



Risk Management SOW – Multifamily Attached – Stacked

EXHIBIT “C”

- **Ongoing QAQC/Site Inspections**

1. Saturation:

- a. Full saturation means each type of inspection detailed out in ISG’s proposal is looked at for all of the units and/or structures included in the project. For example, weatherization, the expectation is for all the associated components whether house wrap, building paper, foam board, windows/doors, roofing and their respective flashings to be looked at on each unit and each structure. Note, the above is an example.
- b. Half saturation for each type of inspection detailed out in ISG’s proposal is looked at. For example, foundation, framing and roofing inspections, the expectation is for half of the units and/or structures to get inspected during the entire construction process. Each unit inspected at the half saturation would have the entire respective assembly inspected. Note, the above is not an exhaustive list of items to be inspected.

2. ISG Proposal:

- a. Upon receipt of ISG’s quote the expectation is for the vendor to review and adhere to the information found in the quote.
- b. Saturation and inspection types can also be found in the quote.
- c. **Once vertical construction begins, sites are to be visited every 30 days at a minimum, and more often if needed to ensure saturation requirements are accomplished.** In the event the vendor cannot achieve the specified

saturations at the 30-day interval, the vendor must notify ISG as to the reason the 30-days cannot be met. The vendor is required to be onsite as frequently as necessary to ensure the inspections are being conducted in a complete and thorough manner and satisfies the saturations found in our quote. In the event a project does not need to be visited within the 30-day interval, the requirement is for the vendor to provide photo documentation of project status either via site visit or current photograph from the Insured.

- d. **NOTE: When engaged by ISG, the Risk Management requirements may change between the initial engagement and at time of binding. Please be sure you're confirming that the Risk Management requirements haven't changed and if so that you're making any necessary adjustments to your proposals to the Insured.**

3. Qualifications – Applies to Risk Assessments and Traditional TPPR:

- a. On-site inspections shall be performed by a licensed ICC B1 Residential Building Inspector. In addition to these qualifications, at a minimum, the licensed inspector shall be OSHA 10 certified for any site safety inspections.
 - i. In the case of an individual that doesn't carry these certification, special consideration may be made so long as the individual performing the QAQC and safety inspections is under the direct supervision of a licensed ICC B1 person who is OSHA 10 certified, and the Vendor has the proper internal review in place to ensure that the requirements herein are being met, and the reporting is accurate.
 - ii. Sub-contractors will be considered if the person is a licensed ICC B1 and OSHA 10 certified. This is contingent on the sub-contractor being able to satisfy the Vendor requirements found herein.

4. Reporting and Communication:

- a. Inspection reports are to be distributed to ISG within 10 days of the inspection. **All reporting is to be sent to indexing@isgins.com.**
- b. Communications need to be addressed within 3-5 business days (max) and in a complete manner. This includes inquiries about project status updates, requests for reports, project details, etc. Changes to previously communicated deadlines on reports or inspections need to be communicated to the ISG account servicer in a timely manner. **If deemed critical communication, vendor will need to address within 24 hours. ISG will indicate this in correspondence.**
- c. **If it's determined that the project has flat roof, balconies, or concrete planter boxes (integrated/built into the structure) ISG's underwriter**

needs to be made aware in a timely fashion as the UW submission generally does not address.

- d. ISG needs to be made aware immediately that there is a substantial change to a project. This includes missed inspections (covered assemblies that didn't get inspected), changes in the GC, change in project scope, extended project delay, etc.
- e. In the event of a large loss on a project subject to TPPR, the vendor is expected to cooperate with ISG and the third-party administrator to review the alleged allegations by the plaintiff attorneys and provide rebuttal to alleged allegations.

5. Open Items (AKA non-conforming):

- a. Vendor is to follow up on open items (non-conforming) within a 5-day timeframe to ensure those items are being addressed and closed out in a timely manner.
- b. Any QAQC items found to be non-conforming with plans/specifications, installation instructions, industry standards and local building codes are to be corrected prior to being concealed regardless of severity.
- c. Vendor is required to collect information from the insured showing the open items as having been corrected. This can be done via additional vendor site visits or verifiable photographic documentation from the Insured. NOTE – photographic documentation of a corrected item needs to be collected from the specific location where the open items were noted. The Vendor should not consider the items as closed if the photographs of corrected items are from a different location or cannot be 100% verified via GPS or other methods of vendor verification.
- d. **Should the Insured cover an assembly without inspection or conceal an open item prior to verification of correction, ISG must be notified immediately and ISG reserves the right to impose destructive testing to review the item/items that were concealed to ensure compliance. The expectation would be that the Vendor be onsite to observe and confirm the corrected item. Prior to ISG imposing destructive testing, ISG may impose weekly meetings between the vendor, the insured and/or other applicable parties to review project progress and non-conforming (open) item report status. This would be required until the insured is in compliance with the policy and can confidently display their ability to address non-conforming items.**

6. Scope of Work for QAQC Inspections:

- a. **Site Safety Inspections are expected at each QAQC site visit and glaring deficiencies are to be documented on inspection reports. If the site deficiencies are critical, the Vendor must notify the project supervisor or highest-ranking official on the site, and the insured must make corrections same day the vendor observed and approve the correction.**
- b. **Glaring deficiencies are as follows:**
 - i. **Fall protection**
 - ii. **Controlled access zones**
 - iii. **Trench protection (shoring, benching, sloping, trench boxes)**
 - iv. **PPE**
 - v. **Tools properly guarded**
 - vi. **Electrical hazards**
- c. **ISG (Bebe Vanhoosier or Ryan McBride) is to be notified same day if the insured does not make the correction**
- d. **Inspections on common areas/buildings are required and include (but are not limited to) the following:**
 - i. **Any common building (i.e. gym, pool house etc.)**
 - ii. **Pool/spa construction**
 - iii. **Podium decks**
 - iv. **Parking structures (at and/or below grade)**
 - v. **Roof top patios/decks**
 - vi. **Below Grade and On-Grade Assemblies (Including Podium Decks and Parking Garages below and/or at grade, Concrete Planter Boxes)**
- e. **Insured/General Contractor to have Mock-Ups Built while Vendor is on site ensuring proper execution in sequencing, material compatibility and conformance with plans, applicable codes/standards and manufacturers installation instructions on the following assemblies (at the discretion of the Underwriter, based on loss run history and type of loss) (NOTE: Mock-Ups to remain on site, intact and accessible for GC, Sub-Contractor and Vendor reference):**
 - i. **Windows**
 - ii. **Doors**
 - iii. **Stucco**
- f. **Window Water Testing (at the discretion of the Underwriter, based on loss run history and type of loss)**
 - i. **Testing to be done in accordance with ASTM E-1105/AAMA 502 standards**
 - ii. **Testing to be performed as a one-day site observation with as many window as possible being tested in that one-day timeframe**

- iii. **Failed assemblies to be repaired/replaced and retested**
 - iv. **Additional testing will be required in the event of failures (frequency of testing to be determined once failures are reported to ISG)**
- g. Roofing, Stucco and Solar Assemblies (If the insured has multiple subcontractors the vendor is required to observe the installation for each subcontractor on site as detailed out below)**
- i. **For Roofing, the vendor shall be on site for a ODSO (one-day site observation). For Stucco, the vendor shall be on site for 3 HDSO (half day site observations). Day 1: Building paper installation. Day 2: Lathe (and foam if applicable). Day 3: Stucco application. For Solar, the vendor shall be on site for ODSO (one-day site observation)**
 - ii. **Photographic documentation is required.**
 - iii. **If items are found to be non-conforming by the vendor during these specific inspections, the subcontractor is to make the necessary repairs/corrections while the vendor is on site. Non-conforming corrections are to be repaired immediately before moving to another structure/building, and photographs of said repairs are to be captured by the vendor and detailed out in reporting**
 - iv. **Multiple Crews: If more than one crew is on site installing their respective assembly, the expectation is for inspections to take place on those assemblies as well.**
 - v. **ISG reserves the right to impose additional ODSO and/or HDSO if the quality of construction on these assemblies deems it necessary**
- h. Technical Plan Review - Waterproofing/Weatherization & Rated/Acoustic Assemblies:**

TPPR Review

- Vendor shall provide Insured with a Third-Party Waterproofing and Rated/Acoustical Assessment of Plan Documents. During the Plan Review, the vendor will review selected items in the construction documents prepared by the Architect of Record. The recommended construction documents for plan review include (along with any updates), Civil, Landscape, Architectural, and Structural drawings, Specifications, Architectural Company Standard Details (if applicable), Primary Acoustical and Waterproofing Trade Scopes and other applicable documents (“Documents”). The Documents received by the vendor will be reviewed for the purpose of bringing forth and identifying conditions which might, in the professional opinion of the vendor, be inconsistent with standard building practices for the project type and location. The Plan Review will be limited to analysis of waterproofing and rated/acoustical measures. This review should also encompass the verification of Engineer’s recommendations for acoustics, soil, structure or other related rated/acoustical and waterproofing components.
- Vendor is to follow up with insured on plans and details that are either missing from the plan sets or needing additional information/clarification to ensure proper installation

i. Foundation Assemblies:

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| <p>Below Grade Foundation (Mat Slab) (Horizontal and Vertical) (Parking Garage)</p> <ul style="list-style-type: none"> • Foundation reinforcing steel • Isolation of through piping, sweeps & conduits • Post tension cables supported by chairs/tables • Rebar cages/columns (as applicable) • Rebar secured and supported • Manufacturer's Specifications or Referenced Detail(s) |
| <p>Below Grade Waterproofing (Horizontal and Vertical) (Structural Foundation/Shoring/Blindside Walls) (Parking Garage), Waterproofing of Concrete Planter Boxes and Common Area Deck</p> <ul style="list-style-type: none"> • Materials and sequencing per approved specifications • Barrier manufacturer/materials • Drainage system installed at concrete planter boxes • Drainage system installed Below Grade • Area drains unrestricted • Penetrations/protrusions Sealed • Required lapping (as applicable) • Waterproofing manufacturer • Manufacturer's Specifications or Reference Detail(s) |
| <p>Grade Level Foundation (S.O.G./Pre-Slab) (Podium Decks) (Parking Garage)</p> <ul style="list-style-type: none"> • Footings/grade beam depth • Foundation hardware • PT cables/structural steel supported • Utility sweeps and sleeves isolated • Metal decking (as applicable) • Vapor barriers (as applicable) • Manufacturer's Specifications or Reference Detail(s) |

j. Exterior Building Envelope & Cladding Assemblies:

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| <p>Exterior Weather Barrier</p> <ul style="list-style-type: none"> • Attachment hardware and spacing • Expansion/control joints where required • Integrated flashing(s) • Membrane at horizontal surfaces where required • Minimum lap requirements • Rain screen/drainage plane and weep system (as applicable) • Sealed holes, tears, and penetrations in weather barrier • Weatherboard installations (installation sequence) • Weep screed (as applicable) • Manufacturer's Specifications or Reference Detail(s) |
| <p>Exterior Cladding (siding, board/baton, brick/stone veneer, metal panels, stucco)</p> <ul style="list-style-type: none"> • Attachment hardware and spacing • Installation sequence • Integrated flashing(s) • Plant Ons/Eyebrows (as applicable) • Lathe type and fastening (as applicable) • Weep screed (as applicable) • Manufacturer's Specifications or Reference Detail(s) |

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| <p>Roof Systems/Flashings (Including flat/low sloped roof systems)</p> <ul style="list-style-type: none"> • Installation sequence • Ridge, drip edge, valley and diverter flashings (as applicable) • Roof drains and overflows where required • Roof material appropriately sloped where required • Roofing material appropriately sealed at transitions, intersections and laps (as applicable) • Roofing manufacturer • Vents/penetrations flashed • Weather Barrier installed in weatherboard fashion • Manufacturer's Specifications or Reference Detail(s) |
| <p>Balcony and/or Walkway Flashings and Waterproofing Systems</p> <ul style="list-style-type: none"> • Applied with positive slope • Balcony flashing applied in weatherboard fashion • Drip edge and seams overlapped/caulked or soldered (as applicable) • Installation sequence • Primary and secondary drain/scupper (as applicable) • Threshold flashing in place (as applicable) • Waterproofing manufacturer – type and system used • Manufacturer's Specifications or Reference Detail(s) |
| <p>Window/Door/Preliminary Weatherproofing</p> <ul style="list-style-type: none"> • Flashing installed in weatherboard fashion • Installation sequence • Wall penetrations flashed/sealed • Window flanges caulked and tooled (as applicable) • Manufacturer's Specifications or Reference Detail(s) |
| <p>Solar Panels (where applicable)</p> <ul style="list-style-type: none"> • Rooftop stanchions bibbed in weatherboard fashion • Junction box and PV rated wiring installed • Sub-Panel for PV wiring • Panels installed (where applicable) • Manufacturer's Specifications or Reference Detail(s) |
| <p>Podium Waterproofing</p> <ul style="list-style-type: none"> • Materials and sequencing per approved specifications • Area drains unrestricted • Appropriate sloping has been achieved • Manufacturer's Specification or Reference Detail(s) |
| <p>Building Final</p> <ul style="list-style-type: none"> • Caulk joints at transitions • Clearance from grade/hardscapes • Downspouts directed away from structure • Final grade and drainage • Sealed exterior penetrations • Unobstructed window weeps • Manufacturer's Specifications or Reference Detail(s) |

k. Interior Assemblies

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| <p>Structural (Wood) Framing and/or Light Gauge Metal Framing</p> |
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| <ul style="list-style-type: none"> • Acoustical isolation (as applicable) • Anchoring or hold-down bolts • Metal track connections (as applicable) • Post to beam connections • Seismic and shear/manufactured panels • Shear blocking/nailing • Shield plates at stud/plate penetrations (as applicable) • Structural straps, clips, and ties • Manufacturer's Specifications or Reference Detail(s) |
| <p>Fire Block/Draft Stop (Fire caulking As Applicable)</p> <ul style="list-style-type: none"> • Floor/ceiling/rated wall penetrations • Area Separation Walls • Location of fire blocking/draft stopping • Rated penetrations sealed • Manufacturer's Specifications or Reference Detail(s) |
| <p>Acoustical Isolation (As Applicable)/Preliminary Drywall/Common Walls</p> <ul style="list-style-type: none"> • Acoustical isolation at common and interior walls as required • Demising wall insulation • Fire/sound putty pads and fire caulking at penetrations between demising and rated walls • Fire/sound separation • Preliminary drywall (one or more layers) where required • Rated penetrations sealed • Manufacturer's Specifications or Reference Detail(s) |
| <p>Shower/Tub Substrate Waterproofing</p> <ul style="list-style-type: none"> • Flood test (as applicable) • Minimum backing requirements • No readily apparent breaches in material • Product or material identified • Manufacturer's Specifications or Reference Detail(s) |
| <p>Corridors/Lobby/Stair – Interior/Exterior (As Applicable)</p> <ul style="list-style-type: none"> • Acoustical isolation at corridor walls as required • Fire/sound putty pads and fire caulking at penetrations in corridors • Preliminary drywall (one or more layers) where required • Resilient or Hat Channel at corridor wall framing (as applicable) • Manufacturer's Specifications or Reference Detail(s) |

I. General Site Safety, Security, and OSHA Compliance

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| <p>Site Safety Inspections</p> <ul style="list-style-type: none"> • Fencing (as applicable and within reason) • Video surveillance (not required but is best practice) • Personal Protective Equipment (PPE) • Ladder Safety • Barricades (windows, doors, balconies/decks, elevated surfaces) • Trenching/shoring (sloping, benching, trench box) • Impalement protection (rebar caps or other method of protection) • Scaffolding (mud sills, top and mid rails, toe boards, access) • Cleanliness • Controlled Access Zones (CAZ) |
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8. Quality of Peer Review Reports:

- c. Policy number listed in naming conventions or in the project info area
- d. Builder name, project name (to include phase 1, 2 etc.)
- e. Date of last inspection
- f. Number of inspections completed to date
- g. Total OI count w/date(s), w/age and break out in header 0-30, 31-60, 61+
- h. Total OI closed count and break out in header 0-30, 31-60, 61+
- i. Photo of current open items (red header) with lot number/address
- j. Photo of corrected open items (green header) with lot number/address
- k. Saturation at lot and/or unit level and associated percentage of inspected assemblies to ensure SOW requirements are met
- l. Next site visit if scheduled
- m. Notes section for monthly update of current construction status from inspector

9. Kick-Off Meeting with Insured

- a. TPPR to have general upfront training meeting with the following:
 - i. Project supervisor, onsite staff and critical subcontractors who are involved with window/door installations, exterior cladding, waterproofing, and roofing installations (if already contracted)
 - ii. Review of SOW's related to the insureds project
 - iii. Review Site Safety Inspections noted in section 7/a, b, c and k of this SOW for specific topics to be discussed
 - iv. Discuss major cause of losses. TPPR to show sample cases where TPPR could have likely prevented a claim or reduced claims amounts
 - v. TPPR focus on mitigation of water intrusion claims, training on assemblies and manufacturer's installation instructions
 - vi. TPPR firm to detail out the requirements for roofing, stucco and solar installations/inspections
 - vii. What an Open Item is, how that information is used and the requirements for addressing an Open Item
 - viii. Vendor to articulate ISG's authority to issue Notice of Cancellation (NOC) in the event the insured is out of compliance with the Risk Management requirements