

CONTRACT FOR PROPERTY APPRAISAL SERVICES

This contract for appraisal services is made by and between the Keith County Assessor on behalf of, and with the approval of, the Keith County Board of Commissioners; hereinafter referred to as "the County", and Tax Valuation LLC, 6001 S 58th St, Suite A, Lincoln, NE 68516, hereinafter referred to as "the Contractor".

GENERAL PROVISIONS

1. **Project Definition**: The Contractor agrees to execute a complete program for revaluation of certain properties within the confines of Keith County. The Contractor, the Subcontractor, its employees, or its agents, agree to perform their duties in accordance with Reg. 50-004 as set forth by the Nebraska Department of Revenue and required by the Property Tax Administrator. The Contractor shall begin the work to be performed within thirty (30) days after the execution of this contract. The Contractor shall do its best to complete its performance of this Contract on or before March 1, 2018.
2. **Price**: The County agrees to pay the Contractor the amount \$95,000 for the appraisal of 556 improved commercial parcels and 169 unimproved commercial parcels within Keith County, as outlined in Section 13, Scope of Services. This is a two-year contract with one half of the fee to be billed before June 30, 2017 and the remaining half the fee to be billed after July 1, 2017.
3. **Payments**: Payment shall be made monthly until the work is completed.
4. **Contract Integrated**: Neither the Contractor nor the County shall have authority to change any provisions of this Contract without the written consent of the other party. The contract documents represent the entirety of the agreement between the parties and no other agreement shall be binding unless in writing and signed by the parties hereto and approved by the Property Tax Administrator.
5. **Assignment of Contract**: The Contractor shall not assign or transfer the Contract, or any interest therein, without first receiving written approval from the Assessor and the Property Tax Administrator.
6. **Subcontractor**: The parties agree that the Contractor may use a Subcontractor, to complete portions of the project. No Subcontractors shall be utilized on this project without first receiving written approval from the Assessor.

7. **Submission of Completed Work:** Periodically throughout the program, as appraisals are completed and finally checked by the Contractor's or Subcontractor's supervisor, the Contractor shall submit these to the Assessor for review.
8. **Insurance and Workmen's Compensation:** The Contractor shall carry automotive, public liability and workmen's compensation insurance in the following Property damage, \$500,000: Public Liability same as automotive; Workmen's Compensation Statutory. Proof of bondability is not required by the Keith County Board of Commissioners. Written proof of insurance from an insurance carrier shall be furnished to the County establishing the above coverage. See page 10 for the Certificate of Insurance. The insurance provider for Tax Valuation Inc is Zimmer Insurance Agency, Lincoln, NE. The Contractor agrees to comply with all federal, state and local laws, rules and regulations during the performance of this Contract.
9. **Indemnification:** The Contractor shall indemnify and hold harmless the County and its officers and employees from all claims, demands, payments, suits, actions, recoveries and judgments of every kind and description brought or recovered against it, by reason of any act or omission of the contractor, its agents or employees in the execution of the work.
10. **Compliance with other laws:** The Contractor is an equal opportunity employer and agree to comply with all state, federal and local laws and regulations related to performance of this contract.
11. **Interpretations and Specifications and Contract:** The Assessor will be the interpreter of the specifications and the Contract.
12. **Confidential Nature of Contract:** Disclosure of appraisal information to any individual, firm, or corporation, other than appropriate public officials, and their authorized agents, is expressly prohibited and, if done before approval of this project, will be considered a violation of this Contract.

II. Contract Specifications

13. **Scope of Services:** The services rendered by the Contractor and Subcontractor shall be to inspect and appraise at its actual (market) value, according to the constitution of the State of Nebraska, the following:
 - A. Inspection and valuation of all 556 improved commercial parcels.

- B. Spot check verification of the measurements of improvements.
- C. New front and rear (where possible) digital photos of each parcel inspected.
- D. Check and adjust the quality and condition as necessary.
- E. Pick up any improvements not listed on the assessor's card.
- F. Valuation of all vacant commercial sites. Pictures of the vacant sites are the responsibility of the assessor's office.

All of the improved commercial parcels and all the unimproved commercial parcels of real estate located in Keith County, Nebraska to be inspected and valued by the contractors. The Contractor shall use methods, forms, and manuals authorized by the Property Tax Administrator and the Department of Property Assessment and Taxation. Excluded are state-assessed properties. In case of questionable properties the county assessor shall determine whether or not they are to be appraised.

- 14. Performance of Services:** The services provided pursuant to this contract will be performed as follows:

The Contractor will be responsible for the overall supervision of the services. The Contractor will be directly responsible for all land analysis including: a) vacant land sales review, b) review of square foot and lineal foot values, c) land value abstraction from all improved sales and d) setting the final land values. Additionally, the Contractor will be directly responsible for sales analysis including: a) sales roster review, b) validity of sales with Assessor, c) lineal regression studies for depreciation to effective age and d) total review to establish economic and physical depreciation.

- 15. Public Relations:** During the progress of the work, the Contractor, their employees or agents will endeavor to promote understanding and amicable relations with the taxpayers and public. If used by the Contractor, newspaper articles and other publicity shall be presented for clearance to the Assessor before release. The Assessor shall cooperate in maintaining good public relations throughout the reappraisal project.

The employees or agents of the Assessor and the Contractor shall work together to maintain the full cooperation of all taxpayers by treating each inquiry with courtesy and supplying all possible necessary information to every interested taxpayer; however, each field appraiser/lister shall be instructed to refrain from discussing with the property owner, tenant, or occupant the possibility of any increase or decrease in the valuation of the real property and/or buildings, or make any mention of any possible existing discrepancies. Any discrepancy noted in the field shall be noted on the appraisal card and directed to the attention of the assessor or the supervisor in charge upon return to the office for investigation. This restriction will be strictly adhered to and any violation will be just cause for the Assessor to cancel the employee's appointment and remove him from the field.

- 16. Personnel:** The Contractor shall submit the names, residence address, education and prior experience of each employee or agent of the Contractor for approval of the Assessor before field inspection work is started by the employee or agent.

The employees or agents of the Contractor shall be professional in manner, appearance and be trained in appraisal technique.

The Assessor may upon written notice to the Contractor's Chief Appraiser, remove from this project any person whose work is unsatisfactory to the Assessor. The Contractor shall designate a qualified and responsible employee to supervise the operation of the Contractor's staff for the entire project. The individual designated as such shall make him or herself available to the Assessor for consultation throughout the project.

- 17. Records, Computations to Become Property of County:** The original or suitable copy of all records and computations of the Contractor in respect to any appraisal of property in the County shall be left in the custody of the Assessor, as belonging to the County. This shall include if applicable, but not necessarily limited to: 1) land value maps; 2) materials and wage cost investigation and schedules; 3) field and office cards with property valuation data; 4) sales data; 5) rental schedules; 6) capitalization rate data; 7) land depth tables; 8) operating statements of income properties; 9) depreciation and obsolescence data and tables; 10) all written statements to the public or press groups or individuals concerning the nature of the project; 11) any letters or memorandum to individuals or groups explaining methods used in the appraisal; 12) all regression modeling data; 13) all data processing information pertaining to the project and all other information used in the program.
- 18. Cooperation:** The Assessor and employees will cooperate with and render all reasonable assistance to the Contractor and their employees and agents. The extent of, and reasonableness of, such assistance shall be determined by the Assessor and the heads of the various departments from which assistance is requested. The assessor or employees of the Assessor may accompany the employees or agents of the Contractor at any time during the field inspection.
- 19. Property Records:** The Assessor shall furnish property records. The Contractor and Assessor shall complete these records including all items of the information in connection with the construction, age, zoning condition, depreciation, outline sketch of all the improvements and buildings, land value computations, pricing data of each building, owner's name and address, assessment number, and shall be used to record all pertinent information relative to land and the total valuation of land and buildings. The Contractor or Subcontractor shall establish and maintain proper methods to store and transport all project data in a manner that will ensure minimal data loss in all cases.

20. **Manuals:** If necessary, the Contractor and Subcontractor must use the manuals presently prescribed by the Property Tax Administrator. The most current information available shall be used in arriving at the estimate of replacement cost in the cost approach. The manual shall be field tested in the County on structures of known cost to verify the appropriateness of its use.

21. **Development of Unit Costs:** The Contractor shall make a careful inspection of the regional construction costs in west-central portion of Nebraska. Prices of materials in various quantities and qualities may be obtained from regional and local materials dealers.

Wage scales for various trades and classes of work may be investigated. These material and labor costs shall be as of January 1, 2017, comparing to the Marshall Swift Manuals.

After careful analysis of this data, the Contractor may develop analyzed unit costs that will be used to correct, adjust, or supplement the manual prescribed by the Property Tax Administrator.

22. **Residential & Commercial Valuation Schedules:** For the appraisal of residential & commercial properties, specifications shall be determined for the various qualities of construction and shall be designated. The parameters set forth in the manual prescribed by the Property Tax Administrator shall be used to determine construction classes.

23. **Improvements:** A complete physical inspection will be made of both the interior (when allowed by owner or tenant) and the exterior of all improvements. In no case may the Contractor use information from the existing records in lieu of an on-site physical inspection. This will be considered a violation of the contract. This restriction shall be adhered to and any violation will be just cause for the Assessor to cancel the employee or agent appointment and to remove him or her from the field. The Assessor may make random spot checks throughout the project to verify that inspections are being made. All inspections will be conducted between the hours of 8 A.M. and 5 P.M., Monday through Saturday, (excluding legal holidays), except some appointments may be scheduled after 5 P.M., if necessary. In no case may a card be left requesting the owner or occupant to fill in the information.

The contract goal is to inspect 100% of the interiors and exteriors of all properties. Knowing this is impractical, if the occupant is not available upon the first call, the field personnel will leave a calling card (to be provided by the Assessor) requesting the occupant to telephone a given number to advise when the occupant will be available to schedule an interior inspection.

If a building is under construction at the time of the field inspection, a notation to that effect shall be placed on the record card. A special tag shall be put on the card for future attention. If the construction is basically complete, the value shall

be determined as if it were complete. The Contractor shall be responsible for all new construction up to and including December 31, 2015. The Contractor shall not be responsible for construction completed after the date the field investigations are completed.

The type of construction will be recorded by component parts such as, but not necessarily limited to, foundation, basement area, wall construction, roof, floors, interior finish, heating system, fireplaces, plumbing fixtures, tiling, number of rooms, age (if obtainable), condition, physical and functional depreciation and/or economic appreciation if applicable, general quality of construction, rent (if rented), and data on sales.

Also to be recorded will be the name or code of the person making the inspection and the date of the inspection. The record cards will be returned by the field-staff to the office or to the Contractor, where they will be priced, checked and completed from the schedules approved by the Tax Commissioner and as prescribed in section 8 on "Manuals".

- 24. Land:** Commercial land values will be estimated by the Contractor under this contract, however, pictures of the vacant parcels are the responsibility of the county assessor's office.
- 25. Review of Properties:** A final review of the value estimates for the improved parcels shall be made upon completion of office computations by experienced and qualified Contractor employees.

The purpose of the final review will be to account and adjust for factors which may have a direct bearing on the market value and/or equitable relationship to other properties.

- 26. Property Owner Notification and Review:** It will be the responsibility of the Assessor to notify the property owners of the Contractor's appraised values. This will be done after the completion of the work in the County and before the informal reviews at County offices to hear appeals after notice of appraised value has been mailed to the respective individuals. These notices must be mailed by first class mail at least 10 days prior to commencement of informal hearings. The Contractor will conduct the informal reviews. Contractor personnel will be available to conduct sufficient informal reviews with the public for a period of no less than two (2) days, 9 a.m. to 5 p.m., Monday through Friday, and a minimum of one (1) evening session, 7 p.m. to 9 p.m. through that period. These informal reviews shall be completed prior to June 30 of each calendar year of the contract. This service will be provided at a cost of one hundred twenty-five dollars (\$125.00) per working hour, including travel time, which will include mileage and food, but not motel expenses.

In the event that additional time is required to insure that each property owner will have equal opportunity to view and discuss his property values and to make

comparison to that of his neighbor or any other like property, additional informal hearing with the property owners will be scheduled by appointment.

Necessary revisions to the appraisals shall be completed before June 30. If an adjustment is made, it shall be subject to approval of the Assessor. The property owner concerned must be notified of the changes and allowed a second hearing if desired. The record card must show both values. Taxpayers with large property holdings will be heard by individual appointments if they so desire.

27. **Defense of Values:** The Contractor shall be available, upon request of the County, to appear at the hearings of the County Board of Equalization in July to assist in settlement of complains and to defend the values. This service will be provided at a cost of one hundred twenty-five dollars (\$125.00) per working hour, including travel time, which will include mileage and food, but not motel expenses.

In the event of appeal to the courts or Tax Equalization and Review Commission, the Contractor or agent may be present, if requested, at the hearings to testify as a witness, to outline the steps taken and give his opinion of the value of the property which has been or is the subject of appeal. This service is provided at a cost of one hundred twenty-five dollars (\$125.00) per working hour, including preparation and travel time, which will include mileage and food but not motel expenses if applicable.

28. **Instruction:** The Contractor will acquaint the Assessor's staff in the use of the procedures, standards, and records used for making property appraisals in order that the assessing office will be in position to check the work as it progresses, and apply the same to new and altered properties in subsequent assessments.

29. **Photos:** Digital photos of the improvements will be the responsibility of the Contractor. Both front and rear (when possible) photos will be taken of the improvements.

30. **Compatibility:** The information, documentation, including but not limited to cost tables, depreciation tables, land valuation tables, M.R.A. tables, market valuation models, and ratio studies shall be completed on the Assessor's appraisal software or must be compatible with the Assessor's appraisal software.

31. **Materials and Information Provided by County:**

A. Real Estate Assessment (PIN) numbering system.

B. Property sales for last three (3) years for ^{Commercial}~~residential~~ property.

C. Street maps and individual property addresses.

D. County field record card or photocopy indicating

- 1) Lot Size
- 2) Property Address
- 3) Property owner of record
- 4) Building Sketch
- 5) Age of Structure (if known)

E. Remote computer connections for the Contractor.

F. Space and furniture for the Contractor.

Keith County Assessor

Date

TAX VALUATIONS, INC

By: _____

Contractor

Date

Keith County Board

C. W. Bathell

Chairman

5-25-16

Date

[Handwritten Signature]
May 25, 2016

Louise Peter

Member

5-25-2016

Date

[Handwritten Signature]

5/25/2016

Member

Date



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/20/2016

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 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 Zimmer Insurance Group 3230 S. 13th St. Lincoln NE 68502-4595		CONTACT NAME: Jodi Newman-Schliefert PHONE (B/C, No, Ext): (402) 423-6262 FAX (B/C, No): (402) 423-1293 E-MAIL ADDRESS: jschliefert@zimmerinsure.com															
INSURED Tax Valuation Inc. & Joe Wilson 6001 S 58th St Ste a Lincoln NE 68516		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Sentinel Insurance Company Ltd</td> <td>11000</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Sentinel Insurance Company Ltd	11000	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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COVERAGES CERTIFICATE NUMBER: CL1642005522 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.

INBR LTR	TYPE OF INSURANCE	ADD. SUBR	INSR. WVD	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			919BARX0555	1/19/2016	1/19/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000 Cyberflex Coverage \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below	Y/N		N/A			<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER KEITH COUNTY ASSESSOR & KEITH COUNTY COMMISSIONERS OGALLALA, NE 69153	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 Carla Stauffer/CJSTAU <i>Carla Stauffer</i>
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ACORD 25 (2014/01)
INS025 (2014/01)

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