

AGREEMENT № 2025-10
(Short-Form Agreement)

THIS AGREEMENT is made this 12th day of December 2025, by and between the Yolo Local Agency Formation Commission (“LAFCo”), and RSG, Inc. (“CONTRACTOR”), who agree as follows:

TERMS

1. CONTRACTOR shall perform the following professional services: Governmental Structure & Operational Efficiencies Analysis for the Rural Water and Sewer Services Municipal Services Review, as set forth in greater detail in Exhibits B and C.
2. CONTRACTOR shall perform said services from December 2025 through December 2026.
3. The complete contract shall include the following Exhibits attached hereto and incorporated herein: Exhibit A: Insurance and Requirement Guidelines, Exhibit B: LAFCo’s Request for Proposals dated October 14, 2025, and Exhibit C: Contractor’s proposal dated December 8, 2025.
4. Subject to CONTRACTOR’S satisfactory and complete performance of all the terms and conditions of this Agreement, and upon CONTRACTOR’S submission of an appropriate claim, LAFCo shall pay CONTRACTOR time and materials not to exceed a total amount of \$32,145 as identified in Exhibit C.
5. CONTRACTOR, at his sole cost and expense, shall obtain and maintain throughout the entire term of this Agreement, the insurance set forth in Exhibit A attached hereto.
6. To the fullest extent allowed by law, CONTRACTOR shall defend, indemnify, and hold harmless LAFCo, its officers, officials, employees and agents from any and all claims, demands, liability, damages, cost or expenses (including but not limited to attorney fees) in law or equity that may at any time arise or be asserted based in whole or in part upon any negligent or other wrongful act or omission of the CONTRACTOR, it’s officers, agents, or employees. CONTRACTOR responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.
7. Any SUBCONTRACTOR must agree to be bound to CONTRACTOR and LAFCo in the same manner and to the same extent as CONTRACTOR is bound to LAFCo under this Agreement. SUBCONTRACTORS must further agree to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any SUB-SUBCONTRACTOR to the extent they apply to the scope of the SUB-SUBCONTRACTOR’S work.
8. CONTRACTOR shall comply with all applicable laws and regulations, including but not limited to any, which are promulgated to protect the public health, welfare and safety or prevent conflicts of interest. CONTRACTOR shall defend LAFCo and reimburse it for any fines, damages, or costs (including attorney fees) that might be incurred or assessed based upon a claim or determination that CONTRACTOR has violated any applicable law or regulation.
9. This Agreement is subject to LAFCo receiving sufficient funds for the activities required of the Contractor pursuant to this Agreement. If LAFCos adopted budget does not contain sufficient funds for this Agreement, LAFCo may terminate this Agreement by giving ten (10) days advance written notice thereof to Contractor, in which event LAFCo shall have no obligation to pay Contractor any further funds or provide other consideration and the Contractor shall have no obligation to provide any further services under this Agreement.

10. Either party may terminate this Agreement, for any reason or no reason, upon 30 days' written notice to the other party.

11. If CONTRACTOR fails to perform any part of this Agreement, LAFCo may notify the CONTRACTOR of the default and CONTRACTOR shall remedy the default. If CONTRACTOR fails to do so, then, in addition to any other remedy that LAFCo may have, LAFCo may terminate this Agreement and withhold any or all payments otherwise owed to CONTRACTOR pursuant to this Agreement.

12. Attached are licenses &/or certificates required by CONTRACTOR's profession (Indicating type; No.; State; & Expiration date), and CONTRACTOR certifies that he/she/it shall maintain them throughout this Agreement, and that CONTRACTOR's performance will meet the standards of licensure/certification.

13. CONTRACTOR understands that he/she is not an employee of LAFCo and is not eligible for any employee benefits, including but not limited to unemployment, health/dental insurance, worker's compensation, vacation, or sick leave.

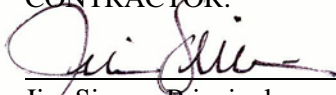
14. CONTRACTOR will hold in confidence all information disclosed to or obtained by CONTRACTOR which relates to activities under this Agreement and/or to LAFCo's plans or activities. All documents and information developed under this Agreement and all work products, reports, and related data and materials shall become the property of LAFCo. CONTRACTOR shall deliver all of the foregoing to LAFCo upon completion of the services hereunder, or upon earlier termination of this Agreement. In addition, CONTRACTOR shall retain all of its own records regarding this Agreement and the services provided hereunder for a period of not less than four (4) years and shall make them available to LAFCo for audit and discovery purposes.

15. This Agreement constitutes the entire agreement of the parties, and no other agreements or representations, oral or written, have been made or relied upon by either party. This Agreement may only be amended in writing signed by both parties, and any other purported amendment shall be of no force or effect. This Agreement, including all attachments, shall be subject to disclosure pursuant to the California Public Records Act.

16. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by laws of the State of California. Any action or proceeding arising out of this Agreement shall be filed and resolved in a California State court located in Woodland, California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above by affixing their signatures hereafter.

CONTRACTOR:



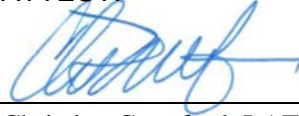
Jim Simon, Principal
RSG, Inc.
170 Eucalyptus Avenue, Suite 200
Vista, CA 92084

LAFCo:

Bill Biasi, Chair

(714) 316-2120
jsimon@rsgsolutions.com

ATTEST:



Christine Crawford, LAFCo Executive Officer
625 Court Street, Suite 107
Woodland, CA 95695

(530) 666-8048

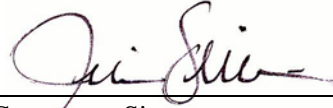
Christine.crawford@yolocounty.org

Approve to form:



Eric May, Commission Counsel

CERTIFICATION: I hereby certify under the penalty of perjury that all statements made in or incorporated into this Agreement are true and complete to the best of my knowledge. I understand and agree that LAFCO may, in its sole discretion, terminate this Agreement if any such statements are false, incomplete, or incorrect.



Contractor Signature

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

POLICY NUMBER: 72 SBA BH1DMT

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

The following is added to Section **C. WHO IS AN INSURED:**

Additional Insured – Owners, Lessees Or Contractors – Completed Operations

- a.** The person(s) or organization(s) shown in the Schedule on the Declarations is also an additional insured, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" and at the location designated and described in the Location And Description Of Completed Operations Schedule in the Declarations performed for that additional insured and included in the "products-completed operations hazard".
- b.** With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - (1)** The preparing, approving, editing of or failure to prepare or approve, shop drawings, maps, opinions, reports, surveys, change orders, field orders, designs, drawings, specifications, warnings, recommendations, permit applications, payment requests, manuals or instructions;
 - (2)** Supervisory, inspection, quality control, architectural, engineering or surveying activities or services;
 - (3)** Maintenance of job site safety, construction administration, construction contracting, construction management, computer consulting or design software development or programming service, or selection of a contractor or programming service;
 - (4)** Monitoring, sampling, or testing service necessary to perform any of the services included in **(1)**, **(2)** or **(3)** above;
 - (5)** Supervision, hiring, employment, training or monitoring of others who are performing any of the services included in **(1)**, **(2)** or **(3)** above;
- c.** The insurance afforded to these additional insureds only applies to the extent permitted by law.
- d.** If coverage provided to these additional insureds is required by a written contract, agreement or written permit issued by a state or governmental agency or subdivision or political subdivision, the insurance afforded to these additional insureds will not be broader than that which you are required by the contract, agreement or permit to provide for these additional insureds.



BUSINESS LIABILITY COVERAGE FORM

READ YOUR POLICY CAREFULLY

QUICK REFERENCE

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BUSINESS LIABILITY COVERAGE FORM

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

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

"Policy period", as used in this Coverage Part, means the period from the effective date of this Coverage Part to the expiration date of the Coverage Part as stated in the Declarations or the date of cancellation, whichever is earlier.

The word "insured" means any person or organization qualifying as such under Section C. Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Liability And Medical Expenses Definitions.

A. COVERAGES

1. Business Liability Coverage (Bodily Injury, Property Damage, Personal And Advertising Injury) Insuring Agreement

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

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

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

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
 - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (b) The "bodily injury" or "property damage" occurs during the policy period; and
 - (c) Prior to the policy period, no insured listed under Paragraph 1. of Section C. Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

- c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section C. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or



(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

(1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:

(a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and

(b) You are not engaged in the business or occupation of providing such services.

(2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. Medical Expenses

Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

3. Coverage Extension - Supplementary Payments

a. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

(1) All expenses we incur.

(2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish, finance, arrange for, guarantee, or collateralize these bonds, whether the collateralization is characterized as premium or not.

(4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

(5) All court costs taxed against the insured in the "suit". However, such costs do not include attorneys' fees, attorneys' expenses, witness or expert fees, or any other expenses of a party taxed against the insured.

(6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.



(7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the Limits of Insurance.

b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
 - (a) Agrees in writing to:
 - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
 - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (b) Provides us with written authorization to:
 - (i) Obtain records and other information related to the "suit"; and
 - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

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

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".



b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or
- (b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:
 - (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol;
- (3) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol; or
- (4) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury" or "property damage" involved that which is described in Paragraph (1), (2), (3) or (4) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving, or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

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

This exclusion applies:

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



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

f. Pollution

- (1)** "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this paragraph does not apply to:
 - (i)** "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii)** "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to this Coverage Part as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i)** Any insured; or
 - (ii)** Any person or organization for whom you may be legally responsible;
 - (d)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this paragraph does not apply to:
 - (i)** "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii)** "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii)** "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
 - (e)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2)** Any loss, cost or expense arising out of any:
 - (a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b)** Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".



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

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Exclusion **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "bodily injury" or "property damage" arises out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto or Watercraft

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

This Exclusion **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "bodily injury" or "property damage" arises out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Exclusion **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
 - (i)** Less than 51 feet long; and
 - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft (other than "unmanned aircraft") or watercraft;
- (e)** "Bodily injury" or "property damage" arising out of:
 - (i)** The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or
 - (ii)** The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
- (f)** An aircraft (other than "unmanned aircraft") that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

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

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



i. War

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

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

j. Professional Services

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

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
 - (a) Body piercing (not including ear piercing);
 - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
 - (c) Similar services;
- (10) Pharmaceutical services including but not limited to:
 - (a) The administering, prescribing, preparing, distributing or compounding of pharmaceutical drugs, vaccinations, immunizations or any of their component parts;
 - (b) The providing of or failure to provide home health care or home infusion products or services; and
 - (c) Advising and consulting customers;
- (11) Computer consulting, design or programming services, including web site design.

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

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. Coverages.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;



- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D. Limits Of Insurance.

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

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

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

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

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

I. Damage To Your Product

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

m. Damage To Your Work

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

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

n. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

o. Recall Of Products, Work Or Impaired Property

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

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

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

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written, electronic, or any other manner of publication of material, if done by or at the direction of the insured with knowledge of its falsity;



- (2) Arising out of oral, written, electronic, or any other manner of publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of:
 - (a) Any actual or alleged infringement or violation of any intellectual property rights, such as copyright, patent, right of publicity, trademark, trade dress, trade name, trade secret, service mark or other designation of origin or authenticity; or
 - (b) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made against you, or by you or by any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

- (i) Infringement, in your "advertisement", of:
 - a. Copyright;
 - b. Slogan; unless the slogan is also a trademark, trade dress, trade name, service mark or other designation of origin or authenticity; or
 - c. Title of any literary or artistic work; or
- (ii) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

Paragraph (7)(b)ii above shall not apply to claims or "suits" alleging infringement or violation of trademark, trade dress, trade name, service mark or other designation of origin or authenticity.

- (8) Arising out of an offense committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of web sites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section F. Liability And Medical Expenses Definitions.

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

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.
However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;
- (12) Arising out of:
 - (a) Advertising content for others on your web site;
 - (b) Placing a link to a web site of others on your web site;



- (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
- (d) Computer code, software or programming used to enable:
 - (i) Your web site; or
 - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

(13) Arising out of a violation of any anti-trust law;

(14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities;

(15) Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information; or

(16) Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "personal and advertising injury" arises out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

However, this exclusion does not apply if the only allegation in the claim or "suit" involves an intellectual property right which is limited to:

(a) Infringement, in your "advertisement", of:

- (i) Copyright;
- (ii) Slogan; or
- (iii) Title of any literary or artistic work; or

(b) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

q. Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability

(1) Damages because of "bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

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

This exclusion applies even if such damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraphs (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

(1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or



- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, malicious prosecution or false arrest directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b), or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:
 - (a) May be awarded or incurred by reason of any claim or "suit" alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
 - (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
 - (c) Arise out of any claim or "suit" for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

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

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

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

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning Or Explosion

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section D. Liability And Medical Expenses Limits Of Insurance.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.



c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business, other than that described in **b.** through **e.** below, of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:



- (a) Owned, occupied or used by:
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

d. Legal Representative If You Die

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

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- b. Coverage under this provision does not apply to:
 - (1) "Bodily injury" or "property damage" that occurred; or
 - (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator Of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons or property for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:



- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

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

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to **2.a.** or **2.b.** above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

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

4. Personal And Advertising Injury Limit

Subject to **2.b.** above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance required in a written contract, written agreement or permit; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this Policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this Policy and the endorsements is the single highest limit of liability of all



coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

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

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

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

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

a. Notice Of Occurrence Or Offense

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

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

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured under this Coverage Part must:

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

You or any additional insured under this Coverage Part must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

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

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured under this Coverage Part, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with such additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured under this Coverage Part only when such "occurrence", offense, claim or "suit" is known to:



- (1) You or any additional insured under this Coverage Part that is an individual;
- (2) Any partner, if you or an additional insured under this Coverage Part is a partnership;
- (3) Any manager, if you or an additional insured under this Coverage Part is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured under this Coverage Part is a corporation;
- (5) Any trustee, if you or an additional insured under this Coverage Part is a trust; or
- (6) Any elected or appointed official, if you or an additional insured under this Coverage Part is a political subdivision or public entity.

This Paragraph f. applies separately to you and any additional insured under this Coverage Part.

3. Legal action Against Us

No person or organization has a right under this Coverage Part:

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

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

4. Separation Of Insureds

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

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

5. Representations

a. When You Accept This Policy

By accepting this Policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and
- (3) We have issued this Policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

6. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk, Owner Controlled Insurance Program or OCIP, Contractor Controlled Insurance Program or CCIP, Wrap Up Insurance or similar coverage for "your work";



(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **B.** Exclusions.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion **k.** of Section **B.** Exclusions.

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1)** The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2)** The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.



If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

7. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.
2. "Advertising idea" means any idea for an "advertisement".
3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.
4. "Auto" means:
 - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.However, "auto" does not include "mobile equipment".
5. "Bodily injury" means physical:
 - a. Injury;
 - b. Sickness; or
 - c. Diseasesustained by a person and, if arising out of the above, mental anguish or death at any time.
6. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or



- (3)** "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication.

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.

7. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. Liability And Medical Expenses Limits Of Insurance.
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- However, Paragraph f. does not include that part of any contract or agreement:
- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or



- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:



- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person or organization occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written, electronic, or any other manner of publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written, electronic, or any other manner of publication of material that violates a person's right of privacy;
 - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement"; or
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement".
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
20. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.
- As used in this definition, "electronic data" is not tangible property.
21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.



- 22.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 23.** "Unmanned aircraft" means an aircraft that is not:
- a.** Designed;
 - b.** Manufactured; or
 - c.** Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.
- 24.** "Volunteer worker" means a person who:
- a.** Is not your "employee";
 - b.** Donates his or her work;
 - c.** Acts at the direction of and within the scope of duties determined by you; and
 - d.** Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 25.** "Your product":
- a.** Means:
 - (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
 - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b.** Includes:
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2)** The providing of or failure to provide warnings or instructions.
 - c.** Does not include vending machines or other property rented to or located for the use of others but not sold.
- 26.** "Your work":
- a.** Means:
 - (1)** Work or operations performed by you or on your behalf; and
 - (2)** Materials, parts or equipment furnished in connection with such work or operations.
 - b.** Includes:
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2)** The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



BLANKET ADDITIONAL INSURED BY CONTRACT

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Section C. WHO IS AN INSURED:

Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written contract or written agreement, or when required by a written permit issued by a state or governmental agency or subdivision or political subdivision that such person or organization be added as an additional insured on your Coverage Part, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by any other endorsement issued by us and made a part of this Coverage Part.

The insurance afforded to such additional insured will not be broader than that which you are required by the contract, agreement, or permit to provide for such additional insured.

The insurance afforded to such additional insured only applies to the extent permitted by law.

The limits of insurance that apply to additional insureds are described in Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**. How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS**.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a)** "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b)** Any express warranty unauthorized by you;
- (c)** Any physical or chemical change in the product made intentionally by the vendor;
- (d)** Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e)** Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (f)** Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;



- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i) The exceptions contained in Paragraphs (d) or (f); or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In connection with your premises;
 - (b) In the performance of your ongoing operations performed by you or on your behalf; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if:
 - (i) The written contract, written agreement or permit requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services, including:

- (i) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (ii) Supervisory, surveying, inspection, architectural or engineering activities.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury", "property



damage", or "personal and advertising injury" arises out of the rendering of or the failure to render any professional service.

e. State Or Governmental Agency Or Subdivision Or Political Subdivision Issuing Permit

- (1) Any state or governmental agency or subdivision or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not in one of the categories or classes listed above in Paragraphs **a.** through **e.** above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In the performance of your ongoing operations performed by you or on your behalf;
 - (b) In connection with your premises owned by or rented to you; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if:
 - (i) The written contract, written agreement or permit requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

 - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Supervisory, surveying, inspection, architectural or engineering activities.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury", "property damage", or "personal and advertising injury" arises out of the rendering of or the failure to render any professional service described in Paragraphs **f.(2)(a)** or **f.(2)(b)** above.

Yolo Local Agency Formation Commission



Request for Proposals

to provide:

Governmental Structure and Operational Efficiencies Analysis Services



To analyze reorganization options and
recommended governance strategy to support
LAFCo's Rural Water and Sewer Services
Municipal Services Review

Issued Tuesday, October 14, 2025

Response due by 12:00 p.m. noon on Monday, November 17, 2025

Yolo LAFCo

625 Court Street, Suite 107

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YOLO LOCAL AGENCY FORMATION COMMISSION REQUEST FOR PROPOSALS

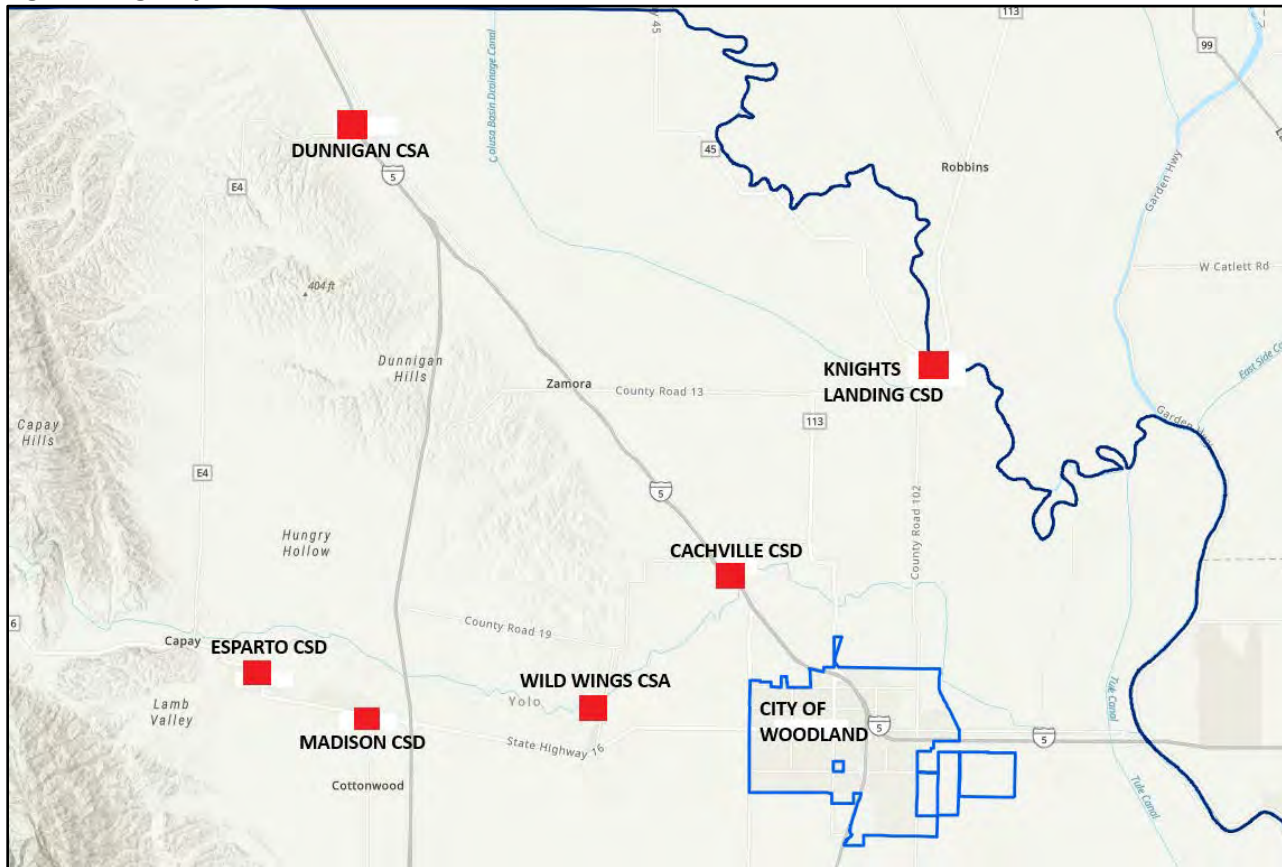
Introduction

The Yolo Local Agency Formation Commission (LAFCo) is seeking professional consulting services to conduct a study that will provide a range of alternatives for reorganization for four community services districts (CSDs) and two County Service Areas (CSAs) to support the Rural Water and Sewer Services Municipal Services Review (MSR) currently underway. Agencies studied in the MSR include:

- Cacheville CSD (157 connections, water only)
- Dunnigan CSA (currently streetlighting only, but may add water and/or sewer in the future)
- Esparto CSD (979 connections, water and sewer)
- Knights Landing CSD (329 connections, water and sewer)
- Madison CSD (149 connections, water and sewer)
- Wild Wings CSA (353 connections, water and sewer)

This Request for Proposals (RFP) seeks a qualified consulting firm to conduct a governmental structure and operational efficiencies analysis to inform LAFCo's MSR determination and recommendations for "accountability for community service needs, including governmental structure and operational efficiencies" per Government Code Section 56430. This RFP is not seeking a feasibility analysis to consolidate infrastructure.

Figure 1. Agency Location



Proposal Background

Yolo County has four CSDs and one CSA that provide water and sewer services to small unincorporated communities in the rural county: Cacheville (water only), Esparto, Knights Landing, and Madison CSDs, and the Wild Wings CSA. Yolo County is currently studying the feasibility of providing municipal water and sewer services in Dunnigan, which would likely be organized under the existing Dunnigan CSA (which currently provides streetlighting only).

The three smaller CSDs (Cacheville, Madison, and Knights Landing) in particular face ongoing management and operational challenges operating independently due to their size. It is hoped that reorganizing agencies and/or consolidating management and operational functions of these districts somehow could provide better management and efficient operations.

Yolo County contracted a Wild Wings CSA Water Regionalization Feasibility Study that was completed in October 2023 (Exhibit A). The study looked at consolidating Wild Wings CSA water infrastructure with the City of Woodland or one of the County's CSDs. The study recommended consolidation with the City of Woodland, which had the existing capacity to facilitate a consolidation. Consolidation with Esparto CSD was also feasible but would require the CSD to increase production by adding new wells. Madison, Cacheville, and Knights Landing CSDs were not found to be a feasible alternative for consolidation. The focus of that study was mainly on consolidation of infrastructure. This scope is intended to build off this information and develop governance reorganization alternatives for Commission consideration.

Scope of Services

Task 1 – Data Collection, Conduct Interviews and Prepare District Profiles

Data Collection

The Contractor will review background information necessary to gain a contextual understanding of the rural issues and develop district profiles. This data will be used in the analysis and development of the report document. The documents and information relevant to this project will include, but not be limited to, the following:

- Financial data, including debt information, long-range financial plans and projections
- Standard Operating Guidelines (SOGs) and service delivery practices and staffing levels
- Current service delivery objectives and targets for each community
- LAFCo Municipal Services Reviews for the subject districts
- 2023 Yolo County Wild Wings County Service Area Water Regionalization Feasibility Study
- Local Geographic Information Systems (GIS) data, where available
- District operating budget, funding, fees, and financial resources

Conduct Interviews

Contractor will also meet with and become familiar with key issues from the perspective of each participating agency by interviewing the following:

- General managers from each subject district
- Yolo LAFCo staff

Interviews should include the capacity and needed improvements for infrastructure, desired service levels and perceived gaps, history of fee increases, community support, etc. Information regarding organizational charts and budgets detailing the structure, operating costs, and estimated infrastructure improvements needed will need to be obtained.

District Profiles

Contractor shall gain a thorough understanding of all organization, staffing and operational details for the subject districts including workloads, service levels and gaps that will provide a baseline assessment of the current organizational conditions of each agency as the foundation for the analysis required to make feasibility and phasing recommendations.

Task 2: Develop and Analyze Potential Reorganization Options

Contractor shall develop 3-5 reorganization options in consultation with LAFCo staff and evaluate the feasibility and effectiveness of the options. Options may include both legal and functional consolidations. Evaluation shall include the following information for each option:

- Governance and representation (may include JPAs and advisory committees, if warranted)
- Staffing levels needed for service delivery
- Revenue and budget modeling, areas of short and long-term savings/costs
- Estimated long-term capital improvement costs associated with upgrading water/sewer infrastructure
- Phasing (if applicable)
- Potential transition issues

Task 3: Governance Options Presentation at LAFCo Meeting

Once the evaluation of the reorganization options is completed, Contractor shall be prepared to make a presentation before LAFCo and the public (in person preferred, but meetings are Zoom capable), to receive Commission direction regarding which option will be recommended in the MSR including:

- A summary of the nature of the report, the methods of analysis, the primary findings, and recommendations
- Supportive audio-visual presentation
- Review and explanation of primary supportive charts, graphs, diagrams, and maps, where appropriate
- Opportunity for questions and answers, as needed
- All presentation materials, files, graphics, and written material will be provided to LAFCo at the conclusion of the presentation(s)

All presentation materials will be provided to LAFCo staff for review prior to the meeting.

Task 4: Document Findings and Recommendations in a Final Report

All work tasks shall be documented in a formal report provided to LAFCo as an Appendix to the MSR. The report shall summarize an assessment of the advantages and disadvantages associated with each option including:

- Detailed narrative analysis of each task component structured in easy-to-read sections and accompanied by explanatory support to encourage understanding by both staff and the public
- Supportive maps, charts, graphs, and diagrams, where appropriate

For the option recommended in the MSR as directed by the Commission, the report will also include a general implementation plan including:

- Key steps needed to implement reorganization
- Estimated costs associated with each step
- Phasing plan for each key task related to implementation, including identifying lead agency responsible
- Identification of specific barriers to each implementation step

Contents of Proposal

The proposal shall be specifically responsive to this request and shall include, but not necessarily be limited to, the following:

- General statement by the firm or individual about the proposal, including an understanding and general approach to accomplishing the work as outlined. The statement should demonstrate the experience and qualifications to perform the required fiscal analysis, including information regarding similar experience.
- Specific substantiated statement of the firm or individual's qualifications to perform the work, ability to stay within budget, and meet deadlines.
- Identification and designation of the individual(s) who would perform the work, including resumes documenting their experience and competence to perform that work. Note that any subsequent changes in staff performing the work will require prior approval by LAFCo.
- General timeline and scope of work required to complete the documents in the most efficient and timely manner. The timeline should identify numerous check-in meetings with LAFCo staff as appropriate.
- General proposal costs associated with the tasks identified, including a list of the firm's hourly rate and estimate of hours by employee needed to complete the scope of work. The costs should specify deliverables and number of meetings/presentations included in the fee. *LAFCo is anticipating a fixed fee or hourly not-to-exceed type of contract, subject to negotiation.*
- A list of not less than three (3) client references for which similar services to those outlined in this request for proposals have recently been, or are currently being, provided. For each reference listed provide the name of the organization, dates, and type of service(s) provided, and the name, address, e-mail address and telephone number of the appropriate contact.

Proposal deadline is 12:00 p.m. noon on Monday, November 17, 2025.

Evaluation Process

During the evaluation process, LAFCo reserves the right to request additional information or clarifications from responders or to allow corrections of errors or omissions. At the discretion of the LAFCo, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. LAFCo reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was selected.

Yolo LAFCo staff will review each proposal and evaluate the ability of each individual or firm to meet the expectations defined herein. References will be contacted. The proposals will be ranked, and the top firms may be invited to an interview with LAFCo and subject agency representatives. A consultant will then be selected, and the contract approval process will begin. LAFCo may modify this evaluation process as appropriate.

The successful bidder will be required to enter into a contract with Yolo LAFCo. A copy of the contract template is included in Exhibit C. Objections/exceptions to the template contract must be included in the proposal. There is no expressed or implied obligation for LAFCo to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Consultant Selection

The following attributes will be considered in determining the award of the contract:

- Qualifications and experience of the consultant team, and ability to work well with the staff from LAFCo and subject agencies.
- Prior experience with similar projects, fostering multi-agency partnerships, and cooperative problem-solving.

- Thoroughness of approach to conducting the scope of work and demonstration of the understanding of the objectives, explicitly identifying any suggested changes to the Scope of Services.
- Ability to analyze and present information in an organized format and in a timely manner.
- Overall cost including a clear and reasonable outline of cost estimates and past performance with staying within budget.
- Comments on the draft contract and ability of the firm to meet the insurance requirements and other provisions.
- Information provided by references.

Firm interviews may be held as part of the selection process, if needed.

Additional Information

Project Timeline:

The schedule below is preliminary, and a final project schedule will be determined and agreed to by LAFCo and the selected consultant.

Task	Estimated Time
Contract Approval by Yolo LAFCo	December 12, 2025 (LAFCo Meeting)
Task 1 Data Collection and Interviews	February 16, 2026
Task 2 Alternatives	March 9, 2026
Task 3 Presentation	March 26, 2026 (LAFCo meeting)
Task 4 Final Report	April 13, 2025

Insurance:

The form of contract includes standard form insurance requirements and standard form insurance certificates, which are utilized by the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), a self-insurance risk management pool, of which Yolo LAFCo is a member. A copy of YCPARMIA’s “Insurance Requirement Guidelines” is attached (Exhibit B), as is a draft contract (Exhibit C). A reduction in general liability coverage from \$2,000,000 to \$1,000,000 may be considered by YCPARMIA on a case-by-case basis, if needed.

Contract Provisions:

Yolo LAFCo reserves the right to reject any and all proposals, waive any irregularity in the proposals and/or to conduct negotiations with any firms, whether or not they have submitted a proposal. The Commission's initial draft of the contract form to be used for agreements is attached to this RFP. Although the attached draft is subject to revision before execution by the parties, by submission of a proposal or statement of qualification the potential contractor indicates that except as specifically and expressly noted in its submission, it has no objection to the attached draft contract or any of its provisions, and if selected will enter into a final agreement based substantially upon the attached draft contract.

Signature Authority:

Certify that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with LAFCo.

Consultants:

During the preparation phases, Yolo LAFCo reserves the right to hire consultants as necessary, in its discretion, to advise and assist Yolo LAFCo in this project.

Submittal

Any questions regarding this proposal shall be submitted in writing to christine.crawford@yolocounty.gov. LAFCo practice has been to create an FAQ page online that can be viewed by all prospective firms. Proposals shall be submitted electronically to christine.crawford@yolocounty.gov.

Proposal Deadline:

12:00 p.m. noon on Monday, November 17, 2025

Resources:

1. [Community Services Districts MSR/SOI 2021](#)
2. [County Service Areas MSR/SOI 2022](#)
3. Yolo County Wild Wings County Service Area Water Regionalization Feasibility Study 2023 (posted here <https://www.yololafco.org/bid-requests>)

Exhibits:

- A. YCPARMIA's Insurance Requirement Guidelines
- B. Draft Contract



PROPOSAL FOR CONSULTING SERVICES

Governmental Structure & Operational Efficiencies Analysis Rural Water and Sewer Services

Yolo Local Agency Formation Commission

December 3, 2025

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December 8, 2025

Via Email

Christine Crawford, Executive Officer
Yolo Local Agency Formation Commission
625 Court Street, Suite 107,
Woodland CA 95695

REVISED PROPOSAL FOR GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES ANALYSIS SERVICES – YOLO LOCAL AGENCY FORMATION COMMISSION

Dear Ms. Crawford,

In response to your Request for Proposals (“RFP”) and follow up meeting with us on November 25, RSG Inc. (“RSG”) is pleased to present this **revised** proposal for consulting services to assist the Yolo Local Agency Formation Commission (“LAFCO”) in support of the Rural Water and Sewer Services Municipal Service Review (“MSR”).

We understand that Yolo LAFCo is seeking a qualified consultant to develop a brief report of potential reorganization and governance options LAFCO may consider for the subject agencies. LAFCO plans to use the reorganization and governance options to inform future actions by LAFCO and the affected agencies based on the MSR findings and determinations, given the long history of concerns about the overall efficiency and viability of these small agencies to meet service needs for the rural communities.

RSG is a well-respected firm with substantial and recent experience working on incorporation and major reorganization studies across California. We have worked on successful and unsuccessful incorporation proposals like Mountain House (approved by the voters in November 2023), Olympic Valley (abandoned by proponents after SCO confirmation of our report findings), and Oakhurst (failed at the ballot). We were the fiscal consultant to the successful consolidation of several fire agencies in Eastern Plumas County in 2023, advised the Desert Health Care District on the legislative-mandated annexation of the Eastern Coachella Valley, and continue to work on complex multi-agency reorganization projects in Placer, Butte, Sonoma, and San Mateo Counties. We have also prepared dozens of municipal service reviews in the past five years, giving us a breadth of experience in all types of public services.

This assignment will follow a time-and-materials billing approach, with a not to exceed budget of **\$29,995** as outlined in the Cost Proposal section of this proposal.

This proposal and all accompanying materials are submitted by the undersigned, who is **authorized to represent and bind the firm** in contractual matters with Yolo LAFCo:

Respectfully,

Jim Simon, Principal
jsimon@rsgsolutions.com / 714.316.2120

UNDERSTANDING AND APPROACH TO ACCOMPLISH SCOPE OF WORK

RSG understands that the Yolo Local Agency Formation Commission (LAFCo) is currently preparing the latest Municipal Services Review (MSR) for its six small Rural Water and Sewer Services agencies, including:

1. Cacheville Community Services District (CSD),
2. Dunnigan County Service Area (CSA),
3. Esparto CSD,
4. Knights Landing CSD,
5. Madison CSD, and
6. Wild Wings CSA

LAFCo and the Yolo County Grand Jury have previously documented that some of these agencies have a long history of operational, efficiency and governance issues. The forthcoming MSR gives LAFCo the opportunity to not only re-state the nature of these issues, but also provide guidance to the Commission, the affected agencies, and the public, on potential reorganization options that may be available for the long-term efficiency and resilience of these services. Specifically, LAFCo believe a governance study could provide the Commission and public a high-level review of the potential alternatives and augment the determinations of the MSR by providing options for the path forward for these services and the agencies.

RSG recognizes the importance of this effort in addressing systemic challenges facing Yolo County's small and rural service providers, including limited staff capacity, financial constraints, aging infrastructure, and increasing state regulatory complexity. **Our goal is to help LAFCo identify governance and service delivery models that enhance operational efficiency while preserving local control and fiscal sustainability.** RSG also understands that LAFCo expects this analysis to build on the findings of the Wild Wings CSA Water Regionalization Feasibility Study (October 2023), leveraging that work to assess broader regional reorganization opportunities.

Our approach to this assignment entails reviewing existing documentation, including the work performed by LAFCo on the current MSR draft, review public records, and consider examples of how financial efficiencies and reorganization could improve water and sewer services to the affected rural communities.

FIRM QUALIFICATIONS AND EXPERIENCE

RSG is a California-based, Subchapter “S” Corporation. Founded in 1979, the firm is currently managed by active Principals Jim Simon and Tara Matthews. Our corporate address is 170 Eucalyptus Ave., Suite 200, Vista, CA 92084, and we have three hubs in California (San Diego, Los Angeles, and Oakland) where we collaborate periodically as a team to accommodate the needs of our clients and growing firm.

RSG is a creatively charged consultant to California public agencies. We collaborate with the people responsible for creating vibrant places to accomplish their goals. The inspired leaders at RSG create stronger communities capable of achieving bolder futures by bringing more than four decades of native knowledge to each engagement. As diverse as the agencies we work with, our services span fiscal health, real estate, economic development, and housing initiatives.

RSG’s federal taxpayer identification number is 95-343-5849 and state taxpayer identification number is 27600915. RSG is also a State certified Small Business Enterprise (SBE - 2006876 DGS).

MISSION STATEMENT

RSG creates solutions to enhance communities’ physical, economic, and social future.

CORE VALUES

Our core values define who we are as people and the standards by which we provide services to our clients.



INSURANCE

RSG affirms that it has the required insurance policies in place through Hartford Insurance. These policies provide coverage in acceptable amounts for Professional Liability, Workers Compensation, Comprehensive General Liability, and Auto (Owned and Non-Owned). Prior to the commencement of services, RSG will furnish certificates of insurance coverage to LAFCO to verify compliance with insurance requirements.

Our insurance providers rank in the excellence category for AM Best Rating Services. A Certificate of Insurance with applicable endorsements will be provided upon contract award.

RSG QUALIFICATIONS

RSG provides a range of fiscal services to help government agencies become more effective with the resources they use to serve communities. We offer fiscal impact analyses, assistance in securing financing, annexation and incorporation studies, municipal service reviews, and community engagement services.

Our **fiscal impact studies** aim to provide clarity and insight to staff and decision-makers, helping under-resourced communities gain access to the resources needed for sustainability and quality of life.

We prepare **municipal service reviews** and sphere of influence updates, and evaluate **reorganization, annexation, or incorporation** proposals, providing independent analysis and recommendations.

Our **community engagement experience** includes facilitating public discussions, designing **strategic plans**, working with diverse groups, and presenting complex information to facilitate informed decision-making.

With our expertise in **tax increment financing** and a strong foundation in community engagement, we assist clients in achieving their goals through insightful processes that value the community's expertise.

WORK EXPERIENCE

Below is a list of clients we have provided services for, along with samples of our work, to give Yolo LAFCO an opportunity to see our expertise in action.

MUNICIPAL SERVICE REVIEW EXPERIENCE

Alameda LAFCO

Community Services MSR Update (Completed 2024)

Los Angeles LAFCO

Bell, Maywood, South El Monte, and Vernon MSRs and SOI Review (Completed 2023)

La Mirada and Whittier MSR and SOI Update (Completed 2021)

Consolidated Fire Protection District MSR and SOI Update (Completed 2020)

Napa LAFCO

Town of St. Helena MSR (Underway)

Orange LAFCO

Central Region MSR Update (Underway)

Southwest Region MSR Update (Completed 2023)

West Region MSR Update (Completed 2023)

Placer LAFCO

Public Utilities Services MSR and SOI Study (Completed 2025)

Cemetery Districts MSR (Underway)

Colfax Area MSR and SOI Update (Underway)

Fire Services SOI Update (Underway)

Riverside LAFCO

28 City MSR and SOI Update (Completed 2022)

Sacramento LAFCO

Florin County Water District MSR (Underway)

San Joaquin LAFCO

Rural Fire District Service Review (Underway)

Siskiyou LAFCO

Fire Services MSR Update – in conjunction with Planwest Partners (Completed 2024)

Sonoma LAFCO

Santa Rosa MSR and SOI Update (Completed 2024)

Sutter LAFCO

Fire and EMS MSR Update (Underway)

City of Live Oak MSR (Underway)

Yolo LAFCO

Water Districts MSR and SOI Update (Completed 2013)

ANNEXATION STUDIES

City of Capitola (Santa Cruz Co.)

Sphere of Influence Annexation Study (Scheduled Completion 2025)

City of Belmont (San Mateo Co.)

Eastern Harbor BI Annexation Strategy (Underway)

601 Harbor BI Annexation (Completed 2023)

608 Harbor BI Annexation (Completed 2023)

Old County Rd/Harbor BI Annexation (Completed 2021)

1304 Elmer Street Annexation (Completed 2018)

City of Citrus Heights (Sacramento Co.)

Sphere of Influence Annexation Study (Completed 2023)

City of Huntington Beach (Orange Co.)

Bolsa Chica Annexation Study (Completed 2009, Updated 2013, Updated 2022)

City of Martinez (Contra Costa Co.)

Sphere of Influence Annexation Study (Completed 2021, Updated 2023)

Alhambra Valley / North Pacheco Annexation Study (Completed 2015)

City of San Carlos (San Mateo Co.)

252 Club Drive Annexation (Completed 2020)

Hyde Park Estates Annexation (Completed 2019)

Cranfield Annexation (Completed 2015)

Desert Healthcare District (Riverside Co.)

AB 2414 Annexation Fiscal Analysis (Completed 2017)

Berger Foundation / Cathedral City (Riverside Co.)

SOI Expansion and Annexation Fiscal Analysis (Completed 2013)

INCORPORATION STUDIES

San Joaquin LAFCO

Comprehensive Fiscal Analysis – Mountain House Incorporation (Completed 2023)

Malaga County Water District / Malaga (Fresno Co.)

Initial Fiscal Analysis – Malaga Incorporation (Completed 2018)

Placer LAFCO

Comprehensive Fiscal Analysis – Olympic Valley Incorporation (Completed 2015)

San Bernardino LAFCO

Rim Communities Incorporation Feasibility Study (Completed 2015)

OTHER REORGANIZATIONAL STUDIES

Town of Yountville (Napa Co.)

Domain Chandon Reorganization (Underway)

City of Portola / Local Emergency Services Study Group (Plumas Co.)

Portola/East Plumas Fire Protection Reorganization (Completed 2022, with Planwest Partners)

County of San Bernardino

CSA 79 Reorganization Fiscal Analysis (Completed 2018, Updated in 2022)

City of Nevada City (Nevada Co.)

SOI Update and Annexation Plan (Completed 2017)

OTHER FISCAL OR OPERATIONAL STUDIES

Placer County

Parks and Recreation Service Delivery Model (Underway)

Orange LAFCO

GIS Mapping Services (Underway)

March Joint Powers Authority (Riverside Co.)

JPA Sunsetting Services (Completed 2023)

CALAFCO

Update Map of Statewide Disadvantaged Unincorporated Communities (Completed 2022)

Riverside LAFCO

Update Map of Statewide Disadvantaged Unincorporated Communities (Completed 2021)

City of Carlsbad (San Diego Co.)

Custodial Service Level Study (Completed 2020)

Public Works Paint Shop Cost Benefits Analysis (Completed 2016)

Public Works Department Lines of Business Operational Study (Completed 2013)

Street & Signal Maintenance Division Business Plan (Completed 2011)

City of Irwindale (Los Angeles Co.)

General Fund Fiscal Plan and Sustainability Model (Completed 2018)

City of Grand Terrace (San Bernardino Co.)

General Fund Sustainability Analysis (Completed 2011)

City of South Gate (Los Angeles Co.)

Housing Division Efficiency Study (Completed 2021)

FISCAL/ECONOMIC IMPACT ANALYSIS

City of Artesia (Los Angeles Co.)

11701 South Street Infill Redevelopment Peer Review (Completed 2023)

11746 South Street/Pioneer Rock Mixed Use (Completed 2023)

City of Jurupa Valley (Riverside Co.)

Rio Vista Specific Plan (Completed 2024) ^

Rubidoux Commerce Park (Completed 2023) ^

The District Specific Plan (Completed 2023) ^

^ Included community benefits analysis

Toll Bros Multifamily (Orange Co.)

Oceanside Multifamily Project (Completed 2023)

Dana Point Multifamily Project (Completed 2022)

Santa Ana 4th & Main Mixed-Use Project (Completed 2019)

Orangethorpe Investment Partners (Orange Co.)

777 W. Orangethorpe Av Multifamily Project (Completed 2024)

Legacy Partners (Orange Co.)

Hive Live – Legacy Partners Fiscal Impact Analysis (Scheduled 2025 Completion)

City of San Carlos (San Mateo Co.)

789 Old County Rd Life Sciences Project (Scheduled 2026 Completion) *^

Economic Analysis – General Plan Capacity Revision (Underway)

Alexandria District Phase II Life Sciences Project (Completed 2025) *^

789 Old County Rd Life Sciences Project (Scheduled 2024 Completion) *^

501 Industrial Hotel Project (Completed 2024) *^

642 Quarry Road Life Sciences Project (Completed 2023) *^

841 Old County Road Life Sciences Project (Completed 2023) *^

405 Industrial Life Sciences Project (Completed 2022) *^

1030 Brittan / MBC Biolabs Project (Completed 2020) *^

888 Bransten Life Sciences Project (Completed 2020) *^

655 Skyway Airport Hangar/Office Project (Completed 2020) *^

1091 Industrial Hotel Project (Completed 2017)

Trestle / Transit Village Mixed Use Project (Completed 2018) ^

Marriott Residence Inn / Landmark Hotel Project (Completed 2016) *^

Alexandria District Phase I / Windy Hill (Completed 2015) *^

* Included feasibility analysis

^ Included community benefits analysis

Vineyards Development / Santa Ana (Orange Co.)

Newpark Plaza (Newark, CA) Development Fiscal Impact Analysis (Completed 2022)

Bowery (Santa Ana) Multifamily Project (Completed 2020)

2525 Main Multifamily (Santa Ana) Project (Completed 2019)

Dyer Road / Heritage (Santa Ana) Multifamily Project (Completed 2015)

The Concord Group

El Segundo Residential Development Fiscal Analysis (Completed 2023)
Santa Monica Bl (Beverly Hills) Office Project Fiscal Impact Analysis (Completed 2021)
J Street (Sacramento) Mixed Use Project Fiscal Impact Analysis (Completed 2021)
Medical Main Street (Lancaster) Mixed Use Master Plan (Completed 2021)
4th & Cabrillo (Santa Ana) Mixed Use Project (Completed 2020)
4th & Mortimer (Santa Ana) Mixed Use Project (Completed 2020)
Town Madison (Madison, AL) Interchange (Completed 2020)
651 Sunflower / Legacy (Santa Ana) Multifamily Project (Completed 2019)
The Gulch / Atlanta Mixed Use Project (Completed 2017)
Ridgeline (San Bernardino) Retail Project (Completed 2015)
Basking Ridge Development (Basking Ridge NJ) (Completed 2015)
East Hartford (CN) Outlet Mall (Completed 2015)

City of Los Angeles, Office of Chief Legislative Analyst

Venice Hope Mixed Use Project (Completed 2020) *
AECOM Capital Hotel Project (Completed 2019) *
Grand Avenue Los Angeles Mixed Use Project (Completed 2016) *
Westfield Village at Topanga (Completed 2012) *

* Included feasibility analysis

PROJECT TEAM AND KEY PERSONNEL

Jim Simon, Principal, would lead the team for this engagement and is the main point of contact. Mr. Simon would be assisted by RSG staff member Carol Ieromnimon, Associate. Additional RSG staff will be assigned support roles as needed.

Jim Simon, President & Principal, would serve as Principal in charge of this engagement, and oversee all aspects of the scope of work. Jim would be able to present our work at meetings, provide strategic and expert advice based on findings and recommendations, and ensure quality control on our deliverables. Jim has served in this capacity on all MSR assignments at RSG, including the Riverside LAFCO 28 Cities MSR, LA LAFCO Consolidated Fire Protection District MSR, several city MSRs for LA LAFCO, and MSR and SOI updates for 13 cities and 12 special districts for Orange County LAFCO. Jim has been an active member of CALAFCO, where he has shared his experience on annexations, special studies, and incorporation assignments at workshops and on their Legislative Committee.

Carol Ieromnimon, Associate, would be responsible for day-to-day project management, oversee all data collection and analysis, writing and reviewing the report, coordinating and communicating with Yolo LAFCO staff. Carol joined the RSG team in 2024 after working at San Diego LAFCO and brought with her a background in local government and economic development. Her experience in the intricacies of municipal boundary adjustments, research and analysis, as well as project management empowers her to further facilitate the efficient growth and prosperity of communities across the state. She is currently engaged in two Sacramento LAFCO MSR and SOI Updates for two water districts, a Placer LAFCO Cemetery Districts MSR and SOI Update, a San Joaquin LAFCO Fire Service MSR, and supporting reorganization services for the City of Glendora, Town of Yountville, and for a community in Bel Air. While at San Diego LAFCO, she assisted in the detachment and annexation of the Rainbow Municipal Water District and Fallbrook Public Utility District from the San Diego County Water Authority.

Please see resumes of our consulting team on the following pages.



JIM SIMON

Principal & President

714.316.2120
jsimon@rsgsolutions.com

PROFILE

“With determination and imagination, I serve myself and others to discover our capacity for what is possible by designing solutions for a complex world so we can cherish and nurture our communities.”

OUT & ABOUT

California Association for Local Economic Development (CALED) 40 at 40 Honoree for contributions to California Economic Development

“Business Retention and Attraction” – Advanced Certification Program Instructor (CALED)

“Community Economic Development” – Keys Program

Legislative Committee and 2024 Conference Committee for California Association of Local Agency Formation Commissions (CALAFCO)

International Council of Shopping Centers (ICSC)

Housing California

Southern California Association of Non-Profit Housing (SCANPH)

San Diego Housing Federation (SDHF)

Urban Land Institute (ULI)

ABOUT JIM

Inspired to improve the Golden State in his work, Jim delivers intelligence, innovation, and passion to projects requiring his unparalleled expertise in fiscal health, real estate, and economic development. For over 30 years, Jim is proud to have led projects that have resulted in the investment of over \$10 billion in private and public capital, transforming cities and communities across California. As President of RSG, Jim is helping to shape the next generation of the firm’s legacy - leading RSG’s team of inspired, creative, and insightful consultants that serve over 100 communities each year.

EDUCATION

Jim joined RSG in 1991 and has served as a Principal and shareholder since 2001. He received a BA in Business Administration with a concentration in entrepreneurial management from California State University, Fullerton. In 2014, Jim was selected as an Advisory Board member of the California Association for Local Economic Development, where he serves as Co-Chair of CALED’s Economic Development, Real Estate and Finance technical committee. Jim is also an Advisory member of the Legislative Committee for the California Association of LAFCOs (CALAFCO), and active in other professional organizations including NAIOP, ICSC, NPH, and SCANPH.

RECENT ENGAGEMENTS

Oversaw the Comprehensive Fiscal Analysis and led the Cityhood Incorporation Resident Workshop for the Town of Mountain House for San Joaquin LAFCO, who unanimously approved the incorporation application to advance it to the voters, who then approved in March 2024.

Prepared fiscal impact analysis for several annexations proposals within city SOIs, including Martinez, San Carlos, Huntington Beach, and Belmont.

Prepared the 2020 Municipal Services Review and SOI Update for the Consolidated Fire Protection District of Los Angeles County, the largest special district in California, for LA LAFCO.

Led the preparation of a MSR for the 28 cities in Riverside County, provided MSR and SOI updates for 13 cities and 12 special districts for Orange County LAFCO, and provided MSR and SOI updates for 4 cities for LA LAFCO.





CAROL IEROMNIMON

Associate

714.316.2197
cieromnimon@rsgsolutions.com

PROFILE

“I find success in helping others find success. Creating meaningful relationships and collaborating with others to achieve a goal is where most of my passion lies. By applying my skillsets and experience to my role with RSG, I hope to further enhance communities and empower others.”

OUT & ABOUT

Member, CALAFCO Legislative Committee

Housing California

Southern California Association of Non-Profit Housing (SCANPH)

San Diego Housing Federation (SDHF)

California Association of Local Agency Formation Commissions (CALAFCO)

ABOUT CAROL

Carol joined the RSG team in 2024 and brought with her a background in local government and economic development. Her experience in the intricacies of municipal boundary adjustments, research and analysis, grant administration, underwriting, public speaking as well as project management empowers her to further facilitate the efficient growth and prosperity of communities across the state. Her passion in creating meaningful relationships and making a difference in the communities she serves propels her to deliver results, provide solutions, and embrace new challenges.

EDUCATION

Carol holds a Bachelor of Science Degree in Sociology from the University of California, Riverside as well as a Master’s Degree in Public Administration from California State University, Long Beach. Carol served as an Advisory Member to the SANDAG Communities Working Group between 2023-2024 and is currently an Advisory Member of the Legislative Committee for the California Association of LAFCOs (CALAFCO).

RECENT ENGAGEMENTS

Conducting a reorganization study of two legal parcels in Napa County on behalf of the Town of Yountville.

Preparing the Municipal Service Review on behalf of Placer County involving the South Placer Municipal Utility District.

Performing a service delivery study for Placer County involving the Placer Vineyards Park and Recreation District.

Assisted in the preparation of the Municipal Service Review on behalf of Alameda LAFCO involving the community services districts in Alameda County.

Assisted with the review of fiscal impacts associated with proposed residential development for communities in the City of Costa Mesa and neighborhood of Orangethorpe.

Facilitated the preparation of the Municipal Service Review on behalf of Siskiyou LAFCO involving the fire protection service providers in Siskiyou County.



SCOPE OF WORK AND METHODOLOGY

According to the RFP, Yolo LAFCO is currently conducting the Rural Water and Sewer Services Municipal Service Review (MSR) for six (6) agencies that provide a range of municipal services - including but not limited to - streetlighting, water, and wastewater, in unincorporated Yolo County. These agencies include:

- Cacheville Community Services District
- Dunnigan County Service Area
- Esparto Community Services District
- Knights Landings Community Services District
- Madison Community Services District
- Wild Wings County Service Area

According to the prior LAFCO MSRs, each of the districts had been facing service and financial issues as summarized below:

1. Cacheville Community Services District provides domestic water and street lighting services to the Town of Yolo. Notable findings in the 2021 MSR included the District's capacity to meet future service demands. Specifically, concerns were raised regarding the District water capacity - and fire flows - to service the planned development occurring adjacent to town of Yolo. The MSR reported that the District acknowledged the need to upgrade the system to service the developing area to prevent additional connections from compromising the system. The 2021 MSR also noted the District's inability to monitor flows and instead charges flat rate to its customers. As a result, concerns with revenues and ability to fund the needed upgrades was documents as part of the 2021 MSR.

2. Dunnigan County Service Area solely manages PG&E contracts; other services authorized in the corresponding principal act remain latent and subject to LAFCO's approval. The only significant issue identified in the 2022 MSR was tied to broadband access. Specifically, many areas have no access – considered unserved – to broadband services.

3. Esparto Community Services District provides sanitary sewer, water, wastewater, stormwater, street lighting, and, as recently as 2016, parks and recreation services (following the dissolution of the Madison-Esparto Regional County Service Area). The 2021 MSR cited concerns with the Districts fee structures tied to its stormwater function, citing the zone of benefit for this service is “significantly underfunded”. Funding capital improvements were also highlighted as a concern for the District and options to explore cost sharing with the County and the Yocha Dehe Wintun Nation for costs tied to the relocation of water lines for the Corridor Safety Project.

4. Knights Landings Community Services District provides water, wastewater, street lighting, storm draining, and parks and recreation services to the community of Knights Landing. The 2021 MSR reported issues with the District's sewer infrastructure (lift stations – among other items) is past their useful lifespan., with no capital improvement plan in place. The 2021 MSR also expressed significant concerns the District's financial ability to fund the needed repairs/upgrades.

5. Madison Community Services District provides water, wastewater, parks and recreation, and streetlighting to the unincorporated community of Madison. The 2021 MSR found

concerns with the Districts funding structure and financial practices. Specifically, while the 2021 MSR concluded rates were sufficient to cover operating costs, costs tied to infrastructure improvements may be challenging for the District. Additionally, no known reserves policy in place nor any accounting and financial policies.

6. Wild Wings County Service Area provides water, wastewater and park and recreation services to the Wild Wings community. The prior MSR found issues with the District's infrastructure and capacity to meet service needs., primarily tied to the reliance on its well system for water service provisions, which levels have dropped and disregard of drought restrictions further constraining water conservation efforts. The 2022 MSR also found Issues the District's wastewater facility capacity.

SCOPE OF WORK AND PROPOSAL

The issues found by the prior MSRs remain, according to the RFP for the governance study. Specifically, LAFCO concluded that three smaller CSDs (Cacheville, Madison, and Knights Landing) in particular face ongoing management and operational challenges due to their size, issues which, evidently, impair the ability of these agencies to respond to important financial, service, and infrastructure challenges in their service areas.

As the new MSR work progresses, LAFCO is seeking the support from an outside consultant to assist with the identification of 3-5 reorganization options that could be incorporated into in the forthcoming LAFCO determinations with respect to the agencies' accountability for community service needs, including efficiencies and the governance structure therein.

In addition to the MSR work, Yolo LAFCO expects the consultant will use information from LAFCO's October 2023 Wild Wings CSA Water Regionalization Feasibility Study, as well as other information that may be compiled during the preparation of the governance study.

RSG's proposed scope of work is outlined below, but we are open to discussing and refining the scope of work and budget to fit LAFCO staff's needs. RSG assumed that all meetings, would be virtual.

PROJECT INITIATION – KICKOFF MEETING AND PRELIMINARY RESEARCH

RSG will coordinate a kickoff meeting with LAFCO staff following contract commencement. The kickoff meeting is the opportunity to review and discuss the scope of work, define project objectives and outcomes, discuss the scope of the project, assign roles and responsibilities, define communication frequency and platform, exchange contact information for data collection. We will also revisit and discuss the project schedule.

Prior to the kickoff meeting, RSG will review the Wild Wings CSA Water Regionalization Feasibility Study (Oct 2023) and previous MSRs for the agencies. During the kickoff meeting, RSG and LAFCO staff will discuss pertinent issues and concerns and any other relevant issues LAFCO staff identified, particularly since the last MSRs were prepared.

RSG will request GIS files from LAFCO staff or the appropriate County department and compile GIS layers into a mapping tool that will be used to inform the reorganization options as needed.

RSG will work with LAFCO staff to develop a survey instrument which will be distributed to the affected agencies prior to the interview process. The survey serves as a tool to introduce the interview topics to the affected agencies as well as a guide to create meaningful discussions

around desired service levels, concerns, capacity and needed infrastructure improvements, and any perceived service gaps. The survey instrument would include a list of topics to discuss with the agency, augmented by specific questions identified during the initial data collection process.

The survey would serve as a tool to gather necessary information regarding each agency such as organization charts, fiscal modeling, and estimated capital improvement project costs. The information collected and conveyed during these engagements will be used to develop agency profiles wherein staffing and operational details will be captured and evaluated by RSG.

TASK 1: DATA COLLECTION

At an early stage, RSG will begin collection of available and applicable operational, demographic, fiscal, and other data to better understand the level of services provided by the affected agencies. This will augment, and not duplicate, information collected by LAFCO for the ongoing MSR update. These data and the draft MSR will enable RSG to best understand how these agencies provide services, the challenges they are facing, and the potential of reorganization.

Where appropriate, RSG anticipates limited follow ups with LAFCO and the affected agencies to ensure we are correctly interpreting the information collected.

TASK 2: REORGANIZATION DEVELOPMENT AND ANALYSIS

With a clear understanding of the agencies and services provided, RSG will then develop potential governance options should reorganization occur. This entails three main elements:

1. understanding the types of models that work best in similar rural communities for the types of services provided based on our understanding of peer agencies,
2. evaluating the pertinent principal acts or statutory authorities agencies may either share, jointly serve, or consolidate to meet these services, and
3. documenting the processes involved for each path forward.

To the extent feasible based on available information, RSG will prepare a high-level fiscal model for each reorganization option identified – assessing the advantages and disadvantages therein. This would entail projecting estimated revenues and expenditures to identify any economies of scale. The findings from this analysis will be detailed in the draft report discussed below.

TASK 3: DRAFT REPORT AND PRESENTATION

With LAFCO staff preparing a PowerPoint presentation for the MSR, RSG will prepare pertinent contents of the deck that pertain to the results of our research and analysis of potential governance options LAFCO may consider incorporating into the MSR.

We have not included attendance in the meeting with the Commission in our scope of services. However, if desired and as an optional addition, RSG can attend the meeting virtually and provide a presentation. This would necessitate an **additional fee of \$2,150** bringing the total budget cost to **\$32,145**.

TENTATIVE PROJECT SCHEDULE

Below, RSG has prepared a tentative schedule for completion of the scope of work. The timeline assumes contract approval and execution no later than December 2025, as well as expedited timeframes for agency response to requests for information and interviews.

Task	Timeline
Contract Approval / Contract Execution	December 2025
Project Initiation	December 2025
Task 1: Data Collection, including agency interviews	January - February 2026
Task 2: Reorganization & Analysis	February 2026
Task 3: Draft Report & Presentation	March 2026

If awarded the contract, RSG would update the schedule in consultation with LAFCO and discuss this at the kickoff meeting.

COST PROPOSAL

Based on our fee schedule and policies described below, RSG will bill for these services on a time and materials basis, not-to-exceed **\$29,995**. Should LAFCO wish to have RSG present to the Commission, this would increase the total budget to a not-to-exceed amount of **\$32,145**.

We have itemized our budget by task in the table below:

Budget Breakdown by Task	Cost
1. Project Initiation and Kickoff	\$ 2,825
2. Data Collection	10,865
3. Reorganization Development & Analysis	12,300
4. Draft Report and Presentation	4,005
Total Not-to-Exceed	\$29,995
Optional Presentation	2,150
Total Not-to-Exceed w/Presentation	\$32,145

Any services outside the scope of work may require a contract amendment

RSG BILLING RATES & FEE SCHEDULE

Our Billing Rates are as follows:

RSG, Inc.	
Principal	\$ 295
Director	\$ 275
Senior Associate	\$ 225
Associate	\$ 195
Senior Analyst	\$ 160
Analyst	\$ 145
Research Assistant	\$ 135

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services and overnight shipping/express mail costs. We also charge for copies of reports, documents, notices, and support material more than five (5) copies. We bill reimbursable costs at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

REFERENCES

The projects below demonstrate RSG's recent experience comparable to the services requested in this RFP. We encourage you to contact our references or follow up with additional questions.

NINETEEN RURAL FIRE PROTECTION SERVICE PROVIDERS MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE & ALTERNATIVE GOVERNANCE STUDY – SAN JOAQUIN LAFCO

In January 2025, RSG and Planwest began working with San Joaquin County LAFCO to prepare a Fire and EMS MSR and SOI Update for nineteen fire protections service providers in unincorporated San Joaquin County. The MSR will include an in-depth analysis of each district's infrastructure and service capabilities, in addition to a five-year financial forecast for each agency. The MSR will also assess each district's capacity to meet current and future service demands, highlighting strengths and areas for improvement. We expect to complete the MSR and SOI Update by early 2026.

RSG will also be preparing an Alternative Governance Study to identify alternative governance models or organizational changes that could enhance service delivery and financial viability of fire protection service providers in unincorporated San Joaquin County. We expect to complete the alternative governance study by mid-2026.

Contact: JD Hightower, Executive Officer
San Joaquin LAFCO
209.468.3198 / jhightower@sjgov.org
44 N San Joaquin St, Suite 374, Stockton, CA 95203

Date of Services: January 2025 – Present

FIRE AGENCY MUNICIPAL SERVICES REVIEWS – SISKIYOU LAFCO

Siskiyou LAFCO retained RSG and Planwest Partners to prepare updates to the municipal service review and sphere of influence for all 30 different fire service providers in the County. The agencies included not only city fire departments and fire districts, but three community services districts, four hose companies, four zones of increased benefit, and one County service area. Given the location of the County, the MSR included understanding the pivotal roles played by state and federal partners specifically CAL FIRE and USFS. The MSR grouped fire service providers into regions for clearer analysis and study. One of several determinations made in the public review draft MSR is that several agencies are facing financial constraints due to under funding and recommended the agencies and LAFCO explore consolidations where appropriate.

Contact: Rachel Jereb, Senior Planner
Siskiyou Local Agency Formation Commission
530.842.8205 / rjereb@co.siskiyou.ca.us
806 S. Main Street, Yreka, CA 96097

Date of Services: April 2022 – Current

CSA 79 REORGANIZATION STUDY – SAN BERNARDINO COUNTY

On November 2, 2018, RSG delivered to the County of San Bernardino a Fiscal Impact Analysis report to accompany the application for reorganization of CSA 79. A dependent special district of the County, CSA 79 provided sewer and road maintenance services to a portion of the Hilltop community near Green Valley Lake in the San Bernardino Mountain area. We understand the application to San Bernardino LAFCO proposes to annex the CSA 79 territory into the adjacent Running Springs Water District (RSWD), an independent special district, who would in turn take over sewer services for the affected territory. At the same time, a new zone of the County Service Area 70 that provides road maintenance services would be created to continue maintenance of road duties by the County.

In our report, we concluded that the reorganization would result in substantial savings due to cost efficiencies by consolidating sewer services with RSWD, primarily due to avoidance of certain contract service surcharges, professional fees, and salaries. As of 2021, the County is continuing to consider reorganization which has been desired by many stakeholders and is considering an update to the 2018 report at this time.

Contact: Lewis Murray, District Representative - 2nd District Supervisor
County of San Bernardino
909.387.4833 / Lewis.murray@bos.sbcounty.gov
385 N. Arrowhead Ave, 5th Floor, San Bernardino 92415-0110

Date of Services: 2018 – Present

CONTRACT REVIEW

RSG has reviewed Yolo LAFCo's **draft Professional Services Agreement (Exhibit C)** and the **Insurance Requirement Guidelines (Exhibits A and B)** included in the Request for Proposals.

RSG understands and agrees to comply with the terms and conditions outlined in these exhibits, including the standard provisions regarding indemnification, insurance, and contract administration. RSG's existing insurance coverage meets or exceeds YCPARMIA's standard requirements, including:

- **Commercial General Liability:** \$2,000,000 per occurrence / \$4,000,000 aggregate
- **Automobile Liability:** \$1,000,000 per accident
- **Professional Liability (Errors and Omissions):** \$2,000,000 per occurrence / \$2,000,000 aggregate
- **Workers' Compensation:** Statutory limits / \$1,000,000 employer's liability

RSG has no material objections to the draft contract or insurance requirements as presented. However, should the Commission elect to proceed with a **fixed-fee or not-to-exceed contract**, RSG requests the opportunity to review **final language related to invoicing frequency, payment terms, and timing of deliverable acceptance** to ensure consistency with our internal accounting practices and mutual expectations.

Otherwise, RSG accepts all terms and conditions of the draft contract as written.