

**CONSULTING SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into on this 9<sup>th</sup> day of August, 2013, by and between **JACKSON COUNTY, MISSOURI**, hereinafter called "the County," and **AMERICAN APPRAISAL ASSOCIATES**, 801 Warrenville Road, Lisle, IL 60532, hereinafter called "Appraiser."

**WITNESSETH:**

WHEREAS, the County has determined that it is in the best interest of its citizens to engage independent professional valuation consulting services to assist the County with its internal analysis of its insurance needs with respect to the certain County Properties; and,

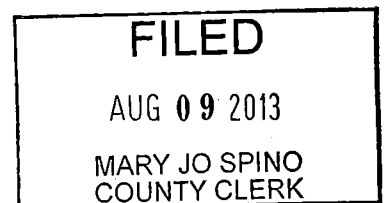
WHEREAS, Appraiser has the expertise to provide such services; and

WHEREAS, Appraiser has agreed to perform this consulting work in accordance with the terms, conditions, and covenants as set forth in this Agreement; and,

WHEREAS, Appraiser and the County have agreed to be bound by the provisions hereof,

NOW, THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, the County and Appraiser respectively agree as follows:

1. Professional Services. Appraiser shall fulfill its contractual obligations by providing the valuation consulting services for certain County properties, specifically Arrowhead Stadium, Kauffman Stadium and Truman Medical Center – Lakewood, as is set out in the attached proposal letter, dated June 6, 2013, which is attached hereto as Exhibit A and made a part of this Agreement, provided that, should there be any conflicts between



the terms and conditions set forth therein and the terms of this Agreement, the terms of this Agreement shall govern.

2. Independent Contractor. Appraiser shall work as an independent contractor and not as an employee of the County. Appraiser shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for accomplishing the result. Appraiser shall report all earnings received hereunder as its gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and shall operate its business independent of the business of the County, except as required by this Agreement.

3. Terms for Payment. County shall pay Appraiser a fee not to exceed \$21,600.00 in connection with this engagement. Of that amount, \$6,500.00 is to be paid upon execution of this Agreement. The remaining balance shall be paid upon the submission of Appraiser's invoices to the County's Director of Finance and Purchasing and the County shall process such invoices for payment promptly upon receipt.

4. Expenses. Appraiser shall also be entitled to the reimbursement of its expenses incurred in the ordinary course of its work hereunder, provided that the total amount payable to Appraiser for expenses shall not exceed \$3,240.00.

5. Duration and Termination. This Agreement shall commence upon execution and continue until the services contemplated hereunder have been completed, anticipated to be by December 31, 2013, unless sooner terminated. Appraiser or the County may terminate this Agreement for any reason by giving three (3) days' written notice to the other party. Termination of this Agreement shall not constitute a waiver of the rights or obligations which the County or Appraiser may be entitled to receive or be

obligated to perform under this Agreement for services prior to the date of termination, but payment pursuant to paragraph 3 of this Agreement shall terminate as of the date of said notice, and shall be prorated through that date. Should this Agreement terminate, all County written materials of any kind must be delivered and returned by the Appraiser to the County within ten (10) days of the termination of this Agreement. If the County cancels this Agreement prior to the completion of the engagement, Consultant shall be entitled to a fee based on a percentage of the work actually completed.

6. Assignment. Appraiser agrees, in addition to all other provisions herein, that Appraiser shall not assign any portion or the whole of this Agreement without the prior written consent of the County.

7. Time of the Essence. Timely performance of all duties provided herein is of the essence of this Agreement.

8. Remedies for Breach. Appraiser agrees to faithfully observe and perform all of the terms and conditions of this Agreement, and Appraiser's failure to do so shall represent and constitute a breach of this Agreement. In such event, Appraiser consents and agrees as follows:

(1) The County may without prior notice to Appraiser immediately terminate this Agreement; and,

(2) The County shall be entitled to seek any available legal remedy and to collect from Appraiser all costs incurred by the County as a result of said breach including reasonable attorney's fees, costs, and expenses.

9. Severability. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other

conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

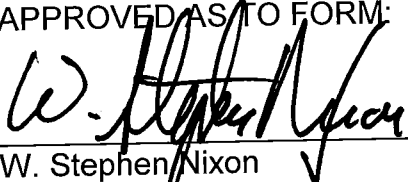
10. Conflict of Interest. Appraiser warrants that no officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of this Agreement.

11. Employment of Unauthorized Aliens Prohibited. Pursuant to §285.530.1, RSMo, Appraiser assures that it does not knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri and/or Jackson County, and shall affirm, by sworn affidavit and provision of documentation, its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Further, Appraiser shall sign an affidavit, attached hereto and incorporated herein as Exhibit B, affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.


12. Incorporation. This Agreement, including attached Exhibits A and B incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement as of the date first above written.


APPROVED AS TO FORM:

  
W. Stephen Nixon  
County Counselor


JACKSON COUNTY, MISSOURI

By   
Q. Troy Thomas  
Director of Finance and Purchasing

ATTEST:

  
Mary Jo Spino  
Clerk of the Legislature

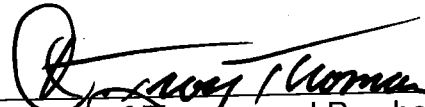
AMERICAN APPRAISAL SERVICES

By   
Executive Officer  
Federal Tax ID No. 39-1131784

**REVENUE CERTIFICATE**

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$24,840.00 which is hereby authorized.

August 7, 2013  
Date

  
Director of Finance and Purchasing  
Account No. 060-5160-56040  
51602013001

**WORK AUTHORIZATION AFFIDAVIT**

As a condition for any service provided to the County, a business entity shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

Business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo, is any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term "business entity" shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term "business entity" shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit.

Every such business entity shall complete the following affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. The completed affidavit must be returned as a part of the contract documentation.

This affidavit affirms that **American Appraisals**, is enrolled in, and is currently participating in, E-verify or any other equivalent electronic verification of work authorization operated by the United States Department of Homeland Security under the Immigration Reform and Control Act of 1986 (IRCA); and, **American Appraisals**, does not knowingly employ any person who is an unauthorized alien in conjunction with the contracted services.

In Affirmation thereof, the facts stated above are true and correct. (The undersigned understands that false statements made in this filing are subject to the penalties provided under section 575.040, RSMo.)

\_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013. I am commissioned as a notary public within the County of \_\_\_\_\_, State of \_\_\_\_\_, and my commission expires on \_\_\_\_\_.

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Date

American Appraisal Associates, Inc.  
801 Warrenville Road, Lisle, IL 60532  
tel 630 541 4650 ext 212 / fax 630 541 4660

## **Exhibit A Res. 18212**



Leading / Thinking / Performing

June 6, 2013

Ms. Celestine Williams  
Risk Manager  
Jackson County  
415 E. 12th Street Room 105  
Kansas City, MO 64106

Dear Ms. Williams:

American Appraisal Associates, Inc. will provide Jackson County ("the County") the appraisal services described within this agreement ("Agreement").

### **PURPOSE OF THE ENGAGEMENT**

The purpose of this engagement is to provide the County a property insurance appraisal for the County's use in connection with its internal analysis of its insurance needs with respect to the Identified Property. Our analysis will be dated as of the last day of our site inspection. Our Opinion is intended to assist the County in making informed business decisions; it is not a recommendation. Any decisions relating to insurance coverage shall remain the County's responsibility and be made solely at its discretion.

### **ENGAGEMENT SCOPE**

We will research and report the insurable value (our "Opinion") of certain County property.

#### ***Description of Identified Property***

The property to be appraised as identified by the County is listed below:

- Arrowhead Stadium
- Kauffman Stadium
- Truman Medical Center - Lakewood

These property classifications will be included in the engagement:

- 1) Buildings, including 3 buildings

Assets not identified above will be excluded from the engagement.

If the County's insurance policy excludes coverage of specific property classifications, in part or whole, the County should notify us in writing prior to beginning the engagement if those assets should be excluded.



We will work with the County during the engagement to further refine the scope of the identified property to be included in the engagement, if applicable. Depending on the nature and extent of changes in the scope of the engagement we may need to revise our fee.

### ***Definition of Insurable Value***

Our opinion of insurable value will be developed on the basis of cost of reproduction new ("CRN"), defined as the amount required to reproduce a duplicate or a replica of the entire property at one time in like kind and materials in accordance with current market prices for materials, labor, and manufactured equipment; contractors' overhead and profit; and fees, but without provision for overtime, bonuses, or premiums for material or equipment. We consider CRN synonymous with the insurance industry term "replacement cost."

In developing our opinion of insurable value, we will allow for national building codes, however, we will not consider any construction codes imposed by state / provincial or local municipalities, ordinances, or other legal restrictions, nor will we consider the cost of demolition in connection with reconstruction or the cost of removal of destroyed property.

### ***Valuation Methodology***

Our appraisal will rely solely on the cost approach because the market and income approaches are not applicable to the purpose of this engagement.

### ***Scope of Work***

We anticipate this engagement will include the following:

#### **Buildings**

We will utilize a full-scope segregated cost approach including an inspection of each building to identify construction data that will be used in the valuation process. During inspection of the premises, we will calculate each building's area and perimeter by measuring the structure or through an analysis of the as-built blueprints; identify and record data of the major construction components (type of structure, walls, roof, etc.); record data of major service systems (electrical, plumbing, security, elevators, heating, ventilation, cooling, etc.); photograph the building; and record the GPS coordinates. The insurable value of each building and the related construction, occupancy, protection, and exposure data obtained during the inspection will be reported on an itemized basis.

### **TERMS AND CONDITIONS**

This Agreement is subject to and incorporates the **Terms and Conditions** attached as **Exhibit A**.

### **FEE**

The fee is \$21,600, plus expenses (not to exceed 15%), and will be invoiced as follows:





- \$6,500 upon authorization of the engagement
- Progress billing as time is charged and expenses are incurred

This fee includes issuing the deliverables below to both the County and Lockton Companies and responding to customary questions from the County and Lockton Companies or its advisors. Additional fee will be required for an increase in engagement scope or involvement in subsequent reviews beyond the customary work effort.

The County may cancel this engagement at any time and will only be obligated for fees and expenses incurred. Our fee is not contingent on our Opinion or any subsequent event related to it.

### **TIMING AND DELIVERABLES**

This engagement will require cooperation, access, and timely receipt of requested information from management of the County. After this Agreement is signed and all requested information is received, we will begin our analyses and provide our Final report within 4-6 weeks of fieldwork completion.

The report will present our Opinion and related narrative discussion of the supporting analyses and assumptions, along with appropriate exhibits. Additional relevant information and analyses considered in our Opinion will be retained in our work files.

Only the signed Client of Record, the County, is the Intended User of, and may rely on, the report. The County may disclose a copy of the report to its insurance broker or advisors.

### **CONCLUSION**

We appreciate the opportunity to serve the County. To authorize, please sign below and return the full executed copy to [mdomin@american-appraisal.com](mailto:mdomin@american-appraisal.com). This Agreement shall remain valid for signature for 30 days. Please contact me at 630 541 4650 x212 with any questions.

Sincerely,

Handwritten signature of Michael Domin.

Michael Domin  
Director

**Client of Record:**  
Jackson County

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## TERMS AND CONDITIONS

**Entire Agreement** – This is the entire Agreement between American Appraisal and the County and supersedes any prior oral or written agreements, and may only be modified in writing. Any purchase order covering this engagement is only for the County's internal needs and shall not modify this Agreement.

**Client of Record and Limited Reliance** – Only the signed Client of Record, the County, is the Intended User of, and may rely on, American Appraisal's report. The County may not substitute this reliance for its own due diligence. The County may disclose a complete copy of our report to its auditor, tax, or legal advisors. However, no third party shall have the right of reliance on the report, and neither receipt nor possession of the report by any third party shall create any express or implied third-party beneficiary rights.

**Confidentiality** – American Appraisal shall maintain the confidentiality of the County's information and will not disclose or use it for any purpose other than the County's engagement. This excludes information (i) available to the public, (ii) already in American Appraisal's possession, or (iii) from a party having no confidentiality obligation to the County. American Appraisal may include the County's name and logo in its client list, with proper reference.

**Engagement Limits** – American Appraisal's report may only be used for the specific purpose and premise of value stated in this Agreement and the report, and may not be referenced in any SEC filing without American Appraisal's prior written consent.

**Independent Contractor** – American Appraisal shall perform as an independent contractor, with no authority to bind or obligate the County in any way, and reserves the right to use subcontractors.

**Information Provided by the County** – American Appraisal will not independently verify information provided by the County, its advisors, or third parties acting at the County's direction. American Appraisal will assume and rely on the accuracy and completeness of all such information.

**Retention** – All files, documents, and work papers developed during the engagement will be retained for five years. During this retention period, the County shall have full access to these documents, subject only to reasonable notification. If lawfully compelled to disclose any documents, American Appraisal will provide the County written notice so that it may seek a protective remedy, if applicable. Work papers for engagements canceled or abandoned prior to producing a final report will be destroyed.

**Indemnification** – American Appraisal shall indemnify the County for losses and reasonable attorneys' fees associated with any bodily injury or property damage caused by American Appraisal's personnel or representatives in connection with this engagement, except to the extent caused by the County's negligence or misconduct. American Appraisal personnel will comply with all safety instructions.

The County shall indemnify American Appraisal for all reasonable attorneys' fees that American Appraisal incurs as a result of becoming part of, or named in, an administrative or legal dispute in connection with this engagement, except to the extent caused by American Appraisal's negligence or misconduct. The County shall have the right to approve American Appraisal's counsel in any such proceeding.

**Environmental Policy** – American Appraisal will not investigate, nor assume responsibility for, the existence or impact of any contamination or hazardous substance related to property or assets associated with this engagement.

**Governing Law** – This Agreement is governed by the laws of the County's state as addressed above.

**WORK AUTHORIZATION AFFIDAVIT**


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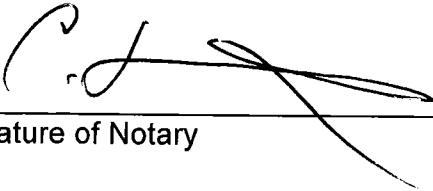
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In Affirmation thereof, the facts stated above are true and correct. (The undersigned understands that false statements made in this filing are subject to the penalties provided under section 575.040, RSMo.)

  
Authorized Representative's Signature  
HR Generalist  
Title

Colleen Steldman  
Printed Name  
8/1/13  
Date

Subscribed and sworn before me this 1<sup>st</sup> day of August, 2013. I am commissioned as a notary public within the County of Milwaukee, State of Wisconsin, and my commission expires on is permanent.

  
Signature of Notary

August 1, 2013  
Date