

Scope of Work

Duff and Phelps will provide comprehensive onsite property evaluation services for MHEC MPP Participating Institutions at the request of a MPP Participating Institution at the agreed to pricing. Further Duff and Phelps will compile and report the valuation and supporting data in a format permitting the MPP Participating Institution, MHEC and MHEC representatives to update their records in order to keep the property valuation information current in the future once the property valuation services project is completed.

Duff and Phelps offers a 4-Phase Approach for property valuation services to the MHEC MPP Participating Institutions as follows and which is more fully described in Duff & Phelps's Response to Request for Proposal to Provide Property Appraisal Services dated February 27, 2017, a copy of which shall be incorporated herein by reference:

Phase 1 – Diagnostic Review – No charge

Duff and Phelps will review and consider all members statement of values. Each member's statement of values will be reviewed focusing on the cost per square foot of all buildings and structures. Duff and Phelps will analyze each member's buildings to identify potential outliers based on the construction data presented in the statement of values. In addition, they will review the data for other notable irregularities from an appraisal perspective.

Following the diagnostic review of the member statement of values, Duff and Phelps will report conclusions to MHEC and each MPP Participating Institution. Duff and Phelps will provide an excel document outlining the potential outliers and other notable irregularities and will provide feedback regarding potential statement of value inconsistencies.

Phase 2 – Physical Appraisals

If a MPP Participating Institution determines an appraisal is required, Duff and Phelps will proceed with the valuation of the following asset classes:

1. Buildings
2. Personal Property

Project Planning and Fieldwork

Duff and Phelps will communicate with the institutional contact person to schedule the service including:

- Reviewing the procedures and methods
- Establishing a mutually agreeable work schedule
- Set site visit schedules
- Perform an inspection and inventory of the pertinent data of each building
- Confirm addresses and zip codes
- Determine local prices for labor and materials
- Collect digital color photographs of each building/structure
- Provide status reports on progress
- Prepare final reports
- Prepare data file
- Prepare data for on-line access

Duff and Phelps will provide onsite inspection and appraisal of the designated property and complete a 63-point component field form.

Personal Property – Modeling Approach

Appraisal Reports

Duff and Phelps will issue reports at the conclusion of the project with the Uniform Standards of Professional Appraisal Practice.

Phase 3 – Trending

Once an onsite inspection is completed for any member, , Duff and Phelps will provide, at no cost to the member, a trending valuation of any buildings not selected for appraisal. Utilizing the current statement of values, Duff and Phelps will apply inflationary indexes to the reported replacement values to reflect current building and construction labor rates as of the date of the appraisal.

Phase 4 – Property Manager and Web-based Reporting System (eRisk)

Following the on-site property appraisals Duff and Phelps will upload the current property schedule and new appraisals to their eRisk Property Manager and Web-Based Reporting System.