



## **AGREEMENT FOR DRONE INSPECTION SERVICES**

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This Agreement ("Agreement") is between CITIZENS PROPERTY INSURANCE CORPORATION ("**Citizens**"), a legislatively created Florida governmental entity, having its principal place of business at 2101 Maryland Circle, Tallahassee, Florida 32303, and SOARING SKY, LLC d/b/a SOARING SKY ("**Vendor**") having its principal place of business at 2180 West 1<sup>st</sup> Street, Suite 302, Fort Myers, Florida 33901. Citizens and Vendor shall each be known as a "Party," and collectively shall be known as the "Parties."

### **Recitals**

On January 26, 2018, Citizens issued an Invitation to Negotiate No. 18-0015 for Aerial Imagery Services (the "Solicitation"). Vendor's response to the Solicitation for the Drone Inspection Services category was accepted by Citizens, subject to the terms set forth in this Agreement.

In consideration of the mutual promises and restrictions stated in this Agreement, the Parties acknowledge and agree as follows:

### **Terms of Agreement**

1. **Definitions.** As used in this Agreement, the following terms have the following meanings:
  - 1.1. "Assignment" means a request for Services by Citizens to Vendor under this Agreement.
  - 1.2. "CAIS" means the Credentialing Administration Information System used by Citizens, which is a secure online system accessed by Vendor via the internet and an assigned login/password used to submit, review, and maintain credentialing information for Vendor and Vendor Staff. To the extent CAIS is unavailable or inaccessible, the Parties will agree on alternative means of communication.
  - 1.3. "Citizens Confidential Information" means all information, data, and documentation, whether marked as confidential or not, disclosed to Vendor in the course of this Agreement that is either: (a) Protected under any applicable state or federal law (including Chapter 119, Florida Statutes; Sections 501.171, and 627.351(6), Florida Statutes; Chapter 69O-128, Florida Administrative Code; and, 15 U.S.C. § 6801 et seq.); (b) private information concerning Citizens' employees or Policyholders (including social security numbers, personal health information, personal credit information, banking information, drivers' license numbers, personal email addresses, personal phone numbers, and home addresses); or, (c) related to any Citizens' manuals, lists, operating and other systems or programs, business practices or procedures, insurance policies, claimants or claims, or any business, governmental, and regulatory matters affecting Citizens. "Citizens Confidential Information" does not

include any information, data or documentation that: (a) is publicly available through no fault of Vendor or Vendor Staff; or, (b) Vendor developed independently without relying in any way on Citizens Confidential Information.

- 1.4. "Deliverables" means the quantifiable, measurable, and verifiable items required to be delivered to Citizens by Vendor under this Agreement.
- 1.5. "Effective Date" means the date on which the last Party executes this Agreement.
- 1.6. "Field Staff" means those persons who Vendor will use to perform an Assignment. Typically, the Field Staff will consist of one licensed drone pilot and one assistant.
- 1.7. "GAM" means the Generic Assignment Module component of CAIS through which Vendor receives Assignments.
- 1.8. "Policyholder(s)" means named insured(s) and/or the authorized representative as listed on the Assignment who has or is seeking insurance coverage with Citizens.
- 1.9. "Services" means all services and Deliverables to be provided by Vendor to Citizens under this Agreement. If any service or Deliverable is not specifically described in this Agreement but is necessary for the proper performance and provisioning of the Services, that service or Deliverable shall be included within the definition of the Services to the same extent and in the same manner as if specifically described herein.
- 1.10. "Vendor Staff" means any of Vendor's employees, agents, subcontractors, or representatives who: (a) provide the Services (i.e., Field Staff); or, (b) have access to Citizens Confidential Information.
- 1.11. "Work Product" means each Deliverable and any drawing, design, specification, rendering, notebook, tracing, photograph, reference book, equipment, material, negative, report, finding, recommendation, data and memorandum of every description, created for Citizens under this Agreement and shared with or delivered to Citizens by Vendor or Vendor Staff in the course of performing this Agreement.

## **2. Term and Renewals.**

- 2.1. Term of Agreement. This Agreement shall commence on the Effective Date and, unless terminated as provided for herein, shall continue for five (5) years.
- 2.2. Renewals. This Agreement may be renewed for up to five (5) additional years by mutual written agreement of the Parties. Renewals shall be subject to the same terms and conditions set forth in this Agreement at the time of renewal, including any written amendments signed by the Parties.

## **3. Service Requirements.**

- 3.1. Description. Vendor shall provide on-site drone inspection services to be used in Citizens' claims and underwriting processes, as specifically defined in an Assignment. Assignments will generally be one of the following types:
  - 3.1.1. Residential Buildings. The typical Assignment should take no more than thirty (30) minutes of on-site set-up and image capture time. A typical home will require 20 - 30 separate images. Imagery captured should cover the structure's entire roof in a manner that provides clear and convincing evidence of the roof's state of repair (including, but not limited to, evidence of damage, or lack of

damage, to roof materials, fixtures, equipment, etc.). Imagery should also include at least one (1) high level view of the entire property/structure, and a view of the front, back, and sides of the structure.

- 3.1.2. Commercial Buildings. The typical Assignment will take at least thirty (30) minutes of on-site set-up and image capture time. Imagery captured should cover the structure's entire roof in a manner that provides clear and convincing evidence of the roof's state of repair (including, but not limited to, evidence of damage, or lack of damage, to roof materials, fixtures, and equipment). Imagery should also include at least one (1) high level view of the entire property/structure, and a view of the front, back, and sides of the structure.

Citizens reserves the right to provide additional Assignment guidelines and/or modify any existing Assignment requirements in order to satisfy legislative, regulatory or insurance policy changes as well as any other reasonable cause.

- 3.2. Geographic Service Area. Unless otherwise specified on Exhibit A, Price Sheet, Vendor shall provide Services within the entire State of Florida.
- 3.3. Assignment Process. Assignments will be electronically distributed to Vendor at the sole discretion of Citizens through GAM. Under certain circumstances, Citizens may, at its discretion, use an alternative Assignment notification method. If Citizens requests Services beyond the scope of a typical Assignment, the Parties may agree to a price adjustment, if applicable, pursuant to Section 6. below and/or Exhibit A, Price Sheet. Vendor acknowledges that acceptance, all updates, documents, and invoices related to the Assignment may be required to be submitted through GAM. Vendor also acknowledges that Citizens does not in any way represent or guarantee that Vendor will receive any specific or minimum volume of Assignments under this Agreement.
- 3.4. Scheduling Inspections with Policyholders. Vendor must make diligent and courteous efforts to contact the Policyholder upon acceptance of each Assignment to schedule the inspection. For residential Assignments, if two (2) or more phone calls to the Policyholder are unanswered, Vendor may leave a message with the date/time of the inspection (at least twenty-four (24) hours advanced notice must be given). For commercial Assignments, actual contact with the property owner/manager is expected and escorted access may be required. If a commercial property owner/manager is represented, Vendor contact with the third party representative is mandatory, unless otherwise agreed to in writing by Citizens' Contract Manager or designee.
- 3.5. Phone Support. Vendor shall provide live phone support to Citizens and Policyholders from 8:00 a.m. – 6:00 p.m. ET, Monday through Friday. At Citizens' sole discretion, Citizens may request Vendor to extend live phone support hours in the event of a catastrophe. Phone support will consist of live call answering to schedule inspections, answer questions, and provide information or clarification on inspections. After hours phone support shall be provided for hours outside of those stated above with response or call back the next business day. After hours support may be either a staffed position or a recorded messaging option.
- 3.6. Bilingual Services. Vendor shall provide bilingual (English/Spanish) language interpretative services for Policyholders to facilitate successful communication in scheduling of appointments and general communications. This service may be provided directly by Vendor Staff or through a third party contractor.
- 3.7. Professional Appearance and Photo IDs. At all times during the performance of

Services under this Agreement, Field Staff must maintain a professional appearance and demeanor, and have a photo identification that associates them with Vendor or its approved subcontractor.

- 3.8. Acceptance and Delivery of Assignments. Citizens expects Vendor to access GAM for receipt of Assignments. Additionally, inspection reports, photographs, and invoices for completed Assignments shall be uploaded to GAM as further described in Section 4.4 unless otherwise specified by Citizens. Document protection may be required to restrict others from changing the inspection reports. Upon request by Citizens, Vendor may need to provide photographs in a JPG format or another electronic format agreed upon by Citizens. Inspection reports must show the name, signature, and license number of the Field Staff who completed the inspection.
- 3.9. Authentication of Reports. If requested, Vendor will also provide assistance in litigation to authenticate the inspection report or images therein (see Exhibit A, Price Sheet for hourly rates). Vendor agrees to provide this Service even when requested after the expiration or termination of this Agreement.
- 3.10. Vendor and Vendor Staff Qualifications. Upon request, Vendor must provide Citizens with relevant information and documentation related to the qualifications of Vendor and Vendor Staff as outlined below. The information will be used to verify that Vendor and Vendor's Staff meet and continue to meet the requirements of this Agreement. At Citizens request, Vendor will be required to access CAIS to input, update, and maintain the requested information. Vendor will ensure all documentation remains current and will provide updates/revisions as needed.
- 3.10.1. W-9. Vendor will provide a current W-9 upon any change to the Vendor's legal business name, DBA name, payment address, or FEIN.
- 3.10.2. Vendor Conflict of Interest Form. Vendor will provide the completed form annually by April 1<sup>st</sup>.
- 3.10.3. Licensure. All persons who operate drone machinery shall be properly licensed by the FAA and any other relevant government authority. Citizens' Contract Manager must be immediately notified of any past, present, or pending administrative complaints or adverse actions with respect to such licenses.
- 3.10.4. Trainings. Vendor shall ensure that all Vendor Staff are properly trained and proficient in the use applicable technologies and services. At its sole discretion, Citizens reserves the right to institute trainings via a learning management system that tracks and records Vendor Staff training and scores. Vendor must provide all training in its entirety prior to Vendor Staff receiving and accepting any Assignments or otherwise performing the Services. Upon request, Vendor shall furnish a copy of all technical certifications or other proof of qualification.
- 3.10.5. Certificates of Compliance. On at least an annual basis, Vendor must provide Citizens with a Certificate of Compliance, signed by a duly authorized officer of Vendor, providing the names of all Vendor Staff and certifying to the best of his/her knowledge that Vendor and Vendor Staff have complied with all obligations contained in this Agreement (including provisions relating to licensure, background checks, insurance, and data security). The form of the Certificate shall be provided to Vendor by Citizens, and shall be subject to reasonable modifications.

3.10.6. Criminal Background Check. Vendor must conduct a criminal background check on all Vendor Staff prior to allowing them to become Vendor Staff under this Agreement. The criminal background check must be refreshed at least every two years. All criminal background checks will be at Vendor's expense and, unless otherwise approved in writing by the Contract Manager, shall include but not be limited to: (a) state and federal felony convictions or pending adjudications; (b) state and federal misdemeanor convictions or pending adjudications; (c) any crimes in violation of the Violent Crime Control and Law Enforcement Act of 1995 or pending adjudications; and, (d) a seven (7) year minimum timeframe, extending as close as practicable to the date of assignment to perform Services.

If it is determined that a Vendor Staff member has a criminal conviction (misdemeanor or felony), regardless of adjudication (adjudication withheld, a plea of guilty or nolo contendere, or a guilty verdict), within the last seven (7) years from the date of the background check, Vendor is required to not allow that individual to act as a Vendor Staff under this Agreement until Vendor determines whether that individual should be allowed to do so considering (i) the nature and gravity of the offense; (ii) the amount of time that lapsed since the offense; (iii) the rehabilitation efforts of the individual involved; and, (iv) the relevancy of the offense to the individual's role in connection with this Agreement. A disqualifying offense is any crime (in any jurisdiction within and/or outside of the United States of America) where the nature of the criminal activity is such that a reasonable vendor would agree that the engagement would create a risk of injury, loss, or damage to people and/or property of Citizens. Any Vendor Staff whose criminal background check indicates, to Vendor, conduct that demonstrates a lack of honesty or integrity, or otherwise demonstrates an inability to safely and reliably perform Services, will not be allowed to perform Services.

If a Vendor Staff has been convicted of, pled guilty or nolo contendere (no contest) to, or has been found guilty of a misdemeanor, regardless of whether adjudication was withheld, then such individual will be allowed to perform Services only upon disclosure to and prior written approval by Citizens' Contract Manager or designee.

3.10.7. Other Background Checks. Vendor shall conduct a background check that will verify the proposed Vendor Staff has met the minimum education, qualifications, or experience requirements as required by Citizens' Contract Manager or designee.

3.10.8. Compliance with Fair Credit Reporting Act. Vendor will comply with all requirements of the federal Fair Credit Reporting Act, including the provision to Vendor Staff of all required pre-notification and post-report notices. Vendor is responsible for any adverse action notices that may apply to its employment decisions.

3.11. Removal and Replacement of Vendor Staff. Without limiting Citizens' other rights and remedies under this Agreement, including suspension of Services and termination of this Agreement, where any Vendor Staff fails to comport to any of the Service requirements in this Agreement or, in Citizens' determination, is unsuitable for the performance of the Services, Citizens has the right, at Citizens' sole election, to

disallow such Vendor Staff from performing the Services. Upon Citizens' request, Vendor shall promptly provide qualified replacement Vendor Staff reasonably acceptable to Citizens.

- 3.12. Exceptions Allowed During Emergencies. The Parties acknowledge that exceptions to these Service requirements and other provisions of this Agreement may be granted by Citizens during a declared state of emergencies without the need of a formal amendment. Such exceptions must be mutually agreed to and documented in writing.

**4. Service Warranties and Standards**

- 4.1. General Warranty. Vendor warrants that the Services will be performed and delivered in a professional, first-class manner in accordance with this Agreement and the standards prevailing in the industry. To this end, Vendor will undertake the following actions without additional consideration during the term of this Agreement and for one (1) year thereafter: (a) promptly make necessary revisions or corrections to resolve any errors or omissions on the part of Vendor; and, (b) confer with Citizens as Citizens deems appropriate for the purpose of interpreting any of the Services or information furnished. Acceptance of or payment for the Services by Citizens shall not relieve Vendor of these responsibilities. The warranties and covenants in this Section will extend to and bind Vendor's subcontractors, if any.
- 4.2. Ability to Perform. As of the Effective Date, Vendor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish Vendor's ability to perform the Services or satisfy its contractual obligations. During the term of this Agreement, Vendor shall notify Citizens of any change in circumstances that would in any way diminish Vendor's ability to perform the Services or satisfy its contractual obligations.
- 4.3. Monitoring of Performance. Vendor shall continuously monitor and record its performance to ensure that all of Vendor's responsibilities and obligations hereunder are being met and fulfilled. Citizens may conduct programmatic and other administrative contract monitoring during the term of this Agreement. The purpose of this monitoring is to ensure that all of Vendor's responsibilities and obligations are being met and fulfilled. Such monitoring may include on-site visits, report reviews, invoice reviews, compliance reviews, and a review of any other areas reasonably necessary.
- 4.4. Service Level Standards.
  - 4.4.1. Description. In addition to all other requirements in this Agreement, Vendor shall use reasonable and good faith efforts to meet the Service Level Standards set forth below. Failure to meet the Service Level Standards may result in Vendor not receiving additional Assignments by Citizens.

Service	Standard
Accept/Reject an Assignment, or Provide Notification of Airspace Access Restrictions	Within twenty-four (24) hours

Respond to All Other Requests or Communications from Policyholders or Citizens Staff	Within twenty-four (24) hours
Complete Assignments and submit Inspection Reports, Images, and Invoices to GAM	<ul style="list-style-type: none"> <li>For residential properties, within five (5) calendar days of the date the Assignment was issued.</li> <li>For commercial properties, within seven (7) calendar days of the date the Assignment was issued.</li> </ul>

4.4.2. Performance Credits. The Parties recognize that the failure to complete an Assignment in a timely manner will result in harm to Citizens which is not easily quantifiable. Therefore, in addition to any other remedies available to Citizens under this Agreement, the Parties agree to the assessment of the following credits (“Performance Credits”):

*If an Assignment is not properly completed within the standard time set forth above, plus a grace period of one (1) business day, Citizens will be due a **Performance Credit of \$100.00**. Performance Credits will not be due if the cause of delay is proven by Vendor to be wholly beyond Vendor’s reasonable control, such as inability to access the subject property or obtain FAA/Policyholder approval. Performance Credits will be calculated and assessed on a monthly basis by Citizens.*

**5. Deliverables and Work Product.**

5.1. Deliverables. Each Deliverable must be delivered by Vendor to Citizens in the time and manner specified in this Agreement. Failure to do so will entitle Citizens to: (a) withhold any payment associated with the Deliverable until such delivery is made; and/or, (b) terminate this Agreement for cause in accordance with the notice and cure provisions set forth in Section 12.2 below.

In addition, Vendor’s ability to meet or exceed performance expectations may be rewarded with increase in frequency of Assignments. Conversely, marginal performance, poor performance or “for cause” situations may result in reduced Assignments and the need to provide additional reviews.

Deliverable	Description	Due Date
Inspection Reports and Invoice	Vendor shall submit to Citizens at the completion of every Assignment, a detailed inspection report and invoice for the Services described in Section 5.2. Upon delivery, these reports become the property of Citizens and may be distributed to others as Citizens deems	Per Service Level Standard set forth in Section 4.4.1.

	appropriate.	
Monthly Summary Report	Summarized information (excel format): a. Inspection company name b. Contract number c. Month and year of report d. Total invoice expense per month and per year to date e. Total volume of the month of reporting on received Assignments, accepted Assignments, and submitted, complete Assignments.	Monthly, by the 15 <sup>th</sup> day of the following month or as otherwise directed by Citizens
Vendor Account Review	Vendor shall work in cooperation with Citizens in a self-assessment process which includes the development and execution of self-assessments and the utilization of the results for continuous improvement. Vendor shall provide to Citizens a quarterly business review in addition to periodic updates as requested by Citizens. Citizens will provide any specific due dates and/or formats pertaining to the above-mentioned reports. The quarterly business review must provide an overall summary of performance for the performance period, performance ratings overall, a summary of key strengths, and opportunities for improvement.	Quarterly, or as otherwise requested by Citizens.

5.2. Title to Work Product. With the exception of the Pre-Existing Materials described in Section 5.4, Citizens will have all right, title and interest in and to each Work Product and any derivative works relating thereto (including ownership of copyrights). The use of these Work Products in any manner by Citizens shall not support any claim by Vendor for additional compensation. Each Work Product, and any portion thereof, shall be a "work made for hire" for Citizens pursuant to federal copyright laws. To the extent any of the Work Product is not deemed a work made for hire by operation of law, Vendor hereby irrevocably assigns, transfers, and conveys to Citizens, or its designee, without further consideration all of its right, title, and interest in such Work Product, including all rights of patent, copyright, trade secret, trademark, or other proprietary rights in such materials. Vendor acknowledges that Citizens shall have the right to obtain and hold in its own name any intellectual property right in and to the Work Product. Vendor agrees to execute any documents or take any other actions as may reasonably be necessary, or as Citizens may reasonably request, to perfect or evidence Citizens' ownership of the Work Product. This Section shall survive the termination of this Agreement.

5.3. Pre-Existing Materials.

5.3.1. Citizens acknowledges that, in the course of performing the Services, Vendor may use images, materials, software, reports, routines, language, instructions, methods, techniques, trade secrets, patents, copyrights, or other intellectual



property that have been previously developed, purchased, licensed, or acquired by Vendor or by third parties (collectively, the "Pre-Existing Materials"), and that such Pre-Existing Materials shall remain the sole and exclusive property of Vendor or the third parties. Where Vendor seeks to embed Pre-Existing Materials in the Work Product, Vendor must first obtain written approval from Citizens.

5.3.2. If and to the extent any Pre-Existing Materials of Vendor are embedded or incorporated in the Work Product, Vendor hereby grants to Citizens the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to: (a) use, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such Pre-existing Materials and any derivative works thereof for Citizens' internal business purposes only; and, (b) authorize others to do any or all of the foregoing for Citizens' internal business purposes only.

5.3.3. If and to the extent any Pre-Existing Materials of third parties are embedded or incorporated in the Work Product, Vendor shall secure for Citizens an irrevocable, perpetual, non-exclusive, worldwide, royalty-free and fully paid-up right to use, execute, display, and perform such Pre-Existing Materials. Vendor shall secure such right at its expense and prior to incorporating any such Pre-Existing Materials into any Work Product, and such right must include, if practicable, a right to: (a) copy, modify, and create derivative works based upon such Pre-Existing Materials; and, (b) sublicense all or any portion of the foregoing rights to an affiliate or a third party service provider of Citizens. This Section does not apply to standard office software (e.g., Microsoft Office).

5.4. The provisions of this Section shall survive the termination of this Agreement.

## **6. Changes.**

6.1. Process for Making Changes. Citizens may require changes altering, adding to, or deducting from the Services (each, a "Change"), provided that: (a) such Change is within the general scope of this Agreement; and, (b) Citizens will make an equitable adjustment in Vendor's compensation or delivery date if a Change materially affects the cost or time of performance of the Services. Such equitable adjustments require the written consent of Vendor, which consent shall not be unreasonably withheld, delayed or conditioned. The Parties will cooperate in good faith to determine the scope and nature of a Change, the availability of Vendor Staff, the expertise and resources to provide such Change, and the time period in which such Change will be implemented.

6.2. Contract Amendment Required for Certain Changes. A Change resulting in an increase or decrease to Vendor's compensation or the general scope of Services must be evidenced by a formal amendment to this Agreement. All other changes shall be evidenced by either a writing signed by the Contract Manager or designee of each Party or a formal amendment to this Agreement.

## **7. Acceptance.**

- 7.1. Acceptance Period. For all Assignments issued under this Agreement, Vendor grants to Citizens a thirty (30) day acceptance period ("Acceptance Period") commencing on the date the completed Assignment is delivered to Citizens. Citizens shall have the right to reject the Assignment, in whole or in part, during the Acceptance Period for Vendor's failure to meet the specifications associated with the delivered Assignment, with such determination to be made in Citizens' reasonable judgment. At the end of the Acceptance Period, if Citizens has not rejected the Assignment, the Assignment shall be deemed to be accepted by Citizens; provided, however, that Citizens' acceptance of the Services shall not be deemed a waiver of any of Citizens' warranty rights as expressly provided in this Agreement.
- 7.2. Opportunity to Cure. Upon being advised of Citizens' rejection of Services within the Acceptance Period, Vendor shall have thirty (30) days to cure any deficiency identified by Citizens. If Vendor is unable to cure said deficiency within this thirty (30) day period, Citizens may, in its sole discretion, terminate this Agreement in whole or in part for cause and pursue such other rights and remedies allowable in law or equity.
- 7.3. Corrective Action Plan. At any stage during the thirty (30) day cure period provided above or whenever Citizens identifies a deficiency in Vendor's performance of this Agreement, Citizens may require Vendor to take the following actions: (a) perform a cause analysis to identify the cause of the deficiency; (b) provide a written plan (the "Corrective Action Plan") detailing the cause of, and procedure for, correcting such deficiency (Citizens will be afforded the time necessary to review and approve the proposed Corrective Action Plan or require Vendor to make revisions); (c) implement the Corrective Action Plan as approved by Citizens; and, (d) provide Citizens with satisfactory assurance that such deficiency will not reoccur following the implementation of the Corrective Action Plan. In the case of a deficiency identified by Citizens during an Acceptance Period, completion of the cause analysis and implementation of the Corrective Action Plan by Vendor must occur before the end of the thirty (30) day cure period provided above, unless otherwise agreed to by Citizens in its sole discretion.

## **8. Compensation.**

- 8.1. Maximum Compensation and Budget Requirement. Citizens' obligation to pay Vendor for all Services and reimbursable expenses under this Agreement (i) shall not exceed a total dollar amount of thirty-two million U.S. dollars (\$32,000,000.00), and (ii) is contingent on the availability of budgeted funds approved by Citizens' Board of Governors on an annual basis.
- 8.2. Compensation Schedule. Vendor will be paid on a monthly basis for the Services accepted by Citizens in the preceding month pursuant to Exhibit A, Price Sheet.
- 8.3. Invoices. Vendor must timely submit all requests for compensation for Services or expenses, where permitted, in sufficient detail for a pre- or post-audit. The compensation request must include a unique invoice number, be in US dollars, legible, page-numbered, signed, and dated. Vendor shall also submit a copy, marked as duplicate, of the original, invoice to Citizens' Contract Manager or designee. All invoices and payment credits must be submitted to the attention of Citizens' Accounts Payable department at [AccountsPayable@citizensfla.com](mailto:AccountsPayable@citizensfla.com) or Post Office Box 10749, Tallahassee, Florida 32302-2749 on a monthly basis and must include, at a minimum, the following: (a) Agreement number; (b) Vendor's name, address, phone number (and

remittance address, if different); (c) Vendor's Federal Employment Identification Number; (d) Citizens' Contract Manager's name; (e) invoice date; (f) Services period; (g) taxes listed separately, if applicable (see Section 8.7); and, (h) itemized Services for which compensation is being sought.

- 8.4. Volume Discount Payment. Within sixty (60) days of the end of each calendar month where Volume Discounts apply, as further described in Exhibit A, Vendor shall submit to Citizens a statement on Citizens' provided template and payment for any applicable volume discount.
- 8.5. Payment Processing. Citizens may require any other information from Vendor that Citizens deems necessary to verify any compensation request placed under this Agreement and Vendor agrees that it will provide such information as reasonably requested by Citizens. Payment shall be due net thirty (30) days of Citizens' actual receipt of a complete and undisputed invoice. Where a submitted invoice is incomplete, such as not containing the information described in this Section, Citizens will return the incomplete invoice to Vendor for correction within thirty (30) days of Citizens' actual receipt of such invoice. Where Citizens reasonably disputes any part of a complete invoice, such as the amount of the compensation request, Citizens shall pay any undisputed portion of the invoiced amount within (30) days of Citizens' actual receipt of the complete invoice and will describe the basis for the disputed portion of the invoiced amount. Where Vendor disagrees with Citizens dispute of any invoice, the Parties shall seek to resolve the dispute in accordance with the Dispute Resolution Process further described in this Agreement. In no case shall Citizens be subject to late payment interest charges where Vendor has submitted an incomplete invoice or where Citizens has reasonably disputed an invoice. Where Vendor fails to submit an invoice within twelve (12) calendar months of the Services for which compensation is being requested, Vendor acknowledges and agrees that any payment due for such Services is forfeited by Vendor for its failure to timely submit an invoice.
- 8.6. Travel-related Expenses. Except as authorized in writing, Citizens will not reimburse Vendor for travel-related expenses. To the extent authorized, Vendor agrees to comply with Citizens' then-current Vendor Travel Reimbursement Guidelines.
- 8.7. No Additional Charges. Except for the compensation described in the Compensation Schedule and travel-related expenses, if permitted, Citizens shall not be billed for or be obligated to pay to Vendor any charges, expenses, or other amounts for the Services or otherwise.
- 8.8. Offsets and Credits. Any amounts due from Vendor may be applied by Citizens against any amounts due to Vendor. Any such amounts that are not so applied shall be paid to Citizens by Vendor within thirty (30) days following Citizens' request.
- 8.9. Taxes. Citizens is a State of Florida, legislatively created, governmental entity which does not pay federal excise or state sales taxes on direct purchases of tangible personal property. Vendor represents and warrants that it is an independent contractor for purposes of federal, state, and local employment taxes. Vendor agrees that Citizens is not responsible to collect or withhold any federal, state, or local employment taxes, including personal property tax, income tax withholding, and social security contributions, for Vendor or Vendor Staff. Any and all taxes, interest or penalties, including personal property tax or any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by Vendor or, if assessed against and paid by Citizens, shall be

immediately reimbursed by Vendor upon demand by Citizens.

**9. Indemnification and Limitation of Liability.**

9.1. Indemnification. Vendor shall be fully liable for the actions of Vendor Staff and shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors, agents and employees (each, an "Indemnitee" and collectively, the "Indemnitees") from suits, actions, damages, liabilities, demands, claims, losses, expenses, fines, penalties, fees, and costs of every name and description (collectively, "Claims"), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from any Indemnitee, by reason of any Claim arising out of or relating to any act, error or omission, or misconduct of Vendor, its officers, directors, agents, employees, or contractors, including without limitation: (a) a violation of federal, state, local, international, or other laws or regulations; (b) bodily injury (including death) or damage to tangible personal or real property; (c) breaches of any representations made by Vendor under this Agreement; (d) any claim that any Work Product violates or infringes upon a trademark, copyright, patent, trade secret or intellectual property right; or, (e) Vendor's failure to timely forward a public records request to Citizens for handling; provided, however, that the foregoing indemnity shall not apply to the extent that the applicable Claim resulted from the acts or omissions of Citizens, its officers, directors, agents, or employees.

9.1.1. Vendor's obligations of indemnification with respect to any Claim are contingent upon Citizens (or other Indemnitee) providing Vendor: (a) written notice of the Claim; (b) the opportunity to settle or defend against the Claim at Vendor's sole expense; and, (c) assistance in defending against or settling the Claim at Vendor's sole expense. Vendor shall not be liable for any cost, expense, or compromise incurred or made by an Indemnitee in any legal action without Vendor's prior written consent, which shall not be unreasonably withheld.

9.1.2. Notwithstanding anything in this Agreement to the contrary, Vendor shall not indemnify for that portion of a Claim proximately caused by: (a) a negligent act or omission of an Indemnitee; or, (b) an Indemnitee's misuse or modification of the Service or Work Product.

9.1.3. The obligations in this Section are separate and apart from, and in no way limit Citizens' rights under any insurance provided by Vendor pursuant to this Agreement or otherwise.

9.1.4. The provisions of this Section shall survive the termination of this Agreement.

9.2. Limitation of Liability. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY: (A) SPECULATIVE OR REMOTE DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH A BREACH OF THIS AGREEMENT; OR, (B) ANY DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT IN EXCESS OF \$100,000.00. THESE LIMITATIONS APPLY REGARDLESS OF WHETHER THE ACTION OR CLAIM IS BASED IN CONTRACT, EQUITY, TORT, OR OTHERWISE. THESE LIMITATIONS SHALL NOT APPLY TO: (A) ANY OBLIGATION OF INDEMNIFICATION SET FORTH IN THIS

AGREEMENT; (B) ANY CLAIM OR DAMAGE CAUSED BY A PARTY'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT; (C) ANY CLAIM OR DAMAGE TO THE EXTENT COVERED BY AN INSURANCE POLICY REQUIRED IN THIS AGREEMENT; OR, (D) ANY CLAIM OR DAMAGE CAUSED BY VENDOR'S BREACH OF ITS OBLIGATIONS OF CONFIDENTIALITY SET FORTH IN THIS AGREEMENT. NOTHING IN THIS SECTION OR IN THIS AGREEMENT SHALL BE CONSTRUED AS A WAIVER OF THE LIMIT ON CITIZENS' LIABILITY FOR TORT CLAIMS UNDER SECTION 768.28, FLORIDA STATUTES. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

## **10. Insurance.**

10.1. Vendor Insurance Requirements. During the term of this Agreement, Vendor will maintain at its sole expense the following insurance, purchased from an insurer licensed to transact business in the State of Florida:

10.1.1. Workers' Compensation which provides coverage for Vendor's employees and independent contractors' employees, regardless of the state of hire, in at least the minimum statutory limits required by the State of Florida, and Employers' Liability with limits of \$1 million per accident; provided, however, that such workers' compensation policy may exclude coverage for independent contractor employees who are covered by a workers' compensation policy that meets the requirements (including Employers' Liability coverage) set forth herein.

10.1.2. Commercial General Liability with minimum limits of \$1 million per occurrence (to include contractual liability for liability assumed hereunder) and \$5 million in the aggregate;

10.1.3. Automobile Liability with combined single limits of not less than \$1 million per accident (this policy must include Symbol 1 "Any Auto" coverage); provided however, that if Vendor does not own any vehicles and Vendor does not have a schedule of vehicles covered under a Vendor automobile policy, then the policy may instead include both Symbol 8 "Hired Autos Only" and Symbol 9 "Nonowned Autos only". Vendor agrees to secure Symbol 1 "Any Auto" coverage as set forth herein prior to taking ownership of any vehicle, and prior to scheduling any vehicles under a Vendor automobile policy; and,

10.1.4. Aviation Liability Insurance-on an "occurrence" basis, including products and completed operations, property damage, bodily injury with limits no less than \$1,000,000 per occurrence, and \$2,000,000 in the aggregate. This coverage may also be provided by endorsement to a Commercial General Liability policy (ISO Form CG 00 01) provided under in Section 10.1.2 above.

10.2 Subcontractor Insurance Requirements. Unless otherwise permitted in writing by the Citizens Contract Manager, each subcontractor used by Vendor to provide Services under this Agreement shall provide insurance as follows:

10.2.1 Workers' Compensation which provides coverage for the subcontractor's employees and independent contractors' employees, regardless of the state of hire, in at least the minimum statutory limits required by the State of Florida, and Employers' Liability with limits of \$1 million per accident;

- 10.2.2 Commercial General Liability with minimum limits of \$1 million per occurrence (to include contractual liability for liability assumed hereunder) and \$2 million in the aggregate; and,
- 10.2.3 Automobile Liability with combined single limits of not less than \$1 million per accident (this policy must include Symbol 1 "Any Auto" coverage); provided however, that if subcontractor does not own any vehicles and subcontractor does not have a schedule of vehicles covered under subcontractor's automobile policy, then the policy may instead include both Symbol 8 "Hired Autos Only" and Symbol 9 "Nonowned Autos only". Subcontractor must agree to secure Symbol 1 "Any Auto" coverage as set forth herein prior to taking ownership of any vehicle, and prior to scheduling any vehicles under subcontractor's automobile policy.
- 10.3 Insurance Company Qualifications. Each company issuing policies required under Sections 10.1. must: (i) be licensed to transact business in the State of Florida; and, (ii) have an AM Best Financial Strength rating of "A-" or above.
- 10.4 Acceptable Deductible Amounts. The policies required under Sections 10.1. and 10.2. shall not have deductibles in excess of \$100,000 per claim/occurrence. Citizens shall be exempt from, and in no way liable for, any sum of money which may represent a deductible in any of these policies. The payment of deductibles shall be the sole responsibility of Vendor.
- 10.5 Defense Costs. The limits of indemnity coverage required under Section 10.1. and 10.2. shall not include costs incurred in defending against a claim and shall not be reduced by the payment of such costs; provided, however, that with respect to professional liability coverage as set forth in Section 10.1.5., Vendor may alternatively maintain coverage with minimum limits of \$2 million per claim and \$4 million in the aggregate.
- 10.6 Loss History. Vendor shall provide, or Vendor shall request its insurer to provide, upon request by Citizens, a list of claims paid (with amounts) in the three years prior to the date of Citizens request, together with a list of any outstanding claims with current reserves.
- 10.7 Vendor's Insurance is Primary. The insurance required under Section 10.1. shall apply on a primary basis to, and shall not require contribution from, any other insurance or self-insurance maintained by Citizens, Citizens' Board Member, or any Citizens' employee.
- 10.8 Citizens to be an Additional Insured. The Commercial General Liability and Auto Liability policies in Section 10. shall include Citizens as an additional insured. For Commercial General Liability coverage, the policy must include ISO Form #CG 20 10 10 01 or a comparable company specific endorsement.
- 10.9 Waiver of Subrogation. The insurance required under Section 10. will include a provision waiving the insurer's rights of recovery or subrogation against Citizens.
- 10.10 Coverage for Indemnity Obligations. The Commercial General Liability, Auto Liability, Umbrella Liability, and Professional Liability coverages will cover claims made under the indemnity provisions of this Agreement.
- 10.11 Notice of Cancellation or Change. To the extent practicable, the Commercial General Liability and Professional Liability policies shall require thirty (30) calendar days prior

written notice to Citizens of cancellation, non-renewal or change in any coverage, except for ten (10) calendar days prior written notice for non-payment of premium.

- 10.12 Proof of Coverage. Within thirty (30) calendar days of execution of this Agreement, and upon renewal or reissuance of coverage thereafter, Vendor must provide current and properly completed in-force certificates of insurance to Citizens that evidence the coverages required in Sections 10.1. and 10.2. The certificates for Commercial General Liability, Umbrella Liability and Professional Liability insurance certificates must correctly identify the type of work Vendor is providing to Citizens under this Agreement. The agent signing the certificate must hold an active Insurance General Lines Agent license (issued within the United States). Vendor shall provide copies of its policies upon request by Citizens.

## **11 Contract Administration.**

- 11.1. Contract Administrator. Citizens shall name a Contract Administrator during the term of this Agreement whose responsibility shall be to maintain this Agreement. All legal notices and contractual documents shall be sent to the Contract Administrator in addition to the Citizens Contract Manager named below. As of the Effective Date, the Contract Administrator is:

Lori Newman, Vendor Management Office  
301 W Bay Street, Suite 1300  
Jacksonville, Florida 32202  
904-407-0225  
[Lori.Newman@citizensfla.com](mailto:Lori.Newman@citizensfla.com)

Citizens shall provide written notice to Vendor of any changes to the Contract Administrator; such changes shall not be deemed Agreement amendments.

- 11.2. Contract Managers. Each Party will designate a Contract Manager during the term of this Agreement whose responsibility shall be to oversee the Party's performance of its duties and obligations pursuant to the terms of this Agreement. As of the Effective Date, Citizens' and Vendor's Contract Managers are as follows:

Citizens' Contract Manager  
Laura Kennedy  
Citizens Property Insurance Corporation  
1300 West Bay Street, Suite 301  
Jacksonville, Florida 32202  
904-208-7731  
[Laura.Kennedy@Citizensfla.com](mailto:Laura.Kennedy@Citizensfla.com)

Vendor's Contract Manager  
Ryan Cowell  
Soaring Sky, LLC d/b/a Soaring Sky  
2180 West 1<sup>st</sup> Street, Suite 302  
Fort Myers, Florida 33901

239-333-2447  
[Ryan@soaringsky.net](mailto:Ryan@soaringsky.net)

Each Party shall provide written notice to the other Party of any changes to their Contract Manager; such changes shall not be deemed Agreement amendments.

## **12. Agreement Termination; Transition Assistance.**

- 12.1. Termination without Cause. By thirty (30) days advance written notice, Citizens may terminate this Agreement in whole or in part, at its sole discretion and without the need to specify a reason for termination. The actual date of termination of this Agreement will be thirty (30) days from the date of the written notice, or as otherwise specified in Citizens' written notice (the "Termination Date"). Where Citizens elects to terminate this Agreement in part, Vendor shall continue to provide Services on any portion of the Agreement not terminated. Vendor shall be entitled to payment for Services satisfactorily performed through the Termination Date but shall not be entitled to recover any cancellation charges or damages, including lost profits or reliance damages. Vendor shall not have a reciprocal right to terminate without cause; it being understood that Citizens' payment for Services forms the consideration for Vendor not having this right. In the event of Citizens' termination without cause, Citizens, at Citizens' sole election, may also require Vendor to provide the Transition Assistance as further described in this Agreement.
- 12.2. Termination for Cause. Either Party may terminate this Agreement if the other Party fails to honor its material obligations under this Agreement. Unless otherwise provided herein, before terminating this Agreement, the Party that believes the other Party is failing to perform this Agreement shall notify the other Party, in writing, of the nature of the failure to perform and provide a reasonable time certain for correcting the failure (such time should not generally be less than ten (10) days from receipt of the notice). If the other Party does not correct its failure to perform within the time provided, and its failure is not legally excusable, the Party claiming failure to perform may thereafter notify the other Party, in writing, that it considers the other Party in default and may terminate this Agreement and pursue any remedies allowed in law or equity. Instead of terminating this Agreement in whole, Citizens may elect to terminate this Agreement in part, in which case Vendor shall continue to provide Services on any portion of the Agreement not terminated. If after termination it is determined that Vendor was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the termination had been issued without cause under Section 12.1.

## **13. Disputes.**

- 13.1. Dispute Resolution Process. Each Party will make a good faith effort to resolve any disputes relating to this Agreement prior to commencing a legal action. These efforts may include an offer to arrange for executive-level discussions or an offer to submit the dispute to non-binding mediation. This section shall not apply if (i) a Party considers the immediate commencement of a legal action for an injunction necessary to protect its interests (e.g., to protect against the improper use or disclosure of its confidential information); or, (ii) the dispute is subject to another provision in this Agreement that includes a different dispute resolution process. For the sake of clarity, Citizens is not subject to the dispute resolution processes set forth in The Florida



Administrative Procedure Act, Chapter 120, Florida Statutes.

- 13.2. Jurisdiction and Venue; Waiver of Jury Trial. This Agreement shall be deemed to have been made in the State of Florida and shall be subject to, and governed by, the laws of the State of Florida, and no doctrine of choice of law shall be used to apply any law other than that of the State of Florida. Each Party hereby irrevocably consents and submits to the exclusive jurisdiction of the Circuit Court of Leon County, Florida, for all purposes under this Agreement, and waives any defense to the assertion of such jurisdiction based on inconvenient forum or lack of personal jurisdiction. The Parties also agree to waive any right to jury trial.
- 13.3. The provisions of this Section shall survive the termination of this Agreement.

**14. Records; Audits; Public Records Laws.**

- 14.1. Record Retention. Vendor shall retain all records relating to this Agreement for the longer of: (a) five (5) years after the termination of this Agreement; or, (b) the period specified by Citizens as necessary to comply with Florida law.
- 14.2. Right to Audit Records. Citizens shall have reasonable access to Vendor's facilities and the right to review and audit any of Vendor's records relating solely to this Agreement, upon written notice to Vendor of at least three (3) business days. Vendor shall not unreasonably delay or inhibit Citizens' right to audit as set forth in this Section. Vendor shall cooperate with auditor(s) and, provide requested documentation in a timely manner (preferably within five (5) business days). Vendor must resolve any deficiencies discovered during the audit within ninety (90) calendar days from being reported. Citizens may extend the response time period in its sole discretion. Citizens has the right to conduct follow-up audit procedures to assess Vendor's corrective action(s). Any entity performing auditing services pursuant to this Section shall execute a non-disclosure agreement with regard to Vendor's proprietary information, unless precluded from doing so by law. Vendor agrees to reimburse Citizens for the reasonable costs of investigation incurred by Citizens for investigations of Vendor's compliance with this Agreement which result in termination for cause or in regulatory or criminal penalties in connection with performance of this Agreement. Such costs shall include, but shall not be limited to: salaries of investigators, including overtime; travel and lodging expenses; expert witness fees and, documentary fees.
- 14.3. Public Records Laws. Vendor acknowledges that Citizens is subject to Florida public records laws, including Chapter 119, Florida Statutes, (collectively, "Florida's Public Records Laws"). Therefore, any information provided to Citizens or maintained by Vendor in connection with this Agreement may be subject to disclosure to third parties.
- 14.3.1. Protection of Vendor's Confidential Information. Section 627.351(6)(x)1.e., Florida Statutes, provides that proprietary information licensed to Citizens under a contract providing for the confidentiality of such information is confidential and exempt from the disclosure requirements of Florida's Public Records Law. Other Florida Statutes allow for various protection of vendor trade secrets and financial information. In order to protect any information provided to Citizens that Vendor considers to be protected from disclosure under Florida law ("Vendors Confidential Information") Vendor should clearly label and mark each page or section containing such information as "Confidential", "Trade Secret" or other similar designation.

- 14.3.2. Responding to Request for Vendor Confidential Information. If Citizens receives a Public Records Request (“PRR”) or a request from any regulatory or legislative entity regarding Vendor’s Confidential Information, it shall promptly notify Vendor in writing, or electronically. To the extent permitted by law, Citizens shall not produce Vendor’s Confidential Information unless authorized by Vendor, or by order of a court of competent jurisdiction. In the event a legal proceeding is brought to compel the production of Vendor’s Confidential Information, the Parties agree that Citizens is authorized to deliver Vendor’s Confidential Information to the court or other legal tribunal for disposition. If Vendor continues to assert in good faith that Vendor’s Confidential Information is confidential or exempt from disclosure or production pursuant to Florida’s Public Records Laws then Vendor shall be solely responsible for defending its position, or seeking a judicial declaration. Nothing in this Agreement shall create an obligation or duty for Citizens to defend or justify Vendor’s position. Vendor also agrees to reimburse Citizens for any attorneys’ fees, costs, and expenses incidental thereto, incurred by Citizens in any legal proceeding to compel the production of Vendor’s Confidential Information in connection with this Agreement.
- 14.3.3. Vendor’s Duty to Forward Records Requests to Citizens. Vendor receives a PRR that is in any way related to this Agreement, Vendor agrees to immediately notify Citizens’ Records Custodian and forward the PRR to Citizens’ Records Custodian for logging and processing. Citizens’ Records Custodian’s email address is: [Recordsrequest@citizensfla.com](mailto:Recordsrequest@citizensfla.com). Citizens shall be the Party responsible for coordinating the response and production to the PRR. Vendor shall communicate with Citizens to determine whether requested information is confidential and/or exempt from public records disclosure requirements. Vendor agrees to assist Citizens in responding to any PRR in a prompt and timely manner as required by Florida’s Public Records Laws.
- 14.3.4. Additional Duties. To the extent Vendor is “acting on behalf of” Citizens as provided under Section 119.011(2), Florida Statutes, Vendor must: (a) keep and maintain public records required by Citizens to perform the Services; (b) upon request of Citizens’ Records Custodian, provide Citizens with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; (c) ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law, for the duration of the term of this Agreement and following the completion of this Agreement if Vendor does not transfer the records to Citizens; and, (d) upon completion of this Agreement, transfer at no cost to Citizens all public records in possession of Vendor or, alternatively, Vendor may keep and maintain all records required by Citizens to perform the Services. If Vendor transfers all public records to Citizens upon completion of this Agreement, Vendor shall destroy any duplicate public records that are exempt, or confidential and exempt from public records disclosure. If Vendor keeps and maintains public records upon completion of this Agreement, Vendor shall meet all applicable requirements for retaining public records. All public records stored electronically must be provided to Citizens, upon request by Citizens’ Records Custodian, in a format that is compatible with the information technology

systems of Citizens.

**14.3.5. IF VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, PLEASE CONTACT CITIZENS' RECORDS CUSTODIAN AT (i) (850) 521-8302; (ii) RECORDSREQUEST@CITIZENSFLA.COM; OR, (iii) RECORDS CUSTODIAN, CITIZENS PROPERTY INSURANCE CORPORATION, 2101 MARYLAND CIRCLE, TALLAHASSEE, FL 32303.**

- 14.4. Vendor's Failure to Respond to Public Records Request. Vendor must comply with Citizens' request for records, including all documents, papers, letters, emails, or other materials in conjunction with this Agreement, within thirty (30) calendar days of Citizens' request. Vendor's failure to comply with Citizens request may be subject to penalties in accordance with Chapter 119.10, Florida Statutes. Vendor will hold Citizens harmless from any actions resulting from Vendor's non-compliance with Florida's Public Records Laws. Without limiting Citizens' other rights of termination as further described in this Agreement, Citizens may unilaterally terminate this Agreement for refusal by Vendor to comply with this Section unless the records are exempt from Section 24(a) of Article I of the State Constitution and Section 119.07(1), Florida Statutes.
- 14.5. The provisions of this Section shall survive the termination of this Agreement.

**15. Security and Confidentiality.**

- 15.1. General Requirements. Vendor shall implement and maintain appropriate safeguards to: (a) ensure the security and confidentiality of Citizens Confidential Information; (b) protect against any anticipated threats or hazards to the security or integrity of Citizens Confidential Information; and, (c) protect against unauthorized access to or use of Citizens Confidential Information that could cause harm or inconvenience to Citizens or any customer of Citizens.
- 15.2. Implementation of NIST 800-53 Controls. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor agrees to implement the privacy and security controls that follow the guidelines set forth in NIST Special Publication 800-53, "Security and Privacy Controls for Federal Information Systems and Organizations," as amended from time to time.
- 15.3. Audit of Vendor's Privacy and Security Controls.
- 15.3.1. Audit Reports. For each calendar year during the term of this Agreement, upon sixty (60) days of issuance but no later than the end of each calendar year, Vendor shall submit to Citizens via email to Citizens' Contract Manager or designee a copy of its annual American Institute of Certified Public Accountants Service Organization Control (SOC) 1 type 2 report or SOC 2 type 2 report (for all Trusted Services Principles) relevant, as solely determined by Citizens, to the Services.

- 15.3.2. Right of Audit by Citizens. Without limiting any other rights of Citizens herein, Citizens shall have the right to review Vendor's privacy and security controls prior to the commencement of Services and from time to time during the term of this Agreement. Such review may include Citizens' right, at its own expense and without notice, to perform (or have performed) an on-site audit of Vendor's privacy and security controls. In lieu of such an audit, Citizens may require Vendor to complete, within thirty (30) days of receipt, an audit questionnaire provided by Citizens regarding Vendor's privacy and security programs.
- 15.3.3. Audit Findings. Vendor shall implement any required safeguards as identified by Citizens or by any audit of Vendor's privacy and security controls.
- 15.4. Use of Citizens' Systems. Where Vendor or Vendor Staff have access to Citizens' systems or technology provided by or through Citizens, in addition to the other safeguards required by this Section, Vendor and Vendor Staff shall not share user identifications and / or passwords with any other individual.
- 15.5. Data Encryption. Vendor and Vendor Staff will encrypt all electronic data and communications containing Citizens Confidential Information using a strong cryptographic protocol that is consistent with industry standards.
- 15.6. Data Storage. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff shall not store Citizens Confidential Information on portable external storage devices or media (such as "thumb drives," compact disks, or portable disk drives).
- 15.7. Data Export. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff are prohibited from: (a) performing any Services outside of the United States; or, (b) sending, transmitting, or accessing any Citizens Confidential Information outside of the United States.
- 15.8. Security of Vendor Facilities. All Vendor and Vendor Staff facilities in which Citizens Confidential Information is located or housed shall be maintained in a reasonably secure manner. Within such facilities, all printed materials containing Citizens Confidential Information should be kept locked in a secure office, file cabinet, or desk (except when materials are being used).
- 15.9. Labeling of Confidential Information. Any documents or electronic files created by Vendor or Vendor Staff that contain Citizens Confidential Information must be conspicuously labeled or marked so that the individual viewing or receiving the information understands that the information is confidential.
- 15.10. Photocopying and Faxing Restrictions. Vendor and Vendor Staff shall not make photocopies or send facsimiles of Citizens Confidential Information unless there is a business need.
- 15.11. Transmission of Confidential Information Materials. In the event it is necessary to transport materials containing Citizens Confidential Information via mail, parcel delivery service or other means, Vendor Staff must subsequently verify that such materials have been received by the intended parties.
- 15.12. Disposal of Confidential Information. The disposal of all printed materials containing Citizens Confidential Information must be done in a manner that renders the information inaccessible to others (the use of a reputable third party shredding company is permissible).

- 15.13. Authority to Disclose Confidential Information to Others. Vendor acknowledges and agrees that any Citizens Confidential Information disclosed to or acquired by Vendor is disclosed and/or acquired solely for the purposes of facilitating the provision of the Services. Vendor shall restrict access to Citizens Confidential Information to Vendor Staff who will actually perform Services and Vendor shall provide such Vendor Staff with work environments that protect against inadvertent disclosure to others. Vendor shall be solely responsible for informing any individual or entity with access to Citizens Confidential Information of the provisions of this Agreement and shall be responsible for any acts of those individuals and entities that violate such provisions.
- 15.14. Unauthorized Disclosure of Confidential Information. Vendor will notify Citizens as soon as possible of any potential or actual unauthorized disclosure, misuse, or misappropriation of Citizens Confidential Information of which it becomes aware and will cooperate in remedying such situation promptly. Pursuant to Section 501.171, Florida Statutes, if Vendor maintains computerized data that includes personal information, as defined in such statute, on behalf of Citizens, Vendor shall disclose to Citizens any breach of the security of the system as soon as practicable, but no later than ten (10) days following the determination of the breach of security or reason to believe the breach occurred.
- 15.15. Return of Confidential Information. During the term of this Agreement upon Citizens written request or upon the termination of this Agreement for any reason, Vendor shall promptly return to Citizens all copies, whether in written, electronic or other form or media, of Citizens Confidential Information in its possession, or securely dispose of all such copies, and certify in writing to Citizens that Citizens Confidential Information has been returned to Citizens or disposed of securely.
- 15.16. Notification of Anticipatory Breach. Vendor agrees that should it, for any reason, not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section, it will immediately inform Citizens in writing of such inability and such inability on Vendor's part will serve as justification for Citizens' termination of this Agreement, at Citizens' sole election, at any time after the inability becomes known to Citizens.
- 15.17. Remedies. Vendor acknowledges that breach of Vendor's obligation of data security and confidentiality may give rise to irreparable injury to Citizens and Citizens' customers, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of the provisions of this Section, in addition to any other legal remedies which may be available, including, at the sole election of Citizens, the immediate termination, without penalty to Citizens, of this Agreement in whole or in part.
- 15.18. Subcontractors. Except as permitted in writing by Citizens' Contract Manager or designee, the provisions of this Section shall apply to each of Vendor's subcontractors at any level who obtain access to Citizens Confidential Information in connection with this Agreement.
- 15.19. The provisions of this Section shall survive the termination of this Agreement.

## **16. Miscellaneous.**

- 16.1. Process and System Requirements. Within thirty (30) days of execution of the Agreement, at its own cost and expense, Vendor shall have in place and ready for use

all of the appropriate processes, systems, software, and hardware to ensure its ability to perform Services. Vendor agrees to execute any third party agreements to permit it to obtain access to Citizens' systems. Vendor shall provide Citizens with proof that it meets all of the requirements of this provision prior to performing Services.

- 16.2. Relationship of the Parties. Vendor is an independent contractor with no authority to contract for Citizens or in any way to bind or to commit Citizens to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Citizens. Under no circumstances shall Vendor or Vendor Staff hold itself out as or be considered an agent, employee, joint venturer, or partner of Citizens. In recognition of Vendor's status as an independent contractor, Citizens shall carry no Workers' Compensation insurance or any health or accident insurance to cover Vendor or Vendor Staff. Citizens shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Vendor nor Vendor Staff shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or retirement plan of Citizens.
- 16.3. Vendor Conflicts of Interests. Vendor, and all principals in its business, must execute a Conflict of Interest Form as required by Citizens from time to time. Vendor shall not have a relationship with a Citizens officer or employee that creates a conflict of interest. If there is the appearance of a conflict of interest, Vendor will promptly contact Citizens' Contract Manager or designee to obtain a written decision as to whether action needs to be taken to ensure a conflict does not exist or that the appearance of a conflict is not significant.
- 16.4. No Gifts. Vendor shall not give a gift or make an expenditure to or for the personal benefit of a Citizens officer or employee.
- Vendor shall not accept a gift from a Policyholder in connection with the Services that is, or could be interpreted to be, intended to influence the handling of the Policyholder's claim, or could be interpreted as an expression of gratitude for such an act.
- 16.5. Convicted Vendor List. Vendor shall immediately notify Citizens' Contract Manager or designee in writing if it or any of its affiliates are placed on the convicted vendor list maintained by the State of Florida pursuant to Section 287.133, Florida Statutes, or on any similar list maintained by any other state or the federal government.
- 16.6. Compliance with Laws. Vendor and Vendor Staff will comply with all applicable laws, ordinances, rules, and regulations governing Vendor's performance under this Agreement. This includes (a) Vendor's registration and annual renewal of authority to transact business in the State of Florida (via [www.sunbiz.org](http://www.sunbiz.org)) or Vendor's written attestation that it is not required to register with the Florida Department of State; and, (b) maintaining all other necessary permits or licenses from federal, state, and local regulatory/licensing authorities.
- 16.7. Subcontracting. Vendor shall not enter into any subcontracts for the performance of the Services, or assign or transfer any of its rights or obligations under this Agreement, without Citizens' prior written consent and any attempt to do so shall be void and without effect. Citizens' consent to Vendor's request to subcontract any of the Services shall not relieve Vendor of any of its duties or obligations under this Agreement, and Vendor shall indemnify and hold Citizens harmless from any payment required to be

paid to any such subcontractors.

- 16.8. Severability. If a court deems any provision of this Agreement void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.
- 16.9. Headings. The sections and headings herein contained are for the purposes of identification only, and shall not be considered as controlling in construing this Agreement.
- 16.10. Publicity; Use of Names and Logos. Vendor may use Citizens' name and logo in its marketing materials, website and social media to indicate that it is a participating or contracted vendor for Citizens. However, Vendor may not in any way state, imply or infer that it holds a "preferred," "approved," "awarded," "selected" or otherwise special status with Citizens in any such materials. This prohibition includes, but is not limited to, the use of endorsements or quotes from Citizens officials, Citizens vendor scores, or any other Citizens-related materials that may directly or indirectly imply that Vendor enjoys a special or preferred status with Citizens. Citizens reserves the right to determine that its name and/or logo have been misused and to request that Vendor cease using its name and/or logo in any way it deems inappropriate. Failure to comply will result in disciplinary action, up to and including contract termination. Vendor may only use the approved Citizens logo, which is available for download at: <https://www.citizensfla.com/about/mediareources.cfm>.
- 16.11. Waiver. The delay or failure by a Party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of the Party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 16.12. Entire Agreement. This Agreement, and any exhibits, schedules and attachments hereto, set forth the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes any prior or contemporaneous proposals, agreements or understandings with respect to the subject matter hereof.
- 16.13. Modification of Terms. This Agreement may only be modified or amended upon a mutual written contract amendment signed by Citizens and Vendor or as otherwise permitted by this Agreement. Vendor may not unilaterally modify the terms of this Agreement in any manner such as by affixing additional terms to any Deliverable (e.g., attachment or inclusion of standard preprinted forms, product literature, "shrink wrap" or "click through" terms, whether written or electronic) or by incorporating such terms onto Vendor's order or fiscal forms or other documents forwarded by Vendor for payment and any such terms shall have no force or effect upon Citizens or this Agreement. Citizens' acceptance of any Service or processing of documentation on forms furnished by Vendor for approval or payment shall not constitute acceptance of any proposed modification to terms and conditions or any conflicting terms and conditions.
- 16.14. Assignments. This Agreement shall inure to the benefits of, and be binding upon, the successors and assigns of each Party, but only as permitted under this Agreement. Each Party binds itself and its respective successors and assigns in all respects to all of the terms, conditions, covenants and provisions of this Agreement. Vendor shall not sell, assign or transfer any of its rights (including rights to payment), duties or

obligations under this Agreement without the prior written consent of Citizens. In the event of any assignment, Vendor shall remain liable for performance of this Agreement unless Citizens expressly waives such liability. Citizens may assign this Agreement with prior written notice to Vendor of its intent to do so. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or agent of Citizens.

- 16.15. Notice and Approval of Changes in Ownership. Because the award of this Agreement may have been predicated upon Vendor's ownership structure, Vendor agrees that any transfer of a substantial interest in Vendor by any of its owners shall require Citizens' prior written approval, which approval shall not be unreasonably withheld or unreasonably delayed. By execution of this Agreement, Vendor represents that it has no knowledge of any intent to transfer a substantial interest in Vendor. A substantial interest shall mean at least twenty-five percent (25%) of the voting shares or control over Vendor. This Section shall not apply to: (a) transfers occurring upon the incapacitation or death of an owner; (b) transfers associated with an initial public offering on a major stock exchange; or, (c) transfers to a company whose stock is publicly traded on a major stock exchange.
- 16.16. Assignment of Antitrust Claims. Vendor and Citizens recognize that in actual economic practice, overcharges resulting from antitrust violations are usually borne by the ultimate consumer. Therefore, Vendor hereby assigns to Citizens any and all claims under the antitrust laws of Florida or the United States for overcharges incurred in connection with this Agreement.
- 16.17. Force Majeure. Neither Party shall be responsible for delays or disruptions in performance if the cause was beyond that Party's control (or the control of its employees, subcontractors, or agents). To be excused from such delays or disruptions, Vendor must notify Citizens immediately upon knowing that a delay or disruption could occur. Vendor shall not be entitled to any increase in price or payment of any kind from Citizens for direct, indirect, consequential, or other costs or damages arising because of such delays or disruptions. This Section may not be invoked to excuse or delay Vendor's compliance with its obligations to protect Citizens Confidential Information under this Agreement.

Because of the nature of Citizens' business, Citizens requires that Vendor use its best efforts to avoid Force Majeure delays or disruptions, including the timely activation of Vendor's business continuity and disaster recovery plans.

If a Force Majeure event results in a partial reduction in Vendor's capacity to serve its clients, Vendor agrees that Citizens will receive the same or better priority as Vendor's other clients with respect to the allocation of Vendor's resources.

Any such excuse for delay shall last only as long as the event remains beyond the reasonable control of the delayed party. However, the delayed party shall use its best efforts to minimize the delays caused by any such event beyond its reasonable control. Where Service Provider fails to use its best efforts to minimize such delays, the delays shall be included in the determination of Service Level achievement. If the delayed party fails to notify the other party promptly upon the occurrence of any such event, performance by the delayed party will not be considered excused pursuant to this Section.

Delays attributable to acts or omissions of subcontractors will not be excused under



this Section unless the cause was beyond the reasonable control of both Vendor and the subcontractor.

- 16.18. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute but one and the same Agreement. The Parties agree that a faxed or scanned signature may substitute for and have the same legal effect as the original signature.

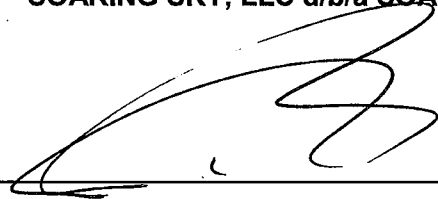
***[Signature Page Follows]***

IN WITNESS WHEREOF, this Agreement has been duly executed by authorized representatives of the Parties.

**CITIZENS PROPERTY INSURANCE CORPORATION:**

**SOARING SKY, LLC d/b/a SOARING SKY:**

DocuSigned by:  
*Jay Adams*  
52091D0BF5B7478...



Signature

Signature

Jay Adams

*Daniel Barros*

Print Name

Print Name

Chief of Claims

*CEO*

Title

Title

9/11/2018

*7-30-18*

Date Signed

Date Signed

DocuSigned by:  
*Steve Bitar*  
514584FBD0DE424...

Signature

Steve Bitar

Print Name

Chief of Underwriting  
and Agency Services

Title

9/11/2018

Date Signed

**Exhibit A – Price Sheet**

**Residential (Non-Condo) Inspections:**

- \$285.00 flat fee per Assignment.
- \$50.00 Close-Out Fee for Assignments where FAA approval was obtained, or Field Staff was deployed, but Services could not be performed due to no fault of Vendor. The Citizens Contract Manager must approve all Close Out fee charges.
- The Parties may agree to annual price adjustments beginning January 1, 2020. Price increases may not exceed ten percent (10%) per year and must be formalized in a contract amendment to be effective.

**Commercial Property Inspections:**

- \$400.00 flat fee per Assignment (based upon a thirty (30) minute inspection).
- \$100.00 Time/Expense (based upon each additional thirty (30) minute increment required).
- \$100.00 for each additional building (after the first building).
- \$50.00 Close-Out Fee for Assignments where FAA approval was obtained, or Field Staff was deployed, but Services could not be performed due to no fault of Vendor. The Citizens Contract Manager must approve all Close Out fee charges.
- The Parties may agree to annual price adjustments beginning January 1, 2020. Price increases may not exceed ten percent (10%) per year and must be formalized in a contract amendment to be effective.

**Litigation Services:** If Citizens requires a senior manager of Vendor to provide testimony regarding the authenticity of an inspection report or image, Citizens agrees to pay \$100.00 per hour for such person to confer with Citizens and provide such testimony. Travel time will be billed at \$50.00 per hour and all out-of-pocket travel expenses will be reimbursed in accordance with Citizens’ then-current Vendor Travel Guidelines. The same hourly rates may be used for other professional or consulting services requested by Citizens from time to time. The hourly rates will increase to \$150.00 and \$75.00, respectively, on the third anniversary of the Agreement.

**Other Compensation Arrangements:** The prices listed above will cover most if not all of the Assignments issued under the Agreement. However, additional compensation may be agreed to on a case-by-case basis to compensate for special services or circumstances. All additional compensation must be approved in writing in advance by the Citizens Contract Manager or set forth in the written Assignment (contract amendment is not required). Examples of special services or circumstances include:

- Unusual administrative work is required (e.g., special permission to fly in a restricted area).
- Assignment is in a remote location (e.g., more than 50 miles from a major city).
- Assignment involves unusual risk or difficulty (e.g., building is higher than ten (10) stories).
- Special equipment is required (e.g., infrared cameras).

**Volume Discounts:** The following discounts will apply based on the number of Assignments completed in an applicable month:\*

# of Assignments	Discount
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50 – 99	10%
100 – 199	20%
200+	30%

*\*The discount will apply to all Assignments completed in that month. For example, if one-hundred and thirty (130) Assignments are completed in an applicable month, the twenty percent (20%) discount will apply to all one-hundred and thirty (130) Assignments.*

**Volume Discounts:** Vendor is expected to provide Services throughout the State of Florida; provided that additional compensation may be mutually agreed to for Assignments more than 100 miles from the following cities: Miami, Tampa, Orlando, Port Saint Lucie, Gainesville, Tallahassee, Pensacola, Jacksonville, Naples, West Palm Beach, Melbourne, Daytona, or Panama City.