

MINUTES FOR DECEMBER 7, 2015
BOARD OF CHEROKEE COUNTY COMMISSIONERS
CHEROKEE COUNTY, KANSAS

CONVENE

Chairman Napier called the regular session of the Cherokee County Board of Commissioners (The Board), to order and led all in attendance in the Pledge of Allegiance at 9:00 AM on Monday, December 7, 2015 in the Commission Room, #109 of the Cherokee County Courthouse located at 110 W Maple St., Columbus, Kansas. Commissioners Charles Napier, Pat Collins, Robert Myers, and County Clerk Rodney Edmondson were present.

Members of the press present: Larry Hiatt, and Machel Smith

A motion was made by Commissioner Collins to approve the Minutes of the BOCC Meeting for November 30, 2015. The motion was seconded by Commissioner Myers. The motion carried 3-0.

Sandra Zinn - Citizen

She appeared before the Board and provided a list of county owned property that is next to her property that she would like to acquire. The Board will give the information to the County Counsel for review.

Brett Warstler - Warstler Excavation

He appeared before the Board regarding the condition of the Varck Road sewer lift station. He stated that this situation began in September of 2014 when the first pump failure occurred. There have been problems and one of the pumps failed. One pump has been rebuilt and installed. The duct line has failed twice and has been fixed by installing clamps on the pipes. He stated that these repairs are temporary due to the dilapidated condition of the pipe and pumps. He stated that it is imperative that our engineer get something decided immediately concerning the long term repair and replacement of the lift station. He stated that if this condition remains when the spring rains occur, by-pass equipment needed to do the repairs will not be able to handle the load. Mr. Warstler stated that the manhole covers near the lift station have been covered by asphalt and need to be located, uncovered, and risers installed. He also stated that there are several small trees that are growing near the lagoons that need to be removed. The Board asked Leonard Vanatta to get with Mr. Warstler and begin the process of uncovering the manhole covers.

Commissioner Myers made contact with Shawn Turner, Engineer, by telephone and he stated that the plans for the sewer repair project are ready and the Board could take action to advertise for 30 days for bids for the project. Turner stated that he would have the plan to the Board in a few days.

A motion was made by Commissioner Collins to advertise for bids for 30 days for the sewer maintenance project at the Varck Lift Station. The motion was seconded by Commissioner Myers. The motion carried 3-0.

Dan Robinson - Citizen

He appeared before the Board regarding the condition of Scammon Road between NW 70th & NW 90th Streets. He stated that the asphalt is in poor condition and needs to be repaired or removed. The Board stated they would check on it.

Leonard Vanatta - County Road Supervisor

He appeared before the Board on routine county road business.

A motion was made by Commissioner Collins to enter an Executive Session with the Board and Leonard Vanatta for the purpose of Non/Elected Personnel for a period of five minutes. The motion was seconded by Commissioner Myers. The motion carried 3-0 at 9:47 AM.

The meeting reconvened at 9:52 AM.

No action was taken during the Executive Session

Carl Hayes - Cherokee County Solid Waste Committee

He appeared before the Board regarding the application for landfill recently submitted by B-3 Construction. He stated that the Solid Waste Committee met last Thursday and decided to table the item until their January meeting to be held on the 21st at 4:00 PM at the Health Department. He stated that they have questions that they will ask KDHE for clarification before making a decision.

Department Heads - Monthly Reports

They met with the Board for their routine monthly meeting for the purpose of updating the Board on happenings within each department, with the following department heads present: Barbara Bilke, Register of Deeds; Betha Elliott, Health Department; Cecil Brown, Noxious Weeds; David Groves, Sheriff; Deana Randall, Human Resources; Jason Allison, Emergency Preparedness; Juanita Hodgson, Treasurer; Mark Hixon, Appraiser; Nathan Coleman, Attorney; Ralph Houser, Maintenance; Rodney Edmondson, Clerk/Election; Wayne Elliott, 911 Addressing & Mapping; Leonard Vanatta, Road & Bridge.

Barbara Bilke - She provided a written report to the Board.

Betha Elliott - She reported that flu shots are still available.

Cecil Brown - He reported that he is doing end of year paperwork.

David Groves - He provided a contract to renew law enforcement services for the City of Weir. The contract was reviewed by the Board and signed by Chairman Napier.

Deana Randall - She reported that cutoff for December invoices is the 9th. She reminded everyone that employees need to have all vacation and personal time scheduled before the 25th of December.

Jason Allison - He reported that he is doing year end reports for the State. He is also researching grant for storm sirens.

Juanita Hodgson - She reported that they are busy with tax season. She provided a budget balance report through November. She stated that there are a couple of departments that are over budget or getting close. Road & Bridge is over budget, but with the federal money for the asphalt the adjustment will offset the overage. The Appraiser budget is not in County General and will need to be looked at. There are funds, but the budget will need amended.

Mark Hixon - He reported that they are finalizing values for 2016. He reported that he has budget problems due to the two contracts with Sidwell and Kimble Mapping to line up parcels and agriculture use maps at a cost of \$80,444. Those are being paid from Appraiser Funds when it was determined that they could not be paid from the Equipment Reserve Fund. He will submit a request to amend the 2015 budget next week. He submitted a Contract for Services for the appraisal of the Galena Hospital for the Board to consider.

A motion was made by Commissioner Myers to approve the Appraisal Agreement with Hospital Appraisal Services, LLC. The motion was seconded by Commissioner Collins. The motion carried 3-0.

Nathan Coleman - He reported that his office is conducting business as usual.

Ralph Houser - Nothing new to report.

Rodney Edmondson - He reported that they are preparing for the April City Elections. He stated that the website has been set up to begin posting the Accounts Payable reports. He also reported that the programming issue with the Mass Mailing report for voter registration has not been resolved by the vendor. He has been in contact with the Office of the Secretary of State regarding the issue and they are working with the vendor on the issue. He hopes to have good news soon.

Wayne Elliott - He reported the sale of \$79.50 in maps and the issuance of 3 new address last month.

The department heads reviewed questions and concerns that they have encountered in converting to a bi-weekly pay schedule with the Board. Commissioner Myers submitted a suggested calendar for a bi-weekly pay schedule. The Departments heads will meet and review the plan. They will report back next Monday.

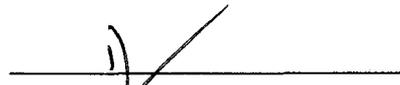
Nathan Coleman - County Counselor

He appeared before the Board regarding legal matters concerning Cherokee County.

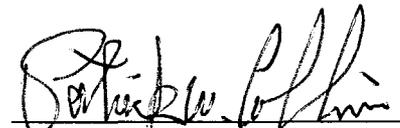
Commissioner Napier made a motion to adjourn until the next regular meeting set for Monday, December 14, 2015 at 9:00 AM. The motion was seconded by Commissioner Myers. The motion carried 3-0 at 11:12 AM.

ATTEST: Resolved and ordered this 14th day of December, 2015


Cherokee County Clerk


Commissioner


Commissioner


Commissioner

	B-3	Galena	SEK
Existing-	35 ac.	38 ac.	4.6ac
Possible expansion	117 ac.	30 ac.	25.4 ac
Total	152 ac.	68 ac.	30 ac.

Present estimated years of operation with current acreage and monthly waste averages before expansion

10 yrs.	13 yrs.	10 yrs.
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Present total acres for these C and Ds- 77.6 ac.

Proposed and possible total increase- 172.4 ac.

If approved total acres of C and D landfills in county-250 ac.

These three landfills are represented because one has asked for more acreage and the other two have expressed a desire publically to expand.

BUDGET BALANCES 2015							
COUNTY GENERAL	Beginning Budget	BUDGET AVAIL.	1st Half	DEC A/P	DEC P/R	AFTER NOV ISSUE	%
Commissioners	\$ 85,000.00	\$ 11,428.16		\$ -	\$ -	\$ 11,428.16	13.44%
County Clerk	\$ 123,000.00	\$ 14,965.25		\$ -	\$ -	\$ 14,965.25	12.17%
County Treasurer	\$ 94,000.00	\$ (13,300.12)		\$ -	\$ -	\$ (13,300.12)	-14.15%
County Attorney	\$ 248,600.00	\$ 63,231.18		\$ -	\$ -	\$ 63,231.18	25.43%
Register of Deeds	\$ 93,260.00	\$ 15,377.89		\$ -	\$ -	\$ 15,377.89	16.49%
County Counselor	\$ 28,000.00	\$ 3,367.00		\$ -	\$ -	\$ 3,367.00	12.03%
Sheriff Dept	\$ 1,225,000.00	\$ 245,636.07		\$ -	\$ -	\$ 245,636.07	20.05%
District Court	\$ 266,800.00	\$ 23,628.97		\$ -	\$ -	\$ 23,628.97	8.86%
Courthouse	\$ 450,000.00	\$ (179,876.40)		\$ -	\$ -	\$ (179,876.40)	-39.97%
Emergency Prep	\$ 82,300.00	\$ 8,519.92		\$ -	\$ -	\$ 8,519.92	10.35%
Human Resources	\$ 41,070.00	\$ 6,743.40		\$ -	\$ -	\$ 6,743.40	16.42%
Planning Comm	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Recreation	\$ 11,000.00	\$ -		\$ -	\$ -	\$ -	0.00%
Jail	\$ 884,100.00	\$ 819.11		\$ -	\$ -	\$ 819.11	0.09%
Computer Prog	\$ 40,709.00	\$ (4,348.93)		\$ -	\$ -	\$ (4,348.93)	-10.68%
Jury Cost	\$ 9,693.00	\$ 3,933.84		\$ -	\$ -	\$ 3,933.84	40.58%
Juvenile Dentention	\$ 95,215.00	\$ 22,545.82		\$ -	\$ -	\$ 22,545.82	23.68%
Geneology Society	\$ 8,000.00	\$ -		\$ -	\$ -	\$ -	0.00%
Emergency 911	\$ 62,502.00	\$ 14,801.58		\$ -	\$ -	\$ 14,801.58	23.68%
Jail JOP Reserve	\$ 682,623.00	\$ 682,623.00		\$ -	\$ -	\$ 682,623.00	100.00%
Gis Info	\$ 29,078.00	\$ (10,863.60)		\$ -	\$ -	\$ (10,863.60)	-37.36%
USD 493	\$ 50,000.00	\$ 50,000.00		\$ -	\$ -	\$ 50,000.00	100.00%
ROZ	\$ 6,000.00	\$ 6,000.00		\$ -	\$ -	\$ 6,000.00	100.00%
Employee Benefits	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Economic Development	\$ 186,775.00	\$ 37,444.74		\$ -	\$ -	\$ 37,444.74	20.05%
Grand Jury	\$ 50,000.00	\$ 31,150.23		\$ -	\$ -	\$ 31,150.23	62.30%
Capital Lease	\$ 612,520.00	\$ 612,520.00		\$ -	\$ -	\$ 612,520.00	100.00%
Capital Lease File Server	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Employee Compensation	\$ 100,000.00	\$ 19,110.31		\$ -	\$ -	\$ 19,110.31	19.11%
Total County General	\$ 5,565,245.00	\$ 1,665,457.42	\$ -	\$ -	\$ -	\$ 1,665,457.42	29.93%

	<u>Beginning Budget</u>	<u>BUDGET AVAIL.</u>		<u>DEC A/P</u>	<u>DEC P/R</u>	<u>AFTER NOV ISSUE</u>	<u>%</u>
Equipment Reserve	\$ -	\$ -		\$ -			0.00%
County No-Fund Warrant	\$ -	\$ -		\$ -		\$ -	0.00%
Technology Fund	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Rd & Bridg	\$ 3,500,000.00	\$ (496,999.43)	\$ 838,618.05	\$ -	\$ -	\$ 341,618.62	9.76%
Ex Counc	\$ 204,893.00	\$ -		\$ -	\$ -	\$ -	0.00%
Noxious Weed	\$ 66,333.00	\$ 27,173.10		\$ -	\$ -	\$ 27,173.10	40.96%
Health &Wic	\$ 843,313.00	\$ 447,750.48		\$ -	\$ -	\$ 447,750.48	53.09%
Fair	\$ 12,000.00	\$ 3,000.00		\$ -	\$ -	\$ 3,000.00	25.00%
Direct Elect	\$ 103,000.00	\$ 7,104.85		\$ -	\$ -	\$ 7,104.85	6.90%
Comm College	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Soil Conservation	\$ 25,000.00	\$ -		\$ -	\$ -	\$ -	0.00%
Special Bridge	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Mental Health	\$ 111,457.00	\$ -		\$ -	\$ -	\$ -	0.00%
Mental Retard.	\$ 111,457.00	\$ -		\$ -	\$ -	\$ -	0.00%
Ambulance	\$ 571,584.00	\$ 45,807.60		\$ -	\$ -	\$ 45,807.60	8.01%
Cherokee County 911	\$ 459,433.00	\$ -		\$ -	\$ -	\$ -	0.00%
Appraiser	\$ 325,000.00	\$ (13,695.15)		\$ -	\$ -	\$ (13,695.15)	-4.21%
County Bldg.	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Employee Bene	\$ 3,000,000.00	\$ 555,213.80		\$ -	\$ -	\$ 555,213.80	18.51%
Elderly	\$ 20,000.00	\$ 3,716.99		\$ -	\$ -	\$ 3,716.99	18.58%
08LEPC Plan/Train Grant	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Landfill	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Sewer Dist #1	\$ 200,593.00	\$ 87,700.42		\$ -	\$ -	\$ 87,700.42	43.72%
Concealed	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Spider	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
No Fund Warrants	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Prosecuting Attoreney Training	\$ 4,624.00	\$ -		\$ -	\$ -	\$ -	0.00%
Co Attorney Spec Law Enforc	\$ 329.00	\$ -		\$ -	\$ -	\$ -	0.00%
NSP	\$ -	\$ -		\$ -	\$ -	\$ -	
Special Park	\$ 745.00	\$ -		\$ -	\$ -		
Special Alcohol	\$ 20,803.00	\$ -		\$ -	\$ -	\$ -	0.00%
Tourism	\$ 10,300.00	\$ -		\$ -	\$ -	\$ -	0.00%
Spec Law	\$ 55,057.00	\$ -		\$ -	\$ -	\$ -	0.00%
Drug Tax Stamp Fund	\$ -	\$ -		\$ -	\$ -	\$ -	0.00%
Total		\$ -	\$ 838,618.05	\$ -	\$ -		

 HOSPITAL APPRAISAL SERVICES, LLC
HOSPITAL PROPERTY VALUATION & CONSULTING

[Appraisal Services Engagement Agreement Page One of Seven]

December 3, 2015

Mr. Mark Hixon, CKA, RMA
Cherokee County Appraiser
P.O. Box 352
Columbus, Kansas 66725

Re: Appraisal of the Fair Market Value of a Fee Simple Estate in Real Estate
Pertaining to Cherokee County Kansas Tax Parcel Identification Number –
206-13-0-30-01-028.02-0
Galena Medical Properties, LLC (Property Owner)
Effective Appraisal Date of January 1, 2016

Dear Mr. Hixon:

Thank you for your inquiry. Experienced in the valuation of complex hospital and other healthcare properties nationwide, I am pleased to present this proposal to provide the referenced appraisal.

Appraiser: For purposes of this engagement agreement, the appraiser is Jack Randal Poteet, MAI, ASA operating on behalf of Hospital Appraisal Services, LLC, Commerce Plaza I, 7th Floor, 7300 West 110th Street, Overland Park, Kansas 66210.

Client: For purposes of this engagement agreement, the client is Cherokee County in the State of Kansas to the attention of Mr. Mark Hixon, CKA, RMA, Cherokee County Appraiser, P.O. Box 352, Columbus, Kansas 66725.

Appraisal Engagement and Purpose of the Appraisal: The client hereby engages the appraiser to provide the following appraisal:

APPRAISAL PROJECT – An appraisal of the fair market value of a fee simple estate in real estate pertaining to Cherokee County (KS) tax parcel identification number 206-13-0-30-01-028.02-0 (Property Owner: Galena Medical Properties, LLC) as of the effective appraisal date of January 1, 2016.

UNDERSTANDINGS AS NOTED ON THIS PAGE ARE AGREED TO AND ACCEPTED BY THE PARTIES AS EVIDENCED BY SIGNATURES BELOW:

Date: _____
Jack Randal Poteet, MAI, ASA
Principal of
Hospital Appraisal Services, LLC

Date: _____
Mark Hixon, CKA, RMA, Cherokee County Appraiser
On Behalf of the Client -
Cherokee County in Kansas

Commerce Plaza I, 7th Floor – 7300 W 110th Street – Overland Park, KS 66210
Telephone: 913-422-4234 – Toll Free Telephone: 800-262-7044 – Fax: 913-441-2583 – Toll Free Fax: 800-890-5857

www.hospitalappraisal.com

Appraisal Engagement and Purpose of the Appraisal (Continued):

For purposes of the appraisal, the term “fair market value” is defined by KSA 79-503a, for ad valorem tax purposes. The intended use of the appraisal is for decisions pertaining to property tax assessment.

Appraisal Standards, Inspections, Reporting & Delivery Format:

The subject appraisal to be produced by this engagement will be prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). The scope of work will include the appraiser’s personal on-site inspection tour of the subject real estate if access to the subject real estate is granted as of the inspection date. In any event, the appraiser will conduct a drive-by inspection of the subject real estate on the inspection date. That inspection date will be selected by the appraiser in coordination with the client. The proposed scope of work will include the study of project related information and documentation that the appraiser may request from the client; appraisal fieldwork research in the local area to the extent judged applicable by the appraiser; and, the collection and analysis of other subject property data and market data as may be judged applicable by the appraiser. Although the appraisal may include sample market data indications pertaining to distant healthcare facilities regionally and/or nationally, travel to such distant peer / comparable healthcare facilities by the appraiser is not contemplated to be part of the scope of work. Rather, any data pertaining to any such sample healthcare facility properties will be obtained based upon files of Hospital Appraisal Services, LLC; telephone and/or internet surveys; and/or vendors in the business of providing such market information. It is important to note that the client at the client’s expense hereby agrees to directly obtain any market data from CoStar and the American Hospital Directory as may be judged applicable by the appraiser to support the appraisal to be prepared for the client. In that regard, the client (Cherokee County in Kansas) will enter into license agreements with said data vendors, CoStar and American Hospital Directory. Having obtained that market data under its own license agreements with said market data vendors, the client will then forward a PDF of such information to the appraiser as project related information / documentation and the appraiser will then utilize that information exclusively for preparation of the subject appraisal for the client. After completion of the appraisal and related appraisal report, the appraiser will destroy all such direct market information provided by the client to the appraiser, except for any extractive information therefrom that the appraiser may elect to present within the appraisal report prepared on the client’s behalf. The client hereby agrees that it will retain on file at the Cherokee County Appraiser’s Office all such original licensed market information in the form as provided directly to the client from CoStar and American Hospital Directory (and subsequently forwarded to the appraiser by the client) used to support the subject appraisal and that such information will become part of the appraiser’s workfile. In that regard, the client hereby agrees to give the appraiser Jack Randal Poteet, MAI, ASA appropriate workfile retention, access, and retrieval arrangements – i.e. , in so far as any said licensed CoStar or American Hospital Directory related information is concerned. The client agrees to then maintain that licensed information on file and part of the appraiser’s workfile for a period of five (5) years after the subject appraisal preparation or at least two (2) years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever period expires last.

UNDERSTANDINGS AS NOTED ON THIS PAGE ARE AGREED TO AND ACCEPTED BY THE PARTIES AS EVIDENCED BY SIGNATURES BELOW:

Date: _____
Jack Randal Poteet, MAI, ASA
Principal of
Hospital Appraisal Services, LLC

Date: _____
Mark Hixon, CKA, RMA, Cherokee County Appraiser
On Behalf of the Client -
Cherokee County in Kansas

Appraisal Standards, Inspections, Reporting & Delivery Format:

The appraisal results will be reported within an Appraisal Report document which will be made available to the client via upload from a cloud-based platform, such as ShareFile. Appraisal reporting by such upload method is included as part of the appraisal fee noted herein. If the client desires one or more hardcopy appraisal reports, then each such report will be provided to the client for \$495 per hardcopy report (inclusive of all administrative and shipping costs). Any such hardcopy appraisal report fee(s) would be additional to the appraisal fee noted herein. If the client desires one or more hardcopy appraisal report documents, please specify the number desired with initials and date to confirm:

_____ Number of Hardcopy Appraisal Reports Desired by Client @ Additional \$495 Each
Client Initials: _____ Date: _____
Appraiser Initials: _____ Date: _____

Appraisal Reports Completion / Delivery Timeframes: The appraisal report documentation will be completed and made available to the client on or before February 15, 2016. Appraisal report completion and availability to the client by February 15, 2016 is dependent and contingent upon the client providing the appraiser with (1) access to inspect the subject real estate on timeframes as may be specified by the appraiser – if the property owner will permit such access; and (2) all project related information and documentation on timeframes and in the formats as may be specified by the appraiser.

Consideration: In consideration for the appraisal and appraisal documentation to be produced by Hospital Appraisal Services, LLC as noted herein, the client agrees to pay Hospital Appraisal Services, LLC a professional appraisal fee of \$17,950 seventeen thousand nine hundred fifty dollars plus all job related expenses. One half of the appraisal fee, \$8,975 plus an expense advance of \$2,000 will be paid by the client on or before January 15, 2016. The \$8,975 appraisal fee balance will be due at appraisal completion

The noted appraisal fee is based upon the understanding that the Cherokee County Appraiser will provide land sales documentation pertaining to any commercial, institutional, church, multi-family, senior housing, or other healthcare related land transactions in Galena (KS) during calendar years 2013; 2014; and 2015 and also pertaining to the acquisition of the subject site prior to construction of the subject improvements. The land sales documentation to be provided by the Cherokee County Appraiser will include Certificates of Value (COVs); street maps; and, aerial photo maps for use while touring the land sales with the appraiser on the subject appraisal inspection date.

[THE REMAINDER OF THIS PAGE IS BLANK TO THE SIGNATURE BLOCK BELOW]

UNDERSTANDINGS AS NOTED ON THIS PAGE ARE AGREED TO AND ACCEPTED BY THE PARTIES AS EVIDENCED BY SIGNATURES BELOW:

Date: _____
Jack Randal Poteet, MAI, ASA
Principal of
Hospital Appraisal Services, LLC

Date: _____
Mark Hixon, CKA, RMA, Cherokee County Appraiser
On Behalf of the Client -
Cherokee County in Kansas

Consideration (Continued):

Job related expenses to be paid by the client will include, but not be limited to travel; market data acquisition; project information acquisition; shipping; any actual copy or scanning costs from professional copy center; etc. Travel expenses to be paid by the client will include, but not be limited to any airfare; a rental car/SUV and all related fees and expenses; fuel for the rental vehicle; highway tolls; travel related dining and/or grocery expenses; all travel related hotel / housing costs; shipment of luggage by the United Parcel Service; etc. With regard to all travel expenses to be paid by the client, it is agreed that the travel routes, travel times, travel means, and travel hotel / housing will be as selected by the appraiser. The \$17,950 professional appraisal fee noted above is inclusive of appraisal reporting via a cloud-based upload format. As previously noted, any hardcopy appraisal report documents requested by the client will be provided to the client for a fee of \$495 four hundred ninety five dollars per such document, in addition to the \$17,950 professional appraisal fee noted above. The aforementioned fees and expenses pertain to appraisal development and reporting as specified herein. Any other consulting, litigation support or other activities or support requested of the appraiser by the client or otherwise legally required (such as via court order) of the appraiser in any relation to this assignment would be billed separately on a time and expense basis, with appraiser time billed at \$495 four hundred ninety five dollars per hour; and, expenses billed as noted above in this paragraph (i.e., as job related expenses). With regard to any billings of the type noted in the preceding sentence, it is agreed that the client would provide advance retainer funding in amounts sufficient to reasonably cover any such time and expenses. And with respect to any services of the type addressed within the preceding two (2) sentences, it is agreed that any billings for the appraiser’s time would include all hours from 9:00 a.m. to 5:00 p.m. United States Central Time while the appraiser is away from Johnson County (KS) on any trip related to the matter.

Date of Engagement: The date of engagement will be the date that this appraisal services engagement agreement is fully-executed by the parties in writing by hardcopy or PDF.

Specifications for any Wired or EFT Funding: Payment information for purposes of any wired or EFT funding is as follows:

Tax EIN #:	46-1675928 (Jack R. Poteet) Hospital Appraisal Services, LLC (Single-Member LLC)
Bank Account Holder:	Hospital Appraisal Services, LLC
Bank:	UMB Bank, n.a.
Bank Address:	22320 West 66 th Street, Shawnee, Kansas 66226
Bank Telephone:	(913) 667-5400
Bank Account #:	9871967719
Bank Routing #:	101000695

UNDERSTANDINGS AS NOTED ON THIS PAGE ARE AGREED TO AND ACCEPTED BY THE PARTIES AS EVIDENCED BY SIGNATURES BELOW:

Jack Randal Poteet, MAI, ASA
Principal of
Hospital Appraisal Services, LLC

Date: _____

Mark Hixon, CKA, RMA, Cherokee County Appraiser
On Behalf of the Client -
Cherokee County in Kansas

Date: _____

Other Items / Clarifications: The parties to this agreement understand that Jack Randal Poteet, MAI, ASA will develop and report the appraisal in conformity with and subject to the requirements of the Codes of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and American Society of Appraisers and that the appraisal report related documentation will be subject to review by their duly authorized representatives. The appraisal will be subject to standard limiting conditions and assumptions as well as other limiting conditions and assumptions including hypothetical conditions and extraordinary assumptions as may be judged applicable by the appraiser. If the client elects to terminate the appraisal project subsequent to engagement, then the client will be billed on a time and expense basis for work performed and expenses incurred or committed to up to the point of project termination, except that the minimum billing in the event of project abandonment or cancellation by the client will be \$8,975 eight thousand nine hundred seventy five dollars (i.e., half of the appraisal fee). So that the project may proceed in a timely and efficient manner, the client agrees to provide timely cooperation to facilitate access to the subject property for appraisal inspection purposes (if requested by the appraiser and permitted by the property owner) and to provide complete and accurate project related information and documentation within timeframes and in formats requested by the appraiser. If such cooperation is not provided by the client within 120 days of request, then the appraiser at the appraiser's option may consider the appraisal project to have been abandoned by the client. In the event that the appraiser experiences delays in the receipt of project related information, then the appraiser may reschedule the appraisal project for completion as soon as the appraiser judges to be possible during regular business hours and considering the appraiser's other business and personal commitments. If the client or the property owner or representatives of the client or property owner provides project related information or documentation that contradicts previous project related information or documentation provided to the appraiser, or provides project related information or documentation after the date specified by the appraiser for receipt of project related information or documentation, it is agreed that the appraisal or appraisal in process will then be adjusted to consider such changed or new project related information or documentation and that any work related to such matters will be billed by the appraiser on a time and expense basis, with the appraiser's time in that regard billed at a rate of \$495 four hundred ninety five dollars per hour. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect. The section headers in bold print within this agreement are presented for convenience and are not to be construed as in any way limiting the agreement terms which are those as detailed within the full text of this agreement. For purposes of this agreement, the appraiser is Jack Randal Poteet, MAI, ASA acting on behalf of contracting party Hospital Appraisal Services, LLC. And, for purposes of this engagement, the client is Cherokee County in the State of Kansas to the attention of Mr. Mark Hixon, CKA, RMA Cherokee County Appraiser, P.O. Box 352, Columbus, Kansas 66725. The signatory signing this agreement on behalf of the client represents that such signatory has the authority to act on behalf of the client in contracting matters. The intended users of the subject appraisal report documentation are the client and other parties related to property tax litigation and related property tax assessment decisions pertaining to the subject real property.

UNDERSTANDINGS AS NOTED ON THIS PAGE ARE AGREED TO AND ACCEPTED BY THE PARTIES AS EVIDENCED BY SIGNATURES BELOW:

 Jack Randal Poteet, MAI, ASA
 Principal of
 Hospital Appraisal Services, LLC

Date: _____

 Mark Hixon, CKA, RMA, Cherokee County Appraiser
 On Behalf of the Client -
 Cherokee County in Kansas

Date: _____

Other Items / Clarifications (Continued):

The intended use of the appraisal report documentation is to assist the intended users in making subject real property tax assessment decisions. The client hereby certifies that the client has thoroughly studied this proposed appraisal services engagement agreement and that such provisions and parameters will satisfy the client’s needs for the intended use of the appraisal. The client agrees that the appraiser may forward appraisal reports to a professional copy center (business) for purposes of producing copies or files that will comprise all or portions of appraisal reports prepared in this matter. The client hereby agrees to limit use of the appraisals to the aforementioned intended use and for the aforementioned intended users for internal use only. The client agrees that no appraisals reports or any other imaginable communications related to this assignment are to be uploaded to the internet or otherwise distributed via news media, public relations or any other means without prior written consent of the appraiser. It is agreed that the client will hold the appraiser and Hospital Appraisal Services, LLC harmless in regard to any imaginable litigation related liability and/or expenses that may arise out of the performance of this agreement. It is agreed that neither the appraiser nor Hospital Appraisal Services, LLC shall be liable for failure to perform under this agreement due to any factors beyond the control of the appraiser and/or Hospital Appraisal Services, LLC. In the event that the appraiser or Hospital Appraisal Services, LLC otherwise fails to perform under the terms of this engagement agreement, it is agreed that the aggregate liability of the appraiser and Hospital Appraisal Services, LLC for any direct and/or indirect/ consequential damages and/or any other imaginable claims by the client and/or any other parties will be limited to a maximum equal to the total of the appraisal professional fees paid by the client to Hospital Appraisal Services, LLC. In the event that any money due to the appraiser under this engagement agreement is not paid within 60 days of invoice, then all of the appraiser’s collection costs and expenses including full attorney’s fees; court costs; any appraiser’ time (billed at \$495.00 per hour) pertaining to any collection related matters (including all appraiser time from 9:00 a.m. to 5:00 p.m. United States Central Time while the appraiser is away from Johnson County Kansas attending to any such collection related matters); and any travel related expenses associated with collection would become the client’s responsibility, and interest would accrue on any unpaid balance at a daily periodic rate of 0.04356% (Nominal Annual Percentage Rate of 15.9%) and the client would forfeit any rights to appraisal project related confidentiality to the extent that the appraisal and related documents would then be subject to submission as evidence in litigation related collection activities and proceedings. This engagement agreement constitutes the product of the negotiation of the parties hereto and the enforcement hereof shall be interpreted in a neutral manner, and not more strongly for or against any party based upon the source of the draftmanship hereof. This engagement agreement constitutes the entire agreement between the parties related to the subject matter hereof and contains all of the terms, conditions, rights, and obligations of the parties. It is hereby agreed that any alleged modification or amendment of any of the terms of this agreement made in the future will only be enforceable if reduced to writing and signed by both parties. It is hereby agreed that faxes and electronically transmitted PDF documents pertaining to this contract are to be considered the same as hardcopy originals.

UNDERSTANDINGS AS NOTED ON THIS PAGE ARE AGREED TO AND ACCEPTED BY THE PARTIES AS EVIDENCED BY SIGNATURES BELOW:

 Date: _____
 Jack Randal Poteet, MAI, ASA
 Principal of
 Hospital Appraisal Services, LLC

 Date: _____
 Mark Hixon, CKA, RMA, Cherokee County Appraiser
 On Behalf of the Client -
 Cherokee County in Kansas

Mr. Hixon, hospital markets are national markets of significant complexity. Experienced in the appraisal of hospital properties nationwide, I will certainly be pleased to assist you in this matter.

If you are in agreement with the conditions and understandings as outlined in this engagement proposal, please sign and date all pages of the engagement proposal where indicated. I will then sign those documents and return one for your records.

We look forward to being of support.

Thank you.

Jack Randal Poteet, MAI, ASA
Hospital Appraisal Services, LLC

UNDERSTANDINGS AS NOTED ON THIS PAGE ARE AGREED TO AND ACCEPTED BY THE PARTIES AS EVIDENCED BY SIGNATURES BELOW:

Jack Randal Poteet, MAI, ASA
Principal of
Hospital Appraisal Services, LLC

Date: _____

Mark Hixon, CKA, RMA, Cherokee County Appraiser
On Behalf of the Client -
Cherokee County in Kansas

Date: _____

