in writing and include the reason for the denial.

I. DRW will limit its request to records it considers necessary to accomplish its investigation. DDA may request that DRW specifically identify the records that it is seeking if the request is too broad or voluminous.

VI. Outreach.

A. All individuals with developmental disabilities shall have access to DRW staff for the purpose of obtaining information about their legal rights and self-advocacy. DRW staff shall be allowed to engage in informal discussions with DDA consumers who wish to speak to them out of the presence of DDA employees in an area that affords privacy.

B. DRW may have regularly scheduled information/training sessions for DDA

consumers and parents/guardians/family members regarding DRW' S services and individual rights. DDA employees may attend outreach and scheduled information sessions only with advance written permission of DRW staff.

C. DDA agrees to give DRW a list of all current DDA consumers and their addresses. DDA will provide DRW an updated list annually.

D. DDA agrees to provide DDA consumers with notice of DRW services at the time of application for DDA services. DRW will provide DDA with copies of their brochure and/or any other information they want DDA to distribute at that time.

E. DDA agrees to require contractors to comply with 42 U.S.C. §6000 et seq. and 45 C.F.R. Parts 1385-86 by including the requirement in contracts. Current contracts will be amended to include this requirement when they are renewed.

VII. Authority to Investigate Allegations of Abuse and Neglect

A. DRW shall have unaccompanied reasonable access to DDA consumers and facilities when necessary to conduct a full investigation of an incident of abuse or neglect. This access shall include the opportunity to interview any individual with a developmental disability, any DDA or provider employee, or any other person who might be reasonably believed by DRW to have knowledge of the incident under investigation; and to review what DRW is entitled to review pursuant to this agreement. DRW shall be permitted to do its own investigation of allegations of abuse or neglect regardless of any pending action or investigation by the State or any other individual or entity.

B. DRW investigations shall not interfere with any other ongoing investigation. DRW employees shall not visit areas at times that would violate any person's right to privacy.

C. DDA shall allow and encourage all employees and providers to talk openly with DRW, employees. DRW will not ask staff to disrupt their work schedules or responsibilities to talk with DRW. Except in cases of emergency, DRW will schedule appointments with staff in advance.

D. While DDA and provider employees shall be encouraged to cooperate with DRW, employees have the right to refuse to talk with DRW. DRW shall notify employees of that right prior to any attempt to interview them.

E. Any complaint concerning DRW staff shall, be immediately brought to the attention of the DRW Executive Director or his or her designee. Upon receipt of a complaint, the DRW Executive Director or his or her designee shall conduct an

investigation and submit a written response to the State within fourteen (14) days in an effort to resolve any complaints as expediently as possible. DDA reserves the right to file formal charges if the behavior places a DDA consumer's health or safety at risk.

F. DRW shall inform DDA and providers, in writing, of its findings and concerns upon completion of any investigation activity undertaken pursuant to its authority under 42 U.S.C. § 6000 et. seq. and the access rights granted to DRW in this agreement, in an effort to resolve DDA consumer complaints or concerns prior to commencing litigation, unless DRW believe that such delay would result in serious injury or harm to the DDA consumer

VIII. Implementation of the Agreement.

A. The DDA Assistant Secretary shall ensure that each supervisor will conduct an annual meeting with his or her staff to provide information regarding the parties' rights and responsibilities under this agreement. The DDA Assistant Secretary shall ensure that each employee of DDA has read and signed a copy of a form indicating that they have read this agreement at the time of hire, and at the time of his/her annual evaluation. DDA and DRW shall develop a mutually agreed to summary of this agreement for use in informing DDA employees of the parties, rights and responsibilities. When DDA and DRW develop and agree regarding the content of this summary, DDA employees shall be required to read the summary, rather than reading this agreement, and acknowledge that they read and understood the summary with a signature.

B. The agreement is effective as of the date it is signed.

C. DDA agrees that having an agreement in place that would govern DRW and DDA provider relationships is appropriate. This agreement will affect contractual relationships, so it will be negotiated with providers prior to implementation. This negotiation will take place during the 1997-1998 provider contract negotiations. DDA will request DRW review the proposed contract language prior to contract signing by DDA. The goal of this negotiation process will be to arrive at an agreement which implements the federal statutory and regulatory requirements in a manner consistent with the provision of quality, individualized services and supports to people with developmental disabilities living in the community.

D. The DDA Assistant Secretary will make changes as necessary to implement this agreement by September 1, 1997, and prior to implementing changes will confer with DRW.

E. DRW and DDA agree to work together to assist providers in becoming familiar with DRW access to programs. DDA agrees to host a forum in each region to familiarize providers with the access provisions. DRW agrees to make staff available as presenters

at regional forums, and otherwise as mutually agreed to with providers. DDA will distribute to providers a summary of the access provisions. This summary will be prepared by DRW, and will be subject to the review and approval of DDA prior to distribution.

IX. Miscellaneous.

A. DRW agrees that its staff shall not give medical advice and shall not engage in the practice of medicine. It is DRW intent and purpose to give legal advice. For example, DRW will not tell DDA consumers not to take medication or that medications are wrong for them DRW will not discourage individuals with developmental disabilities from participating in programs or activities. DRW may explain DDA consumer legal rights including the right to informed consent, their right to be told of the risks and benefits of medication or medical procedures, their right to refuse to take medications and the procedure to follow if the DDA consumer does not wish to take medications, and their right to refuse to participate in experimental programs or research, all as guaranteed under state and. federal law.

B. DRW agrees that: there are some DDA consumers who are identified as medically fragile or to have behavioral concerns that require constant monitoring. If DRW requests a meeting with such a DDA consumer and DDA determines that the DDA consumer cannot be left unsupervised with a DRW employee, a DDA or provider employee shall be present during any meetings. If DDA consumers are hospitalized due to medical conditions, DDA or provider employees may remain within viewing distance if necessary for the DDA consumer's health and safety. The employees will not interfere with the meeting except for medical reasons and will respect the DDA consumer's privacy to the extent possible given his or her medical needs.

C. This agreement delineates the usual process by which DRW and DDA will work together. In some situations, it may be necessary to amend these procedures. DRW and DDA may agree to modify these procedures as necessary for any particular situation,

X. Dispute Resolution.

A. DRW and DDA agree that informal resolution of disputes is preferred. If DRW staff and the DDA Regional Administrator or designee am unable to agree about an issue regarding interpretation or application of this agreement, they will request the DRW Executive Director and the DDA Assistant Secretary review the situation and attempt to resolve the disagreement.

B. The Directors Meeting and Mediation process are mandatory for both parties. The only exception to this term of the agreement is where DRW, in good faith, has probable cause to believe that there are exigent circumstances warranting immediate access. Such circumstances are defined as "emergencies" as defined in the access

agreements. In such cases, the DRW Executive Director or his or her designee shall contact the DDA Assistant Secretary or his or her designee; and/or Office of the Attorney General to attempt to resolve the dispute. If the exigent access dispute is not resolved by the end of the following business day, DRW may immediately take any necessary legal action, including seeking a temporary restraining order and preliminary injunction or an order to show cause in order to secure the necessary access without going through the ADR process discussed herein. When DRW does take such action, it shall give the Office of the Attorney General advance notice of such action by telephone and facsimile.

C. In the event that there is an access dispute regarding any aspect of the Access Agreements between DRW and DDA (Community), the aggrieved party shall send written notice to the director of the other party (e.g. DRW Executive Director, DDA Assistant Secretary, or their designees) of the dispute and the desire to meet to attempt to resolve the dispute. The DDA Assistant Secretary (or his/her designee) shall meet with the DRW Executive Director (or his/her designee) within ten days after receiving written notice from the aggrieved party. The date of receipt of notice shall be in accordance with Civil Rule .6 of the Washington Court Rules. The meeting may take place in person or telephonically. The parties have the right to bring their counsel to the directors meeting, however it is the preference of the parties not to have their counsel present. In the event a party intends to have his or her counsel present, that party will advise the other party of this intent in advance of the meeting. However, when either director (or his or her designee) is an attorney, it will be understood and expected that the other director may have his or her attorney present without prior notice.

D. In the event that the access issues are not resolved by a meeting between the Director/CEO and Executive Director of DRW or their designees, the parties agree to attempt to resolve the dispute through mediation absent exigent circumstances as described in paragraph 1. An available mediator from the mutually agreed upon Mediator Panel list as described below will be used to conduct the mediation.

Mediation will be scheduled to occur as soon as possible following the directors meeting, but will occur no later than 30 days from the time mediation is agreed upon by the parties, absent written, agreement by both parties to extend this timeline. The mediation may take place telephonically or in any manner the mediator believes will be efficient and conducive to a productive mediation. If, at any time during the mediation, either party declares an impasse, the mediation will end. The parties are then encouraged, but not required, to arbitrate the dispute. The costs of mediation shall be borne equally by the parties. If no litigation results within 90 days of the completion of mediation, DRW shall withdraw its access request. Nothing, however, prevents DRW from renewing its request in the future should that become necessary. In such event DRW renews the request, and that request is denied by the State, the ADR process will begin again.

E. Within 90 days of the execution of this agreement, the parties shall select a panel of at least 4 mutually agreeable mediators. There will be two separate lists: one

for DRW and DDA and one for DRW and the MHD. The parties agree that anyone of the selected panel members will mediate all disputes related to the Access Agreement. However, the parties will rotate the order of contacting the panel members for each mediation in a nonstrategical manner.

In order to select this panel, within 60 days of execution of this agreement the parties will each propose at least 4 mediators. The parties will exchange, via fax, their list of proposed mediators and the mediators' curriculum vitae and any other necessary facts such as cost, mediation rules, etc. If the parties cannot agree upon at least 4 mediators from, the first exchange of lists, the parties will exchange additional lists of mediators until an agreement can be reached. However, a final agreement must be reached no later than 90 days from the date of the settlement agreement of this case absent written agreement for an extension of a specific amount of time.

Any party may strike a mediator from the list except that a party may not strike a mediator from the panel once the mediation process has been initiated to resolve a dispute. If a party strikes a mediator from the panel, that mediator will be replaced by another mediator using the same mediator selection process as described above.

F. In the event that the access issues are not resolved through mediation, the parties may agree to attempt to resolve the dispute through arbitration. Written agreement to proceed to arbitration must be made within five working days of the completion of mediation described in Section B. An available arbitrator from the mutually agreed upon Arbitrator Panel list, as described below, will be used to conduct the arbitration of the dispute. Arbitration will be scheduled to occur as soon as possible, but will occur no later than 45 days from the time arbitration is agreed upon by the parties, absent written agreement by both parties to extend this timeline. Prior to the time of final agreement to arbitrate the dispute, the parties shall agree in writing whether the arbitration decision will be binding or advisory, and if advisory, whether that option is admissible in court. If no litigation results within 90 days of the completion of this arbitration, DRW shall withdraw its access request. Nothing, however, prevents DRW from renewing its request in the future should that become necessary. In such event that DRW renews its request, and that request is denied by the State, the ADR process will begin.

G. Within 120 days of the execution of this agreement, the parties shall select a panel of at least 4 mutually agreeable arbitrators. The parties agree that any one of the selected panel members will arbitrate all disputes related to the Access Agreement. However, the parties will rotate the order of contacting the panel members for each arbitration in a nonstrategical manner.

In order to select this panel, within 60 days of the execution of this agreement the parties will each propose at least 4 arbitrators. The parties will exchange, via fax, their list of proposed arbitrators and the arbitrators' curriculum vitae and any other necessary facts such as cost, etc. If the parties cannot agree upon at least 4 arbitrators from the first exchange of lists, the parties will exchange additional lists of arbitrators

until an agreement can be reached. However, a final agreement must be reached no later than 120 days from the date of the settlement

agreement of this case absent written agreement for an extension of a specific amount of time.

Any party may strike an arbitrator from the list except that a party may not strike an arbitrator from the panel once the arbitration process has been initiated to resolve a dispute. If a party strikes an arbitrator from the panel, that arbitrator will be replaced by another arbitrator using the same arbitrator selection process as described above.

H. The timeframes for dispute resolution shall be as detailed above. Any timeframes not described in this proposal will be those set out in the current relevant access agreements. Any timeframe may be extended by written agreement of the parties.

I. The parties agree they will abide by the timeframes contained in the Access Agreement and this settlement agreement. The parties may mutually agree to extend any timeframe. If a party fails to act or respond within the allotted time, the other party may request appropriate sanctions be imposed as provided by law or civil rule.

/s/Linda Rolfe 11/7/00

LINDA A ROLFE Date

Acting Director

Division of Developmental Disabilities

/s/ Mark Stroh 1/4/0001 MGS 1-17-

01 MARK STROH Date

Executive Director

Washington Protection & Advocacy System

**ATTACHMENT F: CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS**

Primary Covered Transactions 45 CFR 76

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principles:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connections with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 1.b. of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the prospective primary participants are unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

This Certification is executed by the person(s) signing below who warrant they have authority to execute this Certification.

CONTRACTOR:
Monica Meyer



Name:

Title: CEO

DATE: 7/31/25

ATTACHMENT G: CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and believe, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Monica Meyer Consulting, Inc.

Contractor Organization



7/31/2025

Signature of Certifying Official

Date

ATTACHMENT H: CONFIDENTIALITY AND DATA SECURITY

Definitions. The words and phrases listed below, as used in this Contract, shall each have the following definitions:

1. **“AES”** means the Advanced Encryption Standard, a specification of Federal Information Processing Standards Publications for the encryption of electronic data issued by the National Institute of Standards and Technology (<http://nvlpubs.nist.gov/nistpubs/FIPS/NIST.FIPS.197.pdf>)
2. **“Authorized User(s)”** means an individual or individuals with a business need to access DSHS Confidential Information, and who has or have been authorized to do so.
3. **“Category 4 Data”** is data that is confidential and requires special handling due to statutes or regulations that require especially strict protection of the data and from which especially serious consequences may arise in the event of compromise of any such data. For purposes of this contract, data classified as category 4 refers to data protected by: Health Insurance Portability and Accountability Act (HIPPA).
4. **“Cloud”** means data storage on servers hosted by an entity other than the Contractor and on a network outside the control of the Contractor. Physical storage of the data in the cloud typically spans multiple servers and often multiple locations. Cloud storage can be divided between consumer grade storage for personnel files and enterprise grade for companies and governmental entities. Examples of consumer grade storage would include iCloud, Dropbox, Box.com, and many other entities. Enterprise cloud vendors include Microsoft Azure, Amazon Web Services, O365, and Rackspace.
5. **“Confidential Information”** means information that is exempt from disclosure to the public or other unauthorized persons under RCW 42.56 or other federal or state laws. Confidential information includes, but is not limited to, Personal Information.
6. **“Encrypt”** means to encode Confidential Information into a format that can only be read by those possessing a “key”; a password, digital certificate or other mechanism available only to authorized users. Encryption must use a key length of at least 256 bits (for symmetric keys) or 2048 bits for asymmetric keys. When a symmetric key is used, the Advanced Encryption Standard (AES) must be used if available.
7. **“Hardened Password”** means a string of at least eight characters containing at least three of the four following character classes: Uppercase alphabetic, lowercase alphabetic, numeral and special

characters such as an asterisk, ampersand or exclamation point.

8. **“Mobile Device”** means a computing device, typically smaller than a notebook, which runs a mobile operating system, such as iOS, Android, or Windows Phone. Mobile Devices include smart phones, most tablets and other form factors.
9. **“Multi-factor Authentication”** means controlling access to computers and other IT resources by requiring two or more pieces of evidence that the user is who they claim to be. These pieces of evidence consist of something the user knows, such as a password or PIN; something the user has such as a key card, smart card, or physical token; and something the user is, a biometric identifier such as a fingerprint, facial scan, or retinal scan. “PIN” means a personal identification number, a series of numbers which act as a password for the device. Since PINs are typically only four to six characters, PINs are usually used in conjunction with another factor of authentication, such as a fingerprint.
10. **“Personal Information”** means information identifiable to any person, including, but not limited to, information that relates to a person’s name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, Social Security Numbers, driver’s license numbers, other identifying numbers, and any financial identifiers.
11. **“Portable Device”** means any computing device with a small form factor, designed to be transported from place to place. Portable devices are primarily battery powered devices with a base computing resources in the form of a processor, memory storage, and network access. Examples include, but are not limited to, mobile phones, tablets and laptops. Mobile Device is a subset of Portable Device.
12. **“Portable Media”** means any machine-readable media that may routinely be stored or moved independently of computing devices. Examples include magnetic tape, optical discs (CDs or DVDs), flash memory (thumb drive) devices, external hard drives, and internal hard drives that have been removed from a computing device.
13. **“Physically Secure”** means that access is restricted through physical means to authorized individuals only.
14. **“Secure Area”** means an area to which only authorized representatives of the entity possessing the Confidential Information have access, and access is controlled through the use of a key, card key, combination lock, or comparable mechanism. Secure Areas may include buildings, rooms, or locked storage containers (such as a filing cabinet or desk drawer) within a room, as long as access to Confidential Information is not

available to unauthorized personnel. In otherwise Secure Areas, such as offices with restricted access, the Data must be secured in such a way as to prevent access by non-authorized staff such as janitorial or facility security staff, when authorized Contractor staff are not present to ensure non-authorized staff cannot access it.

15. **“Tracking”** means a record keeping system that identifies when the sender begins delivery of Confidential Information to the authorized and intended recipient, and when the sender receives confirmation of delivery from the authorized and intended recipient of Confidential Information.

16. **“Trusted Network”** means a network operated and maintained by the Contractor, which includes security controls sufficient to protect DSHS/County Data on that network. Controls would include a firewall between any other networks, access control lists on networking devices such as routers and switches, and other such mechanisms which protect the confidentiality, integrity, and availability of the Data.

17. **“Trusted Systems”** include only the following methods of physical delivery: (1) hand-delivery by a person authorized to have access to the Confidential Information with written acknowledgement of receipt; (2) United States Postal Service (“USPS”) first class mail, or USPS delivery services that include Tracking, such as Certified Mail, Express Mail or Registered Mail; (3) commercial delivery services (e.g. FedEx, UPS, DHL) which offer tracking and receipt confirmation; and (4) the Washington State Campus mail system. For electronic transmission, the Washington State Governmental Network (SGN) is a Trusted System for communications within that Network

18. **“Unique User ID”** means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.

1. Administrative Controls.

- a) A documented security policy governing the secure use of its computer network and which defines sanctions that may be applied to the Contractor staff for violating that policy.
- b) If the data is shared under this agreement is classified as Category 4 data, the Contractor must be aware of and compliant with the applicable legal or regulatory requirements for the Category 4 data.
- c) If confidential information shared under this agreement is classified as Category 4 data, the contractor must have a documented risk assessment for the system(s) housing the Category 4 Data.

- 2. Authorization, Authentication, and Access.** In order to ensure that access to the Data is limited to authorized staff, the Contractor must:
- a. Have documented policies and procedures governing access to systems with the shared Data.
 - b. Restrict access through administrative, physical, and technical controls to authorized staff.
 - c. Ensure that the user accounts are unique and that any given user account logon ID and password combination is known only to the employee to whom the account is assigned. For purposes of non-repudiation, it must always be possible to determine which employee performed a given action on the system housing the Data based solely on the logon ID used to perform the action.
 - d. Ensure only authorized users are capable of accessing the data.
 - e. Ensure that an employee's access to the Data is removed immediately:
 - (1) Upon suspected compromise of the user credentials.
 - (2) When their employment or the contract under which the data is made available to them, is terminated.
 - (3) When they no longer need access to the Data to fulfill the requirements of the contract.
 - f. Have a process to periodically review and verify that only authorized users have access to systems containing DSHS/County Confidential Information.
 - g. When accessing the Data from within the Contractor's network (the Data stays within the Contractor's network at all times), enforce password and logon requirements for users with the contractor's network including:
 - (1) A minimum of 8 characters and containing at least three of the following classes: uppercase letters, lowercase letters, numerals, and special characters such as an asterisk, ampersand, or exclamation point.
 - (2) That a password does not contain a user's name, logon ID, or any form of their full name.
 - (3) That a password does not consist of a single dictionary word. A password may be formed as a passphrase, which consists of multiple dictionary words.

- (4) That passwords are significantly different from the previous four passwords. Passwords that increment by simply adding a number are not considered significantly different.
- h. When accessing Confidential Information from an external location (the Data will traverse the Internet or otherwise travel outside the Contractor's network), mitigate risk and enforce password and logon requirement for users by employing measures including:
 - (1) Ensuring mitigations applied to the system do not allow end-user modification.
 - (2) Not allowing the use of dial-up connections.
 - (3) Using industry standard protocols and solutions for remote access. Examples include but are not limited to RADIUS Microsoft Remote Desktop (RDP) and Citrix.
 - (4) Encrypting all remote access traffic from the external workstation to a Trusted Network or to a component within the Trusted Network. The traffic must be encrypted at all times while traversing any network, including the internet, which is not a Trusted Network.
 - (5) Ensuring that the remote access system prompts for re-authentication or performs automated session termination after no more than 30 minutes of inactivity.
 - (6) Ensuring use of a Multi-Factor Authentication to connect from the external end point to the internal endpoint.
- i. Passwords or PIN codes may meet a lesser standard if used in conjunction with another authentication mechanism, such as a biometric (fingerprint, facial recognition, iris scan) or token (software, hardware, smart card, etc.) in that case:
 - (1) The PIN or password must be at least 5 letters or numbers used in conjunction with at least one other authentication factor;
 - (2) Must not be comprised of all the same letter or number (11111,22222, aaaaa would not be acceptable).
 - (3) Must not contain a run of three or more consecutive numbers (12398, 98743 would not be acceptable)
- j. If the contract specifically allows for storage on a Mobile Device,

passcodes for the device must:

- (1) Be a minimum of six alphanumeric characters
- (2) Contain at least three unique character classes (upper case letter, lower case letter, number).
- (3) Not contain more than a three consecutive character run. Passwords consisting of 12345, or abcd12 would not be acceptable.

k. Render the device unusable after a maximum of 10 failed logon attempts.

Confidentiality.

- **The Contractor shall not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Contract for any purpose that is not directly connected with Contractor's performance of the services contemplated hereunder, except:**
 - as provided by law; or,
 - in the case of Personal Information, with the prior written consent of the person or personal representative of the person who is the subject of the Personal Information.
- **Ensure the security of Confidential Information transmitted via fax (facsimile) by:**
 - Verifying the recipient phone number to prevent accidental transmittal of Confidential Information to unauthorized persons.

Data Transport:

1. Paper Documents: Send paper documents containing Confidential Information via a Trusted System.

Protection of Data. The Contractor agrees to store data on one or more of the following media and protect the data as described. Electronic data can be on desktops, laptops, and other portable devices, servers and external media:

1. **Hard disk drives.** For Data stored on local workstation hard disks, access to the data will be restricted to Authorized Users by requiring logon to the local workstation using a unique user ID and hardened password or other

authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.

2. **Network server disks.** For Data stored on hard disks mounted on network servers and made available through shared folders, access to the data will be restricted to authorized users through the use of access control lists which will grant access only after the authorized user has authenticated to the network using a unique user ID and hardened password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

For DSHS/County confidential data stored on these disks, deleting unneeded data is sufficient as long as the disks remain in a secured area and otherwise meets the requirements listed in the above paragraph. Destruction of the data as outlined in Section 11. Data Disposition may be deferred until the disks are retired, replaced, or otherwise taken out of the secured area.

3. **Optical discs (CDs or DVDs) in local workstation optical disc drives.** Data provided by DSHS on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a secured area. When not in use for the contracted purpose, such discs must be stored in a Secure Area. Workstations which access DSHS/County data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
4. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data provided by DSHS on optical discs which will be attached to network servers and which will not be transported out of a secure area. Access to data on these discs will be restricted to authorized users through the use of access control lists, which will grant access only after the authorized user has authenticated to the network using a unique user ID and hardened password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
5. **Paper documents.** Any paper records must be protected by storing the records in a secure area which is only accessible to authorized personnel. When not in use, such records must be stored in a Secure Area.
6. **Data storage on portable devices or media.**

A) Except where otherwise specified herein, DSHS/County data shall not be stored by the Contractor on portable devices or media unless specifically authorized within the Terms and Conditions of the contract. If so authorized, the data shall be given the following protections:

- Encrypt the data.
- Control access to devices with a unique user ID and hardened password or stronger authentication method, such as physical token or biometrics.
- Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.

B) Apply administrative and physical security controls to Portable Devices and Portable media by:

- Keeping them in a Secure Area when not in use,
- Using check-in/check-out procedures when they are shared; and
- Taking frequent inventories.

C) When being transported outside of a Secure Area, Portable Devices and Portable Media with confidential DSHS/County data must be under the physical control of Contractor staff with authorization to access the Data, even if the Data is encrypted.

7. Data Stored for Backup Purposes

(1) DSHS/County data may be stored on Portable Media as part of a Contractor's existing documented backup process for business continuity or disaster recovery purposes. Such storage is authorized until such time as media would be reused during the course of normal backup operations. If backup media is retired while DSHS/County Confidential Information still exists upon it, such media will be destroyed at that time in accordance with Section 11. Data Disposition.

(2) DSHS/County data may be stored in non-portable media (e.g. Storage Area Network drives, virtual media, etc.) as part of a Contractor's existing documented backup process for business continuity or disaster recovery purposes. If so, such media will be protected as otherwise described in this attachment. If this media is retired while DSHS Confidential Information still exists upon it, such media will be destroyed at that time in accordance with Section 11. Data Disposition.

8. **Cloud Storage.** DSHS Confidential Information requires protections equal to or greater than those specified elsewhere within this attachment. Cloud storage of data is problematic as DSHS/County nor the Contractor has control over the environment in which the data is stored. For this reason:

(1) DSHS/County Data will not be stored in any consumer grade Cloud solution, unless all of the following conditions are met:

- a) Contractor has written procedures in place governing the use of the Cloud storage and Contractor can attest to the contract listed in the contract and keep a copy of the attestation for your records in writing that all such procedures will be uniformly followed.
- b) The Data will be Encrypted while within the Contractor network.
- c) The Data will remain encrypted during transmission to the Cloud.
- d) The Data will remain encrypted at all times while residing within the Cloud Storage solution.
- e) The Contractor will possess a decryption key for the Data, and the decryption key will only be possessed by the Contractor.
- f) The Data will not be downloaded to non-authorized systems, meaning systems that are not on the contractor network.
- g) The Data will not be decrypted until downloaded onto a computer within the control of an Authorized User or within the contractor network.

(2) Data will not be stored on an Enterprise Cloud storage solution unless either:

- a) The Cloud storage provider is treated as any other Sub-contractor, and agrees in writing to all the requirements within this attachment; or,
- b) The Cloud storage solution used is HIPPA compliant.

(3) If the Data includes protected health information covered by the Health Insurance Portability and Accountability Act

(HIPPA), the Cloud provider must sign a Business Associate Agreement prior to the data being stored in their Cloud solution.

9. **System Protection.** To prevent compromise of systems which contain DSHS/County Data or through which that Data passes:

- a. Systems containing DSHS/County data must have all security patches or hotfixes applied within three months of being made available.
- b. The Contractor will have a method of ensuring the requisite patches and hotfixes have been applied within the required timeframes.
- c. Systems containing DSHS/County Data shall have an Anti-Malware application, if available, installed.
- d. Anti-Malware software must be kept up to date. The product, its anti-virus engine and any malware database the systems uses, will be no more than one update behind current.

10. **Data Segregation.**

- DSHS/County category 4 data must be segregated or otherwise distinguishable from non-DSHS/County data. This is to ensure that when no longer needed by the Contractor, all DSHS/County data can be identified for return or destruction. It also aids in determining whether DSHS/County data has or may have been compromised in the event of a security breach. As such, one or more of the following methods will be used for data segregation:
 - DSHS/County data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS/County data; and/or
 - DSHS/County data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS/County data; and/or
 - DSHS/County data will be stored in a database which will contain no non-DSHS/County data; and/or
 - DSHS/County data will be stored within a database and will be distinguishable from non-DSHS/County data by the value of a specific field or fields within database records; and/or
 - When stored as physical paper documents, DSHS/County data will be physically segregated from non-DSHS/County data in a drawer, folder, or other container.

- When it is not feasible or practical to segregate DSHS/County data from non-DSHS/County data, then both the DSHS/County data and the non-DSHS/County data with which it is commingled must be protected as described in this attachment.

11. **Data Disposition.** When the contracted work has been completed or when no longer needed, except as noted in **Protection of Data**, the Contractor will certify in writing that the data stored on the media listed below was destroyed utilizing the approved methods outlined in the following table:

Data stored on:	Will be destroyed by:
Server or workstation hard disks or Removable media (e.g. floppies, USB flash drives, portable hard disks, Zip or similar disks), excluding optical discs	Using a “wipe” utility which will overwrite the data at least three (3) times using either random or single character data Degaussing sufficiently to ensure that the data cannot be reconstructed, or Physically destroying the disk
Paper documents with sensitive or confidential data	Recycling through a contracted firm provided the contract with the recycler assures that the confidentiality of data will be protected.
Paper documents containing confidential information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration
Optical discs (e.g. CDs or DVDs)	Incineration, shredding, or completely defacing the readable surface with a course abrasive
Magnetic tape	Degaussing, incinerating or crosscut shredding

12. **Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS/County shared data must be reported to the County within one (1) business day of discovery. The Contractor must also take action to mitigate the risk of loss and comply with any requirements imposed by law or DSHS/County.



MONIMEY-02

EHEREDIA

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/4/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0C36861
Alliant Insurance Services, Inc.
105 W Evergreen Blvd Ste 200
Vancouver, WA 98660

CONTACT
NAME:
PHONE
(A/C, No, Ext): (360) 695-3301 FAX
(A/C, No):
E-MAIL: reception@biggsinsurance.com
ADDRESS:

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A : Mount Vernon Fire Insurance Company

26522

INSURED

Monica Meyer Consulting
18201 NE Cedar Dr
Battle Ground, WA 98604

INSURER B :

INSURER C :

INSURER D :

INSURER E :

INSURER F :

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		CX 2550482K	5/21/2025	5/21/2026	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
	OTHER:						
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR						EACH OCCURRENCE \$
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$
	DED <input type="checkbox"/> RETENTION \$						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	Professional Liabili			CX 2550482K	5/21/2025	5/21/2026	each claim 1,000,000
A	Professional Liabili			CX 2550482K	5/21/2025	5/21/2026	Aggregate 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Kitsap County Developmental Disabilities are additional insured on the general liability policy as their interest may appear in regard to work/services performed by the named insured.

CERTIFICATE HOLDER

Kitsap County Developmental Disabilities
614 Division Street, MS-23
Port Orchard, WA 98366

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

BLANKET ADDITIONAL INSURED

SECTION II – LIABILITY; C. Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) for whom you are performing “your work” under a written contract or agreement, that requires such person(s) or organization(s) to be added as an additional insured on your policy. Such person(s) or organization(s) is an additional insured only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” occurring after the effective date of such contract or agreement that is caused, in whole or in part by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of “your work” for the additional insured.

Coverage for an additional insured under this endorsement ends when “your work” for that additional insured ends or is put to its intended use by any person or organization.

SECTION II – LIABILITY; B. EXCLUSIONS, 3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage, is amended to add the following with respect to this endorsement only:

There is no coverage under this endorsement for loss or expense, including but not limited to the cost of defense for “bodily injury” or “property damage” or “personal and advertising injury” occurring:

- a. After all of “your work”, including materials, parts or equipment furnished in connection with “your work” and performed under the above referenced written contract(s) or agreement(s) has ended; or
- b. When that portion of “your work” out of which the “bodily injury”, “property damage” or “personal and advertising injury” arises and performed under the above referenced written contract(s) or agreement(s) has been put to its intended use by any person or organization;

whichever occurs first.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

BUSINESSOWNERS COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

In Section II – Liability, the word "insured" means any person or organization qualifying as such under Paragraph C. Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph H. Property Definitions in Section I – Property and Paragraph F. Liability And Medical Expenses Definitions in Section II – Liability.

SECTION I – PROPERTY

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property includes Buildings as described under Paragraph a. below, Business Personal Property as described under Paragraph b. below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under Paragraph 2. Property Not Covered.

- a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:
 - (1) Completed additions;
 - (2) Fixtures, including outdoor fixtures;
 - (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
 - (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
 - (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;

- (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:
- (a) Additions under construction, alterations and repairs to the buildings or structures;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

- b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph E.5.d.(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:

- (1) Money And Securities Optional Coverage; or
 - (2) Employee Dishonesty Optional Coverage;
 - c. Contraband, or property in the course of illegal transportation or trade;
 - d. Land (including land on which the property is located), water, growing crops or lawns;
 - e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
 - f. Watercraft (including motors, equipment and accessories) while afloat;
 - g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;
 - h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";
 - i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software.
 - j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.
- 3. Covered Causes Of Loss**
- Risks of direct physical loss unless the loss is:
- a. Excluded in Paragraph **B**. Exclusions in Section **I**; or
 - b. Limited in Paragraph **4**. Limitations in Section **I**.
- 4. Limitations**
- a. We will not pay for loss of or damage to:
 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - (1) Animals, and then only if they are killed or their destruction is made necessary.
 - (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
 - (a) Glass that is part of the exterior or interior of a building or structure;
 - (b) Containers of property held for sale; or
 - (c) Photographic or scientific instrument lenses.
 - c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.
 - (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - (5) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to Paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on

the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

Example #1

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000
Amount of Loss Payable	\$49,500
	(\$50,000 – \$500)
Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example #2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500). The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris

removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

d. Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs d.(1) through d.(7).

- (1) For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
 - (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (c) Use of defective material or methods in construction, remodeling or

renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

- (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (i) A cause of loss listed in Paragraph (2)(a) or (2)(b);
- (ii) One or more of the "specified causes of loss";
- (iii) Breakage of building glass;
- (iv) Weight of people or personal property; or
- (v) Weight of rain that collects on a roof.

- (3) This Additional Coverage – Collapse does **not** apply to:

- (a) A building or any part of a building that is in danger of falling down or caving in;
- (b) A part of a building that is standing, even if it has separated from another part of the building; or
- (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (4) With respect to the following property:

- (a) Awnings;
- (b) Gutters and downspouts;
- (c) Yard fixtures;
- (d) Outdoor swimming pools;
- (e) Piers, wharves and docks;
- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d), we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

- (5) If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building,

we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- (a) The collapse of personal property was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (4), regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (5) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- (6) This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (7) This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this policy.
- (8) The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in Paragraphs d.(1) through d.(7).

e. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

f. Business Income

(1) Business Income

- (a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of

restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
 - (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.
- (c) Business Income means the:
- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
 - (ii) Continuing normal operating expenses incurred, including payroll.
- (d) Ordinary payroll expenses:
- (i) Means payroll expenses for all your employees except:
 - i. Officers;
 - ii. Executives;

- iii. Department Managers;
 - iv. Employees under contract; and
 - v. Additional Exemptions shown in the Declarations as:
 - Job Classifications; or
 - Employees.
- (ii) Include:
- i. Payroll;
 - ii. Employee benefits, if directly related to payroll;
 - iii. FICA payments you pay;
 - iv. Union dues you pay; and
 - v. Workers' compensation premiums.

(2) Extended Business Income

- (a) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
- (i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
 - (ii) Ends on the earlier of:
 - i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - ii. 30 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

- (b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.
- (3) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (4) This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

g. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(2) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (b) To minimize the suspension of business if you cannot continue "operations".
- (c) To:
 - (i) Repair or replace any property; or
 - (ii) Research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.

- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
- (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

h. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

i. Civil Authority

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of

the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for necessary Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority coverage for Business Income ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

j. Money Orders And "Counterfeit Money"

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any loss under this Additional Coverage is \$1,000.

k. Forgery Or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the

check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

I. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in Paragraphs (3) through (9) of this Additional Coverage.
- (3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or

- (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet rot or dry rot.

- (6) The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in Section I – Property do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this

Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

m. Business Income From Dependent Properties

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated in the Declarations.

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:
- (a) Source of materials; or
 - (b) Outlet for your products.
- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (4) Dependent property means property owned by others whom you depend on to:
- (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
 - (b) Accept your products or services;
 - (c) Manufacture your products for delivery to your customers under contract for sale; or
 - (d) Attract customers to your business.
- The dependent property must be located in the coverage territory of this policy.
- (5) The coverage period for Business Income under this Additional Coverage:

- (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and

- (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- (6) The Business Income coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not reduce the Business Income coverage period.

- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

n. Glass Expenses

- (1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- (2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

o. Fire Extinguisher Systems Recharge Expense

- (1) We will pay:
- (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
 - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

p. Electronic Data

- (1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.
- (2) The Covered Causes of Loss applicable to Business Personal Property include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage – Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

q. Interruption Of Computer Operations

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business

Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.

- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a) Coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.
 - (b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
 - (c) The Covered Causes of Loss include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage – Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000 unless a higher Limit of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and

expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (4) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

- (1) The coverage described in Paragraphs r.(2) and r.(6) only applies when the "fungi", wet rot or dry rot are the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot are present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total

of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.
 - (a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - (b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi",

wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

6. Coverage Extensions

In addition to the Limits of Insurance of Section I – Property, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Buildings, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at premises other than the one described, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Business Personal Property

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (c) Business Personal Property that you newly acquire, located at the described premises.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss or damage

under this Extension is \$100,000 at each building.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Property Off-premises

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$2,500, unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

d. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees. This extension does not apply to:

(1) Tools or equipment used in your business; or

(2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises.

e. Valuable Papers And Records

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

(a) Property held as samples or for delivery after sale; and

(b) Property in storage away from the premises shown in the Declarations.

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.

(4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

(5) Paragraph B. Exclusions in Section I – Property does not apply to this Coverage Extension except for:

(a) Paragraph B.1.c., Governmental Action;

(b) Paragraph B.1.d., Nuclear Hazard;

(c) Paragraph B.1.f., War And Military Action;

(d) Paragraph B.2.f., Dishonesty;

(e) Paragraph B.2.g., False Pretense;

(f) Paragraph B.2.m.(2), Errors Or Omissions; and

(g) Paragraph B.3.

f. Accounts Receivable

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

(a) All amounts due from your customers that you are unable to collect;

(b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

(d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

(3) Paragraph B. Exclusions in Section I – Property does not apply to this Coverage Extension except for:

(a) Paragraph B.1.c., Governmental Action;

(b) Paragraph B.1.d., Nuclear Hazard;

(c) Paragraph B.1.f., War And Military Action;

(d) Paragraph B.2.f., Dishonesty;

(e) Paragraph B.2.g., False Pretense;

(f) Paragraph B.3.; and

(g) Paragraph B.6., Accounts Receivable Exclusion.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects

a substantial area.

a. Ordinance Or Law

- (1) The enforcement of any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
 - (a) An ordinance or law that is enforced even if the property has not been damaged; or
 - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in Paragraphs (1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;

- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

This exclusion does not apply to loss or damage to "computer(s)" and "electronic

data".

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. Certain Computer-related Losses

- (1) The failure, malfunction or inadequacy of:
 - (a) Any of the following, whether

belonging to any insured or to others:

- (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
- (ii) "Computer" application software or other "electronic data" as may be described elsewhere in this policy;
- (iii) "Computer" operating systems and related software;
- (iv) "Computer" networks;
- (v) Microprocessors ("computer" chips) not part of any "computer" system; or
- (vi) Any other computerized or electronic equipment or components; or
- (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph (1) above.

However, if excluded loss or damage, as described in Paragraph (1) above results in a "specified cause of loss" under Section I – Property, we will pay only for the loss or damage caused by such "specified cause of loss".

We will not pay for repair, replacement or modification of any items in Paragraph (1)(a) or (1)(b) to correct any deficiencies or change any features.

i. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot result from fire or lightning; or

- (2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

j. Virus Or Bacteria

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in Paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion i.;
- (3) With respect to any loss or damage subject to the exclusion in Paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".
2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Electrical Apparatus

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

g. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. Exposed Property

Rain, snow, ice or sleet to personal property in the open.

i. Collapse

- (1) Collapse, including any of the following conditions of property or any part of the property:
 - (a) An abrupt falling down or caving in;
 - (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph i.(1)(a) or i.(1)(b).

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

- (2) This Exclusion i., does not apply:
 - (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
 - (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

k. Neglect

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

l. Other Types Of Loss

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

This exclusion does not apply with respect to the breakdown of "computer(s)";
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in Paragraphs (1) through (7) above results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

m. Errors Or Omissions

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

However, we will pay for direct loss or damage caused by lightning.

p. Continuous Or Repeated Seepage Or Leakage Of Water

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

3. We will not pay for loss or damage caused by or resulting from any of the following Paragraphs **a.** through **c.** But if an excluded cause of loss that is listed in Paragraphs **a.** through **c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **B.1.** above to produce the loss or damage.

b. Acts Or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Additional Exclusion

The following applies only to the property specified in this Additional Exclusion.

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

5. Business Income And Extra Expense Exclusions

- a.** We will not pay for:

- (1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

- (2) Any other consequential loss.

- b.** With respect to this exclusion, suspension means:

- (1) The partial slowdown or complete cessation of your business activities; and
- (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

6. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

- a.** Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- b.** Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- c.** Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limits of Insurance of Section I – Property shown in the Declarations.
2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

3. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance of Section I – Property:

- a. Fire Department Service Charge;
- b. Pollutant Clean-up And Removal;
- c. Increased Cost Of Construction;
- d. Business Income From Dependent Properties;
- e. Electronic Data; and
- f. Interruption Of Computer Operations.

4. Building Limit – Automatic Increase

- a. In accordance with Paragraph C.4.b., the Limit of Insurance for Buildings will automatically increase by 8%, unless a different percentage of annual increase is shown in the Declarations.
- b. The amount of increase is calculated as follows:
 - (1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit by:
 - (a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or
 - (b) .08, if no percentage of annual increase is shown in the Declarations; and
 - (2) Multiply the number calculated in accordance with b.(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If:

The applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$$\$100,000 \times .08 \times 146 \div 365 = \$3,200.$$

5. Business Personal Property Limit – Seasonal Increase

- a. Subject to Paragraph 5.b., the Limit of Insurance for Business Personal Property is automatically increased by:
 - (1) The Business Personal Property – Seasonal Increase percentage shown in

the Declarations; or

- (2) 25% if no Business Personal Property – Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

- b. The increase described in Paragraph 5.a will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section I – Property.
- 2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:
 - a. Money and Securities;
 - b. Employee Dishonesty;
 - c. Outdoor Signs; and
 - d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

- 3. No deductible applies to the following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Business Income;
 - c. Extra Expense;
 - d. Civil Authority; and
 - e. Fire Extinguisher Systems Recharge Expense.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an

appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this

within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph d.(1)(e) below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in Paragraphs (2) through (7) below, we will determine the value of Covered Property as follows:
 - (1) At replacement cost without deduction for depreciation, subject to the following:
 - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the

least of the following amounts:

- (i) The Limit of Insurance under Section I – Property that applies to the lost or damaged property;
- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or
- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
 - (i) The actual cash value of the lost or damaged property; or
 - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon

as reasonably possible after the loss or damage.

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs **d.(1)(a)** and **d.(1)(b)** above whether or not the actual repair or replacement is complete.

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
 - (a) Used or secondhand merchandise held in storage or for sale;
 - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts; and
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
 - (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the

number of days from the loss or damage to the expiration of the lease; and

- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to the Optional Coverages:
- (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to reestablish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of

lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy; and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limits of Insurance of Section I – Property.

7. Resumption Of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and

discontinue such Extra Expense.

8. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs (a) and (b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in Paragraphs (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

F. Property General Conditions

1. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not

affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

2. Mortgageholders

a. The term "mortgageholder" includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this policy at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

4. Policy Period, Coverage Territory

Under Section I – Property:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. Paragraph **A.3.**, Covered Causes Of Loss, and Paragraph **B.**, Exclusions in Section I – Property, do not apply to this Optional Coverage, except for:
 - (1) Paragraph **B.1.c.**, Governmental Action;
 - (2) Paragraph **B.1.d.**, Nuclear Hazard; and
 - (3) Paragraph **B.1.f.**, War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion; or
 - (5) Mechanical breakdown.

- d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.

- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

- b. In addition to the Limitations and Exclusions applicable to Section I – Property, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

- c. The most we will pay for loss in any one occurrence is:

- (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
- (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

- d. All loss:

- (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
- is considered one occurrence.

- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

3. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money"

and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

- (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
- b. We will not pay for loss or damage:
- (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
- (1) Caused by one or more persons; or
 - (2) Involving a single act or series of acts; is considered one occurrence.
- e. If any loss is covered:
- (1) Partly by this insurance; and
 - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of

premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- f. This Optional Coverage is cancelled as to any employee immediately upon discovery by:
- (1) You; or
 - (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
- (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
- (1) This Optional Coverage as of its effective date; or
 - (2) The prior insurance had it remained in effect.
- j. With respect to the Employee Dishonesty Optional Coverage in Paragraph G.3., employee means:
- (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
 - (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent

employee as defined in Paragraph (1) above, who is on leave; or

- (b) To meet seasonal or short-term workload conditions;
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

4. Equipment Breakdown Protection Coverage

- a. We will pay for direct loss of or damage to Covered Property caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment.

Mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment does not mean any:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (3) Damage to any vacuum tube, gas tube, or brush; or
 - (4) The functioning of any safety or protective device.
- b. Paragraphs **A.4.a.(1)** and **A.4.a.(2), Limitations**, do not apply to this Optional Coverage.
 - c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:

- (1) Paragraph **B.2.a. Electrical Apparatus**;
- (2) Paragraph **B.2.d. Steam Apparatus**; and
- (3) Paragraph **B.2.l.(6) Mechanical Breakdown**.

- d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5)** of the **Outdoor Sign Optional Coverage** does not apply.
- e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

If no optional deductible is chosen for this Optional Coverage, the Property Deductible shown in the Declarations applies.

- f. With respect to **Additional Coverages 5.f. Business Income** and **5.g. Extra Expense**, if the 72-hour time period in the definition of "period of restoration" (hereinafter referred to as time deductible) is amended for this Optional Coverage as shown in the Declarations, we will not pay for any Business Income loss that occurs during the consecutive number of hours shown as the time deductible in the Declarations immediately following a mechanical breakdown or electrical failure. If a time deductible is shown in days, each day shall mean 24 consecutive hours.

As respects the coverage provided by this Optional Coverage, any time deductible shown in the Declarations for Equipment Breakdown Protection Coverage supersedes any time deductible otherwise applicable to the Business Income coverage provided by this policy.

- g. With respect to the coverage provided by this Optional Coverage, Paragraph **H. Property Definitions** is amended as follows:

- 1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" includes those used to operate production type machinery or equipment.

- h. Whenever any covered pressure, mechanical or electrical machinery and equipment is found to be in, or exposed to,

a dangerous condition, any of our representatives may suspend coverage provided by this Optional Coverage for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment.

However, coverage provided by this Optional Coverage may be reinstated for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment if the reasons for the suspension are found by any of our representatives to no longer exist.

We may suspend or reinstate this Optional coverage by mailing or delivering a written notification regarding the suspension or reinstatement to:

- (1) Your last known address; or
- (2) The address where the pressure, mechanical or electrical machinery and equipment is located.

This notification will indicate the effective date of the suspension or reinstatement.

If the coverage provided by this Optional Coverage is not reinstated, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. Property Definitions

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production type machinery or equipment.

- 2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.**
- 3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or**

device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.

- 4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.**
- 5. "Manager" means a person serving in a directorial capacity for a limited liability company.**
- 6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".**
- 7. "Money" means:**
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 8. "Operations" means your business activities occurring at the described premises.**
- 9. "Period of restoration":**
- a. Means the period of time that:

(1) Begins:

- (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

(2) Ends on the earlier of:

- (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (b) The date when business is resumed at a new permanent location.

- b. Does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- 10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including**

smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

11. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money".
12. "Specified causes of loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss of or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
13. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
14. "Valuable papers and records" means inscribed, printed or written:
 - a. Documents;
 - b. Manuscripts; and
 - c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities".

SECTION II – LIABILITY

A. Coverages

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D.** – Liability And Medical Expenses Limits Of Insurance in Section II – Liability; and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f.** Coverage Extension – Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
 - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (b) The "bodily injury" or "property damage" occurs during the policy period; and
 - (c) Prior to the policy period, no insured listed under Paragraph **C.1.** Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any

continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- f. **Coverage Extension – Supplementary Payments**
 - (1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - (a) All expenses we incur.
 - (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to

furnish these bonds.

- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - (b) This insurance applies to such liability assumed by the insured;
 - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - (f) The indemnitee:

- (i) Agrees in writing to:
 - i. Cooperate with us in the investigation, settlement or defense of the "suit";
 - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii. Notify any other insurer whose coverage is available to the indemnitee; and
 - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (ii) Provides us with written authorization to:
 - i. Obtain records and other information related to the "suit"; and
 - ii. Conduct and control the defense of the indemnitee in such "suit".

(3) So long as the conditions in Paragraph (2) are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** Exclusions in Section II – Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (2)(f) above are no longer met.

2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or

(3) Because of your operations; provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section II – Liability. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal,

seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor.

However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of,

"pollutants"; or

- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a

compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or

- (b) The operation of any of the following machinery or equipment:
 - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;

- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering or failure to render of any professional service.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to

you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Paragraph **D. Liability And Medical Expenses Limit Of Insurance** in Section II – Liability.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

I. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is

withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (8) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of websites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under Paragraph **F. Liability And Medical Expenses Definitions**.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting.

- (9) Arising out of the actual, alleged or

threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

- (10) With respect to any loss, cost or expense arising out of any:
- (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, "pollutants".
- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
- (12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".
- However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.
- (13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process,

store, retrieve or send data.

r. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

s. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** in Section II – Liability do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph **D. Liability And Medical Expenses Limits of Insurance** in Section II – Liability.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a.** To any insured, except "volunteer workers".
- b.** To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c.** To a person injured on that part of premises you own or rent that the person normally occupies.
- d.** To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e.** To a person injured while practicing, instructing or participating in any physical

exercises or games, sports or athletic contests.

- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

- (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed,

stored, transported or disposed of by or on behalf of an insured; or

- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

- d. As used in this exclusion:

- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (2) "Hazardous properties" include radioactive, toxic or explosive properties;
- (3) "Nuclear facility" means:
 - (a) Any "nuclear reactor";
 - (b) Any equipment or device designed or used for:
 - (i) Separating the isotopes of uranium or plutonium;
 - (ii) Processing or utilizing "spent fuel"; or
 - (iii) Handling, processing or packaging "waste";
 - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

- (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of

fissionable material;

- (6) "Property damage" includes all forms of radioactive contamination of property;
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- (10) "Waste" means any waste material:
 - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
 - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

C. Who Is An Insured

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- 2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of

your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

- (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b); or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
- (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by
you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. Liability And Medical Expenses Limits Of Insurance

1. The Limits of Insurance of Section II – Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

- a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
- b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

- a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b. All:
 - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (2) Plus medical expenses;

- (3) Plus all "personal and advertising injury" caused by offenses committed; is twice the Liability and Medical Expenses limit.

Subject to Paragraph a. or b. above, whichever applies, the Damage To Premises Rented To You Limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section II – Liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Separation Of Insureds

Except with respect to the Limits of Insurance of Section II – Liability, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

F. Liability And Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

- a. A land motor vehicle, trailer or semi-trailer

designed for travel on public roads, including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker".

"Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the

insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.

- 10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".**

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for

purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis,

chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "Your product":
- Means:
 - Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - You;
 - Others trading under your name; or
 - A person or organization whose business or assets you have acquired; and
 - Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - Includes:
 - Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - The providing of or failure to provide warnings or instructions.
 - Does not include vending machines or

other property rented to or located for the use of others but not sold.

22. "Your work":

- Means:
 - Work or operations performed by you or on your behalf; and
 - Materials, parts or equipment furnished in connection with such work or operations.
- Includes:
 - Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - The providing of or failure to provide warnings or instructions.

**SECTION III – COMMON POLICY CONDITIONS
(APPLICABLE TO SECTION I – PROPERTY AND
SECTION II – LIABILITY)**

A. Cancellation

- The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy;
 - The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - Seasonal unoccupancy; or
 - Buildings in the course of construction, renovation or addition. Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - After damage by a Covered Cause of Loss, permanent repairs to the building:
 - Have not started, and
 - Have not been contracted for, within 30 days of initial payment of loss.
 - The building has:
 - An outstanding order to vacate;
 - An outstanding demolition order; or
 - Been declared unsafe by governmental authority.
 - Fixed and salvageable items have been or are being removed from the building

and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

- (a)** Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b)** Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- c.** 30 days before the effective date of cancellation if we cancel for any other reason.
- 3.** We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- 4.** Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 5.** If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- 6.** If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- 1.** This policy;
- 2.** The Covered Property;
- 3.** Your interest in the Covered Property; or
- 4.** A claim under this policy.

D. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

E. Inspections And Surveys

1. We have the right to:

- a.** Make inspections and surveys at any time;
- b.** Give you reports on the conditions we find; and
- c.** Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a.** Are safe and healthful; or
- b.** Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

G. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

H. Other Insurance

- 1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section I – Property.**
- 2. Business Liability Coverage is excess over:**
 - a.** Any other insurance that insures for direct physical loss or damage; or

- b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
- 3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

- 1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
- 2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
- 3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
- 4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

- 1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
- 2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the

advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

- 3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us

- 1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

- 2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

L. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



Debarred Contractors List

A debarred contractor may not bid on, or have a bid considered on, any public works contract. You can search and filter this list using the options presented below.

Company Name: Principal: From: To:

WA UBI Number: RCW: Penalty Due: Wage Due:

License Number:

[Download all debarment data](#) ⓘ

Show <div>25</div> per page	Showing 0 records										First	Previous	Next	Last
Company Name	UBI	License	Principals	Related Business	Status	RCW	Debar Begins	Debar Ends	Penalty Due	Wages Due				
There are no records that match your search criteria.														
Show <div>25</div> per page	Showing 0 records										First	Previous	Next	Last