

DILLON & WITT, INC.

Real Estate Appraisal and Consulting Services

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August 6, 2013

Steve Carman
8521 Delmar Lane
Prairie Village, KS 66202

**RE: Potential Impact
MISSION CHATEAU SENIOR LIVING COMMUNITY
Prairie Village, Kansas
Our File No. 1302141**

Dear Mr. Carman:

Pursuant to your request, I have researched and reviewed the revised proposal for the Mission Chateau Senior Living Community, which is proposed for the west side of the 8400 block of Mission Road, placing it directly northeast of your residence. In the performance of this analysis, I have personally inspected the exterior of your home, as well as neighboring properties on Delmar, Somerset and 86th Street, as well as the proposed site for the Mission Chateau Senior Living Community complex.

For reference purposes, the legal description of your property is:

Lot 100, TOWN & COUNTRY ESTATES, a subdivision of Prairie Village, Johnson County, Kansas.

The intended use of this letter is to provide my updated opinion as to the potential for impact to the market value of your home caused by the proposed development referenced as Mission Chateau Senior Living Community. The report is intended for use by you as the client and the function of this appraisal is for analysis in determination as to potential impact to the market value of your home as caused by an external influence. The report is intended for use in providing information as to the potential for impact to you as a property owner and it is not intended for any other use. This letter updates a prior letter and analysis completed on this matter and delivered to you via letter dated April 23, 2013. The discussion, definitions and analyzes included in that letter are incorporated by specific reference herein.

Steve Carmen
August 6, 2013
Page 2

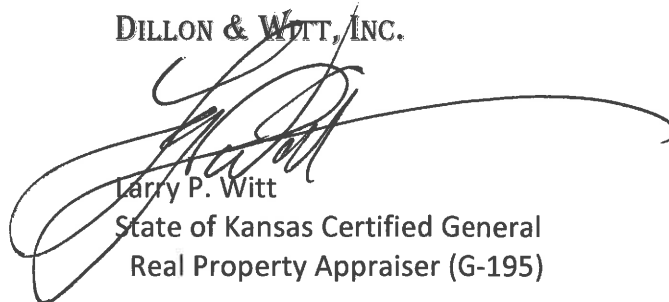
The most recent revised proposal submitted by the developer included a reduction in the overall size, more villa units and a phased-height transition in the two to three story section of the assisted living/independent living building, which has also been positioned further from your property. While I am of the opinion that these changes to the proposed plan are helpful, however, they do not change the fact that the development remains as a high density, multi-story facility with proximity to single family residences such as your property and others on your block. This proposed development, even as currently revised, continues to represent an external obsolescence as defined and analyzed in my previous letter report.

Again as stated in my original report, although the amount or percentage decrease in market value caused by Mission Chateau, if constructed per the revised plan, is open to some speculation, it is my opinion that the potential for a negative impact on your market value remains. Again, a more time consuming study would be required to expand upon this opinion in support of a specific diminution in value to your property; however, market evidence gathered on other projects supports my conclusion as to the potential for impact caused by this proposal. Even if the damage to market value is reduced below 10% (my previous "baseline"), a "nominal" impact of, say, just 3% to 5% would correspond to tens of thousands of dollars when considering the value of your home and others in your immediate neighborhood.

As indicated, this letter is to be considered an update and revision to the prior report, which is incorporated by specific reference herein, including the Certification, Assumptions and Limiting Conditions included therein.

Respectfully submitted,

DILLON & WITT, INC.

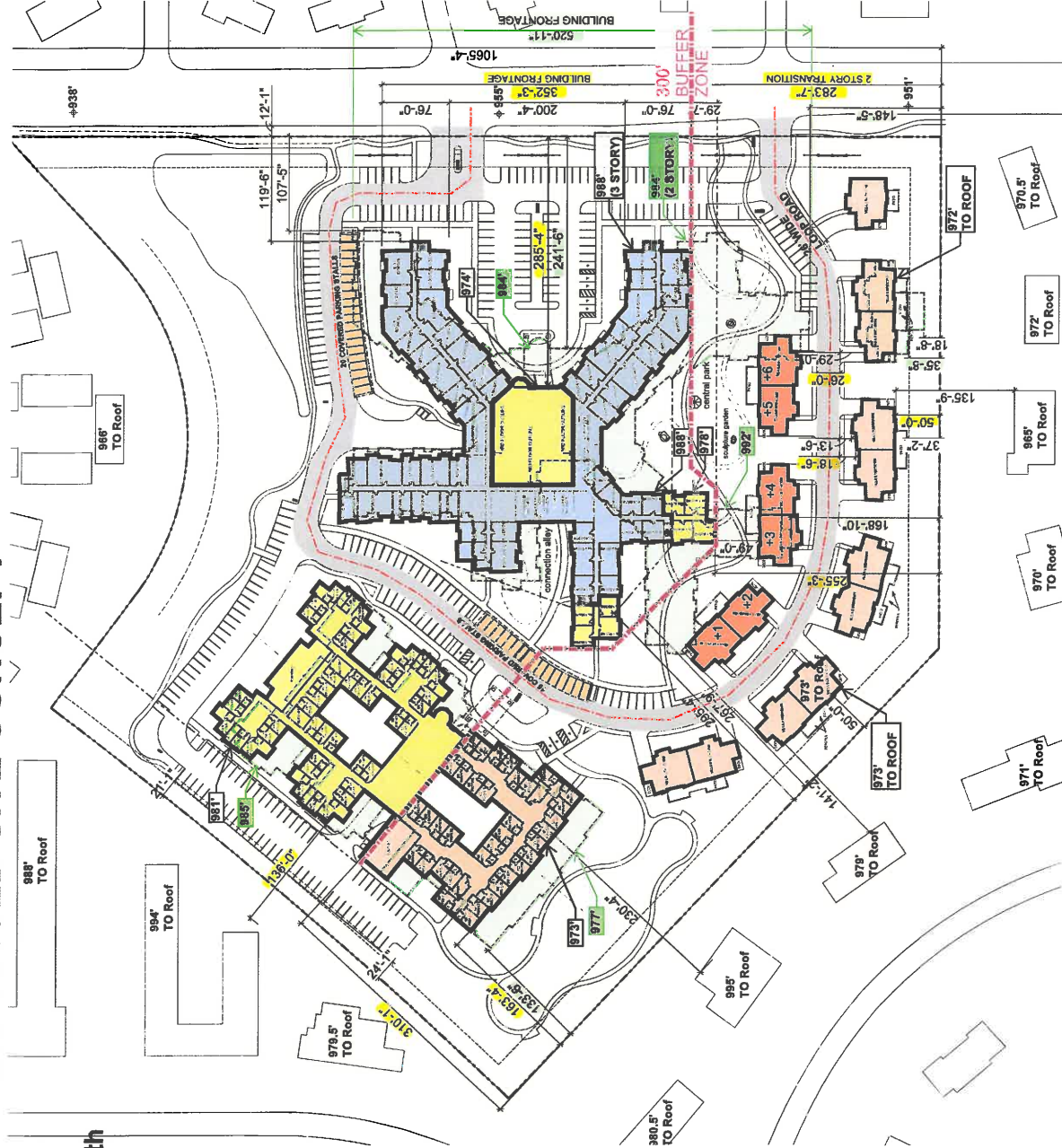


Larry P. Witt
State of Kansas Certified General
Real Property Appraiser (G-195)

LPW/sh

ADDENDUM

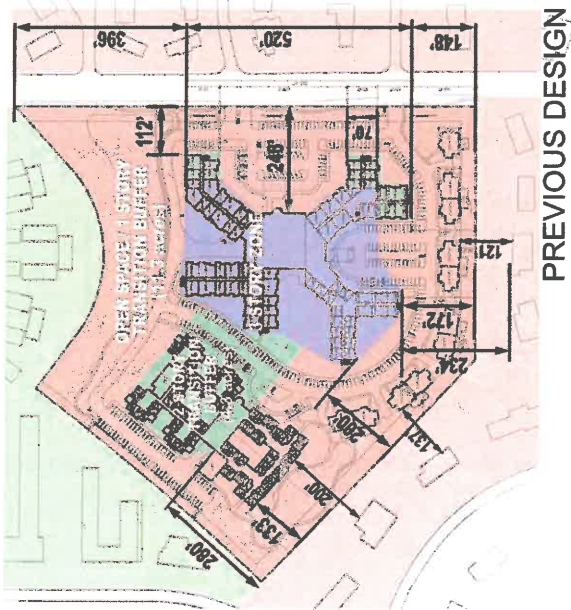
ENHANCED SITE CONCEPT



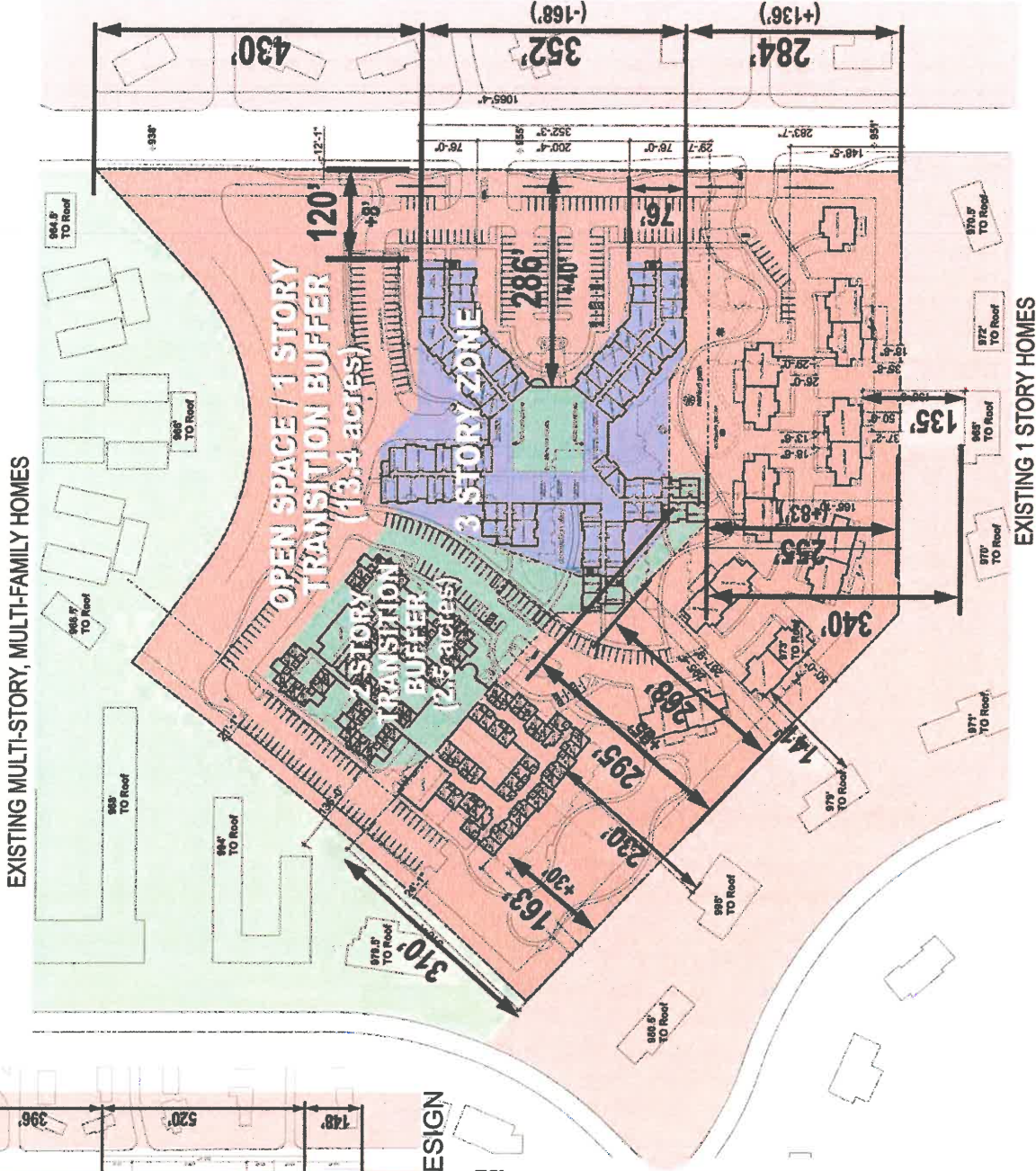
SUMMARY OF ENHANCMENTS

1. **Improved Transition Zone to the South**
 - i. Created a 300' buffer zone (- - - - -)
 - ii. Added 6 Villa Units (■ ■ ■ ■ ■ ■)
 - iii. Created a 'villa village' along loop road
 - iv. Increased Villas front and rear yard
 - v. Enhanced micro parks and trails
 - vi. Eliminated parking to the South
 - vii. Eliminated ALF entry to the South
 - viii. Increased Setback at the Memory Care and Skilled Care
2. **Reduced the Scale of the Project**
 - i. Reduced Frontage on Mission Road from 520' to 352' (-168')
 - ii. Lowered the entry to the Independent Living to a 1 Story Elevation (-12')
 - iii. Reduced ALF/ILF unit count by 30 (-14%)
 - iv. Reduced ALF/ILF size by 42,800 SF (-16%)
3. **Enhanced Architectural Features**
 - i. Provided a 26' wide loop road
 - ii. Lowered roof heights throughout
 - iii. Reduced scale of all facades
 - iv. Introduced new building materials

SOUTHERN TRANSITION ZONE



PREVIOUS DESIGN



SUMMARY OF ENHANCEMENT:

1. Created an approximate 300' buffer zone to the South and Southwest
2. Increased setback from 148' to 284' (+136')
3. Increased back of house setback from 234' to 340' (+116')
4. Closest portion of 2 story was 148', now 255' (+107')
5. Closest portion of 3 story was 172', now 284' (+112')
6. Eliminated ALF parking and entry and replaced with 4th micro-park