

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
AFON USA, Inc. DBA HILLCREST MANOR**

THIS AGREEMENT, entered into this _____ day of _____, 2004,
by and between the COUNTY OF SAN MATEO, hereinafter called "County," and
AFON USA, Inc. dba Hillcrest Manor, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for the Health Services Agency, Mental Health Services Division.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Exhibits.

The following exhibits are attached hereto and incorporated by reference herein:

- Exhibit A—Services
- Exhibit B—Payments and rates
- Attachment I—§504 Compliance

2. Services to be performed by Contractor.

In consideration of the payments set forth herein and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

3. Payments.

In consideration of the services provided by contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A", County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this contract exceed ONE HUNDRED ELEVEN THOUSAND SEVEN HUNDRED EIGHTY DOLLARS (\$111,780).

4. Term and Termination.

Subject to compliance with all terms and conditions, the term of this agreement shall be from July 1, 2004, through June 30, 2007.

This Agreement may be terminated by Contractor, the Director of Health Services or his/her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

5. Availability of Funds.

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State or County funds, by providing written notice to Contractor as soon as is reasonably possible after the county learns of said unavailability of outside funding.

6. Relationship of Parties.

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers or advantages of County employees.

7. Hold Harmless.

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Assignability and Subcontracting.

Contractor shall not assign this Agreement or any portion thereof to a third party, or subcontract with a third party to provide services required by contractor under this agreement without the prior written consent of County. Any such assignment or subcontract without the county's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

9. Insurance.

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by the County Manager, and Contractor shall use diligence to obtain such issuance and to obtain such approval. The Contractor shall furnish the County Manager with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the County Manager of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance.** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.
- (2) **Liability Insurance.** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

(a) Comprehensive General Liability	\$1,000,000
(b) Motor Vehicle Liability Insurance	\$1,000,000
(c) Professional Liability	\$1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

10. Compliance with laws; payment of Permits/Licenses.

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

In the event of a conflict between the terms of this agreement and state, federal, county or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

11. Non-Discrimination.

- A. *Section 504 applies only to Contractor who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this contract (this paragraph needed only if services provided to members of the public).
- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this agreement.
- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
 - i) termination of this Agreement;
 - ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
 - iii) liquidated damages of \$2,500 per violation;
 - iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractors employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* With respect to the provision of

employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

12. Retention of Records.

Contractor shall maintain all required records for three years after the County makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

13. Merger Clause.

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

14. Controlling Law.

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

15. Notices.

Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

In the case of County, to:

San Mateo County Mental Health Services
225 37th Avenue
San Mateo, CA 94403

In the case of Contractor, to:

AFON USA, Inc.
dba Hillcrest Manor
909 Hillcrest Drive
Redwood City, CA 94062

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO


By: _____
Mark Church, President
Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

AFON USA, INC.
DBA HILLCREST MANOR



Contractor's Signature

Date: 8-5-04

Long Form Agreement/Non Business Associate

AFON USA, INC.DBA HILLCREST MANOR
FY 2004 – 2007
Exhibit A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

I. Description of Services to be Performed by Contractor

In addition to the services required by license, Contractor shall provide under the general supervision of the department, services described below in a manner consistent with the terms and provisions of this Agreement.

Contractor shall operate a licensed residential care home in compliance with the State of California Community Care Licensing standards for County clients referred by County Mental Health Services for supplemental services. County shall assess and pre-approve clients for supplemental payment. No approvals will be made prior to evaluation of the client by Resource Management.

A. STEP DOWN SERVICES

Contractor shall receive a "step down" rate for clients receiving basic services provided by a licensed residential care facility, identified in Title 22, Division 6, Chapters 6 and 8, Community Care Licensing Policies and Procedures. "Step down" services shall be provided for those clients who do not require "augmented services".

B. AUGMENTED SERVICES

In addition to the basic services provided to "step down" clients contractor shall provide the following additional services to clients who are assessed to need "augmented services":

1. Behavioral interventions, such as redirection or group meetings with client and case manager, for clients who consistently exhibit behavior problems such as altercations with peers, non-compliance with house rules and / or disruptive behaviors that impact other clients in the home.
2. Provide assistance to clients who need additional support around personal hygiene and toileting issues.
3. Provide the support needed to assist client in managing his/her basic needs and handling of the day to day routine. Assist in teaching clients to use public transportation, understand their medications, and to develop skills such as budgeting and managing money, shopping and doing laundry.

4. Provide individualized special diets and/or meals to clients.

II. Administrative Requirements

- A. Facility Administrator must arrange for, and provide documentation of, ten (10) hours of continuing education or training per employee, per year, above and beyond what is required by Community Care Licensing. Trainings provided by Resource Management throughout the year may be used for this purpose, as well as outside trainings.
- B. Contractor shall maintain individual client records in accordance with County and state requirements. Allow County and staff access to the facility, to the extent authorized by law, for client assessment, monitoring, record review, and consultation.
- C. Contractor shall participate in County's Management Information System. Supply needed documentation and information to the Mental Health Services Program Office in a timely manner.
- D. Contractor shall participate in required monthly supplemental services meetings and trainings as set up by Resource Management. Additional continuing education or other training may not be substituted for the monthly meetings.
- E. Contractor shall notify and submit a copy of any licensing report noting a deficiency issued by licensing agency to Resource Management within forty-eight (48) hours from date received. Failure to comply with this provision will result in suspension of payment.
- F. Contractor shall retain and show proof of a bond issued by a surety company in accordance with Community Care Licensing's regulations for a licensee who may be entrusted with care and/or control of client's cash resources.
- G. Paragraph 12 of the Agreement notwithstanding, Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18th) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.
- H. Administering Satisfaction Surveys

Contractor agrees to facilitate the administration of all survey instruments as directed by the County Mental Health Services Division, including outcomes and satisfaction measurement instruments.

- I. Contractor shall submit a copy of any licensing report issued by a licensing agency to County Mental Health Division Adult Services Deputy Director within 10 business days of Contractor's receipt of any such licensing report.

III. GOALS AND OBJECTIVES

GOAL 1: Clients shall be satisfied with services provided.

OBJECTIVE 1: At least eighty percent (80%) of clients shall rate services as satisfactory.

AFON USA, INC. HILLCREST MANOR
FY 2004 – 2007
Exhibit B

In consideration of the services provided by Contractor in Exhibit A, County shall pay Contractor based on the following fee schedule:

I. Payments

In full consideration of the services provided by Contractor and subject to the provisions of Paragraph 3. ("Payments") of this Agreement, County shall pay Contractor in the manner described below, except that any and all payments shall be subject to the conditions contained in this Agreement.

- A. County shall pay Contractor for up to a maximum of ten (10) beds per month according to the following rates of payment:
- a. For the first (1st) year of the contract term (July 1, 2004 through June 30, 2005), County shall pay Contractor at the daily bed rate of THREE DOLLARS AND FORTY-NINE CENTS (\$3.49) for Step Down services and THIRTEEN DOLLARS AND NINE CENTS (\$13.09) for Augmented services.
 - b. For the second (2nd) year of the contract term (July 1, 2005 through June 30, 2006), County shall pay Contractor at the daily bed rate of THREE DOLLARS AND FORTY-NINE CENTS (\$3.49) for Step Down services and THIRTEEN DOLLARS AND NINE CENTS (\$13.09) for Augmented services.
 - c. For the third (3rd) year of the contract term (July 1, 2006 through June 30, 2007), County shall pay Contractor at the daily bed rate of THREE DOLLARS AND FORTY-NINE CENTS (\$3.49) for Step Down services and THIRTEEN DOLLARS AND NINE CENTS (\$13.09) for Augmented services.
- B. In any event, the maximum amount County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE HUNDRED ELEVEN THOUSAND SEVEN HUNDRED EIGHTY DOLLARS (\$111,780).
- C. Payment for temporary absences shall be made according to the following state policies as outlined in Department of Mental Health Letter 86-01:

- a. Payment for temporary absence in the supplemental services program and for life support services in residential care facilities can be limited to seven (7) days per month. Such payment is allowable only under all of the following conditions:
 - 1) the absence is consistent with the client's service and treatment plans;
 - 2) the absence is necessary for the client's progress or maintenance at this level of care;
 - 3) the absence is planned, or anticipated; and
 - 4) the absence, as well as the purpose(s) of the absence, are documented.
 - b. Payment for temporary absence for purposes of acute hospital or acute non-hospital (psychiatric health facility) treatment, or for treatment in other facilities which meet Title 9 staffing standards (Section 663), except as provided in section II, paragraph C.a. above, can be limited to ten (10) days per month. Payment is allowable if such treatment is necessary for the client to return to this level of care, i.e., in a residential care facility, and if the purpose(s) is documented.
- D. Budget modifications may be approved by the Director of Health Services or her designee, subject to the maximum amount set forth in Paragraph B.
- E. Consistent with contract approval level limitations in County Administrative Memorandum B-1, the Director of Health Services is authorized to execute amendments and modifications to this agreement, not to exceed \$25,000 in aggregate.
- F. Monthly Reporting
- 1. Payment by County to Contractor shall be monthly. Contractor shall bill County on or before the tenth (10th) working day of each month for the prior month. Contractor shall submit an original invoice only (faxes are not accepted), and shall include a summary of services and changes for the month of service. In addition contractor shall provide back-up to the invoice, which shall include individual client days and the level of service provided as well as a monthly admit and discharge sheet.
 - 2. County reserves the right to modify the description of services as the County deems necessary.

- G. If County or Contractor finds that performance is inadequate, at the County's discretion, a meeting may be called to discuss the causes for the performance problem, and this Agreement may either be renegotiated, allowed to continue to end of term, or terminated pursuant to Paragraph 4 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.
- H. In the event this Agreement is terminated prior to June 30, 2007 the Contractor shall be paid for services already provided pursuant to this Agreement.
- I. Contractor may bill and retain any Supplemental Security Income (SSI) or State Supplemental Payment (SSP) income payable by clients for room and board costs.
- J. The Contractor shall not hold beneficiaries liable for debts in the event that the County becomes insolvent, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County.
- K. **Claims Certification and Program Integrity**

Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A of this Agreement, Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The claim must include the following language and signature line at the bottom of the form(s) and/or cover letter used to report the claim:

"Under the penalty of perjury under the laws of the State of California, I hereby certify that this claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

Executed at _____ California, on _____, 2004

Signed _____ Title _____

Agency _____"

Attachment I

(Required only from Contractors who provide services directly to the Public on County's behalf.)

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. employs fewer than 15 persons.
- b. employs 15 or more persons and, pursuant to Section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

John Afanasiev

Name of 504 Person - Type or Print

AFON USA, Inc. dba Hillcrest Manor

Name of Contractor(s) - Type or Print

909 Hillcrest Drive

Street Address or PO Box

Redwood City

City

CA

State

94062

Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

8-5-04

Date

John Afanasiev - President
Signature and Title of Authorized Official

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

COUNTY OF SAN MATEO
Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: AFON USA., Inc. dba Hillcrest Manor
Contact Person: John Afanasiev
Address: 909 Hillcrest Drive
Redwood City, California 94062
Phone Number: 650-364-2913 Fax Number: _____

II Employees

Does the Contractor have any employees? ___ Yes No

Does the Contractor provide benefits to spouses of employees? ___ Yes ___ No

If the answer to one or both of the above is no, please skip to Section IV.

III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
 - Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
 - No, the Contractor does not comply.
 - The Contractor is under a collective bargaining agreement which began on _____ (date) and expires on _____ (date).
-

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 5 day of August, 2004 at Redwood City, CA.
(City) (State)

John Afanasiev
Signature

JOHN AFANASIEV
Name (Please Print)

PRESIDENT
Title

COUNTY OF SAN MATEO

MEMORANDUM

DATE: October 20, 2004

TO: Priscilla Morse, Risk Management/Insurance Division
 FROM: Mary Vozikes, Mental Health/FAX x2841/PONY #MLH 322
 SUBJECT: Contract Insurance Approval

CONTRACTOR NAME: AFON, USA, Inc. dba Hillcrest Manor

DOES THE CONTRACTOR TRAVEL AS PART OF CONTRACT SERVICES: Yes

NUMBER OF EMPLOYEES WORKING FOR THE CONTRACTOR: Yes

DUTIES TO BE PERFORMED BY CONTRACTOR FOR COUNTY: See attached

<u>COVERAGE:</u>	<u>Amount</u>	<u>Approve</u>	<u>Waive</u>	<u>Modify</u>
Comprehensive General Liability:	\$1,000,000	X	_____	_____
Motor Vehicle Liability:	\$1,000,000	X	_____	_____
Professional Liability:	\$1,000,000	X	_____	_____
Worker's Compensation:	\$ Yes	X	_____	_____

REMARKS/COMMENTS:



 SIGNATURE

Issued By :
Cencoe Insurance Limited
812 East Broadway
Hamilton HM GX, Bermuda

Agent: Ferrer Insurance Services, Inc.
5 Third St., Suite 1025
San Francisco, CA 94103

Policy No.: ALG-30003240
Replacement No.: NEW

**ASSISTED/INDEPENDENT LIVING FACILITY
COMMERCIAL GENERAL LIABILITY DECLARATIONS**

THIS INSURANCE IS WRITTEN ON A CLAIMS MADE BASIS.

Please note that this Coverage Part has been placed through a Risk Purchasing Group organized under the Federal Risk Retention Act of 1986. This contract may not be covered by the insurance insolvency state guaranty fund.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS COVERAGE PART, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

1. Named Insured & Mailing Address:

Afon USA, Inc.
Hillcrest Manor
909 Hillcrest Drive,
Redwood City, CA 94061

2. Policy Period: 11/05/2003 to 11/05/2004 at 12:01 a.m. standard time at your address shown above.

Inception Expiration

3. Deductible: \$ Each Claim

4. Limits of Insurance:

\$3,000,000 General Aggregate (other than products)
\$INCLUDED Products-Completed Operations Aggregate
\$1,000,000 Personal and Advertising Injury
\$1,000,000 Each Occurrence
\$ 100,000 Fire Damage
\$ 5,000 Medical Expense (excl clients/patients)

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" which occurs before the retroactive date shown below.

5. Policy Retroactive Date: 11/5/03

6. Notice of Claim to be Sent to: FARA - Program Management Department
2360 Fifth Street, Mandeville, LA 70471
Fax number 877-297-3272, Phone number 877-230-3272

Issued By :
Glencoe Insurance Limited
8-12 East Broadway
Hamilton HM GX, Bermuda

Agent: Ferrer Insurance Services, Inc.
5 Third St., Suite 1025
San Francisco, CA 94103

Policy No.: ALL-30003240
Replacement No.: NEW

**ASSISTED/INDEPENDENT LIVING FACILITY WRONGFUL ACT AND
VICARIOUS LIABILITY FOR ABUSE DECLARATIONS**

THIS INSURANCE IS WRITTEN ON A CLAIMS MADE BASIS.

Please note that this Coverage Part has been placed through a Risk Purchasing Group organized under the Federal Risk Retention Act of 1986. This contract may not be covered by the insurance insolvency state guaranty fund.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS COVERAGE PART, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

1. Named Insured & Mailing Address:

Afon USA, Inc.
Hillcrest Manor
909 Hillcrest Drive,
Redwood City, CA 94061

2. Policy Period: 11/05/2003 to 11/05/2004 at 12:01 a.m. standard time at your address shown above.
Inception Expiration

3. Deductible: \$ Each Claim

4. Limits of Insurance:

\$1,000,000 Wrongful Act Liability-Each Claim
\$1,000,000 Vicarious Liability For Abuse-Each Claim
\$3,000,000 Coverage Part Aggregate Limit

5. Policy Retroactive Date: 11/5/03

6. Notice of Claim to be Sent to: FARA - Program Management Department
2360 Fifth Street, Mandeville, LA 70471
Fax number 877-297-3272, Phone number 877-230-3272

7. Policy Premium Calculation:

Policy Premium	\$5,019.00
Terrorism Premium	\$37.00
State Surcharge (if any)	
Stamping Office Fee (if any)	\$6.32
Surplus Lines Tax (if any)	\$151.68
Other Tax (if any)	
Total Due	\$5,214.00

**THE PREMIUM DOES NOT
INCLUDE TAXES AND FEES**

Policywriting Minimum Premium: \$ 1,254.75

8. Endorsements attached at inception: L5PRCFUS0403; L6ILSPUS0403; L7ILTWUS0403; L8ILCCUS0403;
L8ILSSUS0403; L8ILTEUS0403



New York, New York 10038

**Personal Umbrella Declaration
Insured Copy**

Named Insured:

John & Ludmilla Afanasiev
6 Cypress Court
Millbrae CA 94030

Producer:

Insurance by Allied Brokers
630 Cowper Street
Palo Alto CA 94301

Contact: Mike Rognlie
Phone: 650-328-1000

Policy No: PUP26759-00


Policy Period: 8/24/2004 To 8/24/2005
(12:01 AM standard time at the address of the Insured.)

Coverage A:	Personal & Business Owner's Liability Limits of Liability for Each Loss: \$1,000,000 Policy Total Limit: \$1,000,000
Coverage B:	Uninsured & Underinsured Motorist Coverage Limits of Liability for Each Loss: \$0 Policy Total Limit: \$0
Self Insured Retention: None (0)	

Charges:

Policy Premium: \$525
Policy Fee: \$35
Total Policy Premium: \$560
This is a Direct Bill Policy.

Administered By:

 **Personal Umbrella.com**
Insurance Services, Inc.
California License No. 0D08438
P.O. Box 88586, Emeryville, CA 94662-0586

Attached to and forming a part of Form:	PUP 100 (8/02)
Form Number of Endorsements Attached to this Policy at Time of Issue:	PUS 100 (8/02)

PUD 100 (8/02) Umbrella Declaration
Order ID: N26937 INVID: 41495
Issue Date: 8/24/2004 California, California

Umbrella Schedule

Policy No: PUP26759-00

Effective Date: 8/24/2004

Expiration Date: 8/24/2005

Covered Persons: John & Ludmilla Afanasiev

Personal Umbrella

Personal Property

Following are the locations declared in your application covered under a Personal Liability or Homeowners policy.

Personal Residences, Rentals or Vacant Land	Primary Insurance Company & Limits of Liability (in thousands)
6 CYPRESS COURT MILLBRAE CA- Personal Residence	MERCURY \$500

Personal Drivers

Following are the drivers declared in your application and are the only drivers who live in your household and/or regularly drive your vehicles.

Drivers	Date of Birth	Drivers License #
JOHN AFANASIEV	07/07/1940	CA - G0279123
LUDMILLA AFANASIEV	02/10/1954	CA - B3733555
MARIA TEREKHOV	06/21/1981	CA - B7828543
ANDREI AFANASIEV	10/25/1984	CA - D2150617
OXANA MONGE	11/14/1972	CA - B4370001

Personal Automobiles

Following are personal vehicles listed in this policy and covered under a personal auto policy.

Personal Automobiles	Primary Insurance Company & Limit of Liability (in thousands)
1993 FORD ESCORT	MERCURY \$250/500/100
1998 HONDA CIVIC	MERCURY \$250/500/100
1997 FORD RANGER	MERCURY \$250/500/100
2001 BMW 325	MERCURY \$250/500/100

Personal Uninsured/Underinsured Motorist

Following are policies covering uninsured motorist listed in this policy and covered under a personal auto policy.

Primary Insurance Company & Limit of Liability (in thousands)
NOT COVERED

Unlicensed Vehicles, JetSkis & Watercraft

Following are unlicensed vehicles, jet skis and watercraft listed in this policy and covered under a liability policy.

Description	Primary Insurance Company & Limit of Liability (in thousands)
NOT COVERED	

Losses arising out of a property, auto, unlicensed vehicle or watercraft that is acquired or leased *during* the policy period are covered by this policy *if* they are covered by your primary insurance listed above or another replacement insurance company A.M. Best rated B+ VII or higher.

PUS 100 (8/02) Umbrella Schedule

Order ID: N26937 INVID: 41495 Issue Date: 8/24/2004