

## Professional Services Agreement

1. **Parties.** Kittitas County ("Client") hereby agrees to employ Integra Washington, Inc. d/b/a Integra Realty Resources – Seattle (hereafter "Integra").
2. **Assignment.** The purpose of this assignment is to provide review services in conjunction with litigation regarding the assessed value of the subject property.
3. **Report.** Integra agrees to provide an appraisal review (the "Report") in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, where applicable. The form of the Report will be subject to approval of the Client prior to its completion, subject to the foregoing standards. The Client shall be provided a PDF version of the review, transmitted electronically.
4. **Mutual Confidentiality.** "Confidential Material" shall mean all (a) data, documents and other information concerning the subject properties furnished by Client to Integra which is not public information or has not previously been disclosed by Client without confidentiality restrictions and (b) the Report. Each party shall keep all Confidential Material confidential and will not reproduce, print or distribute in any manner or disclose to any third party all or any part of the Confidential Information without the prior written consent of the other party; provided, however, without the other party's consent:
  - (a) Either party may disclose Confidential Material to its affiliates, subsidiaries, contractors and their respective directors, officers, employees, agents, attorneys and advisors (collectively, "Representatives") to the extent such Representatives need to use such information for work in connection with the subject matter of this engagement; provided that each such Representative shall maintain the confidentiality of the Confidential Material in accordance with the terms of this Agreement;
  - (b) Nothing set forth herein shall be deemed to prohibit the disclosure of Confidential Material to the extent such disclosure is required by court order.
5. **Completion.** This assignment shall be completed and the Report shall be delivered within 30 days of notification to proceed and receipt of the retainer, subject to unforeseen circumstances or conditions beyond the control of Integra and the production of all materials by the client necessary to complete the assignment. If information requested is not delivered within a timely manner, Integra reserves the right to renegotiate the completion date agreed upon.
6. **Payment for Services.**
  - a. **Fee.** Client agrees to pay Integra \$2,500 for the initial review.
  - b. **Expenses.** Included in appraisal review fee.
  - c. **Litigation.** In the event Integra is called upon to prepare for and testify in court or deposition regarding this assignment on behalf of Client, Client agrees to pay an additional sum to Integra for analyst time at the rate per hour as per the fee schedule shown below in Item 7, plus all usual and customary expenses. Integra may require up to six weeks written notification to schedule and prepare for court or other public hearings.
  - d. **Cancellation.** If this agreement is cancelled by Client, Client agrees to pay fees and expenses incurred up to the date of cancellation.



- e. **Client agrees to pay Consultant at time invoice is submitted and acknowledges payment to Consultant is not contingent upon any set outcome or hearing or trial result or award or timing of payment of same to Client.**

- 7. Compensation:** Client agrees to pay Integra Realty Resources - Seattle \$2,500. Additional work will be billed on a time and expense basis at the rates below:

Senior Managing Director (Allen N. Safer, MAI)	\$300.00/hour
Managing Director (Lori E. Safer, MAI)	\$275.00/hour
Directors (other MAIs)	\$225.00/hour
Senior Analyst	\$200.00/hour
Analyst	\$125.00/hour
Researcher	\$90.00/hour
Production Support	\$55.00/hour

Any out-of-pocket expenses incurred during this assignment will be billed (at cost) and included on the monthly billing statements. Should the Client request the Consultant's assistance in hiring a Special Expert to contribute to the consulting process (including but not limited to, a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), Client agrees to perform their own due diligence to qualify said Special Expert. Client agrees and acknowledges Client is solely responsible in paying for the services of said Special Expert. Furthermore, Client acknowledges Consultant is not responsible for actions and findings of said expert and agrees to hold Consultant harmless from any and all damages that may arise out of Client's reliance on said expert.

Client agrees that Consultant shall not be required to testify or be in attendance at any court or administrative proceedings relative to this assignment without additional compensation based upon the hourly rates set forth above. Consultant agrees to render such testimony providing they are furnished with reasonable notice by Client.

The remaining sums due hereunder (if any) shall be paid monthly, within two (2) weeks of the date of the invoice. In the event it is necessary to employ an attorney to collect any sums due herein, Client agrees to pay reasonable attorney fees and court costs expended by Integra. If any payment due Integra under this Agreement is not paid when due, such payment shall bear interest at the rate per annum equal to the Prime Rate as published in the Wall Street Journal from time to time, plus 2 %, commencing thirty (30) days after such payment is due, provided, however, that in no event shall such rate of interest exceed the maximum rate permitted by law.

**The fee is in no way based on the final value estimate or evaluation conclusions relating to the subject and all fees are due and payable regardless of the amount of the final value estimate or evaluation conclusion(s).**

As further consideration, Integra Realty Resources-Seattle and the accepting parties to this agreement understand that this agreement shall be governed by the laws of the State of Washington. Each party further consents to be subject to the jurisdiction of the courts of the State of Washington, in the event any dispute arises out of this agreement. The accepting party hereby



appoints the Secretary of State of the State of Washington as its agent for service of process in the event any dispute arises. Venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Kittitas County. The prevailing party in any action to enforce or interpret this agreement shall be entitled to receive its reasonable attorneys' fees and expenses of litigation from the non-prevailing party.



- 8. Authority.** Integra and their employees are hereby authorized to make on-site inspections of the subject as reasonably necessary to complete the assignment, to interview persons with knowledge of the property relevant to the assignment; to receive relevant information and to copy same and use as documentation for the Report; and to obtain such information that in the Analyst's judgment may be relevant to this assignment.

The authority of Integra and Client to execute this agreement is hereby warranted by each party respectively.

- 9. Warranties and Indemnity.** Integra does not make any warranties or guarantees of any kind regarding the subject of this engagement. The Report will represent only Integra's professional opinion, without any warranty that the properties would sell or be leased for the estimated value/rental rate. Client agrees to indemnify Integra, their employees, and independent contractors from all claims, suits, and charges of any nature that may be asserted against Integra on account of this Agreement, excepting any claims, suits or charges arising out of Integra's failure or refusal to perform or observe its obligations and agreements herein set forth or to complete this engagement in accordance with the standards of care applicable to its profession, including without limitation those listed in Paragraph 3 above.
- 10. Property Inspection.** A visual inspection of the property shall be made. The purpose of this inspection is to ascertain how the subject relates to its market. This inspection is of a general nature and is not intended to identify factors, which may impact value, which we are not qualified to identify and/or quantify. Such items include, but are not limited to, the load bearing capacity of the soil, structural integrity, the operating condition of mechanical systems, and the presence of toxic or hazardous materials.
- 11. Assumption and Limiting Conditions.** The assignment shall be subject to the General Assumptions and Limiting Conditions that will be set forth in the Report (see **Exhibit A**), plus any and all Special Assumptions and Limiting Conditions that may reasonably be necessitated by the nature of the subject or this assignment.
- 12. Definitions.** All types of value as may be used herein or used in the preparation of the Report are defined in the Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition, 2010, published by the Appraisal Institute, Chicago IL.
- 13. Additional Agreements.** None.
- 14. Effectiveness.** This agreement is subject to receipt of this fully executed document, along with the requested retainer within five business days of the date of this agreement.

**Marsha Weyand**  
**Kittitas County**  
205 West 5th Street, Suite 101  
Ellensburg, WA 98926

**Integra Realty Resources - Seattle**  
600 University St, Suite 310  
Seattle, Washington 98101  
(206) 903-6700 Ext. 190; FAX (206) 770-7247

By: 	By: 
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Marsha Weyand  
Kittitas County Assessor  
jcoe@coelaw.com

Lori Safer, MAI, MRICS  
Managing Director  
lesafer@irr.com



## **Exhibit A**

### **Assumptions and Limiting Conditions**

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.



7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.



18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Seattle is not a building or environmental inspector. Integra Seattle does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against Integra Realty Resources – Seattle, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross



negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Seattle, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.



## Exhibit B

### Data Requirements

Please forward the following information to our office within three business days. You may send the information piecemeal if you like. If you like to prioritize, the physical data such as the site plan, previous engineering reports and floor plans and financial information such as rent roll and income and expense statements are the time sensitive and should be received within the three day period or ASAP. Please check off the data you will be able to provide.

- ☐ Property contact, name, telephone number and email address.
- ☐ Site plan
- ☐ Building plans
- ☐ Prior engineering reports or physical descriptions from prior appraisal or asset management reports
- ☐ Property Brochures
- ☐ Agreements of Sale or Options to Buy (current or during last three years)
- ☐ Rent Roll and copies of leases years, plus year-to-date income and
- ☐ Income and expense statements for the past three expense statements
- ☐ Operating budget for current year
- ☐ Prior Argus discounted cash flow files
- ☐ Copy of most recent real estate tax bill(s)
- ☐ Title report or Legal Description
- ☐ Legal Description or Metes and Bounds Description
- ☐ Copy of the deed
- ☐ Ground leases, if applicable
- ☐ Estimated construction costs, if constructed during the past three years.
- ☐ Environmental audits and studies disclosing any wetlands, hazardous wastes or other environmental conditions such as asbestos or radon
- ☐ List of any known major repairs and capital improvements completed in the last three years, required or contemplated
- ☐ List of outstanding leasing commissions brokers and terms of future payments
- ☐ Financial information such as Annual Statements or credit reports/ratings on any major tenant in the building.
- ☐ CAM and real estate tax reimbursement worksheets or listing of base year operating expenses
- ☐ Aerial photos
- ☐ Personal property, if applicable
- ☐ If retail property, three year history of tenant retail sales, if available