

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (“Agreement”) is made between The City of Madison Heights, a Michigan municipal corporation (“City”) and Assessment Administration Services, L.L.C. (“Contractor”), as follows:

1. Effective Date. This Agreement shall be effective as of July 1, 2025.
2. Term. This Agreement shall remain in effect for a term of three years (the “Term”), unless earlier terminated as provided herein.
3. Retention of Contractor. The City hereby retains Contractor to perform independent contracting services to provide those assessment functions which may be performed by an independent contractor consistent with Michigan law (the “Services”). Contractor accepts such assignment, subject to the terms and conditions set forth in this Agreement. Contractor shall take general assignment from the City Manager, or such other person as may be designated by the City. The Services shall include:
 - Provide a Michigan Master Assessing Officer or higher certified assessor to certify the roll.
 - Supervise and maintain the assessment roll as outlined by State Tax Commission rules and regulations including any special assessment or special act rolls.
 - Prepare and administer the March, July and December Boards of Review.
 - Develop land value and economic condition factor analysis.
 - Process all land division and combinations in the city.
 - Review and process all sales and property transfers and principle residence exemptions.
 - All fieldwork including personal property canvas.
 - Prepare, defend and counsel regarding all Michigan Tax Tribunal cases and testify when necessary. If needed Assessment Administration Services can provide legal counsel at an additional cost to defend Michigan Tax Tribunals.
 - Provide office hours and availability of assessing staff and or certifying assessor up to 1 day (or 8 hours) per week except for vacations, holidays or sick days either in office or by remote access. In addition, the staff person/assessor will be available by phone or email access when needed.
 - Attend necessary work sessions and City council meetings.
 - Assessment Roll Audit Compliance (Audit of Minimum Assessing Requirements).
 - Provide knowledgeable customer service to the constituents of the City of Madison Heights.
 - All performed duties required as the Assessor of record per the Michigan State Tax Commission’s Supervising Preparation of the Assessment Roll Policy.

4. Independent Contractor. Contractor's relationship with the City under this Agreement is that of independent contractor and not that of employee, partner, or joint venture. Contractor shall be responsible for payment of its own federal, state, and local taxes. Contractor shall not participate in City's fringe benefit plans or programs. Contractor shall not enter into any agreement or commitment on behalf of City nor hold itself out as having such authority. The City shall be responsible for all office supplies, printing and licenses for software that pertain to City business performed by the contractor.

5. Contractor's Compensation. In consideration of Contractor's activities under Paragraph 3 of this Agreement, the City shall pay Contractor as follows:

- (a) \$229,980 for the 1st year of the contract (July 1, 2025 - June 30, 2026) in monthly payments of \$19,165 due and payable on the first of each month or quarterly payments of \$57,495 due and payable on the first day of each quarter while this Agreement is in effect;
- (b) \$239,160 for the 2nd year of the contract (July 1, 2026 - June 30, 2027) in monthly payments of \$19,930 due and payable on the first date of each month or quarterly payments of \$59,790 due and payable on the first day of each quarter while this Agreement is in effect;
- (c) \$248,760 for the 3rd year of the contract (July 1, 2027 – June 30, 2028) in monthly payments of \$20,730 due and payable on the first date of each month or quarterly payments of \$62,190 due and payable on the first date of each quarter while this Agreement is in effect.
- (d) Notwithstanding any other provision of this Agreement, if this Agreement is terminated as provided herein prior to the end of the Term, Contractor shall only be entitled to pro-rated payment through the effective date of termination and shall have no right to payment thereafter.

6. Indemnity and Insurance. The Company shall be liable to the City, and hereby agrees to indemnify and hold the City harmless but only to the extent of its insurance coverage set forth below, against all claims covered by said insurance coverage arising out of the performance of the services rendered hereunder caused by any negligent conduct, intentional conduct, or act of the Company or any of its employees in the performance of this contract that are covered by the policies listed in subparagraphs "a" through "c" below.

The Company will carry the following insurance coverage at all times during this agreement:

a. Comprehensive general liability insurance covering the Company and the City in the project with not less than the following limits of liability; bodily injury or death, \$1,000,000 each person and subject to the same limit for each person; \$1,000,000 for two or more persons in any occurrence; property damage, \$1,000,000 each occurrence; \$2,000,000 annual aggregate.

b. Worker's Disability Compensation Insurance, securing compensation for the benefit of the employees of the Company, as required by Worker's Disability Compensation Act of State of Michigan.

c. The Company shall also carry professional liability and errors and omissions insurance with not less than \$2,000,000 limit of liability for each claim and in the aggregate including claim expenses. However, the City understands that it cannot be listed an additional insured under this type of policy. Should the City or its officers, directors, employees, and elected officials ever be held financially liable for any error or omission of the Company and seek indemnification from Company as a result thereof, under no circumstance shall the Company's cumulative liability to the City or its officers, directors, employees and elected official exceed the coverage of the errors and omissions policy referenced herein.

7. Proprietary Information. Contractor acknowledges that through its activities under this Agreement, it may come into possession of confidential or proprietary information belonging to the City. Contractor agrees that it will not directly or indirectly disclose to any other person or entity, or make any use of, any of the City's confidential or proprietary information, whether or not such information was developed or obtained by Contractor, except as authorized by the City in connection with Contractor's activities under this Agreement and in furtherance of the City's best interests. Upon termination of this Agreement, Contractor shall return to the City all such confidential and proprietary information in its possession and control and shall not make or retain any copies or summaries. The obligations of this Paragraph 7 shall survive termination of this Agreement.

8. No Violation of Other Agreements. Contractor warrants and represents that this Agreement does not violate the terms and conditions of any other agreement to which Contractor is a party or interfere with any business expectancy. Contractor warrants that it will not utilize any invention, trade secret, or other intellectual property in which it does not have a proprietary interest or legal right of use. Contractor shall indemnify and defend the City against any claim, lawsuit, cause of action, demand, cost, or other expense (including reasonable attorney fees and court costs) incurred by the City as a result of any inaccuracy in or breach of the warranties and representations of this Paragraph 8.

9. Termination. This Agreement may be terminated as follows:

- (a) Either party may elect to terminate this Agreement for any reason upon thirty (30) days written notice to the other party.
- (b) The City may immediately terminate this Agreement, in its sole discretion for the Contractor's gross negligence or gross dereliction of duties; the conviction of a crime by one of Contractor's principals; or other circumstances that defeat the purpose of this Agreement.

10. No Oral Modifications. This Agreement may not be modified or amended by any oral agreement and may only be modified or amended by a writing signed by both parties.

11. Assignment. Contractor may not assign this Agreement without the written consent of the City.

12. Entire Agreement. This Agreement contains the entire understanding of the parties related to the subject matter hereof and supersedes all previous verbal and written agreements, representations, or warranties.

13. Counterparts. This Agreement may be executed in separate counterparts. A copy of this Agreement is effective as an original.

14. Miscellaneous Representations. Each party has consulted or has had the opportunity to consult with its own attorney prior to execution of this Agreement. Each party has read this Agreement in its entirety before signing and understands its terms. Each party signs as its free act. There shall no presumption or construction of this Agreement in favor of any party based on draftsmanship.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date written above.

THE CITY OF MADISON HEIGHTS

ASSESSMENT ADMINISTRATION
SERVICES, L.L.C.

By: Melissa Marsh
Its: City Manager

By: Lisa Griffin
Its: Member