

UNDERinsured Vendor Program

Our Management Company requires contractors to carry minimum insurance amounts before being classified as a "Regular Service Vendor" in their Accounts Payable system. One of these requirements is "proof of Commercial General Liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate.

Heritage Grand uses many (larger) contractors who carry these insurance levels, but we also have smaller jobs that these contractors will not bid on.

An Underinsured Vendor Program will allow us to complete smaller jobs with reasonable risk to Heritage Grand while being more efficient and effective.

Our Management Company *does* allow smaller contractors be paid through their Accounts Payable if the contractors are listed as *underinsured* per their company standard and a hold harmless waiver is signed.

After receiving the concurrence of both our Association Attorney and the upper management of our Management Company, the Board institutes the following process for any use of underinsured contractors:

- The Board will specifically approve each and every job (regardless of estimated project cost) where an underinsured contractor is requested to be utilized.
- The two attached documents shall be completed and presented to the Board for its sign-off.
 - Waiver of Liability and Hold Harmless Agreement
 - Action of the Board Concerning Use of Underinsured Contractors
- The Board expects these contractors to have already been vetted to some level (likely minimal like checking references) before approval requests come to the Board.

This Board guideline was ratified by a majority vote of the Board on 5/10/21.

Board Secretary

Waiver of Liability and Hold Harmless Agreement

Services: _____

In consideration of being allowed to perform certain Services, as defined above, for Heritage Grand Homeowners Association, Inc. (HGHOA), I, on behalf of myself, my company, employees, and agents, and my/their heirs, assigns and personal representatives, hereby expressly and knowingly release, waive, discharge and covenant not to sue HGHOA and its Directors, Officers, management, employees, and agents (collectively "HGHOA Released Parties") from any and all liability, claims, demands, actions, litigation, and injuries, whether to property or individuals, arising out of or related to any loss, damage, or injury, including death, that may be sustained by me or my company or employees, or any of property belonging to me or my company, regardless of cause, including by my own negligence or the negligence of HGHOA Released Parties, or otherwise, while participating in and completing the Service listed above, or while in, on or upon the property of HGHOA or HGHOA Released Parties.

I agree to indemnify and hold harmless HGHOA Released Parties from any loss, liability, damage, or costs, including court costs and attorney fees, that may be incurred due to my or my company's participation in and completion of the Service as defined above, regardless of cause, including my own negligence or the negligence of HGHOA Released Parties or otherwise.

It is my express intent this Waiver of Liability and Hold Harmless Agreement bind the members, employees, directors, and subcontractors of my company, including subcontractors, as well as my/their heirs, assigns and personal representative. Execution of this document represents a complete and unrestricted release, waiver, discharge, and covenant not to sue HGHOA Released Parties.

I further agree this Waiver of Liability and Hold Harmless Agreement shall be construed in accordance with the laws of the State of Texas.

I have read and understood this document, and my signature evidences my intent to be bound by its terms.

In witness Whereof, I have hereunto set my hand on this ____ day of _____.

Printed Company Name

Printed Name of Employee, Position at Company

Mailing Address & Phone

Employee's Signature

THE STATE OF TEXAS

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ACKNOWLEDGMENT

COUNTY OF _____

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BEFORE ME, the undersigned notary public, on this the _____ day of _____, _____, personally appeared _____, _____ of _____ (Company), known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purpose and in the capacity therein expressed and on behalf of the Company.

Notary Public in and for the State of Texas

USE OF UNDERINSURED CONTRACTORS

_____ has indicated to Heritage Grand that he/she/their company does not carry the minimum level of insurance required by FirstService Residential (FSR) for placement on FSR's approved vendor list.

This Board action request specifically addresses one singular project described as

_____,
and which has an expected contractor cost of \$_____.

It is the recommendation of Heritage Grand's _____ Committee/Team that Heritage Grand utilizes this contractor in spite of its lack of insurance coverage, and the Committee's/Team's reasoning for this recommendation is as follows:

The contractor-signed hold harmless agreement is attached to this request.

The Board of Directors, by ____ vote, approves the utilization of the above referenced contractor for the specific (one time) project as listed above.

Board Secretary & Date