

TODD APPRAISAL

RIGHT ON VALUE, RIGHT ON TIME



Real Estate Consulting Report

Mission Chateau
8500 Mission Rd
Prairie Village, KS 66206

Prepared For

Real Estate Investment Properties and Management, Inc.
7611 State Line, Suite 301
Kansas City, MO 64114

Consultation Concerning Contributory Value

Consultation Update

12/02/2013

Prepared By Jason T. Ormiston, KSR-1354

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12/02/2013

Joe Tutera
Greg Hoefer
7611 State Line Rd, Suite 301
Kansas City, MO 64114

Re: Real Estate Consultation
Mission Chateau
8500 Mission Rd
Prairie Village, KS 66207

Dear Sirs:

Pursuant to your request, I have reviewed updated plans for the purposes of comparison to the prior consultation prepared on 05/02/2013 for the proposed Mission Chateau development.

The intended use of this consultation update is for the client to evaluate the newly approved plans to determine if the prior recommendations are being reliably met, exceeded or are deficient or lacking in scope or spirit of the original intentions of the consultation. Specifically, the update is concerned with the conclusions as outlined in the Consultation Report, Standards Rule 4-2 (c)(i), point 4:

Convey any observations noted during the course of research that appear to positively influence neighborhood values and/or minimize the effects of use transition in close proximity to a residential neighborhood.

The intended user of this appraisal update is the client.

As a Scope of Work, the appraiser has examined the two major changes to the original plans submitted to the Prairie Village Planning Commission as exhibited on the Prairie Village webpage dedicated to the Mission Valley Development, reviewed the two major changes submitted and compared each with the original recommendations. No further research was conducted, although previously cited material was revisited with the possibility that information considered not relevant to the prior scope of work was now of note.

The general market was also reviewed to verify that no market changes have taken place that may have significant impact on any prior conclusions. This information was included as an addendum to the report with limited commentary.

The conclusions stated herein are contingent upon the Limiting Conditions, Appraiser's Certification, and any/all other reservations stated within the body of the prior report. For further commentary upon USPAP and the Scope of Work, see the Exhibit entitled USPAP and the Scope of Work.

Please do not hesitate to contact the Todd Appraisal staff if we can be of additional service to you.

Respectfully,

Jason T. Ormiston
Supervisory Appraiser
Todd Appraisal
KS Certification KSR-1354

Market Conditions Update

As measured year over year, the median estimated home value has declined slightly. It should be noted that this is a measure of the prior twelve months, which would be inclusive of the original report. All measures should be viewed in context, however. The median list price for area homes has increase dramatically, a change which has taken place during the summer and towards the end of the year. The vacancy rate has also declined by over 25% and marketing times have declined without being accompanied by discounting.

The overall picture is one of significant health in that homeowners who may once have been reluctant to market properties due to an acknowledged 'soft' market have been finding willing buyers that have been able to obtain financing without significant difficulties.

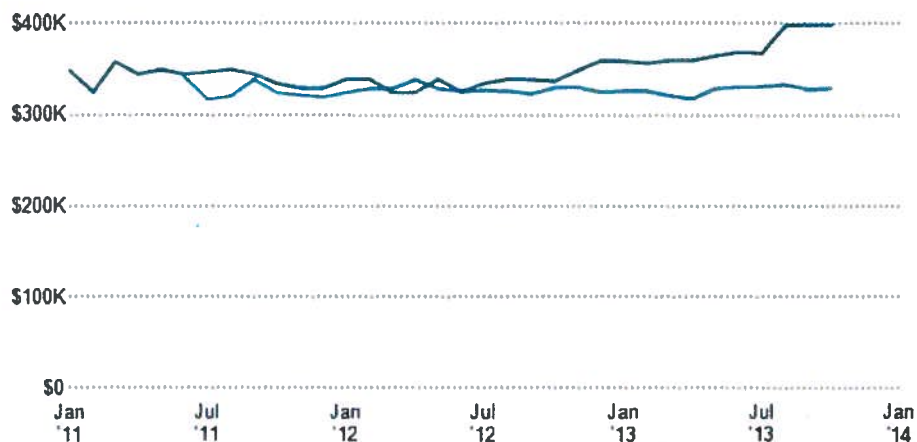
A market which is making the transition to a shortage of supply will tend to see differences which previously might have been necessarily discounted in order to achieve market acceptance cease to incur the same market reactions. Certain premium characteristics will override penalties as supply diminishes and buyers are left with fewer choices.

As the question relates to the prior report, the location within certain neighborhoods generally will take on more importance as supply is reduced. For the purposes of the update, prior conclusions will undoubtedly hold true, but the differences for discounts are likely mitigated. For example, the location on a busy street across from a school may have been considered a 9% penalty previously but may only be penalized 7% in a seller's market. Conversely, premium locations will often drive an increase in value for an entire neighborhood, as those homes see significant acceptance when offered to the market. Properly marketed, increasing acceptance is accompanied by higher sale prices which will then drive acceptance and values for competitive properties in close proximity to, but not necessarily directly affected by, the premium location.

No additional surveys were performed other than a review of the plans in question.

	66206	Leawood	Johnson County	Kansas
Median Estimated Home Value	\$329K	\$368K	\$198K	\$115K
Estimated Home Value 12-Month Change	-0.1%	-1.4%	-0.1%	-5.7%
Median List Price	\$399K	\$382K	\$210K	\$125K
List Price 1-Month Change	-	0.7%	2.2%	-0.8%
List Price 12-Month Change	18.4%	21.4%	7.4%	0.1%
Median Home Age	53	31	33	50
Own	94%	94%	72%	69%
Rent	6%	6%	28%	31%
Vacancy	3.25%	1.5%	2.07%	-
\$ Value of All Buildings for which Permits Were Issued	-	-	\$257M	\$812M
% Change In Permits for All Buildings	-	-	25%	-8%
% Change In \$ Value for All Buildings	-	-	14%	-8%

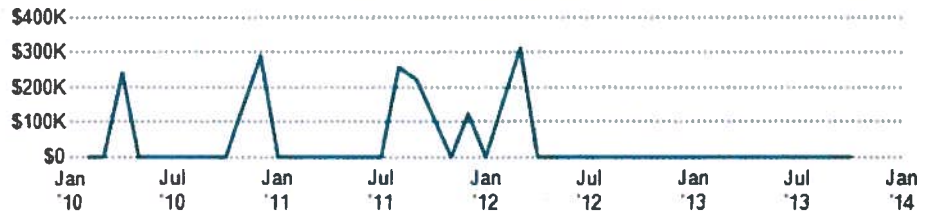
Median Estimated Home Value vs. Median Listing Price



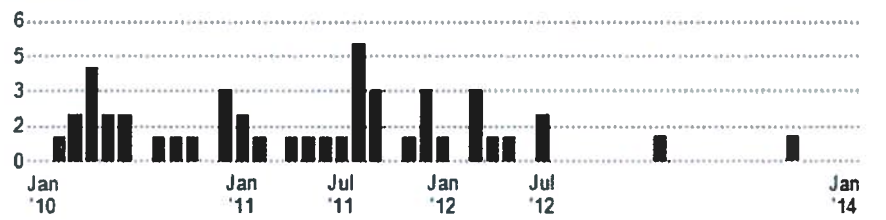
Median Sales Price vs. Sales Volume

■ Median Sales Price
■ Sales Volume

Median Sales Price



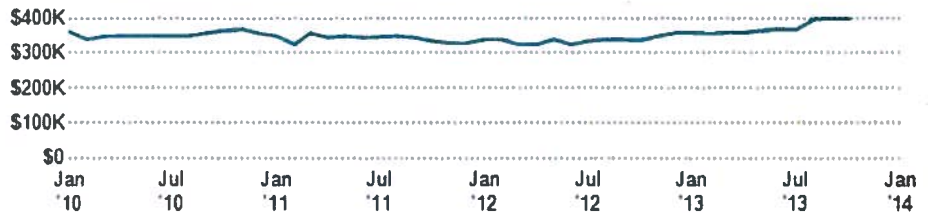
Sales Volume



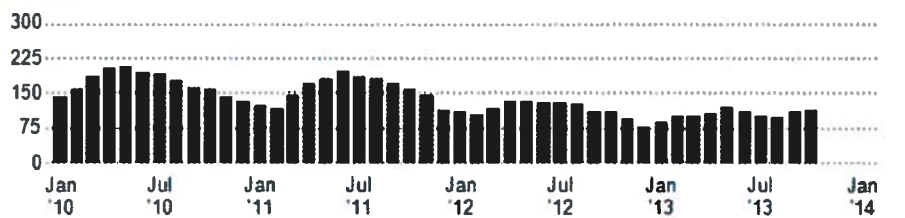
Median Listing Price vs. Listing Volume

■ Median List Price
■ Listing Volume

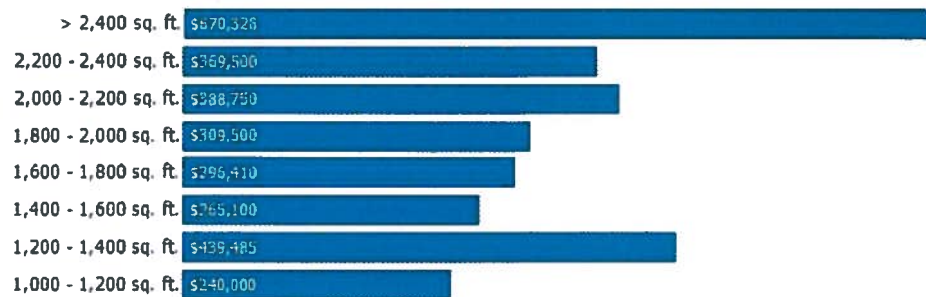
Median List Price



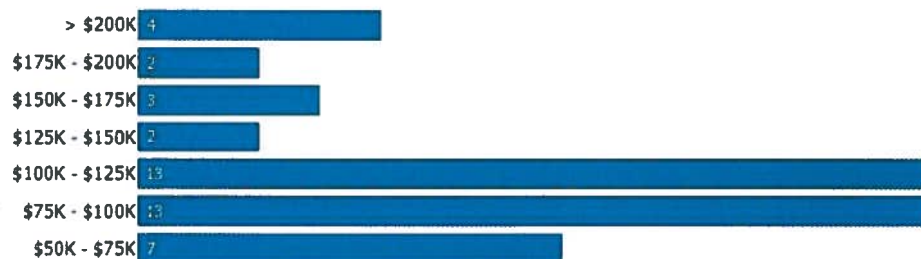
Listing Volume



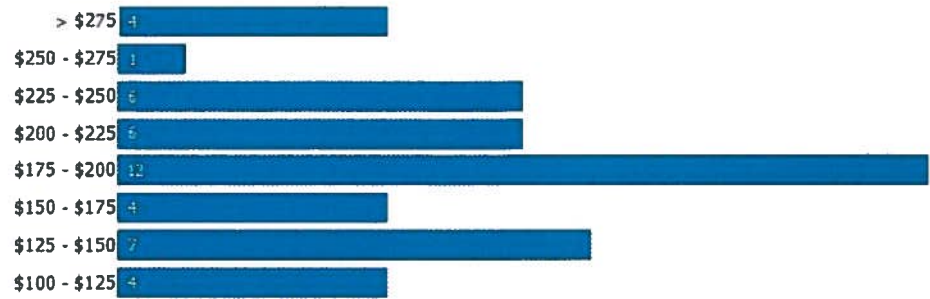
Median Sales Price by Square Footage



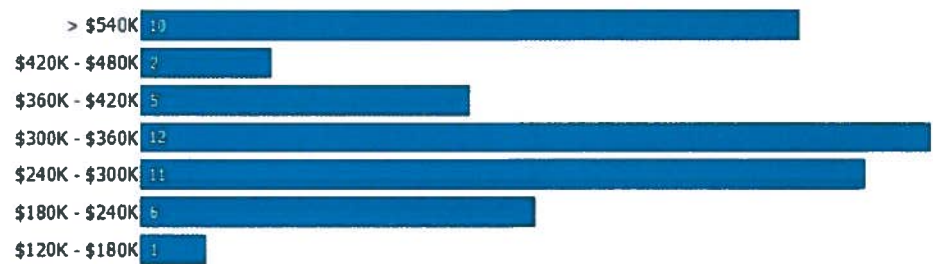
Price per Bedroom of Homes Sold



Price per Square Foot of Homes Sold



Price Range of Homes Sold



Age Range of Homes Sold



Regarding Plans Dated 07/30/2013

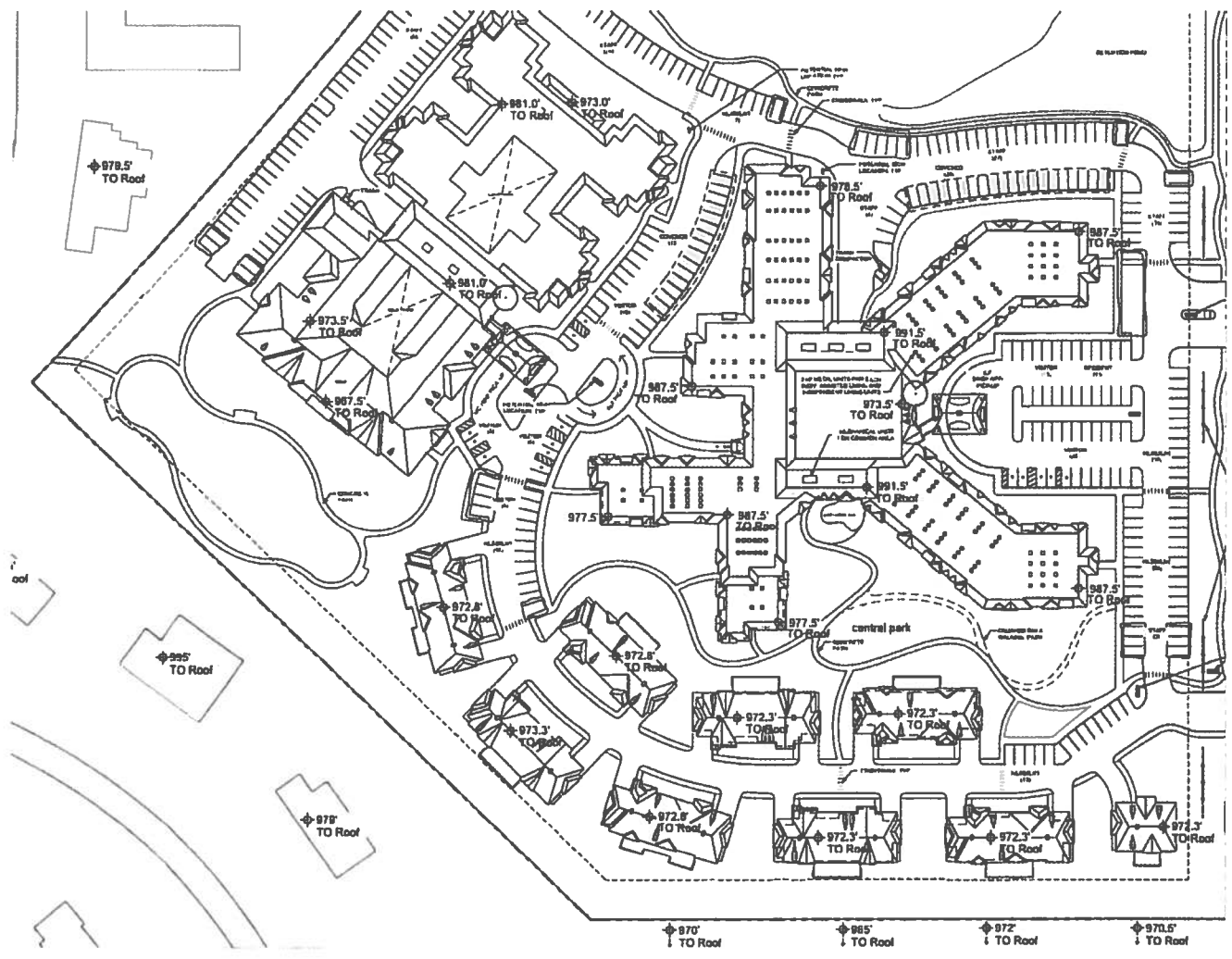
Assuming the plans for four-walled architecture are consistent in the construction of the villas, this plan adheres to all recommendations from the consultation. Additionally, the lawn maintenance for the villas will presumably be performed by the Mission Chateau development, thus ensuring consistency and continuity of ownership for those owners fronting the development to the south and southeast.

Measurements appear to indicate that the Memories Park/Garden on the southwest sector of the property has been expanded. This would be especially beneficial to those properties fronting this park. With the expansion of the park, the footprint parking has been reduced in comparison to the greenspace, which also will serve to enhance the view of the lone property on the west. However, landscaping and proper berming will still be necessary to properly insulate this property from any negative effects of the land use change.

Of some significance is the change in the character of the main structure fronting Mission Road. Narrowing the building, increasing the length of the arms and making the depth of the drive longer rather than wider creates an interesting aspect to passers-by in which the building might no longer appear as one structure, but rather two or several. This design element is generally seen as superior and is consistent with the principles and benefits of four-walled architecture.

In conclusion, this plan very well adheres to the recommendations as outlined in the prior consultation and should serve to enhance neighborhood value in a manner consistent with the conclusions as outlined in the prior report.

Plans Dated 07/30/2013



Regarding Plans Dated 10/04/2013

Given that the revised plans for the southern section of the development call for the land parcels formerly occupied by villas remain vacant until purchased and developed by private parties, it is problematic to assume the plans for four-walled architecture are to remain consistent. However, when considering the potential market for these newly parceled lots, it is only logical that large lots located adjacent to a premium development like Town and Country Estates will attract buyers who have an interest in homes conforming to the higher end homes within the immediate neighborhood. These homes will tend to feature premium characteristics like four-walled architecture and well developed and maintained landscaping.

Regardless of the actual characteristics of future improvements, the plans for single family development and thus 'outsourcing' any transitional effects on value to new owners is a reasonable solution which will incur a minimal impact on value to already existing properties.

In regard to the adherence to the consultation, the loss of the Memories Park/Garden must be considered a significant downgrade in benefit for those properties adjacent to the previously planned green space. However, the addition of single family residences is very likely to serve as an insulator to those already existing neighbors from land use changes. Although the change would likely not enhance value except in regard to the loss of the discount associated with proximity to a school, it would be unlikely to result in an additional discount, provided the future development of the lots with single family residences is homogenous with present development to the south.

The change in the main structure appears consistent with those observations analyzed in the previous July update.

In conclusion, while this plan may not necessarily take advantage of the land use change, the choice for continuity of single family development is risk averse in that a transition between two separate developments of conforming properties can often be seamless. However, there is an element of uncertainty in that there is a wide variety of housing styles that remain within R-1A permitted improvements that neighbors may find objectionable. Furthermore, varied homeowners often means various levels of maintenance and landscaping, which can be an enhancement to neighbors as well as a nuisance.

For the update, the development of single family homes on the lots in question is more likely to maintain value than to act as a hindrance to market acceptance. There is little doubt, however, that the purposes of creating an additional buffer between the prospective Mission Chateau development will have been served.

Plans Dated 10/04/2013

