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RESOLUTION NO. 6814-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AWARDING A PROFESSIONAL SERVICES AGREEMENT TO GOVERNMENT CONSULTING PARTNERS, INC. FOR COST ALLOCATION PLAN CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED $19,500, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AND APPROVING A RELATED BUDGET AMENDMENT

WHEREAS, the City of Sebastopol uses a Cost Allocation Plan to allocate an appropriate share of centralized administrative and support costs to the departments and funds receiving those services; and

WHEREAS, the City determined that an independent review of its existing cost allocation methodologies and preparation of a new comprehensive Cost Allocation Plan are appropriate, with particular attention to allocations involving the Water and Wastewater Enterprise Funds; and

WHEREAS, on September 23, 2026, the City issued a Request for Proposals for Cost Allocation Plan consulting services; and

WHEREAS, the City received proposals from Government Consulting Partners, Inc., Matrix Consulting Group, and Willdan Financial Services; and

WHEREAS, the Budget Committee and Enterprise Fund Oversight Committee jointly interviewed the three firms on November 2, 2026, and individual committee member evaluations were advisory and considered as one component of staff's overall assessment; and

WHEREAS, staff evaluated the complete procurement record, including the proposals, written responses, qualifications and experience, methodology, interview performance, proposed deliverables, project schedule, advisory evaluations, and cost; and

WHEREAS, Government Consulting Partners, Inc. demonstrated the strongest overall combination of responsiveness to the City's identified needs, Enterprise Fund focus, transparency, documentation, accessibility, technical approach, and overall value; and

WHEREAS, the Fiscal Year 2026-27 budget includes approximately $8,200 for Cost Allocation Plan services, and an additional appropriation of $11,300 is necessary to fully fund the recommended agreement; and

WHEREAS, approval of the professional services agreement is not a project under the California Environmental Quality Act pursuant to CEQA Guidelines section 15378(b)(5), because it is an administrative activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AS FOLLOWS:

Section 1. The City Council selects Government Consulting Partners, Inc. to prepare the City's comprehensive Cost Allocation Plan and awards a Professional Services Agreement in an amount not to exceed $19,500.
Section 2. The City Manager is authorized to execute the Professional Services Agreement, subject to final review and approval as to form by the City Attorney, and to take any other actions reasonably necessary to implement this resolution.
Section 3. The City Council approves a Fiscal Year 2026-27 budget amendment in the amount of $11,300 and authorizes the Administrative Services Director to make the necessary budgetary and accounting entries to fully fund the agreement.
Section 5. This resolution shall take effect immediately upon its adoption.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 17th day of November 2026.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

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VOTE:

Ayes: Councilmembers Carter, Hinton, Zollman, Vice Mayor Maurer and Mayor McLewis
Noes: None
Abstain: None
Absent: None

APPROVED: Signed by: Jill McLewis 7C6BCED0A8914A1... _____
Mayor Jill McLewis

ATTEST: Signed by: Mary Gourley 44C0774260FE430... _____
Mary Gourley, City Manager

APPROVED AS TO FORM: Signed by: Alex Mog 66BDB79D572A4EB... _____
Alex Mog, City Attorney

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AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, made and entered into on November 17, 2026 by and between the City of Sebastopol, located in the County of Sonoma, State of California (City), and Government Consulting Partners, Inc. (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Professional Cost Allocation Plan services.

B. Consultant has represented that Consultant has the necessary expertise, experience, and qualifications to perform the required duties.

NOW, THEREFORE, in consideration of the mutual premises, covenants, and conditions herein contained, the parties agree as follows:

SECTION 1 – BASIC SERVICES

Consultant agrees to perform the services set forth in **Section B, "Scope of Services"** and made part of this Agreement.

SECTION 2 – ADDITIONAL SERVICES

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to or outside of those set forth in this Agreement or **Section B, "Scope of Services"**, unless such additional services and compensation are authorized in advance and in writing by the City Council or City Manager of the City.

SECTION 3 – TIME FOR COMPLETION

The time for completion of services shall be as identified in **Section C, "Project Schedule & Timeline"**.

SECTION 4 – COMPENSATION AND METHOD OF PAYMENT

A. Subject to any limitations set forth in this Agreement, City agrees to pay consultant the amount specified in **Section H**, "Proposed Pricing," attached hereto and made a part hereof. Total compensation shall not exceed a total of $19,500 unless additional compensation is approved in accordance with Section 2.

B. Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories if applicable: labor (by sub-category), travel, materials, equipment, supplies, subconsultant contracts, and miscellaneous expenses. City shall independently review each invoice submitted to determine whether the work performed, and expenses incurred are in compliance with the provisions of this Agreement. If no charges or expenses are disputed, the invoice shall be approved and City will use its best efforts to cause Consultant to be paid within 30 days of receipt of invoice. If any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. If the City reasonably determines, in its sole judgment, that the invoiced charges and expenses exceed the value of the services performed to date and that it is probable that the Agreement will not be completed satisfactorily within the contract price, City may retain all or a portion of the invoiced charges and expenses. Within thirty (30) days of satisfactory completion of the project, City shall pay the retained amount, if any, to Consultant.

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C. Payment to the Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

SECTION 5 – STANDARD OF PERFORMANCE

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

SECTION 6 – INSPECTION AND FINAL ACCEPTANCE

City may inspect and accept or reject any of Consultant's work under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant's work within sixty (60) days after submitted to City, unless the parties mutually agree to extend such deadline. City shall reject work by a timely written explanation, otherwise Consultant's work shall be deemed to have been accepted. City's acceptance shall be conclusive as to such work except with respect to latent defects and fraud. Acceptance of any of Consultant's work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, the sections pertaining to indemnification and insurance.

SECTION 7 – INSURANCE REQUIRED

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. Workers' Compensation insurance, as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease. (Not required if consultant provides written verification that it has no employees)

4. Professional Liability (Errors and Omissions) Insurance appropriates to the Consultant's profession, with limit no less than $2,000,000 per occurrence or claim, $2,000,000 aggregate. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after

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completion of contract work. A copy of the claims reporting requirements must be submitted to the City of Sebastopol for review. If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Sebastopol requires, and shall be entitled to, the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Sebastopol.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions: The City of Sebastopol, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.

General liability coverage can be provided in the form of an endorsement to the Consultant's insurance at least as broad as one of the following ISO ongoing operations Forms: CG 20 10 or CG 20 26 or CG 20 33 (not allowed from subcontractors), or CG 20 38; **and** one of the following ISO completed operations Forms: CG 20 37, 2039 (not allowed from subcontractors), or CG 20 40.

Primary Coverage

For any claims related to this contract, the Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Sebastopol, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Sebastopol, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation

Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required polices are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance.

Waiver of Subrogation

Consultant hereby grants to the City of Sebastopol a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City of Sebastopol by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Sebastopol has received a waiver of subrogation endorsement from the insurer. However, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Sebastopol for all work performed by the Contractor, its employees, agents, and subcontractors.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City of Sebastopol. The City of Sebastopol may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the City of Sebastopol.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City of Sebastopol.

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Verification of Coverage
Consultant shall furnish the City of Sebastopol with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City of Sebastopol before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City of Sebastopol reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors
Consultant shall require and verify that all subcontractors maintain insurance, meeting all the requirements stated herein, and Contractor shall ensure that the City of Sebastopol is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances
The City of Sebastopol reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

SECTION 8 – INDEMNIFICATION

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The insurance required to be maintained by Consultant shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City's sole negligence or willful acts or misconduct.

SECTION 9 – INDEPENDENT CONTRACTOR STATUS

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee, or agent of City. Consultant shall have no authority to bind City in any manner, nor to incur

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an obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of City.

C. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

D. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

SECTION 10 – CONFLICTS OF INTEREST

A. Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City Manager. Consultant agrees to at all times avoid conflicts with the interests of City in the performance of this Agreement.

B. City understands and acknowledges that Consultant is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant is aware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 11 – OWNERSHIP OF DOCUMENTS

A. All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing any services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Consultant. When requested by City, but no later than three years after project completion, Consultant shall deliver to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

B. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, improvements, developments, works of authorship, or

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other products developed or created by Consultant during the course of providing services (collectively the "Work Product") shall belong exclusively to City. The Work Product shall be considered a "work made for hire" within the meaning of Title 17 of the United States Code. Without reservation, limitation, or condition, Consultant hereby assigns, at the time of creation of the Work Products, without any requirement of further consideration, exclusively and perpetually, any and all right, title, and interest Consultant may have in the Work Product throughout the world, including without limitation any copyrights, patents, trade secrets, or other intellectual property rights, all rights of reproduction, all rights to create derivative works, and the right to secure registrations, renewals, reissues, and extensions thereof.

SECTION 12 – CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION

A. All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided consultant gives City notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent, or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite such response.

SECTION 13 – SUSPENSION OF WORK

City may, at any time, by ten (10) days written notice suspend further performance by Consultant. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and Consultant shall be paid for services performed and reimbursable expenses incurred prior to the suspension date.

SECTION 14 – COMPLIANCE WITH LAW

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement.

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Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

SECTION 15 – COMPLIANCE WITH CIVIL RIGHTS

During the performance of this contract, Consultant agrees as follows:

A. Equal Employment Opportunity. In connection with the execution of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, ancestry, age, sexual orientation, physical handicap, medical condition, marital status, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training including apprenticeship.

B. Nondiscrimination Civil Rights Act of l964. Consultant will comply with all federal regulations relative to nondiscrimination to federally-assisted programs.

C. Solicitations for Subcontractors including Procurement of Materials and Equipment. In all solicitations, either by competitive bidding or negotiations, made by Consultant for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor, supplier, or lessor shall be notified by Consultant of Consultant's obligations under this Agreement and the regulations relative to nondiscrimination.

SECTION 16 – RECORDS

A. Records of Consultant's direct labor costs, payroll costs, and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a generally recognized accounting basis and made available to City if and when required for a period of up to 3 years from the date of Consultant's final invoice.

B. Consultant's records and design calculations will be available for examination and audit if and as required. The cost of any reproductions shall be paid by City.

SECTION 17 – COOPERATION BY CITY

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the work as outlined in **Section B**, "Scope of Services," shall be furnished to Consultant in every reasonable way to facilitate, without undue delay, the work to be performed under this Agreement.

SECTION 18 – NOTICES

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by facsimile or first class mail, addressed as follows:

To City: City Manager
7120 Bodega Ave
Sebastopol, California 95472

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To Consultant: Government Consulting Partners, Inc.
c/o Bradley Burgess – Executive Vice President
5016 Brower Court
Granite Bay, CA 95746

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile, or, if mailed, three (3) days after deposit in the custody of the U.S. Postal Service.

SECTION 19 – TERMINATION

A. City may terminate this Agreement, with or without cause, at any time by giving sixty (60) days written notice of termination to Consultant. If such notice is given, Consultant shall cease immediately all work in progress.

B. If either Consultant or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or City may terminate this Agreement immediately upon written notice.

C. Upon termination of this Agreement by either Consultant or City, all property belonging to City which is in Consultant's possession shall be delivered to City. Consultant shall furnish to City a final invoice for work performed and expenses incurred by Consultant, prepared as set forth in this Agreement.

SECTION 20 – ATTORNEY FEES

If litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys' fees, costs and expenses, in addition to any other relief to which it may be entitled. In addition, any legal fees, costs and expenses incurred to enforce the provisions of this Agreement shall be reimbursed to the prevailing party.

SECTION 21 – ENTIRE AGREEMENT

This Agreement, including the attached Exhibits, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 22 – SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties. However, this Agreement shall not be assigned by Consultant without written consent of the City.

SECTION 23 – CONTINUITY OF PERSONNEL

Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff assigned to perform the services required under this Agreement, prior to any such performance.

SECTION 24 – DEFAULT

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In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default and may terminate this Agreement immediately by written notice to Consultant.

SECTION 25 – WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 26 – LAW TO GOVERN; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Sonoma. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in San Francisco.

SECTION 27 – SEVERABILITY

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 28 – SPECIAL PROVISIONS

This Agreement is subject to the following special provisions: none.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:

By: _____
Name: Bradley Burgess
Title: Executive Vice President

City:

By: _____
Name: Mary Gourley
Title: City Manager

Approved as to Form:

By: _____
Name: Alex Mog
Title: City Attorney

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GCP

CITY OF SEBASTOPOL
California

Cost Allocation Plan

Proposal

October 14, 2026







Government Consulting Partners, Inc.
www.governmentconsultingpartners.com

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A Cover Letter

October 14, 2026

Mary Gourley, City Manager
City of Sebastopol
7120 Bodega Avenue
Sebastopol, CA 95472

Re: Request for Proposals for a Cost Allocation Plan

Dear Ms. Gourley:

Sebastopol needs a cost allocation plan that its staff can maintain and its community can understand. The work must independently examine questioned allocations, give Water and Sewer a clear account of the services they receive, and equip the City to explain the evidence behind its decisions. Government Consulting Partners, Inc. (GCP) proposes to deliver that work with direct senior leadership, a transparent Excel model, and a Management Report that makes the calculations accessible to staff, the Enterprise Fund Oversight Committee (EFOC), and the City Council.

Brad Wilkes will direct the engagement through 2026. Brad Burgess will direct it from January 2027 and lead every committee and Council presentation, and Matt Wilson will build the model. Our regional experience includes eight years of work for Santa Rosa through 2026 on federal and full-cost CAPs and IT internal service fund rates, including enterprise and housing allocations subject to close scrutiny. Recent work for Sonoma County and Rohnert Park, together with our team's earlier work for Petaluma and Cotati, gives us a practical understanding of the public finance environment around Sebastopol. Our principals have worked with California cities and their enterprise funds for decades, and we will attend both Council presentations in person at no added charge.

Our proposed fee is not to exceed $19,500 for the complete base scope, billed on actual hours. It includes two committee meetings, two Council presentations, staff training, the enterprise allocation compliance memorandum, and twelve months of routine follow-up support. The Management Report is a standard part of our CAP delivery. The full GCP team is available for the December 1 kickoff, January 19 draft, and February 16 final milestones. We also offer the City a four-week extension for review and adoption at the same base fee, as described in Section C.

This proposal is a firm offer for 120 days. We acknowledge Addendum No. 1, issued October 5, 2026. Our primary proposal contact is J. Bradley Burgess, Executive Vice President, at the address, telephone number, and email below. Brad Wilkes and Brad Burgess will direct the project as described above.

Sincerely,

J. Bradley Burgess
Executive Vice President
Government Consulting Partners, Inc.
bradburgess@gcp-inc.net | (916) 595-2646
5016 Brower Court, Granite Bay, CA 95746
www.governmentconsultingpartners.com

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Attachment 2 City of Inglewood 2 CFR Housing CAP Excerpts.....29

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B Project Approach and Proposed Scope of Work

An independent answer to the City's allocation questions

The central question is whether each fund is paying a supported share of the services it actually receives. Sebastopol's review of its existing FY 2025-26 CAP, the May 2026 Grand Jury report, and the committee's work makes that question especially important. An allocation percentage can be mathematically consistent and still lack an adequate explanation of benefit. GCP will examine both the calculation and the evidence, then explain why each material method should be retained, refined, replaced, or discontinued.

We will begin with the City's existing plan and supporting records. Reusing sound account mappings and usable workload information reduces demands on staff and preserves continuity. Every contested cost treatment and allocation base will still receive an independent review. The existing percentages will be tested against current responsibilities, available actual expenditures, the FY 2026-27 budget, and documented demand for services. The City's transition of fire services will also be reflected in current department and recipient definitions.

Brad Wilkes and Brad Burgess will conduct the sensitive methodology discussions, and Brad Burgess will lead the public presentations. GCP's sustained Santa Rosa work provides a relevant foundation for evaluating challenged enterprise allocations and explaining the differences between a full-cost result, an allowable charge, and a policy choice. Matt will build and document the model and test its calculations. The people responsible for the analysis will remain available to explain it through adoption and the first year of use.

A model and report designed for City ownership

GCP's CAP model was designed for staff to change cost pools, allocation bases, organizational units, and scenario assumptions. Sebastopol will receive a functional Excel workbook with clearly identified inputs, editable assumptions, formulas, and instructions. The City will be able to update the plan annually and compare a proposed change with the adopted baseline without rebuilding the model or relying on an unexplained consultant adjustment.

The Management Report is the public-facing explanation of that workbook. It follows costs from the central service pool to the receiving department or fund, shows the drivers of each charge, and records the rationale for the allocation base. Water and Sewer will each receive a focused view. Department leaders can use the same format to understand their allocations and identify which facts would change them.

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What the Grand Jury report means for this work

The May 2026 report, City of Sebastopol's Water and Sewer Systems: Deferred Action has Consequences, connects cost allocation, enterprise financial capacity, and public accountability. Finding F1 estimates approximately $5.5 million in historical overallocation over nine years. Finding F2 describes an approximately $714,000 reduction in annual enterprise allocations following the 2024 study. These findings make a documented explanation of the change in methodology especially important. GCP will review the report together with the City's responses, subsequent actions, and underlying records rather than treat a reported estimate as an established repayment amount.

The report's historical estimate applies the later Water and Wastewater interfund-charge percentages of revenue to earlier years. That comparison identifies a question requiring review; it does not, by itself, establish the services received or costs properly allocable in each earlier year. Revenue changes, including the conservation-related changes discussed in the report, can change that percentage even when a support service's cost or workload does not change. Our current-year allocation bases will therefore follow documented service demand and benefit. A historical repayment determination would require the relevant years' evidence and a separately defined reconstruction if the City requests it.

Recommendation R1 calls for regular study updates. Staff-maintainable inputs, annual-update instructions, and documented bases will help the City keep the CAP current between comprehensive reviews. Recommendation R2 concerns agreement on historical misallocations and repayment. The base diagnostic will identify the methods and records relevant to that question and explain the limits of what the current CAP establishes. The base scope does not include a nine-year forensic reconstruction, a repayment schedule, or a utility rate study. The City may authorize a historical review as an optional service (Section H). Recommendation R3 addresses committee expertise; the Management Report and two committee sessions will give reviewers a clear basis for examining the allocations, while committee appointments remain a City decision.

The report also links enterprise resources to deferred maintenance and system needs. The CAP must preserve a supported account of central service costs so the City can distinguish legitimate utility support from costs that should remain elsewhere. The Water and Sewer spotlights, enterprise memorandum, and explanation of changes from the prior plan will make that distinction visible to staff and the public.

Authentic Management Report examples

The four authentic exhibits that follow are from Emeryville's FY 2025/2026 budget-based full-cost plan, delivered August 2026. CAP schedules and applicable 2 CFR Part 200 documentation remain intact beneath the reporting layer. Sebastopol's enterprise treatments will be evaluated independently.

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Management Report Layer 1 The whole plan on one screen

The opening page reconciles central service budgets, incoming allocations, and costs reaching operating departments. It then identifies the largest pools, functions, allocation bases, and recipients.

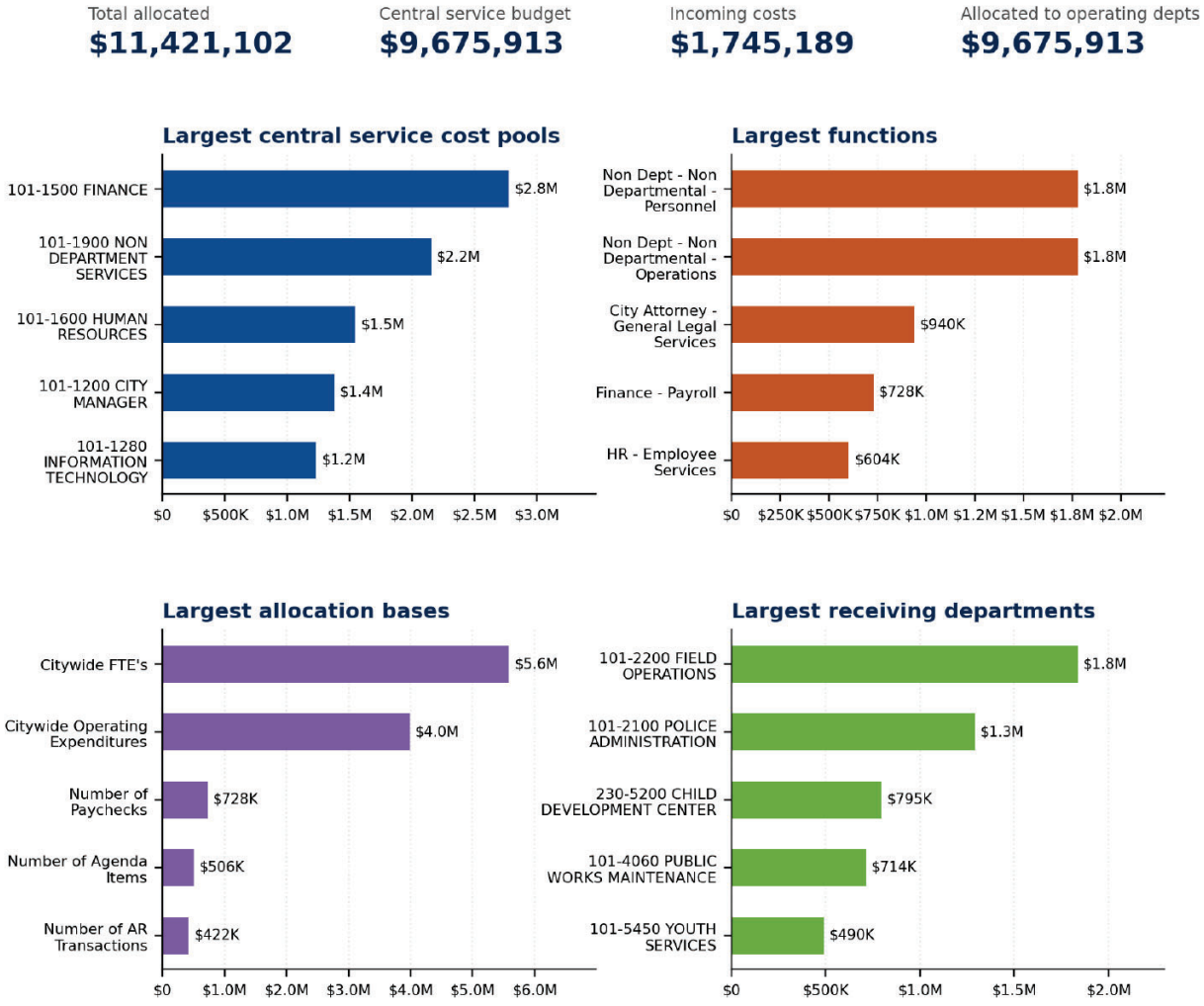


Exhibit 1. City of Emeryville, California, FY 2025/2026 Full Cost Allocation Plan Management Report. Delivered August 2026. Authentic report exhibit; content unchanged.

For Sebastopol, this view will make the plan's scale and major drivers visible before a reader enters the detailed schedules. We will distinguish costs moving between central services from amounts ultimately assigned to operating funds, so the overview does not imply that intermediate allocations are additional recoverable costs.

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Management Report Layer 2 A view for every central service

Each central service receives a consistent presentation of the departments it supports. The underlying report also identifies the functions and allocation bases that explain those charges.

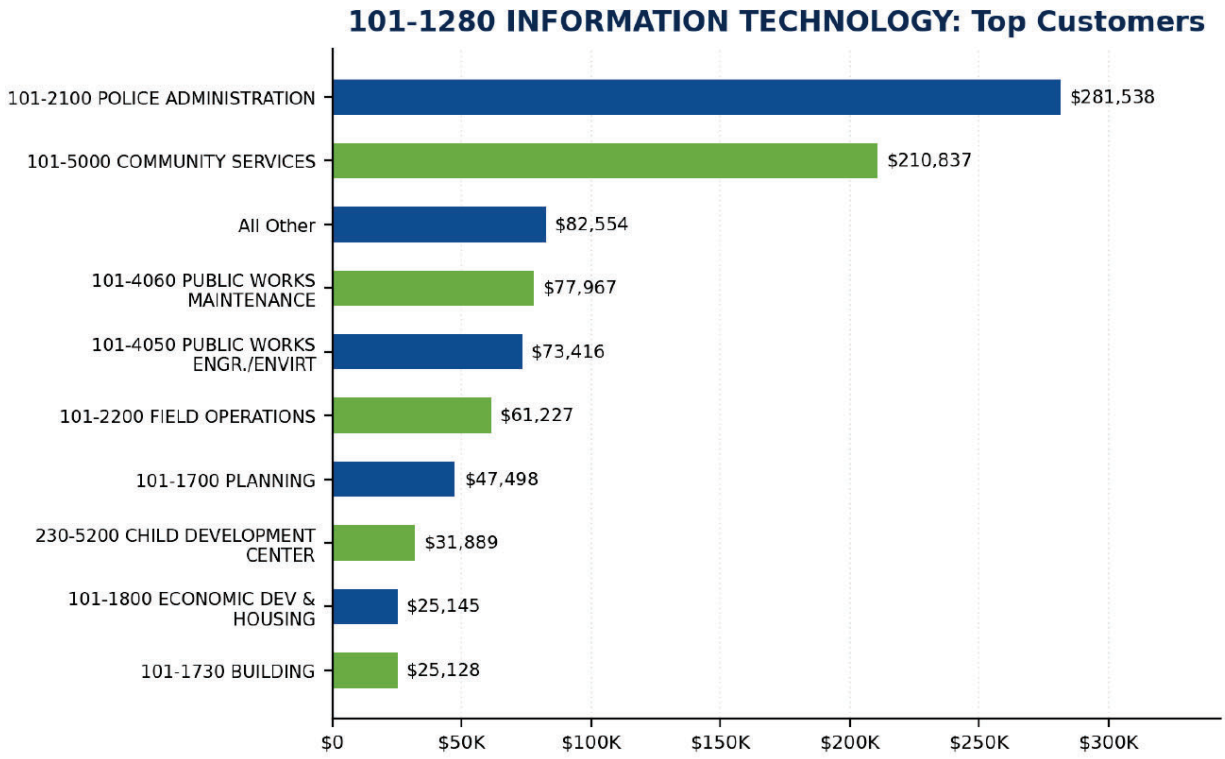


Exhibit 2. City of Emeryville, California, FY 2025/2026 Full Cost Allocation Plan Management Report. Delivered August 2026. Authentic report exhibit; content unchanged.

When Water, Sewer, or another department questions a central service charge, staff can start with a focused explanation of the service and its recipients. The same structure across Finance, Human Resources, IT, and other pools makes unusual results easier to recognize and gives reviewers a common basis for discussion.

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Management Report Layer 3 A spotlight on each receiving fund

The spotlight follows one receiving program's central service charges by allocating department and by allocation base. This Emeryville example illustrates the format using a child development program.

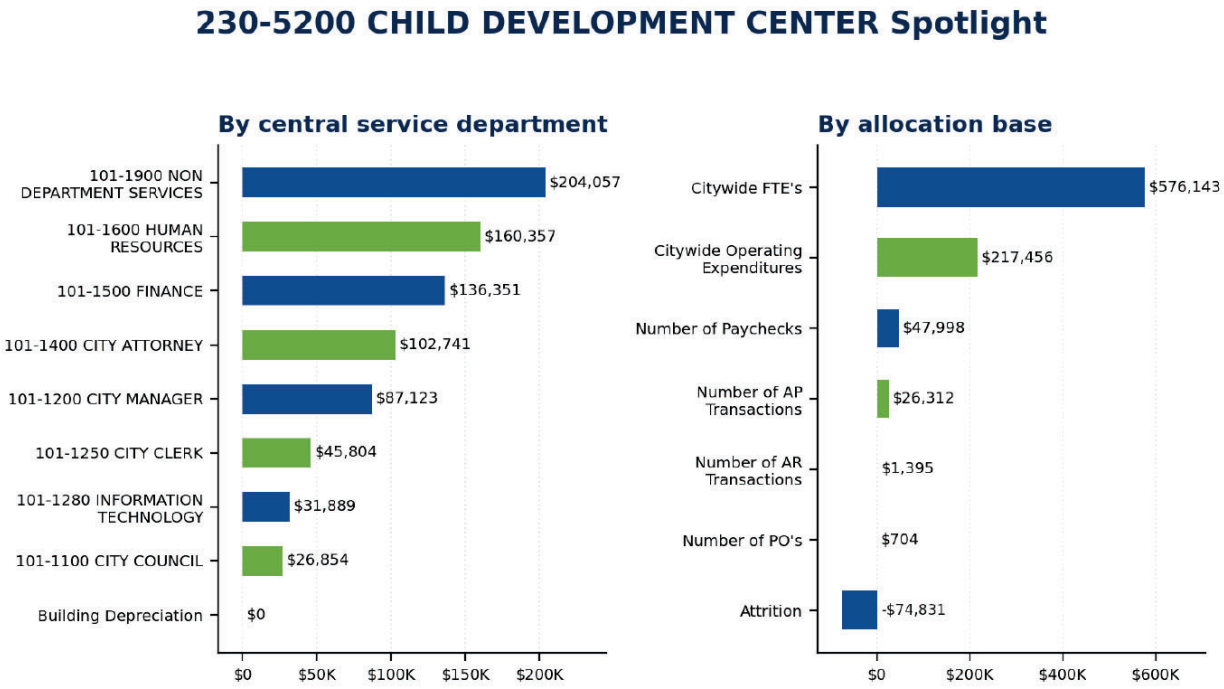


Exhibit 3. City of Emeryville, California, FY 2025/2026 Full Cost Allocation Plan Management Report. Delivered August 2026. Authentic report exhibit; content unchanged.

Sebastopol's Water and Sewer spotlights will show where each enterprise allocation originates and what drives it. GCP can produce the same view for any existing modeled program, fund, or grant the City identifies, at no extra charge. A spotlight supports the explanation of a charge; the underlying cost treatment and supporting evidence establish its eligibility for the intended use.

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Management Report Layer 4 A stated reason for every base

The narrative explains the central service pool and pairs each function with its allocated dollars, allocation base, and written rationale. The IT example connects different support functions to different measures of demand.

101-1280 INFORMATION TECHNOLOGY

101-1280 INFORMATION TECHNOLOGY is a central service cost pool in the City of Emeryville's 2025/2026 Full Cost Allocation Plan. The department's costs are organized into the following functions: IT Admin, Help Desk, Network & Infrastructure, Desktop. Total costs after incoming allocations are $1,231,546.

Large service and supply items include Fringe Benefits $354,834 (S); 80050 PROFESSIONAL SERVICES $25,000 (S); 77960 TECHNOLOGY CHARGE $11,354 (S); 73000 OFFICE SUPPLIES $3,000 (S); 84000 EDUCATION AND TRAINING $3,000 (S).

Function	Allocated $	Allocation Base	Why this base is used
IT Admin	$307,887	Citywide FTE's	FTEs are a practical proxy for organization-wide staffing demand and recurring support workload.
Help Desk	$307,887	Number of Help Desk Tickets	Help desk tickets measure actual support incidents generated by users.
Network & Infrastructure	$307,887	Number of Devices	Device counts approximate network and infrastructure demand.
Desktop	$307,887	Number of Workstations	Workstation counts measure desktop support and endpoint usage.

Exhibit 4. City of Emeryville, California, FY 2025/2026 Full Cost Allocation Plan Management Report. Delivered August 2026. Authentic report exhibit; content unchanged.

Sebastopol will receive this explanation for each material cost pool and function. A base will be supported by the service relationship, source data, and practical limitations of the available evidence. Where a proxy is necessary, the report will say why it is reasonable, what its limitations are, and how better time or workload records could improve a future update.

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Phased work plan

The work plan follows the RFP's five tasks. Section H divides the work into eight priced segments so the City can see the effort assigned to analysis, model development, public review, and continuing assistance. Each phase ends with an identifiable product that staff can review.

Task 1 Kickoff and independent review

At the December 1 kickoff, the full GCP team will meet virtually with the City Manager, Administrative Services, and department representatives, with EFOC participation as appropriate. We will establish the review process, confirm responsibilities, reserve presentation and training dates, and issue one coordinated data request. The approved work plan will identify the information needed, the person responsible for each item, and the decisions that must be made before the model is finalized.

Our initial diagnostic will examine the FY 2025-26 CAP and its available working files, the Grand Jury's findings and recommendations, the City's responses and subsequent actions, and relevant committee recommendations. We will identify contested allocations, distinguish analytical questions from policy and legal questions, and prepare a methodology review log. The log will map relevant Grand Jury issues to the proposed review, including the historical estimate, the explanation of the 2024 allocation change, and continuing update practices. For each material issue, it will show the existing treatment, evidence available, proposed action, and reason for the recommendation. This gives the City a record of what changed and why, including the reasons for retaining methods that remain well supported.

Measurable outputs are the kickoff summary, confirmed work plan, consolidated data request, and initial methodology review log. These products establish the priorities before staff spend time collecting additional information.

Task 2 Data collection and direct charging assessment

GCP will assemble the current and prior budgets, available actual expenditures, organization charts, position control, compensation and benefits information, and existing time or workload records. Interviews will test how central services support Water, Sewer, and other recipients. We will reconcile account mappings to the source totals and identify exclusions, directly charged items, and costs already recovered through internal service billings or other mechanisms.

Allocation bases will be selected by function. Candidate measures include payroll activity, purchasing and payable transactions, IT devices or support activity, usable facilities area, and identifiable enterprise legal billings. We will test these measures against the services received. Where information is incomplete, we will document the gap, evaluate a reasonable interim approach, and recommend improvements for the next annual update.

The timekeeping assessment will identify who should record time, useful service and fund codes, entry frequency, and exception review. We will recommend a practical framework or module appropriate to the City's systems and workload. Assessment and design recommendations are included. System installation, a sustained time study, or extensive historical reconstruction would require a separately authorized scope.

Measurable outputs are the reconciled data inventory, proposed allocation bases with source references, direct-charge and duplicate-charge controls, and a written timekeeping recommendation.

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Task 3 Excel CAP and service-level costing

The model will use the FY 2026-27 budget and the most recent actual expenditures available, with each input's basis identified. We will reconcile the selected cost basis to those records and explain material differences in spending, demand, organization, or methodology.

The plan will cover Finance, Human Resources, IT, City Manager, City Clerk, facilities, and other applicable central support. Costs will be organized by service or function, with recipients defined to explain fund and operating-service charges. Each function will identify direct costs, incoming support, exclusions, and its allocation base.

A documented allocation sequence and reciprocal treatment will account for support exchanged among central services. Schedules will reconcile these flows to costs ultimately assigned to operating recipients. All appropriate beneficiaries, including General Fund functions, will be included. Direct billing and internal service recoveries will be checked to prevent duplicate CAP charges.

Activity costs and overhead rates included in the CAP

The base scope includes full-cost summaries for modeled departments, funds, and service functions, showing identifiable direct operating costs and central support. Where records identify a distinct activity and workload, we will show its supported cost. Staff can test a new or expanded service by changing documented staffing, direct costs, and central service demand in a scenario.

We will also produce documented general and administrative overhead rates for use in the City's billable hourly-rate calculations. Each rate will identify its numerator, denominator, covered costs, exclusions, and intended application. Where compensation and productive-hours data are available, an illustrative hourly calculation will show how direct compensation, benefits, applicable departmental support, and citywide overhead fit together. We will check that costs embedded in a labor or internal service rate are not added again. Alternative denominator presentations will be labeled so staff do not apply two rates to the same cost.

These outputs establish the CAP's service-cost and overhead foundation. Developing an entire user fee schedule, setting utility rates, creating a new IT billing system, or conducting extensive activity time studies would be a separate engagement if requested. The distinction preserves a complete CAP while making the City's next costing decision easier to scope.

Workbook functions and model verification

Input areas, applicable dropdowns, formulas, and output sheets will be identified in the workbook. Staff will be able to edit cost pools, allocation bases, organizational units, and scenario inputs. An adopted baseline and separate scenario results will preserve a clear comparison. A change log and instructions will show how to refresh source data, review exceptions, and restore the baseline.

Before release, Matt will test source reconciliations, allocation percentages, complete recipient populations, cost flows, exclusions, and duplicate-charge controls. Both principals will independently review the major cost treatments, enterprise results, and written explanations. We will test representative staff edits and scenario changes, then confirm that totals recalculate and reports remain consistent with the model. Measurable outputs are the functional draft workbook, allocation schedules, service-cost summaries, overhead-rate schedules, scenario comparisons, and methodology narratives.

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Enterprise memorandum and public review

Proposition 218 and Proposition 26 memorandum

The memorandum will connect each material enterprise allocation to its service, cost evidence, beneficiary, and allocation basis. It will explain relevant Proposition 218 and Proposition 26 principles, identify matters requiring City counsel's interpretation, and document resolved treatments. GCP will provide fiscal analysis and coordinate legal conclusions with counsel. Counsel's participation and legal services remain the City's responsibility.

Particular attention will be given to legal services, general administration, policy activities, and charges that may overlap with direct billing or internal service fund rates. We will distinguish documented enterprise work from general governmental activity and identify unsupported items for resolution. The memorandum will address safeguards against duplicate recovery and explain why the enterprise allocation method is reasonably connected to the services received. It will also distinguish the measured full cost from the portion eligible for a particular charge or recovery purpose.

A readable narrative and treatment schedule will reference the workbook and source records. Recommendations may include better invoice coding, direct time entry, updated workload measures, or removal of unsupported allocations, with implementation steps and evidence needed for future updates.

Task 4 Committee meetings and Council presentations

GCP will prepare and participate in two EFOC/Budget Committee meetings and two City Council presentations, covering draft findings and final recommendations. The fee includes presentation materials, preparation, questions during the meetings, and revisions arising from the required review. Brad Burgess will lead the presentations; Matt will provide model support as needed. Council presentations are in person at no added charge, and committee meetings are virtual, consistent with the RFP's preference for effective virtual delivery. Additional visits are priced in Section H.

We will present the main findings in ordinary language, use the Water and Sewer spotlights to explain the charges, and show how alternative methods affect the results. A review log will track comments and their disposition. Staff will receive a consolidated response explaining the change made or the reason a requested change was not adopted. This provides a record that can accompany the City's final decision.

Training and twelve months of continuing assistance

A two- to three-hour virtual training session will use Sebastopol's own workbook. Staff will practice updating a cost input, changing an allocation base, comparing a scenario, and checking the resulting schedules. GCP will provide instructions, training materials, and a recording of the virtual session or detailed notes if recording is unavailable. We will ask staff to demonstrate an update so the handoff establishes practical capability.

For twelve months after acceptance, GCP will answer routine questions, make minor refinements, and provide initial audit or challenge assistance. We will explain schedules, trace charges, correct model issues, and help staff frame responses. The planning allowance is not an automatic hours cutoff. New annual plans, substantial reconstruction, new activities, litigation services, or sustained audit defense would require a separately agreed scope before additional charges are incurred.

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Task 5 Deliverables and project communication

The final package will include the CAP and Management Report in editable Word and PDF, the fully functional Excel model with all worksheets and documentation, an executive summary suitable for public review, committee and Council presentation materials in PowerPoint, training materials and a recording or detailed notes, and the enterprise compliance memorandum. GCP will deliver organized working papers and source data files electronically, with a file index that connects the major inputs to the model. Staff will have the information needed to reproduce and update the plan.

The report will describe the methods, assumptions, and material changes from the existing CAP. Its schedules will identify cost pools, allocation bases, recipient shares, and results. The executive summary will explain what the plan measures, the principal changes, effects on Water and Sewer, and decisions that remain with the City. Full cost, legal allowability, and the Council's recovery policy will be described distinctly so the report does not treat a cost calculation as an automatic authorization to charge.

Communication and quality control

Brad Wilkes will be the City's single point of contact for scope, methods, and decisions through 2026, and Brad Burgess from January 2027. During active development, GCP will provide a brief weekly written update identifying completed work, information still needed, unresolved decisions, and the next review milestone. Matt will coordinate the detailed data questions through the designated City lead. One shared request log will help prevent repeated questions to different departments.

We will seek early agreement on the consequential methods before completing the entire report. That gives staff and counsel time to address the difficult questions while the calculations are still being developed. Written recommendations will identify the underlying evidence and the effect on the allocation, and we will distinguish a model correction from a new scope request. The same issue log will follow the work through committee review, Council consideration, and final delivery.

The final review will reconcile report figures to the workbook, confirm that the Management Report reflects the approved model, check the enterprise treatment schedule against counsel's resolved comments, and verify that the City can open and use the delivered files. Acceptance will be based on the agreed scope and delivery of the documented, functional products. GCP will correct errors in its work without treating the correction as an additional service.

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C Project Schedule and Timeline

The full GCP team is available to meet the RFP schedule. The January 19 draft falls seven weeks after the December 1 kickoff, across the holiday period when staff availability is typically reduced. The schedule is achievable with early data delivery, reserved meeting dates, and consolidated City review. Given the history of questioned allocations, we recommend additional review time before final adoption.

Milestone	RFP schedule	Recommended alternative
Award and scheduling	November 17, 2026	November 17, 2026
Kickoff and data request	December 1, 2026	December 1, 2026
Core records and initial interviews	December 1–11	December 1–11
Initial methods and data reconciliation	December 14–January 8	December 14–January 8
Draft CAP, report, and Excel model	January 19, 2027	January 19, 2027
Two committee meetings and first Council review	January 20–February 9, subject to calendars	January 20–February 23, subject to calendars
Consolidated staff and counsel review	Late January–early February	Late January–early March
Final files, training, and final Council presentation	February 16, 2027	Target March 16, 2027, subject to City approval and calendar
Routine follow-up assistance	12 months after final acceptance	12 months after final acceptance

The recommended alternative preserves the December kickoff and January draft, adds four weeks for review and adoption, and carries the same $19,500 base fee. It allows the methodology questions to receive deliberate consideration without forcing staff, counsel, and public bodies to respond within a compressed period. It changes the review window, while retaining the same scope and four required appearances.

For the February 16 schedule, the critical path is receipt of the core financial and workload records by December 11, access to department representatives early in the project, timely resolution of enterprise cost treatments with counsel, and advance reservation of both committee meetings and both Council presentations. We will identify missing information promptly and agree on supported interim assumptions where necessary. The City lead should consolidate staff comments and provide coordinated direction within the review windows established at kickoff.

Approximately half of December is often constrained by holidays and staff absences. We will complete interviews and major data clarification before that period where possible and use available time for model development. If a critical record or decision is delayed, the project director will advise the City promptly of the effect and propose a revised sequence. The recommended extension is an option for the City; GCP's base proposal remains responsive to the stated RFP milestones.

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D Experience and Qualifications

Firm history and California public finance focus

GCP began as a sole proprietorship in March 2018 and became a California S corporation in July 2023. The privately held firm was founded by Brad Wilkes, whose municipal consulting experience spans more than forty years. Our primary office is at 5016 Brower Court, Granite Bay, California. Our services include cost allocation plans, indirect cost rate proposals, internal service fund and billable hourly rates, user fee studies, fiscal cost analysis, and state mandated cost reimbursement work.

For Sebastopol, those services fit together around one question: which costs belong to which activity, and what evidence supports the assignment? Experience with federal CAP rules sharpens the documentation and cost-treatment discipline. Full-cost plans provide the broader municipal cost picture. Internal service and hourly-rate work helps identify charges already embedded elsewhere. These perspectives allow GCP to examine the enterprise allocations as part of the City's complete cost structure.

Santa Rosa Eight years of directly relevant work

Through 2026, GCP's work for Santa Rosa spans eight years and includes 2 CFR Part 200 cost allocation plans, full-cost CAPs, and IT internal service fund billing rates. Housing and enterprise funds have closely scrutinized and challenged the City's calculations. That experience is especially relevant to Sebastopol because the work must explain both the allocation mechanics and the service relationship underlying a disputed charge.

The practical value is familiarity with the questions a receiving fund asks: what service did it receive, what cost belongs in the pool, why is this base appropriate, and where might the same cost already have been charged? GCP brings that perspective to the first interview and carries it into the model, narrative, and public presentation. The Santa Rosa experience supports the review discipline proposed here; Sebastopol's facts will determine its conclusions.

Sonoma County and neighboring cities

For Sonoma County during 2024–2026, our work includes SB 90 claiming and test claim development. Establishing a reimbursement claim requires a supported connection between an activity, the applicable requirement, and the cost incurred. That evidence discipline is useful when evaluating the basis of a questioned municipal allocation.

GCP's Rohnert Park work during 2024–2026 includes development user fees and Public Works hourly rates. It provides relevant experience translating labor, departmental support, and central overhead into usable service costs. The team's earlier work for Petaluma and Cotati included SB 90 and other costing projects before GCP was established. We identify those engagements as prior career experience and include them as part of our long-standing familiarity with the region.

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Enterprise fund experience across our careers

GCP works with enterprise fund and housing managers every year. In Santa Rosa, we deal with demanding and sophisticated housing and enterprise fund managers who test each allocation. In Inglewood, GCP's analysis and negotiation with HUD resulted in an $800,000 audit restoration, and our cost allocation plan process has built a positive working relationship with the City's enterprise funds. The City of Sacramento has multiple internal service funds and enterprise funds, and we work with them successfully every year.

Our principals' experience reaches back further. At Maximus, Public Resource Management Group, and MGT Consulting, they prepared cost allocation plans that assigned central service costs to enterprise funds. Brad Wilkes built a practice serving hundreds of municipal clients, Brad Burgess has advised all 58 California counties and more than 160 cities, and Matt Wilson directed more than thirty cost allocation plan engagements at MGT Consulting. Those earlier engagements predate GCP and are presented as career experience, not as GCP projects.

That experience shapes how we document the relationship between a charge and the service received, which is the evidence Proposition 218 and Proposition 26 require the City to be able to produce.

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Regional access and continuity

Sebastopol will receive a Northern California project lead who can remain directly involved in the work and travel from GCP's Granite Bay headquarters to attend both Council presentations in person at no added charge. Proximity is useful because it connects access to the person making the methodology decisions with an established understanding of Sonoma County agencies. Matt's San Diego location supports efficient virtual model development and working sessions. Additional optional visits are available at the stated price, with the purpose and date agreed in advance.

Our neighboring agency experience gives us context for the City's operating environment, while the independent review will be grounded in Sebastopol's own records. We will use relevant lessons about documentation, fund scrutiny, and staff maintenance without importing another city's allocation percentages or assuming that its legal treatment applies here.

Advantages that matter to this engagement

Senior continuity is built into the assignment. Brad Wilkes will lead the diagnostic and consequential methodology decisions through 2026, and Brad Burgess will join that analysis, direct the project from January 2027, and lead the presentations. Matt will remain responsible for the workbook and its documentation. The City can question a result with the consultants who produced it, reducing the need to repeat background information or reconcile answers from a changing team.

The model and reporting approach address the City's next year as well as this year. Editable pools, bases, organizational units, and scenarios support annual maintenance. Function narratives and recipient spotlights give staff a record they can use when a department challenges a charge or a public official asks how an allocation was derived. Training will use the actual Sebastopol files, so the handoff has an immediate practical purpose.

The proposed review brings attention to enterprise allocations before the final report. Early cost-treatment discussions, a written methodology review log, and coordination with counsel provide a clear path for resolving disputed items. GCP's role is to identify and explain the supported result. The City will retain responsibility for legal determinations, recovery policy, and adoption.

Our completed California work also demonstrates delivery at different scales. Emeryville's recent full-cost CAP and Management Report show the proposed reporting structure in a municipal setting. Inglewood's housing-focused federal CAP illustrates detailed cost schedules and the treatment of central support in a complex multi-fund environment. Both completed examples are described in Section E.

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E Sample Completed Reports

The two completed California reports below demonstrate the model and reporting capabilities proposed for Sebastopol. Their purposes differ, and neither example substitutes for Sebastopol's enterprise compliance analysis. The complete Emeryville report and excerpts from the Inglewood report follow this proposal as Attachments 1 and 2.

City of Emeryville FY 2025/2026 Full Cost CAP

The completed plan and Management Report, delivered in August 2026, organize central service costs into functions, document allocation bases and recipients, and present the results through the four report layers shown in Section B. The outcome is a detailed full-cost plan accompanied by a readable explanation of its major costs, service relationships, and receiving programs. It demonstrates how GCP makes a municipal CAP usable by decision-makers and department leaders.

Emeryville's example uses a budget-based full-cost foundation. Sebastopol's model will identify its own budget and actual inputs and apply its own enterprise cost treatments. The reporting engine follows the completed model, so the same presentation can explain a different cost basis without obscuring the underlying schedules.

Completed report: Emeryville, CA 2025–2026 CAP, Complete Management Report with CAP, August 10, 2026.
Report access: Included in full as Attachment 1.

City of Inglewood FY 2023/2024 Actual Housing CAP

The completed April 2025 housing CAP applies a 2 CFR Part 200 framework to actual fiscal-year costs and includes detailed central service allocation schedules. It illustrates the documentation needed to follow cost pools, allocation bases, receiving functions, and direct-charge adjustments in a complex city organization. The outcome is a traceable actual-cost allocation package for the housing-related purpose identified in the report.

This example demonstrates federal cost-treatment and documentation discipline. Federal allowability and California enterprise charge requirements involve different questions. GCP will use the relevant analytical practices while preparing Sebastopol's Proposition 218 and Proposition 26 memorandum from the City's own evidence and counsel's legal direction.

Completed report: Inglewood 2 CFR Housing CAP, FY 2023/2024 Actual, April 25, 2025 Final.
Report access: Excerpts included as Attachment 2; the complete report is available to the City on request.

Docusign Envelope ID: 270B1BA4-C2ED-882A-8147-04F8CAA06FA2

F References

The following references concern California municipal work performed within the past five years. Santa Rosa's longer relationship includes current work through 2026. The completed CAP examples in Section E provide additional context for the Inglewood and Emeryville references.

City of Santa Rosa California

Project: 2 CFR Part 200 CAP, full-cost CAP, and IT internal service fund billing rates. The relationship spans eight years through 2026 and includes challenged housing and enterprise allocations.
Project dates: Eight years through 2026; current relationship.
Relevant completion status: Ongoing; current engagement through 2026.
Assigned GCP personnel: Brad Wilkes.
Client contacts: Scott Wagner, Chief Financial Officer; Tricia Reeve, Financial Analyst.
Telephone: (707) 543-3140 (Wagner); (707) 543-3132 (Reeve) Email: swagner@srcity.org; treeve@srcity.org

City of Inglewood California

Project: Cost allocation plans and related municipal costing services, including the completed FY 2023/2024 Actual Housing CAP.
Project dates: 2022–present.
Completion status: Referenced housing CAP completed April 2025; broader client relationship ongoing.
Assigned GCP personnel: Brad Wilkes, Cindy Sconce, and Brad Burgess.
Client contact: Sharon Koike, Finance Director.
Telephone: (310) 412-8724
Email: skoike@cityofinglewood.org

City of Emeryville California

Project: Full Cost Allocation Plan and Management Report; related development services user fee work.
Project dates: 2025–2026.
Completion status: Referenced FY 2025/2026 CAP and Management Report completed August 2026.
Assigned GCP personnel: Matt Wilson, Brad Wilkes, Jeff Wakefield, and Ruben Rivas.
Client contact: Sharon Friedrichsen, Finance Director.
Telephone: (510) 596-4352
Email: sharon.friedrichsen@emeryville.org

Docusign Envelope ID: 270B1BA4-C2ED-882A-8147-04F8CAA06FA2

G Resumes and Qualifications of Proposed Personnel

Brad Wilkes Principal and 2026 Project Director

Brad Wilkes will lead the independent review of the existing CAP and the questioned allocations, the historical and current-year analysis, and the selection of material allocation methods during 2026. He will review the major cost treatments and enterprise results as they are developed and work with City counsel, together with Brad Burgess, on the fiscal evidence supporting the enterprise memorandum.

Brad Wilkes is GCP's founder and Chief Executive Officer. His more than forty years in government cost consulting include leadership of municipal cost allocation and related fiscal work. The Santa Rosa experience described in Section D is particularly relevant to the scrutiny expected here. His background allows him to explain why a cost belongs in a pool, how the selected base reflects benefit, and what a questioned fund allocation requires to be defensible.

Office: Granite Bay, California.
Telephone: (916) 990-1256 | Email: bradwilkes@gcp-inc.net
Education: Bachelor of Business Administration, Brigham Young University; Master of Business Administration, California State University.

Brad Burgess Executive Vice President and Project Director from January 2027

Brad Burgess will join the 2026 historical and current-year analysis, take over project direction in January 2027, and remain accountable through final acceptance and follow-up. He will lead every committee and Council presentation, conduct the sensitive methodology discussions with Brad Wilkes, and work with City counsel on the fiscal evidence supporting the enterprise memorandum.

Brad Burgess is GCP's Executive Vice President. His more than thirty-six years in California government cost consulting include leading a national practice in cost allocation, user fees, and mandated cost reimbursement at MGT Consulting. He has provided public policy advice to all 58 California counties and more than 160 cities, has testified before the California Legislature on mandate issues, and regularly presents cost-recovery recommendations to governing bodies.

Office: Sacramento, California.
Telephone: (916) 595-2646 | Email: bradburgess@gcp-inc.net
Education: Master of Public Policy Studies, University of Chicago; Bachelor of Journalism, University of Missouri.

Matt Wilson Model Development and Technical Support

Matt will build and document the Excel model, reconcile source data, test cost flows and scenarios, prepare analytical schedules and report outputs, and support staff training. He will participate in technical interviews and presentations as needed and provide continuing assistance with staff updates and questions. Brad Wilkes, Brad Burgess, and Matt Wilson will review the material results together so the report and model convey the same explanation.

Matt is a GCP Manager whose experience includes a portfolio of more than thirty cost allocation plans and indirect cost rate proposals, along with review and audit support. His prior work with MGT included directing municipal CAP engagements and major transit indirect cost rate work. His financial modeling

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background supports the staff-maintainable workbook and documented update process proposed for Sebastopol.

Office: San Diego, California.
Telephone: (571) 538-6312 | Email: mattwilson@gcp-inc.net
Education: Master of Science in International Business, University College Dublin; Bachelor’s degree in Finance, Radford University.

Availability and responsibility

Brad Wilkes is available for the December 2026 kickoff and the 2026 analysis. Brad Burgess and Matt Wilson are available for the December 2026 through February 2027 project period, the optional March review extension, and the twelve-month follow-up. GCP proposes no subcontractors. Brad Wilkes directs the project through December 2026, Brad Burgess directs it from January 2027, and Matt Wilson provides technical continuity and coverage. Brief resumes appear in Appendix A. No professional license or certification is represented as a qualification for this assignment beyond the experience and education stated.

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H Fee Schedule and Cost Proposal

GCP proposes a total base fee not to exceed $19,500, billed monthly for actual time worked. Brad Wilkes, Brad Burgess, and Matt Wilson each have a standard hourly rate of $195 for this engagement and any separately authorized additional work. The table shows one hundred estimated combined staff hours by person and classification. As Addendum No. 1 permits, each person fills more than one classification: Brad Wilkes and Brad Burgess serve as Partner/Principal and Senior Consultant, and Matt Wilson serves as Senior Consultant and Analyst.

Priced segment	Wilkes Principal Hours	Burgess EVP Hours	Wilson Manager Hours	Total hours	Estimated fee
1 Independent diagnostic and kickoff	5.50	3.50	2.75	11.75	$2,291.25
2 Data and allocation bases	2.50	1.50	9.75	13.75	$2,681.25
3 Excel CAP, scenarios, and rate outputs	6.25	3.50	15.75	25.50	$4,972.50
4 CAP and Management Report	2.50	3.50	4.25	10.25	$1,998.75
5 Enterprise compliance memorandum	3.00	4.50	1.75	9.25	$1,803.75
6 Two committee and two Council appearances	1.50	13.00	4.50	19.00	$3,705.00
7 Training and handoff	0.00	3.25	2.00	5.25	$1,023.75
8 Twelve months of routine support	0.50	2.75	2.00	5.25	$1,023.75
Estimated effort and fee	**21.75**	**35.50**	**42.75**	**100.00**	**$19,500.00**
Total base fee not to exceed					**$19,500.00**

Planning hours and segment fees establish the expected distribution of effort. GCP may rebalance hours among the segments to complete the agreed work within the overall ceiling. We will report actual hours by person and task. The City will pay actual labor charges at the stated rates, subject to the $19,500 maximum; GCP will absorb any base-scope labor charges above that maximum.

The base fee includes the diagnostic, data review, model and scenarios, activity-cost and overhead-rate outputs, CAP and Management Report, enterprise memorandum, four required appearances with preparation and revisions, training and handoff, and twelve months of routine assistance. Monthly invoices will follow the RFP’s time-and-materials requirements, with ten percent retained until final acceptance. The four-week review extension in Section C has no additional base fee.

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Pricing assumptions and additional services

The base estimate includes virtual kickoff and interviews, two virtual committee meetings, two in-person Council presentations, virtual training, and routine working discussions. Travel and on-site time for the two Council presentations are included in the base fee, with no separate travel reimbursement. The RFP does not require other on-site visits. If the City would benefit from additional in-person participation, such as a committee meeting, GCP offers an optional on-site visit for $500 per visit, subject to prior written agreement on its purpose, date, and attendees. This charge covers the visit's travel and on-site premium; planned consulting labor for a base-scope meeting remains included. No separate travel reimbursement will be added for that visit.

No reimbursable expenses are included in or anticipated for the base scope. Any unusual expense requested by the City will require written preapproval before it is incurred. Optional visits and separately authorized additional services are outside the $19,500 base ceiling and will be identified in the authorization. The City will incur no proposal preparation charge.

The estimate assumes that the City will designate a project lead, provide electronic financial and workload records, facilitate access to appropriate staff, consolidate review comments, and arrange City counsel's review of legal interpretations. GCP will leverage existing records and the current CAP wherever they are usable. We will identify deficiencies during the diagnostic so the City can distinguish a practical interim method from an additional data-development assignment.

The timekeeping framework, model documentation, and representative scenario testing are included. A new timekeeping system implementation, a sustained new time study, substantial historical reconstruction, additional public appearances beyond the required four, a new annual plan, or a materially expanded rate or fee study would require written authorization with a defined scope and estimate. Both named consultants' published proposal rate for such work is $195 per hour. We will not begin chargeable additional work without the City's authorization.

Routine questions, minor refinements, and initial audit or challenge assistance for twelve months after acceptance are included. The planning allowance in Segment 8 is a budget allocation, not a limit that automatically converts routine assistance to billable work. Significant new analysis or a sustained defense effort will be described and agreed separately. Correction of an error in GCP's delivered work remains GCP's responsibility.

Optional historical allocation review (Grand Jury Recommendation R2). If the City wishes to examine the historical question, GCP will, upon written authorization, collect the interfund charges and supporting allocation records for the nine fiscal years the Grand Jury reviewed, reproduce the Grand Jury's illustrative calculation, and test it against the allocation bases that the records support for each year. The product is a written memorandum with supporting schedules showing a documented range and the evidence behind it. It will not recommend a repayment schedule or reach a legal conclusion, which remain City decisions. GCP estimates 50 hours (Brad Wilkes 22, Brad Burgess 4, and Matt Wilson 24) at $195 per hour, not to exceed $9,750. This service is outside the $19,500 base ceiling and will not begin without the City's written authorization.

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Base and optional fee summary

Service	Fee and authorization
Complete base scope	Actual hours at $195, not to exceed $19,500.
Four-week final review extension	Included at the same base fee.
Optional additional on-site visit	$500 per visit, agreed in writing before scheduling. In-person attendance at the two Council presentations is included in the base fee.
Authorized additional consulting	Brad Wilkes: $195/hour. Brad Burgess: $195/hour. Matt Wilson: $195/hour.
Optional historical allocation review (R2)	Estimated 50 hours at $195, not to exceed $9,750, only upon the City's written authorization.
Base reimbursable expenses	None anticipated. Other expenses require written preapproval.

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I Conflict of Interest

GCP has no actual or potential conflict of interest with respect to this engagement or the City of Sebastopol.

Actual or potential conflicts of interest: None.

J Proposed Changes to Standard Agreement

GCP acknowledges the requirement to execute the City's Professional Services Agreement. Any requested changes, including indemnification, insurance, and ownership terms, are identified below.

GCP takes no exception to the City's standard Professional Services Agreement.

The proposed March review extension is an optional schedule alternative, not a condition of GCP's ability to meet the RFP schedule. The City will receive the completed project files and working papers described in Section B.

K Insurance and Other

The RFP requires Commercial General Liability of $1 million per occurrence and $2 million aggregate, Automobile Liability of $1 million, statutory Workers' Compensation, and Professional Liability of $1 million per claim and $2 million aggregate. GCP will provide the required certificate and additional insured documentation before contract execution. Coverage will be reconciled with the requirements incorporated into the City's final agreement.

GCP confirms that it can meet or exceed the City's minimum insurance requirements.

GCP acknowledges the City's procurement conditions, the single-PDF submission requirement, and the requirement for a signed transmittal.

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Appendix A Key Personnel Resumes

Brief resumes for the three proposed consultants, Brad Wilkes, Brad Burgess, and Matt Wilson, follow this page.

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J. Bradley Wilkes

Founder and CEO | Government Consulting Partners, Inc. | Consultant to Local Government

916.990.1256 • bradwilkes@gcp-inc.net • Granite Bay, CA

EXPERIENCE

Founder and CEO / Senior Consultant

Government Consulting Partners, Inc. *Granite Bay, CA*

- Leads boutique firm specializing in cost allocation plans, ISF methodologies, state-mandated cost claiming, and user fee studies
- Provides professional analysis of governmental services to the largest and smallest local governments in the nation
- Mentors next-generation consultants in defensible financial modeling and compliance

Founder and CEO

Public Resource Management Group (PRM) *Sacramento, CA*

- Established PRM to deliver CAPs, user fee studies, and SB 90 claiming services
- Expanded the firm's book of business to hundreds of municipal clients prior to MGT acquisition

Section President and Executive Vice President

Maximus *Sacramento, CA*

- Managed Western Region operations, overseeing rapid growth with local and state government clients

Vice President

David Griffith and Associates *Sacramento, CA*

- Rose from junior consultant to Western Region Vice President over a 16-year tenure
- Helped pioneer cost allocation plans, SB 90 claiming, and user fee methodologies still in use today

EDUCATION

Master of Business Administration
California State University

Bachelor of Business Administration
Brigham Young University



SUMMARY

Founder and CEO of Government Consulting Partners, Inc., with over 40 years of experience guiding California cities and counties through cost allocation plans, user fee studies, and compliance with state and federal guidelines. Recognized for building defensible financial models and mentoring the next generation of government finance consultants.

KEY ACHIEVEMENTS

Industry Pioneer
Helped pioneer cost allocation plans, SB 90 claiming, and user fee methodologies now in common use across California local government.

Firm Builder
Built PRM from a startup to hundreds of municipal clients before a successful acquisition by MGT Consulting.

40-Year Record
Provided professional financial analysis to the largest and smallest local governments in the nation across a four-decade consulting career.

SKILLS

- Cost Allocation Plans
- User Fee Studies
- ISF Methodologies
- Indirect Cost Rate Proposals
- 2 CFR Part 200 Compliance
- SB 90 State Mandates

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Brad Burgess

Executive Vice President | Government Consulting Partners, Inc. | Consultant to Local Government

916.595.2646 • bradburgess@gcp-inc.net • linkedin.com/in/jbradleyburgess • Sacramento, CA

EXPERIENCE

Executive Vice President
Government Consulting Partners, Inc. (GCP) *Sacramento, CA*

- Advises cities and counties on internal service fund design, cost allocation plans, user fees, and SB 90 strategies
- Leads multidisciplinary project teams and develops Excel-based financial models
- Presents complex cost-recovery recommendations to executive leadership and governing bodies

Director of Strategic Partnerships
Sutter Health *Sacramento, CA*

- Led mergers and acquisitions strategy for a $7 billion integrated health system
- Built and managed internal and external partnership ecosystems across California
- Interpreted state regulations to support strategic growth, service alignment, and risk management

Executive Vice President / National Practice Leader
MGT Consulting *Sacramento, CA*

- Oversaw a national consulting practice focused on cost allocation, user fees, and mandated cost reimbursement
- Redesigned the firm's organization using a market-based structure
- Served on the executive leadership team and the firm's board of directors

Founding Partner
Public Resource Management Group, LLC (PRM) *Sacramento, CA*

- Co-founded a boutique firm specializing in local government costing services
- Led one of the nation's fastest-growing practices serving cities and counties

Vice President
Maximus and David Griffith and Associates (DMG) *Sacramento, CA*

- Led the firm's SB 90 practice, providing statewide leadership on mandated legislative advocacy

EDUCATION

Master of Public Policy Studies
University of Chicago *Chicago, IL*

Bachelor of Journalism
University of Missouri *Columbia, MO*



SUMMARY

Brad has deep experience helping cities and counties design cost-recovery strategies, internal service fund structures, and compliant financial models. He specializes in ISF methodologies, cost allocation plans, user fee analysis, and state-mandated cost reimbursement. He has provided public policy advice to all 58 California counties and more than 160 cities.

KEY ACHIEVEMENTS

Public Policy
Assisted San Francisco in establishing a Child Recovery Unit, resulting in hundreds of recovered children.

Mergers and Acquisitions
Led multiple M&A engagements for private consulting firms and not-for-profit health systems, with deep expertise in cultural integration.

Organizational Transformation
Redesigned MGT Consulting's organizational structure around a market-based model, generating 10x annual revenue growth.

SKILLS

- Internal Service Fund Methodologies
- Excel Model Design and Development
- SB 90 Claiming (test claims, reimbursement, and incorrect reduction)
- Negotiations with State and Federal Authorities
- Staff Interviews and Process Analysis
- User Fee Studies
- Compliance with 2 CFR 200 and SB 90

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Matthew Wilson

Manager | Government Consulting Partners, Inc. | Consultant to Local Government

571.538.6312 • mattwilson@gcp-inc.net • linkedin.com/in/matthew-wilson-62a3a6119 • San Diego, CA

EXPERIENCE

Manager
Government Consulting Partners, Inc. *San Diego, CA*

- Leads cost allocation plan projects for cities and counties, identifying and recovering critical indirect costs
- Develops Indirect Cost Rate Proposals for state and local agencies, optimizing federal program revenue

Manager
MGT Consulting *San Diego, CA*

- Directed a portfolio of 30+ cost allocation plan projects, recovering critical city- and countywide indirect costs
- Spearheaded major ICRPs for large transit agencies, achieving successful audit defenses and optimized revenue recovery

Consultant
KPMG Ireland *Dublin, Ireland*

- Conducted comprehensive data analysis on Ireland's public transportation sector to drive sustainability initiatives
- Developed and presented a Mobility as a Service readiness index to city councils across Ireland

Loan Officer
First Hawaiian Bank *Honolulu, HI*

- Secured $1.3 billion in SBA loan funding across 9,710 loans by coordinating with federal agencies and business owners
- Managed a high-volume application pipeline under evolving White House and SBA lending regulations

EDUCATION

Master of Science, International Business
University College Dublin *Dublin, Ireland*

Bachelor of Finance
Radford University *Radford, VA*



SUMMARY

Government Finance Specialist with extensive experience guiding state and local clients to maximize General Fund cost recoveries. Subject matter expert in 2 CFR Part 200 and GAAP-compliant cost allocation, delivering Indirect Cost Rate Proposals that optimize revenue from federal programs and enterprise funds.

KEY ACHIEVEMENTS

Cost Allocation
Directed 30+ cost allocation plan projects for cities and counties, identifying and recovering critical citywide indirect costs.

Federal Programs
Spearheaded major ICRPs for large transit agencies, resulting in successful audit defenses and optimized revenue recovery.

Federal Lending
Secured $1.3 billion in SBA loan funding across 9,710 loans, managing a high-volume pipeline under evolving federal regulations.

SKILLS

- Government Cost Allocation Plans (2 CFR Part 200)
- Full Cost Allocation Plan (GAAP)
- Indirect Cost Rate Proposals
- Project Management
- Federally Funded Programs
- Enterprise and Special Revenue Funds

GCP

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Appendix B RFP Requirement Crosswalk

This crosswalk identifies where the proposal addresses the RFP's required work and submission information. The narrative, schedule, and fee assumptions define the proposed commitment.

RFP requirement	Proposal location
Independent review of existing CAP, Grand Jury concerns, and committee work	B, independent review and Task 1
Kickoff, work plan, and data request	B, Task 1; C, schedule
Prior and current budgets, available actuals, staff and workload information	B, Tasks 2 and 3
Timekeeping and direct-charge assessment	B, Task 2; H, scope boundaries
Full central service coverage and service-level cost analysis	B, Task 3
Editable Excel pools, bases, units, inputs, formulas, and scenarios	B, model functions and verification
Enterprise bases, evidence, and duplicate-charge safeguards	B, Tasks 2 and 3 and enterprise memorandum
Proposition 218 and Proposition 26 memorandum	B, enterprise memorandum
Activity-cost and billable hourly overhead-rate outputs	B, activity costs and overhead rates
Two committee meetings and two Council presentations	B, Task 4; C and H
Two- to three-hour training and materials	B, training and Task 5
Twelve months of questions, minor refinements, and initial audit/challenge support	B, continuing assistance; H
Final Word/PDF report, Excel, executive summary, presentations, training record, and source files	B, Task 5
December 1 kickoff, January 19 draft, February 16 final	C, base schedule
Quality control and City communication	B, model verification and communication

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Submission information

RFP submission requirement	Proposal location
A Signed transmittal, primary contact, timeline, firm offer for 120 days	A Cover Letter
B Approach, current CAP leverage, phased work, deliverables, quality, communication	B Project Approach and Proposed Scope of Work
C Realistic schedule, critical path, staff and data assumptions	C Project Schedule and Timeline
D Firm history, ownership, location, relevant California experience	D Experience and Qualifications
E Two completed California report examples	E Sample Completed Reports; Attachments 1 and 2
F Three references with contacts, dates, personnel, and completion status	F References
G Lead, team roles, offices, experience, education, and brief resumes	G Personnel; Appendix A
H Hours by classification, rates, tasks, total ceiling, visits, and expenses	H Fee Schedule and Cost Proposal
I Actual or potential conflict disclosure	I Conflict of Interest
J Requested standard agreement changes	J Proposed Changes to Standard Agreement
K Insurance confirmation	K Insurance and Other
Addendum No. 1 acknowledgement	A Cover Letter

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/18/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Valley Oaks Insurance Agency, Inc.
1508 Eureka Rd., Ste 170
Roseville CA 95661

License#: 0724045

CONTACT NAME: Jeff Eller
PHONE (A/C, No, Ext): 916-960-1428 **FAX (A/C, No):**
E-MAIL ADDRESS: jeller@valleyoaks.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Philadelphia Indemnity Ins. Co	18058
INSURER B : Hartford Casualty Ins Co	29424
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
GOVECON-01
Government Consulting Partners, Inc.
5016 Brower Court
Granite Bay CA 95746

COVERAGES **CERTIFICATE NUMBER:** 1065447977 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC OTHER:	Y	Y	PHBX23003419	10/10/2026	10/10/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 50,000 $ 10,000 $ $ 3,000,000 $ 2,000,000
A	**AUTOMOBILE LIABILITY** ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY			PHBX23003419	10/10/2026	10/10/2027	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	X **UMBRELLA LIAB** OCCUR **EXCESS LIAB** CLAIMS-MADE DED X RETENTION $ 10,000			PHUB893341-003	10/10/2026	10/10/2027	EACH OCCURRENCE AGGREGATE	$ 1,000,000 $ 1,000,000
B	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	57WECBB2L9J	11/1/2026	11/1/2027	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
A	Professional Liability			PHSD1831334-003	10/10/2026	10/10/2027	Each Claim Aggregate	$2,000,000 $4,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate Holder is considered Additional Insured per attached endorsements.

CERTIFICATE HOLDER

City of Sebastopol
City Manager
7120 Bodega Avenue
Sebastopol CA 95472

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Jeffrey B. Eller

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. **SECTION II – LIABILITY**, **C. Who Is An Insured** is amended to include the following as an additional insured:

Any person(s) or organization(s) for whom you are performing "your work" under a written contract or agreement, that requires such person(s) or organization(s) to be added as an additional insured on your policy. Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" occurring after the effective date of such contract or agreement that is caused, in whole or in part by:

a. Your acts or omissions; or

b. The acts or omissions of those acting on your behalf;

in the performance of "your work" for the additional insured.

Coverage for an additional insured under this endorsement ends when "your work" for that additional insured ends or is put to its intended use by any person or organization.

B. The following is added to **SECTION II – LIABILITY**, **B. Exclusions**, **3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion** with respect to this endorsement only:

There is no coverage under this endorsement for loss or expense, including but not limited to the cost of defense for "bodily injury", "property damage" or "personal and advertising injury" occurring:

a. After all of "your work", including materials, parts or equipment furnished in connection with "your work" and performed under the above referenced written contract(s) or agreement(s) has ended; or

b. When that portion of "your work" out of which the "bodily injury", "property damage" or "personal and advertising injury" arises and performed under the above referenced written contract(s) or agreement(s) has been put to its intended use by any person or organization;

whichever occurs first.

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The Hartford

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

Policy Number: 57 WEC BB2L9J **Endorsement Number:**
Effective Date: 11/01/26 Effective hour is the same as stated on the Information Page of the policy.
Named Insured and Address: Government Consulting Partners Inc
5016 BROWER CT
GRANITE BAY CA 95746

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

SCHEDULE

Any person or organization for whom you are required by contract or agreement to obtain this waiver from us. Endorsement is not applicable in KY, NH, NJ or for any MO construction risk

Countersigned by _____
Authorized Representative

Docusign Envelope ID: 270B1BA4-C2ED-882A-8147-04F8CAA06FA2

The Hartford

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

Policy Number: 57 WEC BB2L9J **Endorsement Number:**
Effective Date: 11/01/26 Effective hour is the same as stated on the Information Page of the policy.
Named Insured and Address: Government Consulting Partners Inc
5016 BROWER CT
GRANITE BAY CA 95746

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

Person or Organization	**Job Description**
Any person or organization for whom you are required by written contract or agreement to obtain this waiver of rights from us	

Countersigned by _____
Authorized Representative

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

This endorsement modifies insurance provided under the following:

POLICY NUMBER PHBX23003419-03	**POLICY CHANGES EFFECTIVE** 11/09/2026	**COMPANY** Philadelphia Indemnity Insurance Company
NAMED INSURED Government Consulting Partners, Inc. dba Government Consulting Partners		**AUTHORIZED REPRESENTATIVE** John W. Glomb, Jr.

CHANGES

Added Waiver of Subrogation, Additional Insured and Primary & Non-Contributory for City of Sebastopol, its officers, officials, employees, and volunteers, Attn City Manager, 7120 Bodega Ave, Sebastopol, CA 95472

POLICY AMOUNT AND PREMIUM ADJUSTMENT

	Limits Of Insurance		**Premiums**		
Coverage Description	**Previous Limit Of Insurance**	**New Limit Of Insurance**	**Previous Premium**	**New Premium**	[X] **Add'l Premium** [ ] **Return Premium**
	$	**$**	**$**	**$**	**$**

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OPTIONAL COVERAGES				
The following optional coverages are added under this policy when designated by an "X" in the box(es) shown below.			X	**Add'l Premium**
				Return Premium
	Limits Of Insurance			
Outdoor Signs	**$** 10,000		**$**	
☐ **Burglary and Robbery** (Named Peril Endorsement only) or ☒ **Money and Securities**	**$** 5,000	**Inside the Premises**	**$**	
	$ 5,000	**Outside the Premises**	**$**	
☒ **Employee Dishonesty**	**$** 5,000	**each occurrence**	**$**	
☐ **Equipment Breakdown**	**$**		**$**	

TOTAL PREMIUM ADJUSTMENTS	
PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE	
ADDITIONAL	**RETURN**
$ 100	**$**
REMOVAL PERMIT	If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effec-tive date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

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PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company
A Stock Company (Nonparticipating)

COMMON POLICY DECLARATIONS

Policy Number: PHBX23003419

Named Insured and Mailing Address:

Government Consulting Partners, Inc. dba Government Consulting Partners
5016 Brower Ct
C/O Brad Wilkes
Granite Bay, CA 95746

Producer:

1981
Valley Oaks Insurance Agency
1508 Eureka Rd Ste 170
Roseville, CA 956612820

Policy Period From: 10/10/2026 **To:** 10/10/2027

at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description: Other Services Not Otherwise Listed

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

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Businessowners	
Professional Liability	$2,427.00

Total: $2,427.00

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD-PIIC-BOP (03/21)

Secretary

President and CEO

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PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

BUSINESSOWNERS SELECT POLICY DECLARATIONS

Insured's Name and Mailing Address
Government Consulting Partners, Inc. dba Government Consulting Partners
5016 Brower Ct
C/O Brad Wilkes
Granite Bay, CA 95746

Policy No. PHBX23003419

INCEPTION (Mo. Day Yr.)(12:01 AM* Standard Time at your mailing address)
10/10/2026
*Exceptions: 12:00 PM in Michigan and North Carolina.

EXPIRATION (Mo. Day Yr.)
10/10/2027

'X' IF SUPPLEMENTAL DECLARATION
[X] SUPPLEMENTAL DECLARATION

RENEWAL OR REWRITE OF NO.

Business Description: Other Services Not Otherwise Listed

Form of Business: Sole Proprietorship

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy

DESCRIBED PREMISES

Forms Applicable: [ ] Standard [X] Special

Prems. No.	Bldg. No.	Location	Mortgage Holder Name and Address

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

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

PROPERTY	PREMS. NO.	BLDG. NO.	PREMS. NO.	BLDG. NO.	PREMS. NO.	BLDG. NO.

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

Deductible $ **SEE ATTACHED SUPPLEMENTAL DECLARATIONS**

OPTIONAL COVERAGES:

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

LIABILITY AND MEDICAL EXPENSES

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II – Liability in the Businessowners Coverage Form and any attached endorsements.

	Limit of Insurance	
Liability And Medical Expenses	$1,000,000	Per Occurrence
Medical Expenses	$10,000	Per Person
Damage To Premises Rented To You	$50,000	Any One Premises
Other Than Products/Completed Operations Aggregate	$3,000,000	
Products/Completed Operations Aggregate	$2,000,000	
Hired And Non-Owned Auto Liability	$1,000,000	Per Occurrence
Hired And Non-Owned Auto Liability	$3,000,000	Aggregate
TOTAL PREMIUM :	$2,427.00	

FORMS AND ENDORSEMENTS: REFER TO FORMS SCHEDULE

During the past three years no insurer has canceled any insurance issued to the named insured, similar to that afforded hereunder, unless otherwise stated herein.

COUNTERSIGNATURE DATE	AGENCY AT 1508 Eureka Rd Ste 170 Roseville, CA 956612820	AGENT AND NUMBER Valley Oaks Insurance Agency 1981

THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S), COMMON POLICY CONDITIONS AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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BUSINESSOWNERS SELECT SUPPLEMENTAL DECLARATIONS

Policy Number: PHBX23003419

Named Insured: Government Consulting Partners, Inc. dba Government Consulting Partners

Policy Effective Date: 10/10/2026

DESCRIPTION OF PREMISES – ADDRESSES

Prems. No.	Bldg. No.	Address
001	001	5016 Brower Ct, Granite Bay, CA 95746

DESCRIPTION OF PREMISES – OCCUPANCY

Prems. No.	Bldg. No.	Occupancy	Construction	Protection
001	001	Office	N/A	N/A

PROPERTY COVERAGES PROVIDED

Prems. No.	Bldg No.	Type of Property (Building or Personal Property)	Limit of Insurance	Automatic Increase in Insurance	Deductible	ACV/RC
001	001	Personal Property	$10,000		$1,000	

ADDITIONAL COVERAGE – BUSINESS INCOME AND EXTRA EXPENSE

Prems. No.	Bldg. No.	Limit of Insurance
001	001	$50,000

BLANKET INSURANCE

Indicate the type of property to be blanketed and the blanket limit of insurance.

Type of Property	Limit of Insurance

Mortgage Holders -

OPTIONAL COVERAGES

Loc #	Bldg #	Coverage	Limit	Deductible
		Hired And Non-Owned Auto Liability	**SEE PI-BOP-012**	
		Primary and Non-Contributory – Designated Person or Organization	**SEE PI-BOP-011**	
		Waiver of Subrogation	**SEE BP 04 97 01 06**	
001	001	Personal Property	$10,000.00	$1,000
001	001	Businessowners Enhancement Deluxe	SEE PI-BOP-005	

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS ENHANCEMENT DELUXE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

COVERAGE	LIMIT OF INSURANCE
Fire Department Service Charge	$5,000
Personal Property Off Premises	$15,000
Personal Effects	Up to Your Business Personal Property Limit
Valuable Papers and Records	$25,000 On Premises $10,000 Off Premises
Accounts Receivable	$25,000 On Premises $10,000 Off Premises
Outdoor Property including Playground Equipment	$10,000
Arson Reward	$5,000
Water Back-Up and Sump Overflow	$5,000
Signs	$10,000
Money and Securities	$5,000
Employee Dishonesty	$5,000
Cost of Bail Bonds	$500
Defense or Investigation Assistance Loss of Earnings	$1,000

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A. **SECTION I – PROPERTY**, **A. Coverage**, **5. Additional Coverages**, **c. Fire Department Service Charge** is amended to reflect that the most we will pay is increased from $2,500 to $5,000.

B. **SECTION I – PROPERTY**, **A. Coverage**, **6. Coverage Extensions** is amended as follows:

1. Paragraph **b. Personal Property Off Premises** is amended to reflect that the most we will pay is increased from $10,000 to $15,000.

2. Paragraph **d. Personal Effects** is amended to reflect that the most we will pay is increased from $2,500 to your Business Personal Property Limit as shown on the Declarations Page.

3. Paragraph **e. Valuable Papers And Records, (3),** is amended to reflect that the most we will pay is increased from $10,000 to $25,000 at the described premises and from $5,000 to $10,000 not at the described premises.

4. Paragraph **f. Accounts Receivable, (2),** is amended to reflect that the most we will pay is increased from $10,000 to $25,000 at the described premises and from $5,000 to $10,000 not at the described premises.

C. **SECTION I – PROPERTY**, **A. Coverage**, **6. Coverage Extensions**, **c. Outdoor Property** is deleted in its entirety and replaced with the following:

c. Outdoor Property

You may extend the insurance provided by this Coverage Extension to apply to your outside fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), outside playground equipment, trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

(1) Fire;
(2) Lightning;
(3) Explosion;
(4) Riot or Civil Commotion; or
(5) Aircraft.

The most we will pay for loss or damage under this Extension is $10,000, but not more than $1,000 for any one tree, shrub or plant.

D. The following are added to **SECTION I – PROPERTY**, **6. Coverage Extensions**:

Arson Reward

In the event that a covered fire loss was the result of an act of arson, we will reimburse you up to $5,000 for rewards you pay for information, which leads to an arson conviction for loss or damage covered by this policy. No deductible applies to this Coverage Extension.

Water Back-up and Sump Overflow

(1) We will pay for direct physical loss or damage to Covered Property caused by or resulting from:

(a) Water which backs up through or overflows from a sewer or drain; or

(b) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment. We will not pay the cost of repairing or replacing a sump pump or its related equipment.

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(2) The coverage described in Paragraph **(1)** of Water Back-up and Sump Overflow above, does not apply to loss or damage resulting from an insured's failure to:

(a) Keep a sump pump or its related equipment in proper working condition; or

(b) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

(3) The most we will pay for the coverage provided under this endorsement is $5,000.

E. SECTION I – PROPERTY, **B. Exclusions**, **1.**, **g. Water,** is deleted in its entirety and replaced with the following:

g. Water

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

(2) Mudslide or mudflow;

(3) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings; or

(4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **(1)** or **(3)**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(4)**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **(1)** through **(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

F. SECTION I – PROPERTY, **G Optional Coverages:** Only the first paragraph is deleted in its entirety and replaced with the following:

G. Optional Coverages

The standard limit shown in this endorsement is a replacement for showing the limit on the Declarations. If a limit other than the standard limits shown below is provided, the applicable limit will be displayed in the Declarations. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Signs

The most we will pay for loss or damage in any one occurrence is $10,000 unless a different limit is shown in the Declarations.

2. Money and Securities, **item c.** is deleted and replaced with the following:

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The most we will pay for loss in any one occurrence is:

(1) $5,000, unless a different limit is shown in the Declarations, for Inside the Premises for "money" and "securities" while:

(a) In or on the described premises; or

(b) Within a bank or saving institution; and

(2) $5,000, unless a different limit is shown in the Declarations, for Outside the Premises for "money" and "securities" while anywhere else.

3. Employee Dishonesty, **item c.** is deleted and replaced with the following:

The most we will pay for loss or damage in any one occurrence is $5,000, unless a different limit is shown in the Declarations.

G. SECTION II – LIABILITY, **A. Coverages**, **1. Business Liability**, **f. Coverage Extension – Supplementary Payments**:

(1) (b) is amended to reflect that the limit we will pay up to is increased from $250 to $500.

(1) (d) is amended to reflect that the limit we will pay up to is increased from $250 to $1,000.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Insurance is provided only for those coverages for which a specific limit or premium charge is shown in the Declarations.

1. Hired Auto Liability

The insurance provided under **SECTION II – LIABILITY**, **A. Coverages**, **1. Business Liability**; applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. Non-Owned Auto Liability

The insurance provided under **SECTION II – LIABILITY**, **A. Coverages**, **1. Business Liability**; applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person other than you.

B. For insurance provided by this endorsement only:

1. The exclusions, under **SECTION II – LIABILITY**, **B. Exclusions**, **1. Applicable to Business Liability Coverage**, other than exclusions **a.**, **b.**, **d.**, **f.** and **i.** and the **Nuclear Energy Liability Exclusion**, are deleted and replaced by the following:

a. "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 Paragraph **(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 injury.

This exclusion does not apply to:

(1) Liability assumed by the insured under an "insured contract"; or

(2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

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b. "Property damage" to:

(1) Property owned or being transported by, or rented or loaned to the insured; or

(2) Property in the care, custody or control of the insured.

2. **SECTION II – LIABILITY**, **C. Who Is An Insured**, is replaced by the following:

a. Each of the following is an insured under this endorsement to the extent set forth below:

(1) You;

(2) Any other person using a "hired auto" with your permission;

(3) For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and

(4) Any other person or organization, but only for their liability because of acts or omissions of an insured under **(1), (2)** or **(3)** above.

b. None of the following is an insured:

(1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;

(2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

(3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;

(4) The owner or lessee (of whom you are a sub lessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;

(5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

3. This insurance does not apply: If you regularly deliver the good or products which you are in the business of selling, "bodily injury" or "property damage" arising out of the delivery of those goods or products.

4. This insurance does not apply: If you deliver any goods or products for a charge, "bodily injury" or "property damage" arising out of the delivery of those goods or products.

C. The following additional definitions apply:

1. **"Auto Business"** means the business or occupation of selling, repairing, servicing, storing or parking "autos".

2. **"Hired Auto"** means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours. This DOES NOT include any "Auto" you lease for a period of more than 30 consecutive days.

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3. **"Non-Owned Auto"** means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT

A. Section I – Property is amended as follows:

1. With respect to an "open policy", the following is added to any provision which uses the term actual cash value:

a. In the event of a partial or total loss to a building or structure, actual cash value is calculated as **a.(1)** or **a.(2),** whichever is less:

(1) The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of loss; or

(2) The Limit of Insurance applicable to the property.

b. In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as **b.(1)** or **b.(2),** whichever is less:

(1) The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or

(2) The Limit of Insurance applicable to the property.

c. An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation.

2. Paragraph **E.2. Appraisal** Property Loss Conditions is replaced by the following:

2. Appraisal

If we and you disagree on the value of the property or the actual cash value or the amount of loss, either may make written request for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. However, in the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and actual cash value and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of actual cash value and loss and will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Paragraph **E.5.d.(1)(c)** of the **Loss Payment** Property Loss Conditions is deleted.

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4. Paragraphs **E.5.d.(1)(d)** and **E.5.d.(5)** of the **Loss Payment** Property Loss Conditions are replaced as follows:

(d) We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. Prior to such repair or replacement, we will pay the actual cash value of the lost or damaged property as described in Paragraph **A.1.** of this Endorsement. If the actual cash value does not exhaust the applicable Limit of Insurance, we will then pay the difference between the actual cash value and the replacement cost, provided that the repair or replacement is completed:

(i) Within 12 months after we pay the actual cash value; or

(ii) Within 36 months after we pay the actual cash value if the loss or damage relates to a state of emergency under California Law.

The following provision applies to real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit:

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the residence that are beyond your control, we shall provide one or more additional extensions of six months for good cause. Circumstances beyond your control include, but are not limited to:

(i) Unavoidable construction permit delays;

(ii) The lack of necessary construction materials; or

(iii) The unavailability of contractors to perform the necessary work.

Nothing in this Paragraph **(d)** constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

(5) Tenants' improvements and betterments at:

(a) Replacement cost in accordance with the terms set forth in Paragraph **(d)** above.

(b) A proportion of your original cost if the property is not repaired or replaced. We will determine the proportionate value as follows:

(i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(ii) Divide the amount determined in **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(c) Nothing if others pay for repairs or replacement.

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraphs **A.2.** and **A.3. Cancellation** are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this Policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this Policy by mailing or delivering to the first Named Insured at the mailing address shown in the Policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

(1) Nonpayment of premium; or

(2) Discovery of fraud by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this Policy.

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b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this Policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this Policy only upon the occurrence, after the effective date of the Policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this Policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

(i) Place us in violation of California Law or the laws of the state where we are domiciled; or

(ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the Policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the Policy, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph **3.a.**

2. The following provision is added to Paragraph **A. Cancellation:**

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit. If such coverage has been in effect for 60 days or less and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except that we may not cancel this Policy solely because:

a. Corrosive soil conditions exist on the premises; or

b. The first Named Insured has:

(1) Accepted an offer of earthquake coverage; or

(2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

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However, we shall cancel this Policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not cancel this Policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred. However, we may cancel:

a. When you have not paid the premium, at any time by letting you know at least 10 days before the date cancellation takes effect;

b. If willful or grossly negligent acts or omissions by the named insured, or his or her representatives, are discovered that materially increase any of the risks insured against; or

c. If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by fire:

We do not provide coverage to the insured who, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

a. This Policy;

b. The Covered Property;

c. That insured's interest in the Covered Property; or

d. A claim under this Policy.

4. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by a Covered Cause of Loss other than fire:

This Policy is void if any insured, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

a. This Policy;

b. The Covered Property;

c. An insured's interest in the Covered Property; or

d. A claim under this Policy.

5. Paragraph **H.1. Other Insurance** is replaced by the following (with respect to coverage provided under Section **I** – Property):

If there is other insurance covering the same loss or damage, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance bears to the Limits of Insurance of all insurance covering on the same basis.

We will not pay more than the applicable Limit of Insurance of Section **I** – Property.

6. The following paragraph is added and supersedes any provisions to the contrary:

M. Nonrenewal

1. Subject to the provisions of Paragraphs **2.** and **3.** below, if we elect not to renew this Policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the Policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit.

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If this Policy provides coverage as described in the preceding paragraph, and we elect not to renew this Policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at the mailing address shown in the Policy, at least 75 days, but not more than 120 days, before the expiration or anniversary date.

If we fail to give the first Named Insured shown in the Declarations notice of nonrenewal at least 75 days prior to the policy expiration, as required in the paragraph above, this Policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to the named insured. A notice to this effect shall be provided by us to the first Named Insured with the notice of nonrenewal.

We may elect not to renew such coverage for any reason, except that we will not refuse to renew such coverage solely because:

a. The first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

(1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this Policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

(a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

(b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

b. The first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

c. Corrosive soil conditions exist on the premises.

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If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this Policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may nonrenew:

a. If willful or grossly negligent acts or omissions by the named insured, or his or her representatives, are discovered that materially increase any of the risks insured against;

b. If losses unrelated to the postdisaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or

c. If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

3. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.

b. If the Policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **1.**

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the Policy, to obtain that coverage.

d. If the Policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the Policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **1.,** to renew the Policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

C. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

1. Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability** is replaced by the following:

(2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1).**

2. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

d. With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

(1) Civil or criminal fines or penalties imposed by law;

(2) Punitive or exemplary damages;

(3) The multiplied portion of multiplied damages;

(4) Taxes;

(5) Royalties;

(6) The amount of any disgorged profits; or

(7) Matters that are uninsurable pursuant to law.

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POLICY NUMBER: PHBX23003419

BUSINESSOWNERS
BP 04 97 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name of Person or Organization:
City of Sebastopol, its officers, officials, employees, and volunteers, Attn City Manager, 7120 Bodega Ave, Sebastopol, CA 95472
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us in Section III – Common Policy Conditions** is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name Of Person(s) Or Organization(s):
City of Sebastopol, its officers, officials, employees, and volunteers, Attn City Manager, 7120 Bodega Ave, Sebastopol, CA 95472
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Liability is amended as follows:

A. The following is added to Paragraph **C. Who Is An Insured:**

3. Any person(s) or organization(s) shown in the Schedule is also an additional insured, 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 in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

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

b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

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PRIMARY AND NON-CONTRIBUTORY – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name of Person or Organization:
City of Sebastopol, its officers, officials, employees, and volunteers, Attn City Manager, 7120 Bodega Ave, Sebastopol, CA 95472
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to **SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY AND SECTION II – LIABILITY), H. Other Insurance:**

This insurance is primary and non-contributory as respects our coverage for the person or organization shown in the **SCHEDULE** of this endorsement. We will not seek contributions from any other insurance policy available to the person or organization shown in the SCHEDULE of this endorsement for “bodily injury”, “property damage” or “personal and advertising injury” covered under this policy.

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ABUSE OR MOLESTATION EXCLUSION FOR BUSINESS LIABILITY AND PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to **SECTION II – LIABILITY**, **B. Exclusions**, **1. Applicable To Business Liability Coverage**:

Abuse or Molestation – Business Liability and Professional Liability

This insurance does not apply to any:

1. injury sustained by any person arising out of or resulting from; or

2. loss, cost, expense, fine, penalty, act, error and omission, or damage alleging, arising out of or from, attributable to, or giving rise to any injury sustained by any person caused by,

the alleged, actual or threatened abuse or molestation by anyone.

We shall not have any duty to defend any "suit" against any insured seeking damages on account of any such injury.

This exclusion applies to all injury sustained by any person, including emotional distress, arising out of molestation or abuse whether alleged, actual or threatened including but not limited to molestation or abuse arising out of your negligence or other wrongdoing with respect to:

1. **a.** Hiring, placement, employment, training;

b. Investigation;

c. Supervision;

d. Reporting any molestation or abuse to the proper authorities, or failure to so report; or

e. Retention;

of a person for whom any insured is or ever was legally responsible or for whom any insured may have assumed the liability; and whose conduct would be excluded above.

The following additional exclusion applies to Professional Liability:

2. **a.** Failure to provide professional services to; or

b. Neglect of the therapeutic needs of,

any person because of the conduct which would be excluded above.

This endorsement is an absolute exclusion for abuse or molestation and supersedes any other provision to the contrary.

All other terms and conditions remain unchanged.

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AGGREGATE LIMITS AMENDMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SECTION II – LIABILITY, **D. Liability And Medical Expenses Limits Of Insurance**, **4. Aggregate Limits** is deleted and replaced with the following:

Aggregate Limits

The most we will pay for:

a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is the Products and Completed Operations Aggregate Limit shown in the Declarations.

b. All:

(1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

(2) Plus medical expenses;

(3) Plus all "personal and advertising injury" caused by offenses committed;

is the Other Than Products and Completed Operations Aggregate Limit shown in the Declarations.

Subject to Paragraph **a.** or **b.** above, whichever applies, the Damage To Premises Rented To You limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section II – Liability 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.

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TOTAL EXCLUSION – PERFLUORINATED COMPOUNDS (PFC) / PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to **SECTION II – LIABILITY, B. Exclusions**, **1. Applicable To Business Liability Coverage**:

This insurance does not apply to:

Perfluorinated Compounds (PFC) or Per- and Polyfluoroalkyl Substances (PFAS)

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of, in any way related to, or which would not have occurred in whole or in part, but for the actual, alleged, threatened or suspected:

a. Inhalation of, ingestion of, contact with, exposure to, existence of, absorption of, or presence of any and all "PFC/PFAS";

b. Design, manufacture, storage, processing, packaging, handling, testing, distribution, sale, or disposal of "PFC/PFAS";

c. Discharge, dispersal, seepage, migration, release, flaking, leakage, leaching, friability, release or escape of "PFC/PFAS";

d. Providing or failing to provide warnings or instructions with respect to "PFC/PFAS"; or

e. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "PFC/PFAS";

regardless of whether any other cause, event, material substances, compounds, goods, products or "your products", contributed concurrently or in any sequence to such injury or damage.

2. Any loss, cost, or expense arising out of or related to any:

a. Request, demand, order or statutory, regulatory or legal requirement of any kind that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess or remediate the effects of "PFC/PFAS"; 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 "PFC/PFAS".

3. Any other injury or damage, liability, loss, cost or expense arising out of or in any way related to "PFC/PFAS" including, but not limited to, any fines, penalties, punitive or exemplary damages.

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:

a. The "occurrence" which caused the "bodily injury" or "property damage";

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b. The offense which caused the "personal and advertising injury"; or

c. Any injury or damage, liability, loss, cost or expense whatsoever;

involved that which is described in paragraphs **A.1.** through **A.3.** above.

B. The following definition is added to **SECTION II – LIABILITY**, **F. Liability And Medical Expenses Definitions**:

1. "PFC/PFAS" means perfluorinated compounds (PFC) or per- and polyfluoroalkyl substances (PFAS), including but not limited to:

a. Perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS), perfluorononanoic acid (PFNA), perfluorobutyric acid (PFBA), perfluorobutane sulfonic acid (PFBS), perfluoropentanoic acid (PFPeA), perfluorohexane sulfonic acid (PFHxS), GenX, C8 (perfluorinated carboxylic acid), ADONA, perfluorohexanoic acid (PFHxA),perfluoroheptanoic acid (PFHpA), perfluorooctane sulfonamide (PFSOA), perfluorodecanoic acid, (PFDA), perfluorodecane sulfonate (PFDS), perfluoroundecanoic acid (PFUnA), perfluorododecanoic acid (PFDoA), perfluorotridecanoic acid (PFTrDA), perfluorotetradecanoic acid (PFTeDA), or 6:2 fluorotelomer sulfonate (6:2 FTS) or any associated salts, acides, alcohols, precursor chemicals, or related higher homologue chemicals;

b. Any fluorinated polymers, including but not limited to fluoropolymers, perfluoropolyethers, and side-chain-fluorinated polymers;

c. Any and all biosolid, replacement PFAS substance, material or product; or

d. Any substance, material or compound that is identified or acknowledged by any federal, state, international or other governmental agency or authority, including but not limited to the United States Environmental Protection Agency (EPA), the Centers for Disease Control and Prevention (CDC), the Agency for Toxic Substances and Disease Registry (ATSDR), the National Institutes for Health (NIH), and the International Agency for Research on Cancer (IARC):

(1) As or to contain a per- and polyfluoroalkyl substance; or

(2) To exhibit or demonstrate the same or similar harmful properties as a per- and polyfluoroalkyl substance.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not exclude coverage for PFC-related or PFAS-related damages, expense, loss, demand, claim, liability or legal obligation.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE CYBER LIABILITY AND ELECTRONIC EXCLUSION

The following exclusion applies to all coverages afforded under this policy:

This insurance does not apply to any loss, cost, expense, fine, penalty, error and omission, or damage alleging, arising out of or from, attributable to, or giving rise to:

(1) Any access to, collection or disclosure of, or failure to erase any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, biometrics, or any other type of nonpublic information; or

(2) Business interruption or suspension of operations as caused by any access, unauthorized access, lack of access, delay in access, damage, manipulation, loss, or impairment to **Electronic Data** or **Electronic Media**; or

(3) **Cyber Extortion**; or

(4) A **Privacy Breach**; or

(5) A **Security Breach;** or

(6) Any fraudulent communication through **Electronic Media** that impersonates any person or organization, including but not limited to phishing or other social engineering techniques or otherwise; or

(7) Any computer code, software, or programming; or

(8) Any **Security Breach** that results in any electronic thing or device or **Electronic Media** malfunctioning, improperly functioning, non-functioning, failing to perform as the intended user desired, or being electronically manipulated to perform in a way that causes harm to the insured or others; or

(9) The loss, loss of use, misuse, delay, manipulation, corruption, damage, alteration, destruction, distortion, erasure, or theft of, or inability to access or manipulate **Electronic Data** or **Electronic Media** as a result of **Cyber Extortion;** or **Privacy Breach;** or **Security Breach**

(10) Any failure of utilities based upon, arising out of, or attributable to any mechanical or electrical failure, interruption, or outage, however caused, including but not limited to any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or outage to gas, water, telephone, cable, satellite, telecommunications, the internet, or any component thereof, including but not limited to hardware, software, or any other infrastructure as a result of **Cyber Extortion;** or **Privacy Breach;** or **Security Breach.**

(11) This exclusion applies even if damages are claimed for notification costs, errors or omissions, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss, cost, or expense incurred by the insured or others arising out of that which is described in Paragraphs (1) through (10) above.

As used in this exclusion, the following definitions apply:

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Computer hardware means the physical components of any **computer system** including CPU's, memory storage devices, storage media, and input/output devices and other peripheral devices and components including but not limited to cable, connectors, fiber optics, networking equipment, **electronic data** storage devices, input and output devices, backup facilities, wire, power supply units, keyboards, display monitors and audio speakers.

Computer system means an electronic, wireless, web or similar systems (including all **computer hardware**, computer programs and **electronic data**) used to process data or information in an analog, digital, electronic or wireless format, including but not limited to, associated input and output devices, data storage devices, networking equipment, wired or wireless peripherals, electronic backup facilities, and media libraries, that is owned or leased, operated and controlled by the insured or operated by an independent contractor authorized to provide Business Process Outsourcing services or outsourced Information Technology services for the insured.

Corporate Information Breach means the public disclosure of an organization's non-public information.

Cyber Extortion means any threat or connected series of threats communicated to the insured for the purpose of demanding money, securities, or property, including but not limited to threats to release, divulge, disseminate, corrupt, damage or destroy **Electronic Data** or **Electronic Media**; introduce malware or **malicious code** into the insured's computer system; electronically communicate with the insured's customers in order to fraudulently obtain personal information, money, securities or property; or restrict or hinder access to the insured's computer system, **Electronic Data** or **Electronic Media**, including but not limited to ransomware.

Denial of service means unauthorized or unexpected interference or malicious attack by any person(s) or entity(ies) that restricts or prevents access to a **computer system** by persons or entities authorized to gain access to the **computer system** or **electronic data**.

Electronic Data means information, facts, blockchain, crypto currencies, or computer programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, hard or floppy disks, CD-ROMs, DVDs, external drives, USB sticks, tapes, drives, cells, microchip, data processing devices, or any other media 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.

Electronic Media means broadcast or storage media that take advantage of electronic technology. They include television, radio, Internet, fax, Bluetooth, GPS, audio beacons, electronic data, and any other medium that requires electricity or digital encoding of information.

.**Malicious code** means unauthorized and corrupting or harmful computer code, including but not limited to computer viruses, spyware, Trojan horses, worms, logic bombs, and mutations of any of the preceding.

Privacy Breach means a common law or statutory breach of confidence or violation of any common law or statutory rights to privacy, including but not limited to breach of a privacy policy, breach of a person's

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right of publicity, misappropriation of likeness, false light, intrusion upon a person's seclusion, or public disclosure of a person's or animal's private information. Privacy Breach will also include a **Corporate Information Breach**.

Security breach means:

1. **Unauthorized access** of the insured's **computer system** or **unauthorized use** of **computer systems** including **unauthorized access** or **unauthorized use** resulting from the theft of a password from the insured's **computer system**;

2. A **denial of service** attack against your **computer systems**; or

3. Infection of the insured's **computer system** by **malicious code** or transmission of **malicious code** from the insured's **computer systems**,

whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

Unauthorized access means the gaining of access to a **computer system** by an unauthorized person or persons.

Unauthorized use means the use of a **computer system** by an unauthorized person or persons or an authorized person in an unauthorized manner.

This Endorsement is an absolute exclusion for cyber liability, **Electronic Data**, **Electronic Media** and **Security Breaches**. This Endorsement applies except if coverage is specifically and affirmatively provided in the following coverage forms or endorsements issued by us and only in respect to the coverage afforded in those coverage forms or endorsements. In no event will this Endorsement broaden any coverage afforded in any coverage form or endorsement:

- **Cyber Security Liability Coverage Form**
- **Cyber Security Liability Endorsement**
- **Building and Personal Property Coverage Form**
- **Fraudulent Inducement Insuring Agreement**
- **Fraudulent Inducement Insuring Agreement - Broad Form**
- **Fraudulent Impersonation**
- **Fraudulent Impersonation Ultimate Cover**
- **Business Income and Extra Expense Coverage Form**
- **Computer Coverage Form**
- **Exclusion-Access or Disclosure of Confidential or Personal Information and Data-Related Liability-With Limited Bodily Injury Exception**
- **Changes-Electronic Data**

All other terms and conditions remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION NOTICE TO SCHEDULED ADDITIONAL INSURED OR CERTIFICATE HOLDER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE OF ADDITIONAL INSUREDS OR CERTIFICATE HOLDERS

ADDITIONAL INSURED NAME: • City of Santa Ana, its officers, officials, employees, and volunteers
City of Sacramento, its officials, employees, and volunteers
c/o EXIGIS LLC
P.O. Box 947
Murrieta, CA 92564

City of Hanford and its officers, officials, employees, and volunteers City of Hanford
Attn: Mario A Cifuentez II 319 N. Douty Hanford CA 93230

Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225

County of Santa Barbara and Government Consulting Partners, Inc.

ADDITIONAL INSURED ADDRESS:

The following is added to A. CANCELLATION of the Common Policy Conditions of the above applicable coverage part:

In the event we cancel the policy in accordance with the policy's terms and conditions, we will endeavor to mail written notice of cancellation to Additional Insureds or Certificate Holders, shown in the above SCHEDULE within the time frame listed below. However, failure to mail such notice shall impose no obligation of any kind upon us, our agents or representatives.

30 days before the effective date of cancellation if we cancel for any reason other than for non - payment of premium.

As respects Additional Insureds, the above cancellation provision applies only when the Additional Insured shown in the above SCHEDULE is added to the policy by a separate additional insured endorsement as the CANCELLATION NOTICE TO ADDITIONAL INSURED OR CERTIFICATE HOLDER does not provide additional insured coverage.

All other terms and conditions of this Policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

This endorsement modifies insurance provided under the following:

POLICY NUMBER PHBX23003419-03	**POLICY CHANGES EFFECTIVE** 11/09/2026	**COMPANY** Philadelphia Indemnity Insurance Company
NAMED INSURED Government Consulting Partners, Inc. dba Government Consulting Partners		**AUTHORIZED REPRESENTATIVE** John W. Glomb, Jr.

CHANGES

Added Waiver of Subrogation, Additional Insured and Primary & Non-Contributory for City of Sebastopol, its officers, officials, employees, and volunteers, Attn City Manager, 7120 Bodega Ave, Sebastopol, CA 95472

POLICY AMOUNT AND PREMIUM ADJUSTMENT

	Limits Of Insurance		**Premiums**		
Coverage Description	**Previous Limit Of Insurance**	**New Limit Of Insurance**	**Previous Premium**	**New Premium**	[X] **Add'l Premium** [ ] **Return Premium**
	$	**$**	**$**	**$**	**$**

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OPTIONAL COVERAGES				
The following optional coverages are added under this policy when designated by an "X" in the box(es) shown below.			X	**Add'l Premium**
				Return Premium
	Limits Of Insurance			
Outdoor Signs	**$** 10,000		**$**	
☐ **Burglary and Robbery** (Named Peril Endorsement only) or ☒ **Money and Securities**	**$** 5,000	**Inside the Premises**	**$**	
	$ 5,000	**Outside the Premises**	**$**	
☒ **Employee Dishonesty**	**$** 5,000	**each occurrence**	**$**	
☐ **Equipment Breakdown**	**$**		**$**	

TOTAL PREMIUM ADJUSTMENTS	
PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE	
ADDITIONAL	**RETURN**
$ 100	**$**
REMOVAL PERMIT	If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effec-tive date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

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PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company
A Stock Company (Nonparticipating)

COMMON POLICY DECLARATIONS

Policy Number: PHBX23003419

Named Insured and Mailing Address:

Government Consulting Partners, Inc. dba Government Consulting Partners
5016 Brower Ct
C/O Brad Wilkes
Granite Bay, CA 95746

Producer:

1981
Valley Oaks Insurance Agency
1508 Eureka Rd Ste 170
Roseville, CA 956612820

Policy Period From: 10/10/2026 **To:** 10/10/2027

at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description: Other Services Not Otherwise Listed

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

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Businessowners	
Professional Liability	$2,427.00

Total: $2,427.00

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD-PIIC-BOP (03/21)

Secretary

President and CEO

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PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

BUSINESSOWNERS SELECT POLICY DECLARATIONS

Insured's Name and Mailing Address
Government Consulting Partners, Inc. dba Government Consulting Partners
5016 Brower Ct
C/O Brad Wilkes
Granite Bay, CA 95746

Policy No. PHBX23003419

INCEPTION (Mo. Day Yr.)(12:01 AM* Standard Time at your mailing address)
10/10/2026
*Exceptions: 12:00 PM in Michigan and North Carolina.

EXPIRATION (Mo. Day Yr.)
10/10/2027

'X' IF SUPPLEMENTAL DECLARATION
[X] SUPPLEMENTAL DECLARATION

RENEWAL OR REWRITE OF NO.

Business Description: Other Services Not Otherwise Listed

Form of Business: Sole Proprietorship

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy

DESCRIBED PREMISES

Forms Applicable: [ ] Standard [X] Special

Prems. No.	Bldg. No.	Location	Mortgage Holder Name and Address

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

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

PROPERTY	PREMS. NO.	BLDG. NO.	PREMS. NO.	BLDG. NO.	PREMS. NO.	BLDG. NO.

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

Deductible $ **SEE ATTACHED SUPPLEMENTAL DECLARATIONS**

OPTIONAL COVERAGES:

SEE ATTACHED SUPPLEMENTAL DECLARATIONS

LIABILITY AND MEDICAL EXPENSES

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II – Liability in the Businessowners Coverage Form and any attached endorsements.

	Limit of Insurance	
Liability And Medical Expenses	$1,000,000	Per Occurrence
Medical Expenses	$10,000	Per Person
Damage To Premises Rented To You	$50,000	Any One Premises
Other Than Products/Completed Operations Aggregate	$3,000,000	
Products/Completed Operations Aggregate	$2,000,000	
Hired And Non-Owned Auto Liability	$1,000,000	Per Occurrence
Hired And Non-Owned Auto Liability	$3,000,000	Aggregate
TOTAL PREMIUM :	$2,427.00	

FORMS AND ENDORSEMENTS: REFER TO FORMS SCHEDULE

During the past three years no insurer has canceled any insurance issued to the named insured, similar to that afforded hereunder, unless otherwise stated herein.

COUNTERSIGNATURE DATE	AGENCY AT 1508 Eureka Rd Ste 170 Roseville, CA 956612820	AGENT AND NUMBER Valley Oaks Insurance Agency 1981

THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S), COMMON POLICY CONDITIONS AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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BUSINESSOWNERS SELECT SUPPLEMENTAL DECLARATIONS

Policy Number: PHBX23003419

Named Insured: Government Consulting Partners, Inc. dba Government Consulting Partners

Policy Effective Date: 10/10/2026

DESCRIPTION OF PREMISES – ADDRESSES

Prems. No.	Bldg. No.	Address
001	001	5016 Brower Ct, Granite Bay, CA 95746

DESCRIPTION OF PREMISES – OCCUPANCY

Prems. No.	Bldg. No.	Occupancy	Construction	Protection
001	001	Office	N/A	N/A

PROPERTY COVERAGES PROVIDED

Prems. No.	Bldg No.	Type of Property (Building or Personal Property)	Limit of Insurance	Automatic Increase in Insurance	Deductible	ACV/RC
001	001	Personal Property	$10,000		$1,000	

ADDITIONAL COVERAGE – BUSINESS INCOME AND EXTRA EXPENSE

Prems. No.	Bldg. No.	Limit of Insurance
001	001	$50,000

BLANKET INSURANCE

Indicate the type of property to be blanketed and the blanket limit of insurance.

Type of Property	Limit of Insurance

Mortgage Holders -

OPTIONAL COVERAGES

Loc #	Bldg #	Coverage	Limit	Deductible
		Hired And Non-Owned Auto Liability	**SEE PI-BOP-012**	
		Primary and Non-Contributory – Designated Person or Organization	**SEE PI-BOP-011**	
		Waiver of Subrogation	**SEE BP 04 97 01 06**	
001	001	Personal Property	$10,000.00	$1,000
001	001	Businessowners Enhancement Deluxe	SEE PI-BOP-005	

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS ENHANCEMENT DELUXE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

COVERAGE	LIMIT OF INSURANCE
Fire Department Service Charge	$5,000
Personal Property Off Premises	$15,000
Personal Effects	Up to Your Business Personal Property Limit
Valuable Papers and Records	$25,000 On Premises $10,000 Off Premises
Accounts Receivable	$25,000 On Premises $10,000 Off Premises
Outdoor Property including Playground Equipment	$10,000
Arson Reward	$5,000
Water Back-Up and Sump Overflow	$5,000
Signs	$10,000
Money and Securities	$5,000
Employee Dishonesty	$5,000
Cost of Bail Bonds	$500
Defense or Investigation Assistance Loss of Earnings	$1,000

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A. **SECTION I – PROPERTY**, **A. Coverage**, **5. Additional Coverages**, **c. Fire Department Service Charge** is amended to reflect that the most we will pay is increased from $2,500 to $5,000.

B. **SECTION I – PROPERTY**, **A. Coverage**, **6. Coverage Extensions** is amended as follows:

1. Paragraph **b. Personal Property Off Premises** is amended to reflect that the most we will pay is increased from $10,000 to $15,000.

2. Paragraph **d. Personal Effects** is amended to reflect that the most we will pay is increased from $2,500 to your Business Personal Property Limit as shown on the Declarations Page.

3. Paragraph **e. Valuable Papers And Records, (3),** is amended to reflect that the most we will pay is increased from $10,000 to $25,000 at the described premises and from $5,000 to $10,000 not at the described premises.

4. Paragraph **f. Accounts Receivable, (2),** is amended to reflect that the most we will pay is increased from $10,000 to $25,000 at the described premises and from $5,000 to $10,000 not at the described premises.

C. **SECTION I – PROPERTY**, **A. Coverage**, **6. Coverage Extensions**, **c. Outdoor Property** is deleted in its entirety and replaced with the following:

c. Outdoor Property

You may extend the insurance provided by this Coverage Extension to apply to your outside fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), outside playground equipment, trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

(1) Fire;
(2) Lightning;
(3) Explosion;
(4) Riot or Civil Commotion; or
(5) Aircraft.

The most we will pay for loss or damage under this Extension is $10,000, but not more than $1,000 for any one tree, shrub or plant.

D. The following are added to **SECTION I – PROPERTY**, **6. Coverage Extensions**:

Arson Reward

In the event that a covered fire loss was the result of an act of arson, we will reimburse you up to $5,000 for rewards you pay for information, which leads to an arson conviction for loss or damage covered by this policy. No deductible applies to this Coverage Extension.

Water Back-up and Sump Overflow

(1) We will pay for direct physical loss or damage to Covered Property caused by or resulting from:

(a) Water which backs up through or overflows from a sewer or drain; or

(b) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment. We will not pay the cost of repairing or replacing a sump pump or its related equipment.

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(2) The coverage described in Paragraph **(1)** of Water Back-up and Sump Overflow above, does not apply to loss or damage resulting from an insured's failure to:

(a) Keep a sump pump or its related equipment in proper working condition; or

(b) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

(3) The most we will pay for the coverage provided under this endorsement is $5,000.

E. SECTION I – PROPERTY, **B. Exclusions**, **1.**, **g. Water,** is deleted in its entirety and replaced with the following:

g. Water

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

(2) Mudslide or mudflow;

(3) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings; or

(4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **(1)** or **(3)**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(4)**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **(1)** through **(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

F. SECTION I – PROPERTY, **G Optional Coverages:** Only the first paragraph is deleted in its entirety and replaced with the following:

G. Optional Coverages

The standard limit shown in this endorsement is a replacement for showing the limit on the Declarations. If a limit other than the standard limits shown below is provided, the applicable limit will be displayed in the Declarations. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Signs

The most we will pay for loss or damage in any one occurrence is $10,000 unless a different limit is shown in the Declarations.

2. Money and Securities, **item c.** is deleted and replaced with the following:

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The most we will pay for loss in any one occurrence is:

(1) $5,000, unless a different limit is shown in the Declarations, for Inside the Premises for "money" and "securities" while:

(a) In or on the described premises; or

(b) Within a bank or saving institution; and

(2) $5,000, unless a different limit is shown in the Declarations, for Outside the Premises for "money" and "securities" while anywhere else.

3. Employee Dishonesty, **item c.** is deleted and replaced with the following:

The most we will pay for loss or damage in any one occurrence is $5,000, unless a different limit is shown in the Declarations.

G. SECTION II – LIABILITY, **A. Coverages**, **1. Business Liability**, **f. Coverage Extension – Supplementary Payments**:

(1) (b) is amended to reflect that the limit we will pay up to is increased from $250 to $500.

(1) (d) is amended to reflect that the limit we will pay up to is increased from $250 to $1,000.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Insurance is provided only for those coverages for which a specific limit or premium charge is shown in the Declarations.

1. Hired Auto Liability

The insurance provided under **SECTION II – LIABILITY**, **A. Coverages**, **1. Business Liability**; applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. Non-Owned Auto Liability

The insurance provided under **SECTION II – LIABILITY**, **A. Coverages**, **1. Business Liability**; applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person other than you.

B. For insurance provided by this endorsement only:

1. The exclusions, under **SECTION II – LIABILITY**, **B. Exclusions**, **1. Applicable to Business Liability Coverage**, other than exclusions **a.**, **b.**, **d.**, **f.** and **i.** and the **Nuclear Energy Liability Exclusion**, are deleted and replaced by the following:

a. "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 Paragraph **(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 injury.

This exclusion does not apply to:

(1) Liability assumed by the insured under an "insured contract"; or

(2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

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b. "Property damage" to:

(1) Property owned or being transported by, or rented or loaned to the insured; or

(2) Property in the care, custody or control of the insured.

2. **SECTION II – LIABILITY**, **C. Who Is An Insured**, is replaced by the following:

a. Each of the following is an insured under this endorsement to the extent set forth below:

(1) You;

(2) Any other person using a "hired auto" with your permission;

(3) For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and

(4) Any other person or organization, but only for their liability because of acts or omissions of an insured under **(1), (2)** or **(3)** above.

b. None of the following is an insured:

(1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;

(2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

(3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;

(4) The owner or lessee (of whom you are a sub lessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;

(5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

3. This insurance does not apply: If you regularly deliver the good or products which you are in the business of selling, "bodily injury" or "property damage" arising out of the delivery of those goods or products.

4. This insurance does not apply: If you deliver any goods or products for a charge, "bodily injury" or "property damage" arising out of the delivery of those goods or products.

C. The following additional definitions apply:

1. **"Auto Business"** means the business or occupation of selling, repairing, servicing, storing or parking "autos".

2. **"Hired Auto"** means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours. This DOES NOT include any "Auto" you lease for a period of more than 30 consecutive days.

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3. **"Non-Owned Auto"** means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT

A. Section I – Property is amended as follows:

1. With respect to an "open policy", the following is added to any provision which uses the term actual cash value:

a. In the event of a partial or total loss to a building or structure, actual cash value is calculated as **a.(1)** or **a.(2),** whichever is less:

(1) The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of loss; or

(2) The Limit of Insurance applicable to the property.

b. In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as **b.(1)** or **b.(2),** whichever is less:

(1) The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or

(2) The Limit of Insurance applicable to the property.

c. An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation.

2. Paragraph **E.2. Appraisal** Property Loss Conditions is replaced by the following:

2. Appraisal

If we and you disagree on the value of the property or the actual cash value or the amount of loss, either may make written request for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. However, in the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and actual cash value and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of actual cash value and loss and will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Paragraph **E.5.d.(1)(c)** of the **Loss Payment** Property Loss Conditions is deleted.

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4. Paragraphs **E.5.d.(1)(d)** and **E.5.d.(5)** of the **Loss Payment** Property Loss Conditions are replaced as follows:

(d) We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. Prior to such repair or replacement, we will pay the actual cash value of the lost or damaged property as described in Paragraph **A.1.** of this Endorsement. If the actual cash value does not exhaust the applicable Limit of Insurance, we will then pay the difference between the actual cash value and the replacement cost, provided that the repair or replacement is completed:

(i) Within 12 months after we pay the actual cash value; or

(ii) Within 36 months after we pay the actual cash value if the loss or damage relates to a state of emergency under California Law.

The following provision applies to real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit:

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the residence that are beyond your control, we shall provide one or more additional extensions of six months for good cause. Circumstances beyond your control include, but are not limited to:

(i) Unavoidable construction permit delays;

(ii) The lack of necessary construction materials; or

(iii) The unavailability of contractors to perform the necessary work.

Nothing in this Paragraph **(d)** constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

(5) Tenants' improvements and betterments at:

(a) Replacement cost in accordance with the terms set forth in Paragraph **(d)** above.

(b) A proportion of your original cost if the property is not repaired or replaced. We will determine the proportionate value as follows:

(i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(ii) Divide the amount determined in **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(c) Nothing if others pay for repairs or replacement.

B. Section III – Common Policy Conditions is amended as follows:

1. Paragraphs **A.2.** and **A.3. Cancellation** are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this Policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this Policy by mailing or delivering to the first Named Insured at the mailing address shown in the Policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

(1) Nonpayment of premium; or

(2) Discovery of fraud by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this Policy.

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b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this Policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this Policy only upon the occurrence, after the effective date of the Policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this Policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

(i) Place us in violation of California Law or the laws of the state where we are domiciled; or

(ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the Policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the Policy, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph **3.a.**

2. The following provision is added to Paragraph **A. Cancellation:**

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit. If such coverage has been in effect for 60 days or less and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except that we may not cancel this Policy solely because:

a. Corrosive soil conditions exist on the premises; or

b. The first Named Insured has:

(1) Accepted an offer of earthquake coverage; or

(2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

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However, we shall cancel this Policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not cancel this Policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred. However, we may cancel:

a. When you have not paid the premium, at any time by letting you know at least 10 days before the date cancellation takes effect;

b. If willful or grossly negligent acts or omissions by the named insured, or his or her representatives, are discovered that materially increase any of the risks insured against; or

c. If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by fire:

We do not provide coverage to the insured who, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

a. This Policy;

b. The Covered Property;

c. That insured's interest in the Covered Property; or

d. A claim under this Policy.

4. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by a Covered Cause of Loss other than fire:

This Policy is void if any insured, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

a. This Policy;

b. The Covered Property;

c. An insured's interest in the Covered Property; or

d. A claim under this Policy.

5. Paragraph **H.1. Other Insurance** is replaced by the following (with respect to coverage provided under Section **I** – Property):

If there is other insurance covering the same loss or damage, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance bears to the Limits of Insurance of all insurance covering on the same basis.

We will not pay more than the applicable Limit of Insurance of Section **I** – Property.

6. The following paragraph is added and supersedes any provisions to the contrary:

M. Nonrenewal

1. Subject to the provisions of Paragraphs **2.** and **3.** below, if we elect not to renew this Policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the Policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit.

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If this Policy provides coverage as described in the preceding paragraph, and we elect not to renew this Policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at the mailing address shown in the Policy, at least 75 days, but not more than 120 days, before the expiration or anniversary date.

If we fail to give the first Named Insured shown in the Declarations notice of nonrenewal at least 75 days prior to the policy expiration, as required in the paragraph above, this Policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to the named insured. A notice to this effect shall be provided by us to the first Named Insured with the notice of nonrenewal.

We may elect not to renew such coverage for any reason, except that we will not refuse to renew such coverage solely because:

a. The first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

(1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this Policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

(a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

(b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

b. The first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

c. Corrosive soil conditions exist on the premises.

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If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this Policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may nonrenew:

a. If willful or grossly negligent acts or omissions by the named insured, or his or her representatives, are discovered that materially increase any of the risks insured against;

b. If losses unrelated to the postdisaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or

c. If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

3. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.

b. If the Policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **1.**

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the Policy, to obtain that coverage.

d. If the Policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the Policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **1.,** to renew the Policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

C. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

1. Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability** is replaced by the following:

(2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1).**

2. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

d. With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

(1) Civil or criminal fines or penalties imposed by law;

(2) Punitive or exemplary damages;

(3) The multiplied portion of multiplied damages;

(4) Taxes;

(5) Royalties;

(6) The amount of any disgorged profits; or

(7) Matters that are uninsurable pursuant to law.

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POLICY NUMBER: PHBX23003419

BUSINESSOWNERS
BP 04 97 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name of Person or Organization:
City of Sebastopol, its officers, officials, employees, and volunteers, Attn City Manager, 7120 Bodega Ave, Sebastopol, CA 95472
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us in Section III – Common Policy Conditions** is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name Of Person(s) Or Organization(s):
City of Sebastopol, its officers, officials, employees, and volunteers, Attn City Manager, 7120 Bodega Ave, Sebastopol, CA 95472
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Liability is amended as follows:

A. The following is added to Paragraph **C. Who Is An Insured:**

3. Any person(s) or organization(s) shown in the Schedule is also an additional insured, 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 in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

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

b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

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PRIMARY AND NON-CONTRIBUTORY – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name of Person or Organization:
City of Sebastopol, its officers, officials, employees, and volunteers, Attn City Manager, 7120 Bodega Ave, Sebastopol, CA 95472
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to **SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY AND SECTION II – LIABILITY), H. Other Insurance:**

This insurance is primary and non-contributory as respects our coverage for the person or organization shown in the **SCHEDULE** of this endorsement. We will not seek contributions from any other insurance policy available to the person or organization shown in the SCHEDULE of this endorsement for “bodily injury”, “property damage” or “personal and advertising injury” covered under this policy.

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ABUSE OR MOLESTATION EXCLUSION FOR BUSINESS LIABILITY AND PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to **SECTION II – LIABILITY**, **B. Exclusions**, **1. Applicable To Business Liability Coverage**:

Abuse or Molestation – Business Liability and Professional Liability

This insurance does not apply to any:

1. injury sustained by any person arising out of or resulting from; or

2. loss, cost, expense, fine, penalty, act, error and omission, or damage alleging, arising out of or from, attributable to, or giving rise to any injury sustained by any person caused by,

the alleged, actual or threatened abuse or molestation by anyone.

We shall not have any duty to defend any "suit" against any insured seeking damages on account of any such injury.

This exclusion applies to all injury sustained by any person, including emotional distress, arising out of molestation or abuse whether alleged, actual or threatened including but not limited to molestation or abuse arising out of your negligence or other wrongdoing with respect to:

1. **a.** Hiring, placement, employment, training;

b. Investigation;

c. Supervision;

d. Reporting any molestation or abuse to the proper authorities, or failure to so report; or

e. Retention;

of a person for whom any insured is or ever was legally responsible or for whom any insured may have assumed the liability; and whose conduct would be excluded above.

The following additional exclusion applies to Professional Liability:

2. **a.** Failure to provide professional services to; or

b. Neglect of the therapeutic needs of,

any person because of the conduct which would be excluded above.

This endorsement is an absolute exclusion for abuse or molestation and supersedes any other provision to the contrary.

All other terms and conditions remain unchanged.

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AGGREGATE LIMITS AMENDMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SECTION II – LIABILITY, **D. Liability And Medical Expenses Limits Of Insurance**, **4. Aggregate Limits** is deleted and replaced with the following:

Aggregate Limits

The most we will pay for:

a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is the Products and Completed Operations Aggregate Limit shown in the Declarations.

b. All:

(1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

(2) Plus medical expenses;

(3) Plus all "personal and advertising injury" caused by offenses committed;

is the Other Than Products and Completed Operations Aggregate Limit shown in the Declarations.

Subject to Paragraph **a.** or **b.** above, whichever applies, the Damage To Premises Rented To You limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section II – Liability 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.

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TOTAL EXCLUSION – PERFLUORINATED COMPOUNDS (PFC) / PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to **SECTION II – LIABILITY, B. Exclusions**, **1. Applicable To Business Liability Coverage**:

This insurance does not apply to:

Perfluorinated Compounds (PFC) or Per- and Polyfluoroalkyl Substances (PFAS)

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of, in any way related to, or which would not have occurred in whole or in part, but for the actual, alleged, threatened or suspected:

a. Inhalation of, ingestion of, contact with, exposure to, existence of, absorption of, or presence of any and all "PFC/PFAS";

b. Design, manufacture, storage, processing, packaging, handling, testing, distribution, sale, or disposal of "PFC/PFAS";

c. Discharge, dispersal, seepage, migration, release, flaking, leakage, leaching, friability, release or escape of "PFC/PFAS";

d. Providing or failing to provide warnings or instructions with respect to "PFC/PFAS"; or

e. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "PFC/PFAS";

regardless of whether any other cause, event, material substances, compounds, goods, products or "your products", contributed concurrently or in any sequence to such injury or damage.

2. Any loss, cost, or expense arising out of or related to any:

a. Request, demand, order or statutory, regulatory or legal requirement of any kind that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess or remediate the effects of "PFC/PFAS"; 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 "PFC/PFAS".

3. Any other injury or damage, liability, loss, cost or expense arising out of or in any way related to "PFC/PFAS" including, but not limited to, any fines, penalties, punitive or exemplary damages.

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:

a. The "occurrence" which caused the "bodily injury" or "property damage";

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b. The offense which caused the "personal and advertising injury"; or

c. Any injury or damage, liability, loss, cost or expense whatsoever;

involved that which is described in paragraphs **A.1.** through **A.3.** above.

B. The following definition is added to **SECTION II – LIABILITY**, **F. Liability And Medical Expenses Definitions**:

1. "PFC/PFAS" means perfluorinated compounds (PFC) or per- and polyfluoroalkyl substances (PFAS), including but not limited to:

a. Perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS), perfluorononanoic acid (PFNA), perfluorobutyric acid (PFBA), perfluorobutane sulfonic acid (PFBS), perfluoropentanoic acid (PFPeA), perfluorohexane sulfonic acid (PFHxS), GenX, C8 (perfluorinated carboxylic acid), ADONA, perfluorohexanoic acid (PFHxA),perfluoroheptanoic acid (PFHpA), perfluorooctane sulfonamide (PFSOA), perfluorodecanoic acid, (PFDA), perfluorodecane sulfonate (PFDS), perfluoroundecanoic acid (PFUnA), perfluorododecanoic acid (PFDoA), perfluorotridecanoic acid (PFTrDA), perfluorotetradecanoic acid (PFTeDA), or 6:2 fluorotelomer sulfonate (6:2 FTS) or any associated salts, acides, alcohols, precursor chemicals, or related higher homologue chemicals;

b. Any fluorinated polymers, including but not limited to fluoropolymers, perfluoropolyethers, and side-chain-fluorinated polymers;

c. Any and all biosolid, replacement PFAS substance, material or product; or

d. Any substance, material or compound that is identified or acknowledged by any federal, state, international or other governmental agency or authority, including but not limited to the United States Environmental Protection Agency (EPA), the Centers for Disease Control and Prevention (CDC), the Agency for Toxic Substances and Disease Registry (ATSDR), the National Institutes for Health (NIH), and the International Agency for Research on Cancer (IARC):

(1) As or to contain a per- and polyfluoroalkyl substance; or

(2) To exhibit or demonstrate the same or similar harmful properties as a per- and polyfluoroalkyl substance.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not exclude coverage for PFC-related or PFAS-related damages, expense, loss, demand, claim, liability or legal obligation.

All other terms and conditions of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE CYBER LIABILITY AND ELECTRONIC EXCLUSION

The following exclusion applies to all coverages afforded under this policy:

This insurance does not apply to any loss, cost, expense, fine, penalty, error and omission, or damage alleging, arising out of or from, attributable to, or giving rise to:

(1) Any access to, collection or disclosure of, or failure to erase any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, biometrics, or any other type of nonpublic information; or

(2) Business interruption or suspension of operations as caused by any access, unauthorized access, lack of access, delay in access, damage, manipulation, loss, or impairment to **Electronic Data** or **Electronic Media**; or

(3) **Cyber Extortion**; or

(4) A **Privacy Breach**; or

(5) A **Security Breach;** or

(6) Any fraudulent communication through **Electronic Media** that impersonates any person or organization, including but not limited to phishing or other social engineering techniques or otherwise; or

(7) Any computer code, software, or programming; or

(8) Any **Security Breach** that results in any electronic thing or device or **Electronic Media** malfunctioning, improperly functioning, non-functioning, failing to perform as the intended user desired, or being electronically manipulated to perform in a way that causes harm to the insured or others; or

(9) The loss, loss of use, misuse, delay, manipulation, corruption, damage, alteration, destruction, distortion, erasure, or theft of, or inability to access or manipulate **Electronic Data** or **Electronic Media** as a result of **Cyber Extortion;** or **Privacy Breach;** or **Security Breach**

(10) Any failure of utilities based upon, arising out of, or attributable to any mechanical or electrical failure, interruption, or outage, however caused, including but not limited to any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or outage to gas, water, telephone, cable, satellite, telecommunications, the internet, or any component thereof, including but not limited to hardware, software, or any other infrastructure as a result of **Cyber Extortion;** or **Privacy Breach;** or **Security Breach.**

(11) This exclusion applies even if damages are claimed for notification costs, errors or omissions, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss, cost, or expense incurred by the insured or others arising out of that which is described in Paragraphs (1) through (10) above.

As used in this exclusion, the following definitions apply:

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Computer hardware means the physical components of any **computer system** including CPU's, memory storage devices, storage media, and input/output devices and other peripheral devices and components including but not limited to cable, connectors, fiber optics, networking equipment, **electronic data** storage devices, input and output devices, backup facilities, wire, power supply units, keyboards, display monitors and audio speakers.

Computer system means an electronic, wireless, web or similar systems (including all **computer hardware**, computer programs and **electronic data**) used to process data or information in an analog, digital, electronic or wireless format, including but not limited to, associated input and output devices, data storage devices, networking equipment, wired or wireless peripherals, electronic backup facilities, and media libraries, that is owned or leased, operated and controlled by the insured or operated by an independent contractor authorized to provide Business Process Outsourcing services or outsourced Information Technology services for the insured.

Corporate Information Breach means the public disclosure of an organization's non-public information.

Cyber Extortion means any threat or connected series of threats communicated to the insured for the purpose of demanding money, securities, or property, including but not limited to threats to release, divulge, disseminate, corrupt, damage or destroy **Electronic Data** or **Electronic Media**; introduce malware or **malicious code** into the insured's computer system; electronically communicate with the insured's customers in order to fraudulently obtain personal information, money, securities or property; or restrict or hinder access to the insured's computer system, **Electronic Data** or **Electronic Media**, including but not limited to ransomware.

Denial of service means unauthorized or unexpected interference or malicious attack by any person(s) or entity(ies) that restricts or prevents access to a **computer system** by persons or entities authorized to gain access to the **computer system** or **electronic data**.

Electronic Data means information, facts, blockchain, crypto currencies, or computer programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, hard or floppy disks, CD-ROMs, DVDs, external drives, USB sticks, tapes, drives, cells, microchip, data processing devices, or any other media 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.

Electronic Media means broadcast or storage media that take advantage of electronic technology. They include television, radio, Internet, fax, Bluetooth, GPS, audio beacons, electronic data, and any other medium that requires electricity or digital encoding of information.

.**Malicious code** means unauthorized and corrupting or harmful computer code, including but not limited to computer viruses, spyware, Trojan horses, worms, logic bombs, and mutations of any of the preceding.

Privacy Breach means a common law or statutory breach of confidence or violation of any common law or statutory rights to privacy, including but not limited to breach of a privacy policy, breach of a person's

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right of publicity, misappropriation of likeness, false light, intrusion upon a person's seclusion, or public disclosure of a person's or animal's private information. Privacy Breach will also include a **Corporate Information Breach**.

Security breach means:

1. **Unauthorized access** of the insured's **computer system** or **unauthorized use** of **computer systems** including **unauthorized access** or **unauthorized use** resulting from the theft of a password from the insured's **computer system**;

2. A **denial of service** attack against your **computer systems**; or

3. Infection of the insured's **computer system** by **malicious code** or transmission of **malicious code** from the insured's **computer systems**,

whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

Unauthorized access means the gaining of access to a **computer system** by an unauthorized person or persons.

Unauthorized use means the use of a **computer system** by an unauthorized person or persons or an authorized person in an unauthorized manner.

This Endorsement is an absolute exclusion for cyber liability, **Electronic Data**, **Electronic Media** and **Security Breaches**. This Endorsement applies except if coverage is specifically and affirmatively provided in the following coverage forms or endorsements issued by us and only in respect to the coverage afforded in those coverage forms or endorsements. In no event will this Endorsement broaden any coverage afforded in any coverage form or endorsement:

- **Cyber Security Liability Coverage Form**
- **Cyber Security Liability Endorsement**
- **Building and Personal Property Coverage Form**
- **Fraudulent Inducement Insuring Agreement**
- **Fraudulent Inducement Insuring Agreement - Broad Form**
- **Fraudulent Impersonation**
- **Fraudulent Impersonation Ultimate Cover**
- **Business Income and Extra Expense Coverage Form**
- **Computer Coverage Form**
- **Exclusion-Access or Disclosure of Confidential or Personal Information and Data-Related Liability-With Limited Bodily Injury Exception**
- **Changes-Electronic Data**

All other terms and conditions remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION NOTICE TO SCHEDULED ADDITIONAL INSURED OR CERTIFICATE HOLDER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE OF ADDITIONAL INSUREDS OR CERTIFICATE HOLDERS

ADDITIONAL INSURED NAME: • City of Santa Ana, its officers, officials, employees, and volunteers
City of Sacramento, its officials, employees, and volunteers
c/o EXIGIS LLC
P.O. Box 947
Murrieta, CA 92564

City of Hanford and its officers, officials, employees, and volunteers City of Hanford
Attn: Mario A Cifuentez II 319 N. Douty Hanford CA 93230

Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225

County of Santa Barbara and Government Consulting Partners, Inc.

ADDITIONAL INSURED ADDRESS:

The following is added to A. CANCELLATION of the Common Policy Conditions of the above applicable coverage part:

In the event we cancel the policy in accordance with the policy's terms and conditions, we will endeavor to mail written notice of cancellation to Additional Insureds or Certificate Holders, shown in the above SCHEDULE within the time frame listed below. However, failure to mail such notice shall impose no obligation of any kind upon us, our agents or representatives.

30 days before the effective date of cancellation if we cancel for any reason other than for non - payment of premium.

As respects Additional Insureds, the above cancellation provision applies only when the Additional Insured shown in the above SCHEDULE is added to the policy by a separate additional insured endorsement as the CANCELLATION NOTICE TO ADDITIONAL INSURED OR CERTIFICATE HOLDER does not provide additional insured coverage.

All other terms and conditions of this Policy remain unchanged.