



County of Lackawanna

Lackawanna County
Government Center
at The Globe
123 Wyoming Ave
Scranton, Pennsylvania
18503

Certified Copy

Resolution: 22-0131

File Number: 22-0131

Approving the Appraisal Services Agreement with Tyler Technologies

BE IT RESOLVED, that the Board of Commissioners of Lackawanna County does hereby approve the Appraisal Services Agreement with Tyler Technologies, Inc. for Real Property Reassessment; Tyler will provide the services for a fee of \$5,178,088.00 and shall commence on the effective date and continue through November 25, 2025.

ADOPTED at a regular meeting of the Board of Commissioners of Lackawanna County held on May 18, 2022.

COUNTY OF LACKAWANNA



JERRY NOTARIANNI



DEBI DOMENICK, ESQ.

NO

CHRIS CHERMAK

ATTEST:



BRIAN JEFFERS
CHIEF OF STAFF

Approved as to form and legality:



FRANK J. RUGGIERO
COUNTY SOLICITOR



APPRAISAL SERVICES AGREEMENT

This Agreement is made between Tyler Technologies, Inc. ("Tyler") and Lackawanna County, Pennsylvania ("Client").

WHEREAS, Client has issued a Request for Proposal for Real Property Reassessment Project, RFP# 266-21-100 ("Client's RFP"); and

WHEREAS, Tyler submitted a proposal in response to said RFP dated September 23, 2021 to perform services to fulfill the needs of the Client ("Tyler's Proposal");

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **"Agreement"** means this Appraisal Services Agreement.
- **"Client"** means Lackawanna County, Pennsylvania.
- **"Effective Date"** means the last date on which both parties have signed this Agreement.
- **"Force Majeure"** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, severe or unusual weather or climatic conditions which exist for a substantial period of time or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **"Investment Summary"** means the total fixed price and per diem rates to complete the services described in this Agreement, attached as Exhibit A.
- **"Invoicing and Payment Policy"** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **"Tyler"** means Tyler Technologies, Inc., a Delaware corporation.
- **"we", "us", "our"** and similar terms mean Tyler.
- **"you"** and similar terms mean Client.

SECTION B – PROFESSIONAL SERVICES

1. Services. We will provide you the professional services, consistent with industry standards, as described in the Statement of Work attached hereto as Exhibit C.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in Exhibit A – Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
3. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent



with industry standards and the specifications described in the Statement of Work.

4. Site Access and Requirements. You agree to provide us with access to your personnel as may be reasonably necessary for us to provide the professional services as described herein, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us.
5. Client Assistance. You acknowledge that the services we provide under this Agreement are a cooperative process which may require the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for the services. This cooperation includes at least working with us to schedule the services outlined in this Agreement and performing the Client responsibilities described in Client's RFP. In the event there is lack of cooperation by Client or any additional cooperation is required of Client by Tyler, Tyler shall promptly notify Client in writing. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).
6. Change in Legal Requirements. The parties acknowledge that the terms and conditions of this Agreement are based on the laws, rules and regulations as of the Effective Date. In the event any applicable laws, rules or regulations change so as to create additional work for us not provided for in this Agreement, Client shall allow us a reasonable extension of time to complete the services, and additional compensation as provided in Section C(3) below.
7. Background Checks. For at least the past twelve (12) years, all of our employees have undergone criminal background checks prior to hire. All employees sign our confidentiality agreement and security policies.

SECTION C – INVOICING AND PAYMENT; INVOICE DISPUTES

1. Invoicing and Payment. We will invoice you the fees for the services as per our Invoicing and Payment Policy, subject to Section C(2).
2. Invoice Disputes. If you believe any delivered service does not conform to the warranties in this Agreement, you will provide us with written notice within fifteen (15) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all services if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to suspend services.
3. Additional Services. The Investment Summary contains the related costs required for the project based on our understanding of the specifications you supplied and of the laws, rules and regulations

applicable to the project as of the Effective Date. If additional work is required, or if you use or request additional services, we will provide you with an addendum outlining the costs for the additional work. The price quotes in the addendum will be valid for thirty (30) days from date of issuance.

SECTION D – TERM AND TERMINATION

1. Term. This Agreement shall commence on the Effective Date and shall continue through November 25, 2025, provided that in the event there are any appeals, Tyler shall provide litigation support, as set forth in Exhibit C, and the term shall continue through the expiration of all such appeals. This Agreement may be renewed upon written mutual agreement of the parties.
2. Termination. This Agreement may be terminated as set forth below. In the event of termination, you will pay us for all undisputed fees and expenses related to the services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section C(2).
 - 2.1 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section F(2). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section F(2).
 - 2.2 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of this Agreement for a period of forty-five (45) days or more.
 - 2.3 Lack of Appropriations. If you should not appropriate or otherwise receive funds sufficient to purchase the services set forth in this Agreement, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.
 - 2.4 Convenience. This Agreement may be terminated by either party without cause, provided the terminating party provides the non-terminating party with a 60-day written notice.

SECTION E – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. Property Damage and Personal Injury Indemnification.
 - 1.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (b) our violation of a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
 - 1.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our

agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

2. **DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY.
3. **LIMITATION OF LIABILITY.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO THE LESSER OF (A) YOUR ACTUAL DIRECT DAMAGES OR (B) THE AMOUNTS PAID BY YOU UNDER THIS AGREEMENT. THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTION E(1.1) ABOVE.
4. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, INCLUDING BUT NOT LIMITED TO LOSS OF TAX REVENUE OR CLAIMS RELATED TO VALUATION OF PROPERTY, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
5. **Insurance.** During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

SECTION F – GENERAL TERMS AND CONDITIONS

1. **Additional Services.** You may purchase additional services at our then-current list price by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. **Dispute Resolution.** You agree to provide us with prompt written notice, not to exceed thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state

rule. If we fail to resolve the dispute, then the parties shall reasonably cooperate in appointing of a neutral third party to help assist in resolving the dispute. If the dispute remains unresolved after mediation, then either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution.

3. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes arising from our performance of this Agreement.
4. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.
5. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
6. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
7. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
8. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.
9. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement.
10. Purpose/Use Of Appraisals. By virtue of this Agreement, we are contracted to provide certain services specified herein and recommendations of value to you which are intended for exclusive use by you

for determinations of assessment for ad valorem tax purposes. Any use other than that stated above is not authorized nor intended, and most specifically excluded is an opinion of value used for federally related real estate transactions or other mortgage purposes.

11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.
12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.
16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.
17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:

(a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this

- Agreement by a party or its employees or agents;
- (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
 - (c) a party receives from a third party who has a right to disclose it to the receiving party; or
 - (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.
18. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.
19. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Pennsylvania.
20. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.
21. Performance Bond. Tyler will secure a performance bond ("Bond") within ten (10) business days after execution of this Agreement in the face amount of \$5,178,088. The initial term of the Bond is twenty-four (24) months.
22. Contract Documents. This Agreement includes the following exhibits:
- | | |
|-----------|------------------------------|
| Exhibit A | Investment Summary |
| Exhibit B | Invoicing and Payment Policy |
| Exhibit C | Statement of Work |

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.
Appraisal & Tax Division

By: Gus Tenhundfeld

Name: Gus Tenhundfeld

Title: Inside Sales Manager

Date: May 13, 2022

Address for Notices:

Tyler Technologies, Inc.
One Tyler Way
Moraine, OH 45439
Attention: VP & GM, Appraisal Services

Lackawanna County, Pennsylvania

By: Jerry Notarianni

Name: Jerry Notarianni

Title: Chairman

Date: 5/18/2022

Address for Notices:

Lackawanna County
123 Wyoming Avenue, 6th floor
Scranton, PA 18503
Attention: Brian Jeffers, Chief of Staff
+ Traci Harte, Deputy Chief of Staff
JeffersB@LackawannaCounty.org
HarteT@LackawannaCounty.org



Exhibit A

Investment Summary

The following Investment Summary details the services to be delivered by Tyler to Client under this Agreement. This Investment Summary is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in your Agreement.

Tyler will provide the services described in this Agreement for a fee of Five Million One Hundred Seventy-Eight Thousand Eighty-Eight Dollars (\$5,178,088.00).



Exhibit B Invoicing and Payment Policy

Tyler will provide you with the services set forth in the Investment Summary and this Agreement. Capitalized terms not otherwise defined will have the meaning assigned to such terms in your Agreement.

Invoicing: We will invoice you for the applicable services and for the fees described in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in your Agreement.

1. **Professional Services.**

1.1 Tyler will issue an invoice every four (4) weeks for an amount which shall reflect the work performed in the preceding four (4) weeks, less a "retainage" equal to ten percent (10%) of that billing amount. The percentage of the project completed during the preceding four (4) weeks shall be set forth by Tyler on a report submitted with its billing. The retained amount shall be invoiced by Tyler and paid by the Client to Tyler upon completion of the reassessment services in accordance with the provisions of the Agreement.

1.2 Other than the services described in Exhibit C, additional professional services, including litigation support, which are requested by Client and performed under this Agreement will be invoiced monthly as performed.

2. **Bond.** The initial premium for the performance bond is included in the fees set forth in Exhibit A.

3. **Expenses.** The service fees in the Investment Summary include travel expenses.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date.

We prefer to receive payments electronically. Our electronic payment information is available by contacting AR@tylertech.com.



Exhibit C
Statement of Work

The following Statement of Work details the services to be delivered by us to you under your Agreement. This Statement of Work is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in your Agreement.

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Exhibit C
Statement of Work

The following Statement of Work details the services to be delivered by us to you under your Agreement. This Statement of Work is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in your Agreement.

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Statement of Work

Purpose of the Reassessment

Tyler commits that the reassessment will conform to the Standards for Ratio Studies established by the International Association of Assessing Officers (IAAO) and the Uniform Standards of Professional Appraisal Practice (USPAP 6), as well as generally accepted standards within the mass appraisal industry. The sales set for this study, unless agreed otherwise by both parties, will be valid sales from January 1, 2022 to July 1, 2024, pending the option selected and in consultation with the County.

IAAO Assessment Ratio Accuracy Statistics

Property Type	Median Value Level	COD	PRD	PRB
Single-family residential, including condos, in newer or more homogeneous areas	90% to 100%	5 to 10	.98 to 1.03	-.10 to .10
Single family residential in older or more heterogeneous areas	90% to 100%	5 to 15	.98 to 1.03	-.10 to .10
Other residential – rural, seasonal, recreational, manufactured housing, 2 – 4 unit family housing	90% to 100%	5 to 20	.98 to 1.03	-.10 to .10
Income-producing properties in larger areas represented by large samples	90% to 100%	5 to 15	.98 to 1.03	-.10 to .10
Income producing properties in smaller areas represented by smaller samples	90% to 100%	5 to 20	.98 to 1.03	-.10 to .10
Vacant land	90% to 100%	5 to 20	.98 to 1.03	-.10 to .10
All Properties	90% to 100%	5 to 15	.98 to 1.03	-.10 to .10

Median: A measure of central tendency. The value of the middle item in an uneven number of items arranged or arrayed according to size; the arithmetic average of two central items in an even number of items similarly arranged.

COD: The Coefficient of Dispersion (COD) is the average deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, the average percentage deviation from the median ratio.

PRD: The Price-Related Differential (PRO) is the mean divided by the weighted mean. The statistic has a slight bias upward. Price-related differentials above 1.03 tend to indicate assessment regressivity; price related differentials below 0.98 tend to indicate assessment progressivity.

PRB: Price-Related Bias (PRB) is an index of price-related bias obtained by regressing percentage deviations from the median ratio on percentage changes in a value proxy, which is obtained by giving equal weight to assessments and sales prices so as to minimize measurement biases.

*Definitions taken from the 2013 IAAO Standard on Ratio Studies

Market value estimates will be prepared for each parcel of property and the date of value for this appraisal shall be July 1, 2024 with a taxable status date as to parcel inventory of January 1, 2026. All work, except support of values, shall be completed no later than November 25,2025. It is understood that all decisions as to final assessed valuations in the reassessment will be made by the Chief Assessor.

Parcel Count

Lackawanna County has identified an approximate parcel count of 104,000 parcels as the basis for the work to be performed on this project.

Lackawanna County Parcel Count

Property Class	Parcels
Agricultural	853
Clean & Green	182
Commercial	4,214
Industrial	255
Residential	87,303
Utility	323
Miscellaneous	10,870
Total Assessment Roll	104,000

Training of County Staff & Office of Assessment

Tyler will train the County staff and the Office of Assessment personnel so that they can routinely interface with assessment administration modules as they relate to the contractor’s involvement and be familiar with the basic concepts relating to how the valuation was performed. Formal training will include, but is not limited to, such topics as:

- Data collection
- Sales verification
- Valuation methodology by property class
- Income and expense data analysis
- Ratio studies
- Value defense

Tyler will provide the following workshops:

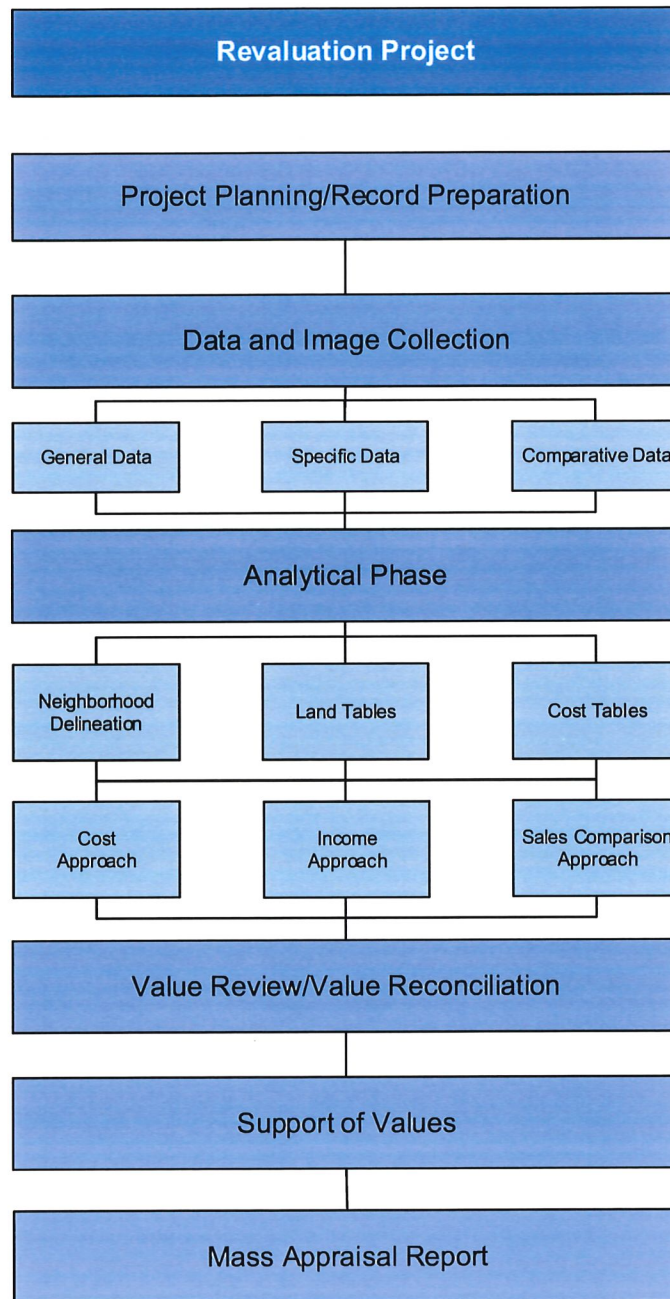
Workshops	Minimum Length of Workshop	Dates
Sales Verification	4 Hours	September 2022
Land Analysis/Valuation	4 Hours	September 2023
Cost Analysis/Valuation	2 Hours	September 2023
Market Analysis/Valuation	4 Hours	September 2023
Commercial Market and Income Analysis/Valuation	4 Hours	September 2023
In-Field Field Review	10 Days	August 2024
Value Review	2 Hours	September 2024
Value Defense	2 Hours	December 2024
Subsequent Roll Value Maintenance	2 Hours	May 2025
BOAR Training	12 Hours	May 2025

By mutual agreement, Tyler may offer additional training or workshops as requested by the County.

The Reassessment Project

Tyler has developed a set of best practices that will be used as the blueprint for our overall approach to this project. There are several distinct but related phases or activities that take place over the course of the project, beginning with project planning and continuing through project deliverable, including a review of the project performance measures. The chart on the following page identifies the key steps in the reassessment project. We have taken a number of these key elements essential to a successful project and provided a more detailed explanation of the steps involved in each.

The Revaluation Process¹



1: Adapted from the Property Assessment Valuation manual, Second Edition, Copyright 1996 by the IAAO

Appraisal Process Chart

Communications Plan

A successful project begins with planning. Following contract signing, Tyler will initiate meetings with the County's representatives to formalize a communications plan. As a beginning point, we propose the communications plan include the following:

Project Meetings

Monthly Status Meetings - A monthly review of project progress, issues, and proposed changes. The monthly meetings are generally held the same day, time, and place. Items covered in the meetings will include:

- Updated project plan

- Tasks completed during the last reporting period

- Tasks planned for the next reporting period

- Tasks planned for completion during the next reporting period

- Anticipated staffing needs

- Outstanding issues; current status and plans for resolution

- Any issues that can affect schedules

- Any issues that can delay or impact the completion of the project

Quarterly Executive Meetings will be held with designated County representative to discuss general project topics and to review plans for the next quarter. The intention of this meeting is to ensure visibility into project progress and facilitate open communications.

Monthly Status Reports

Tyler will submit monthly written project status reports to the Chief Assessor detailing activities, accomplishments, milestones, identified issues, and problems. Each report will include a written summary of progress during the past month, detailing the status of items in the project plan, identification of issues, and proposed resolutions.

Public Information

A successful public information effort is a joint function of the Chief Assessor and Tyler. Tyler is aware of its highly visible role in the project. In order to achieve public awareness, understanding, and acceptance of the results of the project, the following items are part of a standard public relations package:

After consulting with the Chief Assessor and project management, Tyler will submit a public information plan for review and implementation.

Periodic regular briefings will be held with the Chief Assessor, including progress reports and discussion of problem areas and solutions.

A point of contact for the media may be established and such a contact should act as the reassessment project spokesperson upon request and approval by the Chief Assessor.

Periodic news releases can be issued prior to, during, and after the completion of the project. These releases are particularly important during the image collection phase of the project, prior to release of appraisal figures, and prior to and during informal reviews. Writing assistance for these releases is

provided by Tyler. Newspaper articles can be presented for clearance to the Chief Assessor prior to release.

Tyler project personnel can be available for presentations to the public, community leaders, local social/business organizations, senior citizens groups, and for appearances on radio and TV talk shows. The Chief Assessor will join Tyler personnel in such presentations, which are typically followed by question and answer periods.

Space, Identification, and Equipment

Office Space:

Tyler's project office, including office furniture and storage space, shall be provided by the County. Typically, an area of 1,100 square feet of office space is required for the duration of the project.

Telephone service, including installation and web service shall be the responsibility of Tyler.

At a minimum, access to this space is available between the hours of 8am to 5PM, 5 days a week. This availability is subject to mutually agreed change. Parking fees for vendor employees shall not be the responsibility of Lackawanna County.

Identification:

While working in office or field, Tyler employees will carry photo identification (ID badge) which identifies the employee as a county vendor or contractor for the reassessment. Upon request County will supply the ID badge within 48 hours.

Equipment:

The Client shall provide all data processing equipment and communications between the server and eight (8) workstations, with dual monitors and a copier/printer. For work done remotely, the County will grant a minimum of 10 VPN accounts for off-site work and support, as requested by Tyler.

Documentation

The County will provide timely access to all current assessment roll, tax map, jurisdictional information, deeds, wetland maps, zoning maps, zoning ordinances, special district maps, building permits, GIS data/digital images, aerial imagery and building sketches. Information will be provided in digital format, if available, from the County.

Within, **fourteen (14)** days of project start up, Tyler and the Project Administrator or designee will meet and determine the time frame and procedures for providing Tyler with:

- Current assessment and GIS data
- Assessment roll changes
- Identification of new construction and demolitions
- Building permits
- Sales validation documentation

- Identification of exemptions, abatements, and exclusions
- Identification of enrollments in Act 319, Act 43, Act 515 of 1965
- Taxable status changes
- Homestead/Farmstead changes

GIS and Aerial Imagery

The County will provide to the Vendor all County-available GIS data and aerial imagery to assist the Vendor in the location and valuation of all real property.

- Digital parcel layer created with greatest feasible positional accuracy.
- Street centerlines with address ranges and zip codes and/or municipal designations.
- Orthogonal or “top-down” imagery that meets a mapping standard such as the USGS National Map Accuracy Standard or the ASPRS Positional Accuracy Standards.
- GIS data layers that are useful to have or develop for a reassessment project.
- Site Address points
- Structure points or polygons
- Oblique or “birds’ eye” imagery
- Street level imagery

Data Collection Phase

Image Collection

Tyler’s proposal includes digital photography that considers both the cost and technology needs of the County in the administration of property assessments. Tyler will take a representative curbside digital photograph of each major improvement and, if warranted, one of each significant accessory structure. Photographs will be taken using tablet devices during the data collection activity. Images will be uploaded, along with updated property characteristics, to the associated parcel in the County’s iasWorld CAMA system. Tyler will also scan up to 520,000 pages of historical parcel level data and attach the resulting PDFs on the corresponding parcels in iasWorld.

Field Data Collection Services

The onsite physical field inspection phase of the project will involve field data collectors gathering sketch information, interviewing property owners, collecting interior information, and confirming prior information that has been collected. Tyler will perform a physical inspection of the exteriors of all improved parcels in the County, collecting exterior information, including the sketching of each property. Prior to the start of this phase, PRCs created in digital or paper form will contain characteristic information from the existing database. Tyler proposes to undertake the following actions during the onsite physical inspection phase:

Through the Chief Assessor, Tyler will provide written notification to the Lackawanna County Sheriff's Department and any other applicable law enforcement agencies of the dates and times that fieldwork will be conducted in specific neighborhoods. This notification will be provided at least seven (7) days prior to the time that the work is to be performed.

At all times while on private property, all Tyler field personnel will plainly wear an identification badge containing a clear, color photograph of the individual, the Company's name, the individual's name and

signature, and the signature of an official designed by Tyler and approved by the Chief Assessor. Tyler's field personnel will also wear vests to further identify themselves and the project to the public.

Tyler suggests that the inspection of residential properties be conducted using a systematic and routine work schedule between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. If Saturday inspection work is required due to schedule or other circumstances, Tyler personnel will conduct those inspections between 9:00 a.m. and 4:00 p.m. There will be no Sunday inspections and no inspections will be conducted before sunrise or after sunset.

During the initial visit to the property, Tyler data collection and supervisory personnel will knock at the entrance, announce their arrival, identify themselves, state the purpose of the visit, collect information regarding the interior by interviewing the resident, and request permission from an adult resident to proceed with the exterior inspection of the property. After permission is granted, the field person will note changes to existing data, measure, describe, and diagram the exterior of all the improvements on the subject site. It is understood that interior inspections are not part of this effort, unless requested by the resident.

If no one is at the residence, the Tyler field representative will proceed to measure, describe and diagram, and collect and record all necessary data regarding the exterior of the dwelling(s) and other improvements located on each parcel. In those instances where no one is at the residence at the time of the field inspection visit, all interior information will be estimated while onsite, and verified via the call back by the taxpayer/owner to the local Tyler office.

The dates and times of all inspection attempts will be permanently recorded on the property record card from the individual field inspection effort. In addition, the identity of the field inspector shall be recorded on the property record card.

If the property owner refuses exterior inspections to the property or any portion thereof, the Tyler field person will courteously leave the property. The field person will record on the property record the property address, account number, date, and time of the refusal. In addition, the field representative will request the name of the person refusing the inspection, the reason for the refusal, and will refer the parcel for completion by estimation using aerial and street level imagery. All of the above data will be documented within the parcel inventory database for review by the Chief Assessor or their designee.

Characteristics which will be collected or verified during the Onsite Physical Field Inspection phase will be detailed in a manual to be approved by the Chief Assessor. The following are not limited to, but may include:

Address Verification	Number of Baths
Story Height	Heating Type
Style	Fuel Type
Exterior Walls	Central A/C
Year Built	Fireplace Type and number
Occupancy	Miscellaneous Features
Basement	Percent Complete
Finished Basement	Outbuildings
Number of Rooms	Building Sketch
Number of Bedrooms	Attached Additions
	Other data as needed

The Group Leaders will be responsible for the quality and quantity of all field work performed by Tyler. The Group Leaders will review the raw data collected by the field person to insure the accuracy of the data reported, floor plans, and measurements recorded before the data is encoded.

It is understood that spot checks of the fieldwork will be conducted by the Chief Assessor and may require the Project Supervisor to accompany the Chief Assessor during those inspections. It is further understood that faulty or incorrect fieldwork shall be returned to Tyler immediately for correction, while further instructions will be provided to the field personnel as to what information was faulty or incorrect. When required, this action will occur at no additional cost to the County.

Tyler will provide a written, weekly schedule of field work, including: name of the field inspector, the vehicle type and license number of the field inspector's vehicle, the neighborhood to be inspected, and the number of days the field inspector is expected to be in the neighborhood. The Chief Assessor shall provide a copy of this schedule to the County and various police departments and the local news media.

Commercial, Industrial and Exempt Data Verification

Parallel to the residential and agricultural data collection process, commercial and industrial data collectors will visit each commercial and industrial parcel and verify, collect, and record data. The data collectors will make an exterior inspection of each principal structure except when a parcel is vacant, or permission is denied.

Structural features, components, or characteristics shall be identified and listed. The dates and extent of all major remodeling shall be determined and recorded in the notes section of the data collection form. Other improvements, built-in other features and attached improvements shall be identified, measured and listed.

All uses of each structure type shall be determined at the time of inspection and recorded on the data collection form.

A site plan will not be required for commercial and industrial properties where all necessary information can be shown on a printed data collection form sketch grid.

The physical condition and functional utility for each building or structure shall be verified by qualified appraisal personnel. The application of economic obsolescence shall also be considered by the appraiser and its effect on the total improvement value.

Tyler will value TIF parcels and establish the market value then apply the correct percentage to the TIF area and divide that value among the parent parcel and the value card created for the TIF. This process will also be handled for all split list exempts. The County and Tyler will work together and agree before dividing the final values.

With the consent and assistance of the Chief Assessor, Tyler will request and attempt to collect specific lease data on leased properties to be appraised under the terms of this Agreement. Moreover, as part of the data collection process for improved commercial and industrial property, Tyler will attempt to acquire lease information for those commercial or industrial type properties that are typically bought and sold based on capitalized income streams. In addition, Tyler will compile, classify and document lease data, to support the development of guidelines for estimating value. The data will be collected and recorded on Income and Expense Disclosure Forms designed by Tyler to accommodate different property classification groupings. Income and Expense documentation will be shared with the County and delivered on an ongoing basis.

New Construction

New construction service will be taken care of by Tyler during the data collection phase, up to January 1, 2024. Tyler data collectors will pick up the new structures while onsite. After January 1, 2024 and through January 1, 2025, County will supply data changes from new construction to Tyler for input into the reassessment database.

Data Entry**Office QC of the Field Data Collection Card**

As the field work is completed during the Data Collection phase of the project, digital information and PRCs will be returned to Tyler's data entry staff for the Data Review/Entry Phase of the project. Prior to the actual data entry, an office desktop review will be conducted on each parcel. This scan of the PRC and/or electronically record data will determine if any required fields are missing and that the sketch of the dwelling is labeled and balances. If errors are found, the parcel is sent back to the field for review and correction. If no errors are found the parcel is ready for data entry or upload to iasWorld.

Processing of Returned Cards and Calls

This phase will also include further quality analysis of data received from returned door hangers, and telephone contact.

Property Data Mailer

Tyler will inspect the exterior of each structure as well as obtain interior data through mailing questionnaires to all Lackawanna County property owners. Each data mailer will have the most updated information from the County's CAMA System (database). Every property owner will have a certain amount of time to respond to this data mailer which will be described on the letter that will go along with the property record card factsheet. Every property record card factsheet will include the following:

Owner Names

Physical Address of the Property / Parcel Number and Card Number

Sketch – showing outline of the subject property and property features

Descriptive information relating to the makeup of the property like style, story height, exterior walls, heating, cooking, basement, room count, bedroom county, full / part bathroom count, additional fixtures, year built, year remodeled, number of open fireplaces, number of chimneys, total basement area, finished basement area.

All data mailer responses will be reviewed, and data entered, into the County's database. A data mailer response with any inefficient response or a request by the taxpayer to visit the property will be handled in a different phase of the review process called onsite collection inspection by a data collector on the property in order to correct the pertinent information needed.

Data mailers

Tyler Technologies, Inc | CLT Division
 211 South Juliana Street
 Bedford, PA 15522

Date of Issue: July 28, 2009
 Assessor's Map ID F.10-0.00-210
 Control Number 060-084-208
 Routing Number F.10-0-257.000
 Property Location

EVERETT PA 15537

Building # 1

Our firm has been retained by Bedford County to conduct the reassessment of all real estate for property tax assessment purposes. Please use the explanation of revaluation data terms supplied for this report to carefully review the data recorded for this property. If you feel that any data is incorrect, enter the correct information. Please return the corrected printout to the address above by September 1, 2009. To make an appointment for an interior inspection; or if you have any questions, please call Tyler | CLT at 814-624-2696.

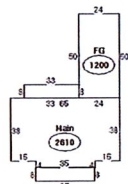
*** YOU NEED NOT REPLY IF THE INFORMATION IS CORRECT ***

Building Information			
Number of Living Units	1	Total Rooms	7
Style	Cape	Total Bedrooms	4
Approximate Year Built	2007	Total Full Bathrooms	2
Story Height	1	Total Half Bathrooms	2
Attic	Full-Fin	Basement	Full
Heating System	Gas - Forced Air	Basement Garage Spaces	
Central Air Conditioning	Yes	Finished Basement / Rec Room Area	0
Fireplaces	0	Total Living Area	3654

Inspection Information: Interior Refusal

Detached Structures

Sales Information			
Date 11/02/2007	Price	1 Type	Validity No



Descriptions

- A Main 2818 sqft
- S O/P 709 sqft
- C FB 1200 sqft
- D O/P 264 sqft



If you are returning this mailer with corrections or additional information, please write your name, date, and a daytime phone number as we may need to contact you for clarifications.

Name: _____
 Daytime Phone Number: _____ Date: _____

Summary

Once the data entry and data mailer phases are completed, the database will be ready for the analytical phase of the reassessment. A PDF of each Data Mailer will be attached to the corresponding parcel in iasWorld.

Analytical Phase**Neighborhood Delineation**

Tyler will create and/or update neighborhood boundaries and associated descriptions in support of the reassessment as described herein. We will review current established neighborhood boundaries using current GIS tools; offer appropriate modifications based upon sales analysis, then update neighborhood delineations throughout the County and submit the proposed changes to the Chief Assessor for approval prior to use.

When making recommendations, Tyler takes note that neighborhoods should physically be delineated to reflect a high degree of homogeneity in governmental, social, economic, and physical characteristics. Neighborhoods are usually - but not necessarily - outlined by boundaries, either natural or man-made. Tyler agrees that delineation of neighborhoods will be done separately for residential and commercial properties. For residential neighborhood boundaries, the appraiser will consider, at a minimum: land elevations; man-made or natural obstructions; similarity of structures; quality of construction; price range; style of homes; desirability of the area; and recent market trends. The following additional items will be considered for commercial/industrial neighborhoods: land elevation; traffic flow; class/use of properties; income ranges; rents; and zoning.

Tyler will assign or otherwise modify, when warranted, a unique number to each individual neighborhood. This number will be recorded on every parcel contained in that particular neighborhood, and will be used to determine land prices, select comparable sales, assign the appropriate income model, and to analyze market conditions versus Tyler produced value estimations prior to final review by Tyler appraisal personnel. On maps provided by the County, Tyler agrees to develop, identify, and record updated neighborhood boundaries with identification numbers that will be used to delineate neighborhoods throughout the County.

A neighborhood in iasWorld is defined as the largest geographic grouping of properties where the significant economic forces of those properties are generally uniform. A statistical profile for each neighborhood will be generated including a frequency distribution and relevant statistics for data characteristics. Examples include year built, SFLA, grade, CDU, median/mean value, median/mean selling price, median/mean land size and style organized by neighborhood. A profile sheet will be created for each neighborhood and will contain all the relevant summary data needed for that neighborhood. This data becomes helpful for comparable sales selection in market analysis.

FRANKLIN COUNTY, OH NBHD PROFILE DATA											
2099											
NEIGHBORHOOD 00105000 NBHD Desc DUBLIN-HILLIARD CSD 2740 NBHD Group 2510 AC Model 565 SF Model 0 DEPR TABLE 01 DEFAULT GRADE B DEFAULT CDU AV											
Median Landval	53,200	Average Landval	60,305	Med SFLA	1,988	Median YRBLT	2000	Count ECNDEP	0		
Median Costval	252,350	Average Costval	261,988	Min SFLA	1,092	Median Land to Total Ratio	0.21	Median Acres	0.1760		
Median Mktval	262,820	Average Mktval	269,394	Max SFLA	3,900	Median ECNDEP		Revcodes			
NBHD SALES RATIO SUMMARY STATISTICS											
NBHD	SYEAR	SALES	MEAN	MEDIAN	WGTMEAN	MIN	MAX	PRD	COD	Revcodes	
00105000	2014	7	1.0538	1.0373	1.0611	0.9972	1.1945	1.0026	4.5487	Revcodes 1 & NULL	0
00105000	2015	6	0.9828	0.9546	0.9760	0.9208	1.1089	1.0048	5.1754	Revcodes 2	118
00105000	2016	8	0.9322	0.9302	0.9330	0.9000	0.9778	0.9992	2.3561	Revcodes 3	0
00105000	SUMMARY	21	0.9995	0.9778	0.9856	0.9000	1.1945	1.0650	6.1672	Revcodes 6	0

GRADE Subj	GRADE Sale	CDU Subj	CDU Sales	STYLE Subjects	STYLE Sales	S F L A Subject & Sales	YRGROUP Subjects & Sales	L U C
B 91	B 20	AV 92	AV 20	01-CONVENTIONAL 3	01-CONVENTIONAL 2	2_1000 to 1500 2	3-POSTWAR_TO_1960 3	510 116
B+2 1	C 1	FR 1	GD 1	09-COLONIAL 3	09-COLONIAL 16	3_1501 to 2000 60	4-1961_TO_1970 3	511 2
C 2	C+1 1	GD 3	VG 1	03-MULTI-LEVEL 3	11-MODERN 4	4_2001 to 2500 47	5-1971_TO_1980 3	Total 118
C+2 1	Total 22	Total 56	Total 22	05-RANCH 10	Total 22	5_2501 to 3000 6	6-1981_TO_1990 3	
C-1 1				09-COLONIAL 70		6_3001 to 3500 1	7-1991_TO_2000 77	
Total 96				10-CAPE COD 1		7_3500 and larger 2	8-2001_TO_CUR 29	
				11-MODERN 9		Total 118	Total 118	
				Total 95				

Example of Neighborhood Profile

Sales Data

Tyler will examine recent sales involving the properties to be appraised and will gather validation information. The County will continuously and concurrently provide copies of all sales information available with respect to transfers of parcels occurring from January 1, 2022 through the duration of the project.

The sales will be categorized by neighborhood and property classification, and valid sales will serve as the comparable sales database to accommodate the application of the market approach to value.

Appraisal of Land

Once the neighborhood boundaries have been identified, experienced appraisers will analyze sales of vacant land in each neighborhood. In cases where the sample of vacant sales is inadequate, land residual techniques will be utilized. All land will be valued as if vacant.

Land tables will be built for each neighborhood based on a typical size for the area. Deviations from the norm will be adjusted using the appropriate incremental values derived from the market. Positive or adverse influences and various land breakdowns on use will be done at the parcel level. Factors which affect the value include such things as location, size, shape, topography, access to railroads, roads, waterways, use and other influences will be considered in establishing final values.

The allocation of land and building values will be derived from the market. A separate land value plus building value will equal total value. Tyler will establish its opinion of unit land values – expressed in

acreage, front foot, site, or square feet – consistently throughout the County.

Such values and unit of comparison will be approved by the County prior to being utilized. Once approved, Tyler will load the updated tables into the County’s CAMA system. Parcel splits and combinations will be appraised by Tyler.

Neighborhood Parameters

ur: 000 | Enter Query | Execute Query | Cancel Query | History Deactivated | Clone | Insert | Save

Updated: CLT on 08-APR-2014 09:46:39 | Deactivated on: | 1 of 1

Neighborhood: 3100LITE * | Group: 1462 | Res Cost Model: |
 Version: 14 * | Description: CANAL BLOCK LITE HOMES-DOWNTOWN

Model	Pct	Standard Depth	GRM
Land Lot Model:		100	
Land SF Model:	706 100	Default Grade: B+	Monthly/Annual:
Land Acre Model:	484 100	Default CDU: AV	Default GRM:
Gross Value Model:	31 100	Depr Table: 00	
Land Unit Model:		CDU Table: R1	
Agricultural Model:		Land Code Model:	

Notes

SEC ONE
 ENERGY EFFICIENT TOWNHOMES

User Defined Fields

Priority Board: DOWNTOWN

Confidential and Proprietary

Sample iasWorld Neighborhood Parameters

Land Models

Enter Query | Execute Query | Cancel Query | Clone | Insert | Delete | Save | Export

Updated: SLEMLE on 21-MAR-2014 15:24:1E 1 / 2

Version	Land Type	Nbhd	Zone	Street	Location	Util	Lan...	Base Size	Base Rate	Base Incr.	Base
14	S: SQUAR...	706	0	0	0	0	1	1000	42	21	
14	S: SQUAR...	706	0	0	0	0	6	1000	21	10.5	

Confidential and Proprietary

Sample iasWorld Land Model

Value Review Guidelines

Tyler will collect, record, and analyze general supporting data to serve as a basis for the development of guidelines for cost, market and economic coefficients needed when applying the three (3) approaches to value. The general supporting data to be analyzed will include cost data, lease data, economic data and sales data.

The guidelines that will be developed from this analyzed data will include replacement cost schedules, depreciation schedules, economic rent schedules, income capitalization rates, comparative property sale units, unit land values, and gross income multipliers.

Tyler shall prepare a report and deliver it to the Chief Assessor for approval showing the results of this

comprehensive analysis. It shall contain a set of recommendations, including a proposed pricing schedule prepared by Tyler and encoded by Tyler based upon existing tables in the CAMA system. The pricing schedule will be based on a Tax Lien Date of January 1, 2024 and will be approved by the Chief Assessor prior to determination of final values.

Tax Year	Card	Market Value	Who	When	Record	Status
2019	1	58990	2099 ROLL	12-AUG-2019 11:33 AM	Current	

Subject Parcel	Comparable-1	Comparable-2	Comparable-3	Comparable-4	Comparable-5
Parcel ID: 0100500026306006	0100500025320002	0100500025317001	0100500025102038	0100500025108014	0100500026305045
Card / Set#: 1 / 1	CompSheet Form: RES	172610	163652	179320	179873
Salekey:	176804				
1517	139 W	57	481	328	9
BEACH	ASPEN	DOGWOOD	ROSEWOOD	KENNEDY	WALNUT
DR	RD	RD	RD	DR	RD
Model: 4	4	4	4	4	4
Cluster: 4	4	4	4	4	4
NBHD Group: 6002	6002	6002	6002	6002	6002
Neighborhood: 010R0.005	010R0.005	010R0.005	010R0.005	010R0.005	010R0.005
L U C: 510	511	510	510	510	510

Example of comparable grid

Details of Residential Improvement Cost Table Calibration and Index

Methodology

The local construction cost index is the ratio of the cost to construct a dwelling in one location compared with the cost to construct the same dwelling in another location at a given date. The cost schedules will be calibrated to closely reflect the region encompassing the county.

The cost index will be developed from an analysis of sales of newly-constructed, average quality dwellings located within the county and/or sales of "relatively" new, average quality dwellings which have been properly adjusted for time. This is a four-step process that should be completed in the following order:

- Develop a market trend based on re-sales of improved residential properties within the county.
- Trend the construction costs for each new dwelling to be used in the index study to an estimate of the reassessment date.
- Calculate a cost ratio for each new dwelling by comparing the iasWorld Replacement Cost New (RCN) to actual construction costs.
- Analyze the individual cost ratios and correlate an overall local construction index.

In the event that a sufficient number of newly-constructed, average quality dwellings are not available to adequately document the local index, supplemental sources may include contractors' cost estimates of stock or standard building plans.

Index Calculation

The calculation process to establish the local index is as follows:

Trend all sales to be used in the index study to July 1, 2024 using the monthly trending factor established in the market trend analysis.

Subtract the land value estimate from each adjusted sales price. The result is the indicated dwelling or building residual value.

Obtain the Replacement Cost New for each dwelling through iasWorld.

For each sample, divide the indicated dwelling residual value by the iasWorld "Base Value." The result is the index factor for the improvements.

Calibrating the Residential Depreciation Tables

The iasWorld residential accrued depreciation or percent good tables are a matrix which is set up by the "Year Built" and the "Condition, Desirability, and Usefulness" (CDU) rating of the dwelling. The tables will be calibrated to reflect the local market conditions for the county. The calibration process is completed by analyzing verified sales which are contained in the sales history file.

Commercial and Industrial Valuation

Neighborhoods

Delineation of neighborhoods for commercial and industrial properties is a primary driver in the valuation of land, the application of the income approach and the application of the cost approach.

Significant characteristics in defining neighborhoods include:

Physical boundaries

Natural - as rivers, streams, woods, etc.

Manmade - as roads, railroads, power lines, etc.

Building characteristics: type, quality, age, and condition

Type of occupancy: such as industrial, apartment, retail, and office.

Current zoning: Preexisting nonconformity and development rights

Typical land size and land valuation

Sale prices

Economic Forces: In most circumstances, properties will compete with each other within the same immediate neighborhood.

The delineation process will involve the following procedures:

Establish base neighborhood delineation maps from the County's tax maps.

Each defined neighborhood will be driven and analyzed in the field. Based on physical observation and the other factors previously mentioned, the neighborhood boundaries could be:

Deleted and the properties included in an adjoining neighborhood when economic conditions indicated they were similar, OR

Create a new neighborhood from part of an existing neighborhood where there was clear indication that the economic level of value and/or similarity is different from that of its original proposed neighborhood

Upon completion of the field review, the boundaries will be refined down to the parcel level as part of the computer database utilizing the iasWorld CAMA system.

Approaches to Value and Appropriate Units of Comparison

There are three accepted approaches or methods to arrive at value. The cost approach provides an estimate of value based upon the replacement cost of the improvements, less depreciation, plus the value of the land. The income approach estimates value by capitalizing the net operating income of a property. The market or sales approach estimates value by comparing similar properties to the property being appraised.

For the 2025 Reassessment of commercial and industrial properties, models will be calibrated to predict fair market value using two approaches, the income approach and the cost approach. The income approach best reflects the actions and motivations of investors who buy certain types of commercial properties in the county but is not applicable for every type of property appraised (vacant lots, certain manufacturing, service stations to name a few).

Unlike residential properties, the appraisal of commercial and industrial properties requires utilizing multiple units of comparison to arrive at an accurate value estimate. Units of comparison are those variables or characteristics that investors use in making decisions in purchasing commercial and industrial properties.

Units of comparison enable appraisers to distill value to a specific rate such as rent/square foot so that comparison may be made with properties that are somewhat dissimilar.

County commercial and industrial properties will be analyzed with the following units of comparison:

Sale Price/acre

Income or Sale Price/square foot

Income or Sale Price/apartment unit

Income or Sale Price/parking space

Income or Sale Price/hotel room

Sale Price /nursing bed

Cost/square foot

Sale Price per square foot or acre of land

Using different units of comparison is not intended to produce higher values, just more valid and reliable values. In general, rate/square foot and rate/per unit (such as apartments and hotels/motels) will be the most common unit of comparison in the county.

Cost Approach Overview

Land Values and Models

Land models will be created for the reassessment to accommodate the land valuation for parcels in the commercial, industrial and apartment classes of property. Each of the models has rates which will be applied to individual parcel land formats by location and land code.

Locations will be identified for each parcel in each neighborhood. The possible location options could be:

- Central Business District
- Perimeter Central Business District
- Major Strip
- Secondary Strip
- Neighborhood/Spot (Includes apartments 4-6 units)
- Industrial Site
- Apartment/Condominium Site
- Business Cluster
- Commercial/Industrial Park

Wherever possible, the land model rates will be developed from an analysis of valid vacant land sales located within each model and location. Though there will be vacant land sales for the reassessment, it is unrealistic to expect that sufficient sales data would exist for every unique location within each neighborhood model. Where no vacant sales exist in a given location, comparative rates used in similar models will be used to determine the desired rates.

Building Cost

The cost approach provides an estimate of value based upon the replacement cost of the improvements, less depreciation, plus the value of the land.

Replacement cost means replacing the improvement with an improvement of the same utility; reproduction cost only equals replacement cost when a building is relatively new.

Local costs will be researched by using actual construction costs within the county. Since various construction types are necessary for different uses, several costs will be developed for basic structure codes such as hi-rise offices, banks, retail space, etc. The cost table will also be updated to account for items such as interior finish, heating, plumbing, air conditioning, etc. for the various uses.

The quality grade of materials and workmanship is one of the most significant adjustments to be made in the cost approach. Many buildings with similar square foot areas and uses can vary significantly in cost due to quality of materials and workmanship. The mass appraiser will analyze these characteristics in order to arrive at an estimate of quality grade.

In addition to the independent research outlined above, we will use accepted cost indexing services as a check against our replacement cost tables. We will compare the results with our verified costs to reinforce our locally obtained costs.

Depreciation

Depreciation is defined by the IAAO as: "Loss in value of an object, relative to its replacement cost new, reproduction cost new, or original cost, whatever the cause of the loss in value." Basically, depreciation is loss in value due to any cause. The three types of simple depreciation are:

Physical Depreciation

Physical depreciation is defined by the IAAO as "arising solely from a lowered physical condition of the property or a shortened life span as the result of ordinary use, abuse, and action of the elements."

In general, physical depreciation is due to deterioration or "wear and tear" over time.

Functional Depreciation (or Functional Obsolescence)

Functional Obsolescence is defined by the IAAO as: "A decrease in the value of a property occasioned solely by shifts in demand from properties of this type to other types of property and/or to personal services."

In general, functional depreciation is due to the loss of a buildings ability to function as efficiently as a modern building (an old-style heating system versus a modern HVAC system).

Economic Depreciation

Economic depreciation is defined by the IAAO as: (1) "Depreciation due either (a) to an increase in supply of the property under consideration or (b) to a reduction in monetary demand for properties of the type under consideration unaccompanied by shifts in demand from such properties to other properties and/or personal services (preferred). (2) Depreciation of any sort other than physical depreciation." Economic depreciation is due to factors outside the property. The location of the property may also be a cause of economic depreciation.

Depreciation in Mass Appraisal

The age life method considers how long a property will be considered economically viable, or the economic "life" of a property. Depreciation on a parcel level is based on multiple data elements which take into account the age of the building, the structure and construction type of the building, and the observed condition and utility. The structure and construction type will form the basis of the expected life, and the observed physical and functional condition ratings will estimate the percentage of depreciation to determine the value of the building in its current condition.

Market Analysis Overview

During this step of the valuation process, Tyler will use the analytical tools in iasWorld to develop markets for residential improved parcels, where possible. Therefore, both the cost and comparable sales approach will be considered when arriving at the final estimate of value. When applicable, up to five comparable sales for each subject will be available for review. This comparable sales approach allows us to better reflect market activity in this uncertain economy and explain the anomalies that may occur with bank sales, foreclosures and other distressed sales. A market model is a statistical picture of the elements affecting sale price within the market area. By determining the relative effect of specified property characteristics on sale price, markets will be constructed and used to predict value for unsold

properties.

Income Approach Overview

The income approach is defined by the IAAO as:

"The concept that current value is the present worth of future benefits to be derived through income production by an asset over the remainder of its economic life. The income approach uses capitalization to convert the anticipated benefits of the ownership of property into an estimate of present value."

In mass appraisal, there are two major elements of the income approach that must be defined. The first is determining the market capitalization rate that typical investors will require to purchase different types of property. The second is estimating the expected Net Operating Income on a property when the actual NOI may or may not be known. The estimation of Net Operating Income of different types of properties is derived from three factors; the expected gross rental income of the property, the expected occupancy of the property, and the expected operating expenses of the property.

Capitalization Overall Rate Development

Income producing properties are assets that offer a return on, and a return of, an investment. Investors buy property in order to receive income which represents a return on their investment. That return is measured in many ways but the standard that is used by appraisers most often to summarize investment rate of return is the capitalization rate or CAP rate; calculated by dividing net income (NOI) by purchase price. Net income is calculated by subtracting from the property's rental income if fully occupied, any shortfall due to vacancies and credit losses, and all operating expenses except for real estate taxes and debt service. For assessment purposes, the expense of real estate taxes is incorporated into the overall capitalization rate (OAR) as an effective tax rate for the municipality.

Where income and expense information are available for commercial and industrial properties that have sold, it is possible to derive direct capitalization rates. This is preferred to alternative techniques such as Band of Investment because it is based on a property's actual as opposed to pro forma financial performance and reflects the expectations of investors in a competitive marketplace.

Income and Expense Valuation

Economic data will be collected from the local marketplace and used to develop Income Valuation Models. These models contain typical rents, expenses, and capitalization rates for the various income use groups. The appraiser can make parcel level adjustments to the income valuation components generated by the Income Models.

Preferential Assessments

Tyler will calculate preferential assessments for all parcels which might qualify or have already qualified under the Farmland Assessment Act program using state-supplied soil survey data, County GIS, and input data to calculate the soil types by parcel in acres for all parcels with 10 acres or more. The table below shows data inputs for assisting in completing Farmland valuations in Lackawanna County in accordance with Pennsylvania's Act 319.

Data Inputs to Complete Clean and Green Valuations

Item	Description
Digital parcel layer of Lackawanna County in a prescribed projection	Supplied by County
Digital soil layer of Lackawanna County in a prescribed projection	Supplied by County
Digital coverage layer (wooded or open) of Lackawanna County in a prescribed projection	Supplied by County
Digital coverage layer (wooded or open) of Lackawanna County in a prescribed projection	Supplied by County
Creation Clean and Green Parcel-Soil-Cover Map	Using GIS software, the area of each soil and coverage type will be calculated for each parcel

Tyler will also format the land and calculate the values for those parcels currently also getting preferential Farmland values. Data collectors will be instructed to collect data on parcels which might qualify or are currently qualified relative to meeting the programs' requirements for such things as active farming and commercial use. It is understood that this data is somewhat subjective in nature and is only an observation at a point in time. Tyler will work with the County in determining the procedures the data collectors will be trained to follow. Determination of parcels qualifying for any preferential program, including determinations of parcels being actively farmed, and finalizing the land breakdowns would be a County responsibility.

Final Value Review**Residential and Agricultural**

After the creation of market values and in accordance with IAAO and state statutes; Tyler will appraise each property. This review will be made property-by-property to eliminate errors in data entry, judgment, and computations that might have occurred. The mass appraiser will conduct the final review using the technology of advanced desktop verification loaded with current CAMA data, and an initial value estimates showing both a predicted cost and market value. The mass appraiser determines that the structures have been properly described and valued so as to assure the use of the proper schedules for computing replacement cost new; shall make a judgment as to the grade of construction and depreciation of each structure; shall consider indicated value of the structure and indicated value of the land against sales information concerning comparable properties and shall make a determination on the judgmental factors which affect the estimated value.

Commercial and Industrial

Similar to the phase above, mass appraisers review the value estimates, verify observable data, adjust the value estimates for any changes, choose the final valuation methodology reconciling the cost and income approaches and ensure that like properties are appraised equitably. Tyler will appraise all utility properties in the same manner as other industrial properties.

Performance Standards

Upon completion of the final review, Tyler shall submit to the Chief Assessor the results of a formal sales ratio study. Table 5 describes the performance standards which will be met on this project.

IAAO Performance Standards

Class	Standard
Single Family Residential over 15 years old	COD less than 15%
Single Family Residential less than 15 years old	COD less than 10%
All other improved stratum or classes	COD of less than 15%
All other vacant stratum or classes	COD of less than 20%

Appraisal Quality Control

It is important for the County to know that Tyler is dedicated from the top down to delivering quality work. A primary element of management's job is to ingrain this precept into the culture of all new employees and to build upon it during their careers. Quality in a service business can be a difficult concept to define. Tyler's definition consists of five basic components:

- Understanding what is to be done.
- Defining what constitutes successful completion of each project activity.
- Gaining assurance that the County shares this understanding.
- Doing this work on time.
- Getting recognition of success from the County.

A detailed quality control plan is outlined below:

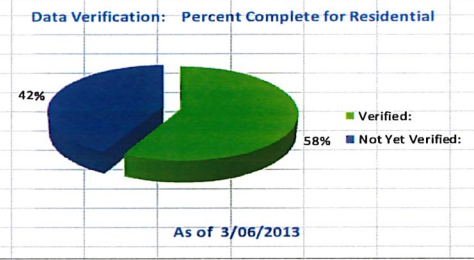
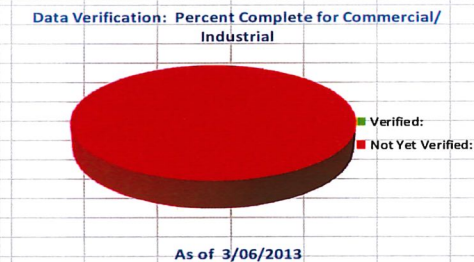
At the project level, several quality control procedures will be in place. For review, personnel will follow these procedures:

- The supervisor will recheck all properties completed during the training period, typically five (5) days, by each data verifier. All noted errors are recorded on a QC form and discussed with the employee; corrective action is identified and taken.
- Throughout the review effort, the supervisor will review completed parcels for each employee within his/her group. A "Quality Check Form" will be completed for the parcels reviewed.
- If the results of the quality check are satisfactory, they are discussed with the employee and the pack is turned in to the project office for clerical quality control.

If the results of the quality check are unsatisfactory the quality check report is returned to the employee and one of two courses of action is taken:

- A pack with a less significant degree of error but a still unsatisfactory quality report is returned to the employee. The employee corrects the noted errors and rechecks the balance of the cards in the pack for similar errors.
- A significant level of multiple significant errors requires a complete rework of the pack by the employee.

- Regular reviews are held between the supervisor and all staff for current status regarding quality results, productivity, training and corrective actions.

2 Week Total As of 1-23-13	2 Week Total As of 2-06-13	2 Week Total As of 2-20-13	2 Week Total As of 3-6-13							
14,713	22,714	32,782	50,488							
Statistics Total R Parcel Count: 215,406 Verified: 184,168 (85%) Not Yet Verified: 31,238 (15%) # Weeks to 2				Data Verification: Percent Complete for Residential 						Areas Complete Huber Heights Butler Twp Vandalia Englewood Clayton Brookville Clay Twp Harrison Twp Moraine
Description Parcel Count Sent to Field Check: 875 Sent to Data Entry: 40,518 Sent to Res Mgr: 379 Sent to Com Mgr: 108				Data Verification: Percent Complete for Commercial/Industrial 						Areas Under Review Trotwood Perry Twp New Lebanon Jefferson Twp Miami Twp/Miamisburg West Carrollton Centerville Washington Twp Kettering
Statistics Total C/I/E Parcel Count: 36,487 Verified: 0 (0%) Not Yet Verified: 36,487 (100%) #Weeks to 16										Areas Next for Review Oakwood Riverside Dayton Germantown/Twp
Notes Increased R/A Reviewers C/I Desktop Verification Underway Started Data Entry & Field Checks on R/A Total to do: 251,893 All Classes Total percent compl: 73%										

Tyler's Appraisal Data Verification Bi-Weekly Reporting

Notification of New Valuations to Property Owners

Tyler will be responsible for notifying all property owners of their new values stemming from the 2024 Reassessment. The notification will provide the property owner the ability to respond to Tyler's office with any questions.

Tyler will be responsible for logging/tracking all comments sent to the Chief Assessor by the property owners. Tyler will assist, in reviewing the comments to determine if a valuation change is warranted. Tyler will denote the disposition on the appraisal review document and Tyler will return all documentation to the Chief Assessors personnel. Tyler will be responsible for inputting any clerical changes needed to complete this task.

Mass Appraisal Report

A mass appraisal report will be provided to the Chief Assessor as a summary of the work performed during the 2025 Lackawanna County Reassessment project. This report is intended to complement, but not replace, the supporting materials that will be provided to the Chief Assessor in the form of interim reports, quality audit reports, and appendices, as well as procedural and training materials throughout the project.

This summary report will serve to define, summarize, and document the standards followed and the process associated with the data verification, value review, analysis and reporting necessary to render a credible opinion of true value(s) in accordance with Pennsylvania Statutes, IAAO technical standards and "Standard 6" of the Uniform Standards of Professional Appraisal Practices.

Support of Values

Tyler's Conduct of Informal Reviews

The informal review process is the responsibility of the Tyler.

The County's Assessor and/or the County's Assessor's designee shall be notified of all informal review appointments. It is anticipated that the County's Assessor and/or the County's Assessor's designee will participate in the informal review process.

Tyler will provide staff to receive taxpayers' telephone calls, answer questions and set up appointments by telephone for meetings. Tyler will use experienced field review staff for these meetings and for fieldwork related to property owner inquiries. This includes the responsibility of re-inspection and data correction processing to the assessment/inventory files.

Limited evening/weekend meetings, in addition to the daytime schedule, may be available as needed to accommodate appointment requests in excess of the anticipated number of appointments. All meetings will be pre-scheduled by telephone or online scheduling within ten (10) days of the mailing date on the notice, and will be conducted by phone, teleconferencing device, or Email.

Tyler will inform the property owner at the time an appointment is made and at the start of each informal review meeting, that the purpose of the informal review meeting is to explain how the preliminary value is set; that no decision regarding a property's value will be made at the time of the informal review meeting; and, that a notice of the results will be mailed to the property owner after the information presented and any follow up investigation has been reviewed.

The Contractor must provide the County with an analysis of, at least, the following in a report format:

- number of informal review meetings;
- number of informal review meetings resolved in session;
- number requiring "in-field" follow-up;
- number requiring inventory changes; and
- amount of assessed valuation changed, by property type.

Tyler will mail each taxable property owner a notice showing their tentative value. Tyler will have an informal discussion with the owner or agent who requests the same during the specified period. Tyler will be responsible for all informal reviews filed as a direct result of this reassessment which are requested within the timeframe scheduled for setting appointments.

Results of Informal Reviews

Any changes made to property valuations as a result of the informal review and reconciliation process will be reflected in the Official Certification Notice of July 1st. The Official Certification Notice will include all assessments throughout Lackawanna County to be used for the 2026 Tax Year.

Item	Client	Tyler
Data Mailers		X
Income & Expense Requests		X
New Value Notices	X	
Official Assessment Notices	X	

Formal Appeals to the County

Tyler will, upon request, support the Assessment Department and BOAR regarding formal appeals filed with the Board as a result of the reassessment for the 2026 tax year. Up to 82 person days of support for County appeals are provided as part of our base proposal and must be scheduled in 8 hour days and at least 5 days prior.

Additional services would be provided at per diem rates.

Litigation Support

Tyler will, upon request, participate in all appeals to the courts taken and processed in accordance with administrative or statutory procedures from any individual assessment or group action, including a challenge in general to the methodology or procedures used by Tyler in the reassessment, which is computed from Tyler’s appraised value provided that the first stage of the appeal has commenced within the time allowed. The County will give Tyler copies of all documents involved in any complaint or appeal, prior notice to permit scheduling and travel to any conference or hearings at which Tyler’s representative is requested to be present, and prompt notice of the cancellation or postponement of the same. These services would be provided at negotiated terms.

Client Responsibilities

In addition to the facilities, hardware, support, and data items listed elsewhere in this

Parcel Identification Characteristics/Data

Within thirty (30) days of signing this Agreement, the County shall provide electronic CAMA data for each parcel, correct and current as of the most recent tax lien date prior thereto, consisting of the owner’s name and mailing address, parcel identification number, legal description, improvement characteristics, and such information shall be presumed to be correct. Corrections to such information shall be made at the County’s expense.

Tax Maps

Within fifteen (15) days of contract signing, the County shall provide electronic maps (GIS information) covering all parcels, correct and current as of the most recent tax lien date prior thereto. Each map shall be drawn to scale, be identified by a map number and taxing jurisdiction, delineate each parcel, sufficiently specify its dimensions so that its size may be determined, show recorded easements and restrictions, and such information shall be presumed to be correct. Corrections to such information shall be made at the County’s expense.

The County shall supply Tyler with an electronic version of the County's GIS parcel layer and available aerial photography. The GIS layer shall accurately indicate the area, acreage, or dimensions of each lot, tract, or parcel of land in the county with the parcel identification number.

The County shall provide Tyler with a GIS layer updated for corrections to any descriptions due to splits, new subdivisions, or any other changes to parcel property lines.

Mobile/Manufactured Homes

The Chief Assessor's Office will provide records for all mobile/manufactured homes. Tyler will be responsible for establishing a cost schedule in the County's CAMA system much like typical single-family residential homes with the assistance of the County. Tyler is responsible for the data entry of mobile/manufactured homes data from their spread sheets into the CAMA system.

Farmland

The Chief Assessor's Office will provide records for all Farmland parcels. Tyler will be responsible for establishing a cost schedule in the County's CAMA system with the assistance of the County. Tyler is responsible for the entry of clean and green data into the CAMA system.

Sales Information

The County shall continuously and currently provide copies of all sales information available to it with respect to transfers of parcels occurring since January 1, 2022 and ending with the project completion date of February 15, 2025.

Additional Information

The County shall further assist Tyler by providing or making available such other information which it possesses or which is conveniently available to it, including, but not limited to, general assessment records.

Project Schedule

Tyler's performance of its obligations under an agreement shall begin within thirty (30) days of signing with the commencement of planning and creation of a work plan, subject to the Commissioner's and Chief Assessor's approval. Said work plan will indicate the starting and completion dates for all the various phases of the project and once approved and agreed upon, will become part of the agreement.

Tyler agrees to the County's published timetable, including the completion date of February 15, 2025. Any changes to the Project Timetable below will be agree to by both Tyler and the County.

Project Schedule

Tyler's performance of its obligations under an agreement shall begin within thirty (30) days of signing with the commencement of planning and creation of a work plan, subject to the Commissioner's and Chief Assessor's approval. Said work plan will indicate the starting and completion dates for all the various phases of the project and once approved and agreed upon, will become part of the agreement.

Project Timetable	Start Date	Finish Date
Project Timetable: Starts at Contract Signing and ends with Final Assessment Roll.	5/1/2022	11/25/2025
Public Information Plan	6/1/2022	7/1/2022
Photography/Image Plan	6/1/2022	7/1/2022
Data Collection Training	7/1/2022	9/1/2022
Training Manuals/Property Record Cards	7/1/2022	9/1/2022
Local Staff has been fully trained in all phases of the project completed to date.	7/1/2022	9/1/2022
Assessor's Sign Off Document #1		9/1/2022
Subject Inventory Data Collection	7/1/2022	6/1/2024
File Creation and Maintenance	7/1/2022	2/15/2025
Sales Inventory Collection and File Creation	6/1/2022	7/31/2024
Collection of New Construction (clean-up data collection)	6/1/2022	1/1/2024
Local staff has been fully trained in all phases of the project completed to date.	7/1/2022	2/15/2025
Assessor's Sign Off Document #2		2/1/2023
Data Mailer	10/1/2022	8/1/2024
Production in Response to Data Mailer	10/1/2022	9/1/2024
Data Editing	10/1/2022	10/1/2024
Acquisition of Market Data (income & expense questionnaires)	5/1/2023	8/1/2023
Grouping of Data (neighborhood analysis/delineation)	6/1/2023	8/1/2024
Valuation File Testing	10/1/2024	11/1/2024
Valuation Reports	10/1/2024	11/1/2024
Local Staff has been fully trained in all phases of the project completed to date.	2/1/2023	11/1/2024
Assessor's Sign Off Document #3		11/1/2024
Final Review of Values	10/1/2024	12/1/2024
Assessor's Preliminary Value Review/ Statistical Ratio Reports with Contractor	11/1/2024	1/1/2025
Option 2 Preliminary Value Mailer	2/15/2025	3/1/2025
Local Staff has been fully trained in all phases of the project to date.	2/1/2023	2/15/2025
Assessor's Sign Off Document #4		3/1/2025
Informal Review Meetings (including field related	3/1/2025	5/1/2025

activities)		
Prepare Preliminary Assessment Roll and file, and submission to County.	6/1/2025	6/1/2025
Certified Final Value Change Notices (County)		7/1/2025
Formal Appeal; Formal Defense of Values	7/20/2025	11/25/2025
Project Deliverables to Assessors	11/15/2025	11/25/2025
Local staff has been fully trained in all phases of the project completed to date.	3/1/2025	11/15/2025
Assessor's Sign Off Document #5		11/25/2025
Project Completion: Certification of Assessment Roll	11/15/2025	11/25/2025
Vendor Charges Outside of the Contract End Date	To be discussed	