



December 4, 2020

Dr. Lisa Gonzales
Chief Business Officer
Mt. Diablo Unified School District
1936 Carlotta Drive
Concord, CA 94519

Appraisal Services Letter of Engagement

Dear Ms. Gonzales:

Thank you for allowing Alliant Appraisal Services to provide a proposal for replacement cost analysis appraisals for the Mt. Diablo Unified School District structures as indicated on the current Schedule provided by Alliant Insurance Services.

If this proposal is accepted, our professionals will work closely with the Mt. Diablo Unified School District Risk Management and staff to ensure that all data collected is complete, accurate and meets prevailing Uniform Standards of Professional Appraisal Practice (USPAP) requirements. Our appraisal professionals will provide you with appraisal summary reports, applying the appropriate valuation techniques that meet the reporting requirements of USPAP.

Qualifications

Our team of appraisers and technicians will assist in completing the assignment as outlined in the "Scope of Work" below. We can provide an "Appraisal Services" brochure, which describes our services in greater detail, and the biographical information for all Appraisers on the team upon request.

Scope of Work

The scope of this assignment is to provide an opinion of value for Replacement Cost New of the structures for insurance purposes. The value of the land on which the improvements are attached is not included in this analysis. "Replacement Cost New" is defined as the cost of creating a building having similar utility, using current standards of design and materials. It is not necessarily the cost of creating a replica of the existing structure if the improvements are constructed of outdated materials, technique, and design. Sources for replacement cost information include, but are not limited to, actual historical costs and industry price guides.

The selected unit of comparison for the cost approach analysis is cost per square foot, which is consistent with how insurance market participants typically evaluate construction costs. ***Alliant Appraisal Services must be notified in writing prior to the date work is commenced if a replacement cost analysis for a historic building is required for any structure within this contract.***



Structure size is based on data included in the current Schedule of Values; the size data is verified from the building plans during the building analysis. Alliant Appraisal Services requests a copy of current building plans be provided prior to the appraisal inspection date. These plans can be submitted either electronically in a portable document format (.pdf), by U.S. Mail at the address below, or the plans may be delivered to the appraiser on the date of the inspection. In the event that building plans are not available, the appraiser will be required to measure the building while on site; physically measuring and sketching structures will increase the amount of time necessary for the inspections and will decrease the number of structures inspected per day.

A "Detailed Building Report" will be developed for each structure indicating general building characteristics and the updated replacement cost. Work papers and supporting documentation are retained in electronic and hard copy formats in compliance with prevailing document retention requirements of USPAP.

Excluded from the appraisal are assets of intangible nature, records and drawings, inventory items, contents including but not limited to furniture, fixtures, equipment, personal and leased property. Insurable value is based on current base construction costs, excluding site improvements, indirect costs, land and entrepreneurial profit. The services provided include close examination of all structures on the Schedule of Values (SOV), see attached SOV for reference. All aspects of the structural improvements including construction type, quality, size, and other attributes are considered in the analysis.

Contract Costs – Scope and Payment Terms

Alliant Appraisal Services will inspect the locations listed on the attached current SOV per the Public Risk Innovation, Solutions, and Management (PRISM) Contract for all buildings. Appraisal valuations shall be performed at least once every 5 or 10 years based on the location's current scheduled value and will include all buildings, structures, infrastructure, or locations with real property replacement value at least once every 5 years for locations over \$1,000,000 and at least once every 10 years for locations between \$250,000 and \$1,000,000. The cost of these appraisals shall be shared between Alliant, the PRISM, and the member, as outlined below in the Cost Sharing section.

Buildings, structures, infrastructure, or locations valued at \$1,000,000, or more

" Alliant will pay 100% of the cost associated with all appraisals valued over \$1,000,000.

Buildings, structures, infrastructure, or locations valued between \$250,000 and \$999,999

" The costs associated with these appraisals, including travel expenses, will be shared; 50% by Alliant, and 50% by PRISM for up to 300 buildings/structures, per member, within a 10 year period.

" The cost for each building/structure including the expense in excess of 300 to be appraised in a 10 year period will be shared; 50% by the member, 25% by Alliant, and 25% by PRISM.



Alliant Appraisal Services projects that onsite inspection of an estimated 690 line items listed will take a minimum of Fifteen (15) day(s).

In the event that building plans are not available, physical measurements and building sketches will be necessary to verify building size, requiring additional inspection time. The following fee summary assumes all building size information from building plans will be provided.

Appraisal Summary	
390 Buildings valued Over \$1 Million	Program Paid
300 Buildings valued < \$1 Million to be paid for by Client at \$120 per building appraised	\$36,000.00
* Total to be paid to Alliant Appraisal Services by Client	\$36,000.00

*** The Estimated Total is based on the existing SOV line items. However the fee will increase if these line items include multiple structures i.e. Apartments. Each additional building that is appraised will be charged at the appropriate rate based on the appraisal value.**

Fees will be invoiced upon completion and delivery of reports. Alliant Appraisal Services' compensation is not contingent in any way upon its opinions or conclusions, or upon any subsequent event related to those opinions or conclusions.

Electronic copies of the appraisal report along with a CD will be provided, bound hard copies will be provided upon request. The final reports will be delivered within 90 days after the completion of inspections.

Client Responsibilities

- Provide a set of building plans to the Alliant Appraisal team prior to the start of physical inspections.
- Identify points of contact and authorize communications with facilities managers or other personnel familiar with the various assets.
- Provide supervised access to the assets listed in the Schedule of Values.
- Provide additional information as requested by the appraiser.



Terms and Conditions

This Letter of Engagement is in effect for a period of 30 days from the date submitted. This assignment is subject to the General Terms and Conditions located in the Attachment following this letter. A confidentiality section is included in the General Terms and Conditions.

Authorization to Proceed

Alliant Appraisal Services estimates that we can commence work on this process by **January, 2021**. You may fax an executed copy of this Letter of Engagement to the attention of Lora Carlisle, Appraisal Manager, Appraisal Services, at (949) 809-1465. If you have any questions, feel free to contact her at (949) 260-5033.

Yes, I agree to have the buildings under \$1mm appraised. To be invoiced to the Mt. Diablo Unified School District	
No, I do not wish to have the buildings under \$1mm appraised at this time.	

Sincerely,

Lora Carlisle
Appraisal Manager
Alliant Insurance Services, Inc.

Alliant Insurance Services

Mt. Diablo Unified School District

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



**General Terms and Conditions
Alliant Insurance Services, Inc
Appraisal Services**

The following terms and conditions constitute the agreement for the services to be rendered in the Appraisal Letter of Engagement referenced and attached. Signature approval of both parties to the specified service agreement and this attachment documents that an AGREEMENT is entered into this day by and between Alliant Insurance Services with offices in Newport Beach, California, and the **Mt. Diablo Unified School District (CLIENT)**.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and intending to be legally bound, the parties hereto agree as follows:

SERVICES PROVIDED Alliant Insurance Services agrees to perform services for the CLIENT as outlined in the Letter of Engagement attached hereto (the "Service Agreement").

CLIENT INFORMATION CLIENT shall furnish or cause to be furnished to Alliant Insurance Services all documents and information known to CLIENT that specifically relate to the scope of services described in the service agreement. Alliant Insurance Services shall be entitled to rely on such information.

CONFIDENTIALITY Alliant Insurance Services agrees that all information related to the CLIENT(s), the Project(s), the Work and the work of Alliant Insurance Services, and any of its consulting subcontractors including anything known to or prepared or furnished by the CLIENT(s), shall be and shall remain in the future confidential. Alliant Insurance Services shall not release, publish or disclose any such information to any party without prior written consent of the CLIENT(s), except as required in connection with Alliant Insurance Services' performance of this Agreement, or as required by a governmental authority.

PAYMENT CLIENT shall pay Alliant Insurance Services a fee for the performance of the work and be invoiced as described in this service agreement.

TERMINATION Either party may terminate this Agreement without cause upon thirty days advanced written notice. Any work in progress will be completed according to the terms of this Agreement.

STANDARD OF CARE; WARRANTY; LIABILITY Alliant Insurance Services will perform the work under this Agreement as an independent contractor and in accordance with generally accepted professional practices. Alliant Insurance Services will utilize reasonable care and skill consistent with and equal to that customarily possessed by environmental, health and safety consulting professionals in the community. The parties recognize the complex, subjective, and performance based nature of many environmental, occupational safety and health laws and regulations and the administrative interpretations thereof.

In performance of the work, Alliant Insurance Services must rely upon information derived from secondary sources and personal interviews. Except as specifically required in the scope of work, Alliant Insurance Services will make no independent investigation as to the accuracy or completeness of the information derived from the secondary sources and personal interviews, and will assume that such information is accurate and complete. All recommendations, findings, and conclusions will be based upon information and circumstances as they existed at the time of preparation (e.g. Federal, state, and local laws; political climate; and other matters that Alliant Insurance Services deemed relevant). A change in any fact or circumstance may adversely impact the recommendations, findings, and conclusions expressed in this report. Accordingly, except as set



forth in the first paragraph of this section, Alliant Insurance Services makes no other representation, warranty or guarantee, express or implied.

CLIENT agrees that Alliant Insurance Services' liability for damage arising out of or relating to the performance of its work under this Agreement or otherwise of each separate request for work resulting from this Agreement, defined as total man-time charges and reimbursement of expenses paid to Alliant Insurance Services for the individual project will be limited to a sum of ten times the contract price. All claims, suits, demands or causes of action brought against Alliant Insurance Services must be made within two years after completion of the work performed under this Agreement.

THIRD PARTIES The work to be performed under this Agreement and any report or communication provided to CLIENT are intended solely for the internal use and benefit of CLIENT and no other party may rely thereon. CLIENT acknowledges that there are no other parties whose reliance thereon is foreseeable. CLIENT agrees not to disclose or disseminate any Alliant Insurance Services report or communication to any other party without the prior written consent to Alliant Insurance Services.

MUTUAL INDEMNIFICATION Alliant Insurance Services shall indemnify and hold harmless CLIENT and its agents, officers, directors and employees from and against all claims and suits, and resulting damages, losses and expenses (including reasonable attorney's fees and court costs), brought by third parties for loss of or damage to property, or for personal injury to persons, including death, and from all judgments recovered therefore, to the extent arising out of the negligent acts or omissions of Alliant Insurance Services in connection with Alliant Insurance Service's performance of this Agreement.

Alliant Insurance Services shall not indemnify CLIENT to the extent that claims and suits arise out of Client's negligence, omissions, or misconduct. Likewise, Client shall indemnify and hold harmless Alliant Insurance Services, and its agents, officers, directors, and employees, from and against all claims and suits, and resulting damages, losses, and expenses (including reasonable attorney's fees and court costs), brought by third parties for loss of or damage to property, or for personal injury to persons, including death, and from all judgments recovered therefore, to the extent arising out of CLIENT'S negligent acts or omissions in connection with this Agreement. CLIENT shall not indemnify Alliant Insurance Services to the extent that claims and suits arise out of the negligence, omissions, or misconduct of Alliant Insurance Services.

COMPLETE AGREEMENT This signed Agreement incorporates all previous and contemporaneous discussions, representations, understandings, and agreements between the parties, if any, with respect to the subject matter contained herein. No verbal or other statements, inducements or representations have been made to or relied upon by CLIENT. The terms and conditions expressed in this Agreement shall not be altered except in writing signed by CLIENT and an authorized officer of Alliant Insurance Services.

APPLICABLE LAW This Agreement shall be governed by and construed under the laws of the State of California.