FIRST AMENDMENT TO THE
87TH & HILLCRECT ROAD
TAX INCREMENT FINANCING PLAN
KANSAS CITY, MISSOURI

FIF Commission Approval:
May 10, 2001  5-9-01
Date  Resolution No.

City Council Approval:
June 6, 2006  060709
Date  Ordinance No.

Attached herewith is a true and correct copy of the 1st Amendment to the
87th and Hillcrest TIF Plan that was approved by the Tax Increment Financing
Commission of Kansas City, Missouri, by Resolution No. 5-9-01, at a public hearing that was
duly noticed and held on 5-14-01.

Chairman

(File:\\W2GOLJATH\DOCUMENTS\edc-docs\60\adm\admst\091\0042453.DOC)
FIRST AMENDMENT TO THE 87TH STREET & HILLCREST ROAD
TIF PLAN

I. Introduction

The purpose of the First Amendment to the 87th Street & Hillcrest Road Tax Increment Financing Plan (the “First Amendment”) is to change the 87th Street & Hillcrest Road Tax Increment Financing Plan as approved by the Ordinance No. 05212 on March 3, 2005, (referred to herein as the “Plan”).

The First Amendment provides for the addition of a 12.33 acre parcel as described below.

The TIF revenues generated within the Redevelopment Area would continue to be used for reimbursing TIF eligible project costs.

II. Specific Plan Text Amendments

In accordance with this First Amendment the Plan shall be amended as follows:

Amendment No. 1: Section III.B., The Redevelopment Area

Delete the existing Section III.B. and insert in lieu thereof the following:

The Redevelopment Plan Area is described as an area generally bounded by Hillcrest Road on the east, 87th Street on the north, and adjoins the Santa Fe TIF Area to the west and south in the city of Kansas City, Jackson County, Missouri.

The Redevelopment Plan Area expansion area is described as the East 866.59 feet of the Northwest Quarter of the Southeast Quarter of Section 23, Township 48 North, Range 33 West, EXCEPT that part in roads.

Amendment No. 2: Section IX. Existing Conditions in the Redevelopment Area

Insert the following to the existing Section IX:

The expansion area qualifies as a Blighted Area. The Blight Study attached as Exhibit 2 provides evidence of unsanitary and unsafe conditions, obsolete platting, inadequate street design and conditions which endanger life or property by fire and other causes within the Redevelopment Area.

Amendment No. 4: Add the attached “Site Plan” map as a supplement to Exhibit 2A of the Plan.

Amendment No. 5: Add the attached “Supplementary Blight Study” as a supplement to Exhibit 9 of the Plan.
Blight Study in a Summary Report

5103 87th Street
Kansas City, Jackson County, Missouri 64132

Prepared For:
Mr. Brian Hedrick
Dean Realty Company
1201 West 31st Street
Kansas City, Missouri 64103

Effective Date of the Appraisal:
May 1, 2006

Integra Realty Resources – Kansas City
File Number: 119-2006-0225

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BLIGHT STUDY
5103 87TH STREET
KANSAS CITY, JACKSON COUNTY, MISSOURI 64132
May 1, 2006

Mr. Brian Hedrick  
Dean Realty Company  
1201 West 31st Street  
Kansas City, Missouri 64103

SUBJECT: Consulting Report  
Blight Study  
5103 87th Street  
Kansas City, Jackson County, Missouri 64103  
Integra Realty Resources – Kansas City File No. 119-2006-0225

Dear Mr. Kelly:

Integra Realty Resources – Kansas City is pleased to transmit the blight study of the property located at 5103 87th Street in the City of Kansas City, Missouri. The purpose of this report is to make an evaluation and determination as to whether or not the area is blighted as defined in Section 99.805 of the Revised Statutes of Missouri. This section is part of Chapter 99, Sections 99.800 to 99.865, which is known as the “Real Property Tax Increment Allocation Redevelopment Act”, or, in shorter terms, the “TIF Act”. The facts and conclusions contained herein are presented as of the effective date of the report, April 26, 2006.

This report has been performed in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the report as noted herein.

The property is a vacant, unimproved parcel of land containing an area of 12.33 acres or 537,233 square feet in three tax parcels and zoned as an Urban Renewal District. The purpose of this district is to encourage and accommodate development and redevelopment of underdeveloped and blighted sections of the city and to encourage the latitude and flexibility in design to ensure the stated purposes of a redevelopment plan.

IRR.

1901 West 47th Place, Suite 300 • Westwood, KS 66205-1834 • Phone: 913-236-4700 • Fax: 913-236-4307 • www.irr.com
Mr. Brian Hedrick
Dean Realty Company
1201 West 31st Street
May 1, 2006
Page 2

The area is being analyzed to determine whether or not blighting factors exist at the subject property. Please note that for the purposes of this report, the term “blight” is defined by the Terms of Missouri law. The statutory definition, cited in the body of this report, does not necessarily coincide with the common definition of blight as defined in Webster’s Dictionary as: “something that frustrates plans or hopes, something that impairs or destroys a deteriorated condition <urban blight>.”

As explained in detail in the study that follows, it is our conclusion that the site is blighted under the criteria listed below.

| Defective or inadequate street layout. | X |
| Unsanitary or unsafe conditions.     | X |
| Deterioration of site improvements.  |   |
| Improper or obsolete platting.       | X |
| Conditions which endanger life or property by fire and other causes. | X |

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES – KANSAS CITY

Kenneth Jagger, MAI
Certified General Real Estate Appraiser
Missouri Certificate #RA003190
Direct Line: (913) 748-4704
Email: kjaggera@irr.com

Carrie Coulson
Analyst
Direct Line: (913) 748-4742
Email: ccoulson@irr.com
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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property
5103 87th Street
Kansas City, Jackson County, Missouri
64132

Census Tract Number
290095-0103.02-1

Property Tax Identification Number(s)
Portions of parcels 49-240-01-18-01 through 03

Owner of Record
Damon Pursell Construction Co; Pursell Mid-City Development LLC

Date of the Report
May 1, 2006

Effective Date of the Report
April 26, 2006

Land Area
12.33 acres; 537,233 square feet.

Zoning Designation
URD (Urban Renewal District). The purpose of this district is to encourage and accommodate development and redevelopment of underdeveloped and blighted sections of the city and to encourage the latitude and flexibility in design to ensure the stated purposes of a redevelopment plan.

Flood Plain Map Panel Number and Date
2901730115C; 9/14/1990

Flood Plain Designation
Zone C. Outside of 100-year flood plain.

BLIGHTING FACTORS

<table>
<thead>
<tr>
<th>Factor</th>
<th>Present</th>
<th>Not Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defective or inadequate street layout.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Unsanitary or unsafe conditions.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Deterioration of site improvements.</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Improper or obsolete platting.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Conditions which endanger life or property</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>by fire and other causes.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
GENERAL INFORMATION

IDENTIFICATION OF SUBJECT
The property is a 12.33 acre (537,232.71 square feet) tract of vacant land located at 5103 87th Street, east of I-435 in Kansas City, Jackson County, Missouri. It is further identified by the assessment office as a portion of parcels 49-240-01-18-01 through 03. The site is currently being used to store equipment and material for Damon Pursell Construction, a grading and excavation contractor.

PURPOSE, PROPERTY RIGHTS AND EFFECTIVE DATE
The purpose of this report is to recognize, analyze, and report any blighting factors that may be present at the subject property, pursuant to the definition of blight set forth in the Missouri Revised Statutes Chapter 99 Section 99.805. This study has been prepared for use in conjunction with an application pursuant to the Missouri Revised Statutes Chapter 99 Sections 99.800 to 99.865, commonly referred to as the “TIF Act”. The effective date of this report is April 26, 2006.

INTENDED USE AND INTENDED USER
This appraisal report is prepared for Mr. Brian Hedrick, Dean Realty Company, 1201 West 31st Street, Kansas City, Missouri, to assist the client in the application for tax increment financing. It is not intended for any other use or user.
SCOPE OF REPORT

To perform this assignment, we took the following steps to gather, confirm, and analyze relevant data.

- Physically inspected the property and the surrounding market area. An inspection of the property was conducted by Carrie Coulson on April 26, 2006. Kenneth Jaggers, MAI, has also inspected the subject property.
- Collected factual information about the property and the surrounding market, and confirmed that information with various sources.
- Collected factual information about the property and the surrounding market, and confirmed that information with various sources.
- Reviewed and analyzed the governing statutes that apply to the analysis.
- Reviewed various site maps, zoning map, plat maps, and aerial photographs.
- Prepared a consulting report summarizing our analyses, opinions and conclusions.

This is a consulting report that has been prepared to determine whether or not the subject area is blighted as defined in RSMo 99.805. This is not an appraisal report, and there is no opinion given to the feasibility of the proposed project nor to the value of the underlying real estate. This is a summary report. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the report as noted herein.
METHOD OF ANALYSIS

In determining whether the defined area is a blighted area, the initial responsibility is to define the term, "blighted area." This study utilizes the definitions found in Section 99.805 of the Missouri revised statutes:

(1) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

The City of Kansas City has no additional or differing conditions to be examined to determine whether blight exists in an area.

In determining whether the area under review is blighted pursuant to the definition above, the consultants have first reviewed the surrounding area and neighborhood as a whole, then the subject property. In reviewing the statute we note that the governing body may determine that an area is blighted, although the blight may not necessarily affect the total area, or any particular portion of the site. It is not necessary that the property be located in what is generally known as a "slum."

The term "blighted" for purposes of this analysis requires a finding that the presence of certain factors in an area "retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use". The statute requires that the preceding statement be caused by the predominance of one or more of the following factors:

(A) Predominance of defective or inadequate street layout;
(B) unsanitary or unsafe conditions;
(C) deterioration of site improvements;
(D) improper subdivision or obsolete platting, or;
(E) the existence of conditions which endanger life or property by fire and other causes, or;
(F) any combination of such factors;

The consultants have inspected the site and its surrounding area, considering the elements that constitute blight by statutory definition, as well as the proposed improvements and associated site improvements for the subject property. The following sections of the study include the neighborhood description, site description, an analysis of the factors that indicate blight, and a final conclusion regarding whether the area is a "blighted area."
ECONOMIC ANALYSIS

AREA ANALYSIS

JACKSON COUNTY, MISSOURI AREA ANALYSIS

An analysis of population, employment, and income trends for Jackson County and the Kansas City MSA is performed using data provided by NPA Data Services, a recognized source.

POPULATION

Historical and projected population trends for Jackson County, Missouri are charted below:

The population of Jackson County increased at a compounded annual rate of 0.18% from 2000 to 2005. For the same time period, the Kansas City MSA grew at a compounded annual rate of approximately 0.92%. Over the last ten years Jackson County’s average annual compound change was 0.27%, compared to 1.07% for the Kansas City MSA.

Looking ahead, both Jackson County and the Kansas City MSA are anticipated to experience continued growth, with future population estimates reflecting growth rates similar to those experienced in the past. For the period 2005 to 2015, the populations of Jackson County and the the Kansas City MSA are expected to increase by an average annual compound rate of 0.27% and 0.76%, respectively. For the next five years, the population of Jackson County should grow at the same rate as the ten year average.
### Population Trends Comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>Kansas City MSA</th>
<th>Jackson County, MO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population (000's)</td>
<td>% Change</td>
</tr>
<tr>
<td>1995</td>
<td>1,677.5</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>1,782.2</td>
<td>6.2%</td>
</tr>
<tr>
<td>2001</td>
<td>1,802.9</td>
<td>1.2%</td>
</tr>
<tr>
<td>2002</td>
<td>1,825.7</td>
<td>1.3%</td>
</tr>
<tr>
<td>2003</td>
<td>1,843.6</td>
<td>1.0%</td>
</tr>
<tr>
<td>2004</td>
<td>1,850.8</td>
<td>0.4%</td>
</tr>
<tr>
<td>2005</td>
<td>1,865.9</td>
<td>0.8%</td>
</tr>
<tr>
<td>2006</td>
<td>1,880.8</td>
<td>0.8%</td>
</tr>
<tr>
<td>2007</td>
<td>1,895.9</td>
<td>0.8%</td>
</tr>
<tr>
<td>2008</td>
<td>1,911.1</td>
<td>0.8%</td>
</tr>
<tr>
<td>2009</td>
<td>1,925.0</td>
<td>0.7%</td>
</tr>
<tr>
<td>2010</td>
<td>1,939.0</td>
<td>0.7%</td>
</tr>
<tr>
<td>2015</td>
<td>2,012.9</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

#### Average Annual Compound Change

| Historical | Past 5 years | 0.92% | 0.18% |
| Past 10 years | 1.07% | 0.27% |

| Projected |
| Next 5 years | 0.77% | 0.21% |
| Next 10 years | 0.76% | 0.27% |

Source: NPA Data Services, Inc.; compiled by IRR

### Employment

Employment trends for both Jackson County and the Kansas City MSA should follow a pattern similar to the population trends for these areas, although at higher rates of increase. From 2000 to 2005, Jackson County employment fell at an average annual compound rate of 0.54% compared to 0.87% for the the Kansas City MSA. These figures indicate that Jackson County lagged the Kansas City MSA in employment growth over the last five years. Looking back ten years, Jackson County employment grew at an average annual compound rate of 0.28%, compared to the Kansas City MSA growth rate of 1.63%.

Over the next five and ten years Jackson County employment growth should lag the Kansas City MSA growth rate. From 2005 to 2010, Jackson County should grow by a 0.83% average annual growth rate, while the long term projection, 2005 to 2015, is for a 0.75% increase. For the same periods, employment in the Kansas City MSA is expected to grow at average annual compound rates of 1.80% and 1.55%, respectively. Employment gains are a strong indicator of economic health and generally correlate with real estate demand. Historically, Jackson County has lagged the Kansas City MSA’s growth rate, suggesting that Jackson County’s relative position is declining.
Employment trends for Jackson County and the Kansas City MSA are presented below.

### NON-FARM EMPLOYMENT TRENDS COMPARISON

<table>
<thead>
<tr>
<th>Year</th>
<th>Kansas City MSA (000's)</th>
<th>% Change</th>
<th>Jackson County, MO (000's)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>1,053.6</td>
<td></td>
<td>450.1</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>1,186.6</td>
<td>12.6%</td>
<td>475.3</td>
<td>5.6%</td>
</tr>
<tr>
<td>2001</td>
<td>1,193.4</td>
<td>0.6%</td>
<td>468.6</td>
<td>-1.4%</td>
</tr>
<tr>
<td>2002</td>
<td>1,183.1</td>
<td>-0.9%</td>
<td>458.9</td>
<td>-2.1%</td>
</tr>
<tr>
<td>2003</td>
<td>1,192.1</td>
<td>0.8%</td>
<td>458.1</td>
<td>-0.2%</td>
</tr>
<tr>
<td>2004</td>
<td>1,210.3</td>
<td>1.5%</td>
<td>457.4</td>
<td>-0.2%</td>
</tr>
<tr>
<td>2005</td>
<td>1,239.0</td>
<td>2.4%</td>
<td>462.7</td>
<td>1.2%</td>
</tr>
<tr>
<td>2006</td>
<td>1,264.1</td>
<td>2.0%</td>
<td>466.9</td>
<td>0.9%</td>
</tr>
<tr>
<td>2007</td>
<td>1,289.8</td>
<td>2.0%</td>
<td>471.5</td>
<td>1.0%</td>
</tr>
<tr>
<td>2008</td>
<td>1,313.0</td>
<td>1.8%</td>
<td>475.4</td>
<td>0.8%</td>
</tr>
<tr>
<td>2009</td>
<td>1,333.5</td>
<td>1.6%</td>
<td>478.7</td>
<td>0.7%</td>
</tr>
<tr>
<td>2010</td>
<td>1,354.3</td>
<td>1.6%</td>
<td>482.2</td>
<td>0.7%</td>
</tr>
<tr>
<td>2015</td>
<td>1,445.4</td>
<td>6.7%</td>
<td>498.6</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

#### Average Annual Compound Change

| Historical | Compound Change | Past 5 years | 0.87% | -0.54% |
| Past 10 years | 1.63% | 0.28% |
| Projected  | Next 5 years | 1.80% | 0.83% |
| Next 10 years | 1.55% | 0.75% |

*Source: NP4 Data Services, Inc.; compiled by IRR*

The following chart depicts the current distribution of employment by industry. In 2005, the largest employment sectors in Jackson County are:

- Services (41.9%)
- Government (14.8%)
- FIRE (10.4%)
- Retail Trade (9.4%)
By comparison, the Kansas City MSA’s largest employment sectors are Services (39.8%), Government (13.0%), Retail Trade (11.2%), and FIRE (9.6%).

Over the past three years, the largest meaningful percentage gains in employment within Jackson County occurred within the Government and Services sectors with annual average compound growth rates of 1.26% and 0.68%, respectively.

For the Kansas City MSA, the largest meaningful gains in employment over the past three years occurred within the Services and Government sectors with annual average compound growth rates of 2.0% and 1.40%, respectively.

We are unable to examine more than four years of historical trends in employment sectors because the US Department of Commerce switched from the Standard Industrial Classification (SIC) system of employment categories to the North American Industrial Classification System (NAICS) in 2001. NAICS employment categories differ from those of the SIC system, making it difficult to compare pre-2001 and post-2001 data.

Ten year projections for Jackson County show Government related employment leading all other sectors with Services second. The forecast for the Kansas City MSA has Transport, Info, Util related employment leading all other sectors with Services second.
## EMPLOYMENT SECTOR TRENDS

### Jackson County, MO

<table>
<thead>
<tr>
<th>%</th>
<th>Change Rate</th>
<th>2001</th>
<th>2005</th>
<th>of Total</th>
<th>2010</th>
<th>2015</th>
<th>'01-'05</th>
<th>'05-'10</th>
<th>'05-'15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment</td>
<td></td>
<td>468.6</td>
<td>462.7</td>
<td>100%</td>
<td>482.2</td>
<td>498.6</td>
<td>-0.22%</td>
<td>0.83%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td>188.7</td>
<td>193.9</td>
<td>41.9%</td>
<td>203.9</td>
<td>212.5</td>
<td>0.66%</td>
<td>1.01%</td>
<td>0.92%</td>
</tr>
<tr>
<td>Government</td>
<td></td>
<td>65.0</td>
<td>68.4</td>
<td>14.8%</td>
<td>74.5</td>
<td>79.5</td>
<td>1.28%</td>
<td>1.73%</td>
<td>1.52%</td>
</tr>
<tr>
<td>FIRE</td>
<td></td>
<td>48.4</td>
<td>48.1</td>
<td>10.4%</td>
<td>50.2</td>
<td>52.0</td>
<td>-0.16%</td>
<td>0.89%</td>
<td>0.80%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td></td>
<td>45.2</td>
<td>43.3</td>
<td>9.4%</td>
<td>44.2</td>
<td>44.9</td>
<td>-0.88%</td>
<td>0.41%</td>
<td>0.17%</td>
</tr>
<tr>
<td>Transport, Misc, Util</td>
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<td>42.1</td>
<td>38.9</td>
<td>8.4%</td>
<td>40.7</td>
<td>42.3</td>
<td>-1.94%</td>
<td>0.90%</td>
<td>0.84%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td>31.7</td>
<td>26.0</td>
<td>5.6%</td>
<td>24.5</td>
<td>23.2</td>
<td>-4.88%</td>
<td>-1.13%</td>
<td>-1.12%</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td>26.9</td>
<td>25.9</td>
<td>5.6%</td>
<td>26.4</td>
<td>26.7</td>
<td>-0.94%</td>
<td>0.41%</td>
<td>0.33%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td></td>
<td>20.0</td>
<td>17.6</td>
<td>3.8%</td>
<td>17.1</td>
<td>16.8</td>
<td>-1.14%</td>
<td>-0.62%</td>
<td>-0.49%</td>
</tr>
<tr>
<td>Mining &amp; Other</td>
<td></td>
<td>0.5</td>
<td>0.6</td>
<td>0.1%</td>
<td>0.7</td>
<td>0.7</td>
<td>4.00%</td>
<td>1.26%</td>
<td>1.15%</td>
</tr>
<tr>
<td>Tel Non-Mfg</td>
<td></td>
<td>436.9</td>
<td>436.7</td>
<td>94.4%</td>
<td>457.7</td>
<td>475.4</td>
<td>-0.01%</td>
<td>0.94%</td>
<td>0.85%</td>
</tr>
<tr>
<td>Tel Office-Related*</td>
<td></td>
<td>302.3</td>
<td>310.4</td>
<td>67.1%</td>
<td>328.7</td>
<td>344.0</td>
<td>0.68%</td>
<td>1.13%</td>
<td>1.03%</td>
</tr>
</tbody>
</table>

*Includes FIRE, Services and Government

### EMPLOYMENT SECTOR TRENDS

### Kansas City MSA

<table>
<thead>
<tr>
<th>%</th>
<th>Change Rate</th>
<th>2001</th>
<th>2005</th>
<th>of Total</th>
<th>2010</th>
<th>2015</th>
<th>'01-'05</th>
<th>'05-'10</th>
<th>'05-'15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment</td>
<td></td>
<td>1,193.4</td>
<td>1,239.0</td>
<td>100%</td>
<td>1,354.3</td>
<td>1,445.4</td>
<td>0.94%</td>
<td>1.80%</td>
<td>1.55%</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td>71.2</td>
<td>72.4</td>
<td>5.8%</td>
<td>77.9</td>
<td>81.6</td>
<td>0.44%</td>
<td>1.46%</td>
<td>1.20%</td>
</tr>
<tr>
<td>FIRE</td>
<td></td>
<td>114.5</td>
<td>119.5</td>
<td>9.6%</td>
<td>130.9</td>
<td>139.9</td>
<td>1.08%</td>
<td>1.83%</td>
<td>1.59%</td>
</tr>
<tr>
<td>Government</td>
<td></td>
<td>152.3</td>
<td>161.0</td>
<td>13.0%</td>
<td>176.3</td>
<td>188.9</td>
<td>1.40%</td>
<td>1.83%</td>
<td>1.61%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td>88.4</td>
<td>78.6</td>
<td>6.3%</td>
<td>80.0</td>
<td>79.5</td>
<td>-2.91%</td>
<td>0.35%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Mining &amp; Other</td>
<td></td>
<td>3.1</td>
<td>3.7</td>
<td>0.3%</td>
<td>4.4</td>
<td>4.9</td>
<td>5.43%</td>
<td>3.10%</td>
<td>2.74%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td></td>
<td>135.5</td>
<td>138.9</td>
<td>11.2%</td>
<td>150.9</td>
<td>160.1</td>
<td>0.62%</td>
<td>1.68%</td>
<td>1.43%</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td>454.6</td>
<td>493.0</td>
<td>39.8%</td>
<td>544.3</td>
<td>586.2</td>
<td>2.05%</td>
<td>2.00%</td>
<td>1.75%</td>
</tr>
<tr>
<td>Transport, Misc, Util</td>
<td></td>
<td>114.9</td>
<td>113.2</td>
<td>9.1%</td>
<td>125.7</td>
<td>136.1</td>
<td>-0.35%</td>
<td>2.12%</td>
<td>1.80%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td></td>
<td>58.9</td>
<td>58.7</td>
<td>4.7%</td>
<td>64.0</td>
<td>68.3</td>
<td>-0.11%</td>
<td>1.75%</td>
<td>1.53%</td>
</tr>
<tr>
<td>Tel Non-Mfg</td>
<td></td>
<td>1,104.9</td>
<td>1,160.4</td>
<td>93.7%</td>
<td>1,274.3</td>
<td>1,365.9</td>
<td>1.23%</td>
<td>1.89%</td>
<td>1.64%</td>
</tr>
<tr>
<td>Tel Office-Related*</td>
<td></td>
<td>721.5</td>
<td>773.5</td>
<td>62.4%</td>
<td>851.5</td>
<td>915.0</td>
<td>1.76%</td>
<td>1.94%</td>
<td>1.69%</td>
</tr>
</tbody>
</table>

*Includes FIRE, Services and Government

In the following chart, we focus on trends in two broad employment sectors: office-related and manufacturing employment. For purposes of this analysis, we define office-related employment as the total number of jobs in the FIRE, Services and Government sectors. While not all employment in these sectors is office-related, office employment trends tend to mirror the trends in these three categories combined. In Jackson County office-related employment is growing while manufacturing employment is declining. This indicates a shift toward a more service-based economy, which is consistent with the national trend.
Jackson County accounted for approximately 42.72% of the Kansas City MSA's employment in 1995. In 2005, the ratio is 37.79% and it is projected at 34.50% through 2015. This is an indication that Jackson County is growing at a rate below that of the Kansas City MSA.

Jackson County's economy is not dependent on a particular sector. The employment base is varied, as are the major employers. Therefore, Jackson County should be less susceptible to cyclical fluctuations that have occurred in other areas dominated by a single industry. The area's major employers are listed below.

<table>
<thead>
<tr>
<th>MAJOR EMPLOYERS BASED IN JACKSON COUNTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
</tr>
<tr>
<td>1 Federal Government</td>
</tr>
<tr>
<td>2 HCA-Midwest Division</td>
</tr>
<tr>
<td>3 State of Missouri</td>
</tr>
<tr>
<td>4 Kansas City, Missouri, School District</td>
</tr>
<tr>
<td>5 DST Systems, Inc.</td>
</tr>
<tr>
<td>6 Saint Luke's Health System</td>
</tr>
<tr>
<td>7 Hallmark Cards Inc.</td>
</tr>
<tr>
<td>8 City of Kansas City, Missouri</td>
</tr>
<tr>
<td>9 Children's Mercy Hospitals and Clinics</td>
</tr>
</tbody>
</table>

Source: Kansas City Business Journal Book of Lists 2005
INCOME

Personal income is a significant factor in determining the real estate demand in a given market. From 2000 to 2005, Jackson County’s income grew at an average annual compound rate of 1.30%, compared to the Kansas City MSA average annual compound growth rate of 1.34%. The two market areas displayed a similar pattern in per capita income growth over the last ten years. Jackson County’s average annual compound growth rate was 2.16% as compared to 2.26% for the Kansas City MSA. Projections for the next five and ten year periods reflect growth rates for Jackson County that are less than the anticipated gains for the Kansas City MSA. For the two time frames, 2005 to 2010 and 2005 to 2015, Jackson County is anticipated to experience 2.20% and 1.82% average annual growth rates, respectively, compared to the projected growth rates of the Kansas City MSA of 2.39% and 2.03%.

An examination of income per household reveals that, historically, Jackson County has experienced a growth rate below that of the Kansas City MSA. Future projections predict similar growth for Jackson County compared to the Kansas City MSA. In absolute dollars, Jackson County’s personal income historically has been below that of the Kansas City MSA, both on per capita and per household bases.

<table>
<thead>
<tr>
<th>INCOME PER CAPITA COMPARISON</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Kansas City MSA</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Income/Capita</th>
<th>% Change</th>
<th>Income/Capita</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>$27,217</td>
<td></td>
<td>$26,086</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>$31,853</td>
<td>17.0%</td>
<td>$30,265</td>
<td>16.0%</td>
</tr>
<tr>
<td>2001</td>
<td>$31,918</td>
<td>0.2%</td>
<td>$30,295</td>
<td>0.1%</td>
</tr>
<tr>
<td>2002</td>
<td>$31,675</td>
<td>-0.8%</td>
<td>$29,695</td>
<td>-2.0%</td>
</tr>
<tr>
<td>2003</td>
<td>$31,401</td>
<td>-0.9%</td>
<td>$29,770</td>
<td>0.3%</td>
</tr>
<tr>
<td>2004</td>
<td>$33,049</td>
<td>5.3%</td>
<td>$31,431</td>
<td>5.6%</td>
</tr>
<tr>
<td>2005</td>
<td>$34,043</td>
<td>3.0%</td>
<td>$32,286</td>
<td>2.7%</td>
</tr>
<tr>
<td>2006</td>
<td>$34,984</td>
<td>2.8%</td>
<td>$33,125</td>
<td>2.6%</td>
</tr>
<tr>
<td>2007</td>
<td>$35,923</td>
<td>2.7%</td>
<td>$33,961</td>
<td>2.5%</td>
</tr>
<tr>
<td>2008</td>
<td>$36,772</td>
<td>2.4%</td>
<td>$34,709</td>
<td>2.2%</td>
</tr>
<tr>
<td>2009</td>
<td>$37,548</td>
<td>2.1%</td>
<td>$35,369</td>
<td>1.9%</td>
</tr>
<tr>
<td>2010</td>
<td>$38,310</td>
<td>2.0%</td>
<td>$36,001</td>
<td>1.8%</td>
</tr>
<tr>
<td>2015</td>
<td>$41,614</td>
<td>8.6%</td>
<td>$38,666</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Annual Compound Change</th>
<th>Historical</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past 5 years</td>
<td>1.34%</td>
<td>2.39%</td>
</tr>
<tr>
<td>Past 10 years</td>
<td>2.26%</td>
<td>2.03%</td>
</tr>
<tr>
<td>Next 5 years</td>
<td>2.20%</td>
<td>2.03%</td>
</tr>
<tr>
<td>Next 10 years</td>
<td>1.82%</td>
<td>1.82%</td>
</tr>
</tbody>
</table>

1. Income figures are stated in year 2000 constant dollars.

Source: NPA Data Services, Inc., compiled by IRR
### INCOME PER HOUSEHOLD COMPARISON

<table>
<thead>
<tr>
<th>Year</th>
<th>Kansas City MSA</th>
<th>Jackson County, MO</th>
<th>% Change</th>
<th>Income/Household</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>$70,091</td>
<td>$64,545</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>$81,304</td>
<td>$74,280</td>
<td>16.0%</td>
<td>$74,214</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2001</td>
<td>$81,101</td>
<td>$74,214</td>
<td>-0.2%</td>
<td>$72,574</td>
<td>-2.2%</td>
</tr>
<tr>
<td>2002</td>
<td>$80,495</td>
<td>$72,437</td>
<td>-0.7%</td>
<td>$72,574</td>
<td>-0.2%</td>
</tr>
<tr>
<td>2003</td>
<td>$79,619</td>
<td>$76,480</td>
<td>4.8%</td>
<td>$72,574</td>
<td>5.6%</td>
</tr>
<tr>
<td>2004</td>
<td>$83,434</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>$85,774</td>
<td>$78,400</td>
<td>2.8%</td>
<td>$78,400</td>
<td>2.5%</td>
</tr>
<tr>
<td>2006</td>
<td>$87,972</td>
<td>$80,273</td>
<td>2.6%</td>
<td>$80,273</td>
<td>2.4%</td>
</tr>
<tr>
<td>2007</td>
<td>$90,156</td>
<td>$82,133</td>
<td>2.5%</td>
<td>$82,133</td>
<td>2.3%</td>
</tr>
<tr>
<td>2008</td>
<td>$92,105</td>
<td>$83,769</td>
<td>2.2%</td>
<td>$83,769</td>
<td>2.0%</td>
</tr>
<tr>
<td>2009</td>
<td>$93,864</td>
<td>$85,190</td>
<td>1.9%</td>
<td>$85,190</td>
<td>1.7%</td>
</tr>
<tr>
<td>2010</td>
<td>$95,579</td>
<td>$86,537</td>
<td>1.8%</td>
<td>$86,537</td>
<td>1.6%</td>
</tr>
<tr>
<td>2015</td>
<td>$102,799</td>
<td>$92,005</td>
<td>7.6%</td>
<td>$92,005</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

**Average Annual Compound Growth**

- Past 5 years: 1.08%
- Past 10 years: 2.04%
- Projected:
  - Next 5 years: 2.19%
  - Next 10 years: 1.83%

**Historical Compound Growth**

- Past 5 years: 1.09%
- Past 10 years: 1.96%
- Projected:
  - Next 5 years: 1.99%
  - Next 10 years: 1.61%

---

**CONCLUSION**

Overall, the economic outlook for Jackson County is positive. Total population is projected to increase slightly. More importantly, the area is projected to experience increasing employment growth. Based on this analysis, it is anticipated that Jackson County will continue to grow and prosper. The expected growth should provide an economic base that supports demand for real estate in the subject neighborhood and for the subject property. These conditions should stimulate increases in general property values within the foreseeable future.
NEIGHBORHOOD AREA ANALYSIS

BOUNDARIES

The subject is located in the southeastern part of the City of Kansas City. The market area is generally delineated as follows:

North  71st Street/Gregory
South  I-470
East  Raytown Road
West  US-71 Highway

A map highlighting these boundaries and identifying the location of the property follows this section.

ACCESS AND LINKAGES

Primary access to the market area is provided by I-435, the circumferential interstate that passes just east of the subject, and by I-70, a major arterial that crosses the Kansas City area in an east/west direction. Access to the subject from I-70 is provided by I-435, and travel time from the major arterial to the subject is about 10 minutes. Access to the neighborhood from the south is obtained through the "Triangle," formed by I-435, I-470, and US Highway 71. This area experiences traffic congestion during peak and shoulder commuting times. Currently, 87th Street is closed from US Highway 71 until just west of the subject site. Thus, access is currently only available from I-435 and Hillcrest Road. Overall, vehicular access is fair.

Public transportation is provided by the Kansas City Area Transit Authority and provides access to the metro area. The local market perceives public transportation as average compared to other market areas in the region. However, the primary mode of transportation in this area is the automobile.

The Kansas City Airport is located about 30 miles from the market area; travel time is about 45 minutes, depending on traffic conditions. The Kansas City CBD, Crown Center, and Country Club Plaza areas are the economic and cultural core of the region, located approximately 8-10 miles from the market area.

DEMAND GENERATORS

Primary employers are the Federal Government and a few defense oriented contractors. Office employers are concentrated along Ward Parkway and College Boulevard, both several miles to the west.
LAND USE

In the immediate vicinity of the subject, the majority of the land is vacant. Surrounding land uses include a mix of retail, residential, and office. To the east of the subject are Benjamin Plaza and Bannister Mall, together containing roughly 2 million square feet of retail space.

<table>
<thead>
<tr>
<th>Predominant Age of Improvements</th>
<th>20 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predominant Quality and Condition</td>
<td>Fair</td>
</tr>
<tr>
<td>Approximate Percent Developed</td>
<td>75%</td>
</tr>
<tr>
<td>Life Cycle Stage</td>
<td>Revitalization</td>
</tr>
<tr>
<td>Infrastructure/Planning</td>
<td>Average</td>
</tr>
<tr>
<td>Predominant Location of Undeveloped Land</td>
<td>Each direction has available land.</td>
</tr>
<tr>
<td>Prevailing Direction of Growth</td>
<td>Each direction.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subject’s Immediate Surrounding Land Uses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>Vacant Land</td>
</tr>
<tr>
<td>South</td>
<td>Vacant Land</td>
</tr>
<tr>
<td>East</td>
<td>Vacant Land</td>
</tr>
<tr>
<td>West</td>
<td>Vacant Land</td>
</tr>
</tbody>
</table>

Development Activity and Trends

During the last five years, the area has experienced a decline in population and in retail businesses. Bannister Mall, to the east of the subject, is essentially vacant and employers in the area have been downsizing. At present, investors are attempting to gain control of the Mall and we anticipate redevelopment within the next 5 – 10 years.

The Santa Fe TIF area, along with the 87th & Hillcrest TIF area are the final large pieces of ground in the area to develop. The Santa Fe TIF area, to the west, anticipates the development of 500,000 square feet of retail, 3,900,000 square feet of office, and 3,600,000 square feet of light industrial/warehouse. The 87th & Hillcrest TIF area anticipates the development of an office, service, and sales facility for Dean Machinery.
Outlook and Conclusions

The market area is in the revitalization stage of its life cycle. Recent development activity has been limited. Given the history of the area and the growth trends, we expect to see limited increases in property values in the next several years.

In comparison to other areas in the region, the market area is rated as follows:

<table>
<thead>
<tr>
<th>MARKET AREA ATTRIBUTE</th>
<th>RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Access</td>
<td>Average</td>
</tr>
<tr>
<td>Demand Generators</td>
<td>Below Average</td>
</tr>
<tr>
<td>Convenience to Supporting Land Uses</td>
<td>Average</td>
</tr>
<tr>
<td>Convenience to Public Transportation</td>
<td>Average</td>
</tr>
<tr>
<td>Employment Stability</td>
<td>Below Average</td>
</tr>
<tr>
<td>Police and Fire Protection</td>
<td>Average</td>
</tr>
<tr>
<td>Property Compatibility</td>
<td>Average</td>
</tr>
<tr>
<td>General Appearance of Properties</td>
<td>Below Average</td>
</tr>
<tr>
<td>Appeal to Market</td>
<td>Below Average</td>
</tr>
<tr>
<td>Prices/Value Trend</td>
<td>Below Average</td>
</tr>
</tbody>
</table>
Property Analysis

**DESCRIPTION AND ANALYSIS OF THE LAND**

The following description is based on our inspection of the property as well as a property map provided by the client. A copy of the plat is included later in this report.

**PHYSICAL FEATURES**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Area</td>
<td>12.33 acres, or 537,233 square feet.</td>
</tr>
<tr>
<td>Configuration</td>
<td>Rectangular</td>
</tr>
<tr>
<td>Topography</td>
<td>Steep slope by the creek.</td>
</tr>
<tr>
<td>Drainage</td>
<td>Sufficient</td>
</tr>
<tr>
<td>Flood Plain</td>
<td>2901730115C; 9/14/1990</td>
</tr>
<tr>
<td>Flood Zone</td>
<td>Zone C. Outside of 100-year flood plain.</td>
</tr>
<tr>
<td>Flood Insurance</td>
<td>No</td>
</tr>
</tbody>
</table>

**Environmental Hazards**

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. Our inspection of the site did not reveal any obvious signs that there are contaminants on or near the property. Therefore, we assume the subject is not adversely affected by environmental hazards.

**Ground Stability**

A soil report was not provided for review; however, based on our inspection of the property and observation of development on nearby sites, we assume that the subject is not affected by any adverse soil conditions that would restrict it from being developed to its highest and best use.
### Streets, Access, Frontage

<table>
<thead>
<tr>
<th>Street</th>
<th>87th Street</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frontage Feet</td>
<td>866'</td>
</tr>
<tr>
<td>Paving</td>
<td>Asphalt</td>
</tr>
<tr>
<td>Curbs/Gutters</td>
<td>No</td>
</tr>
<tr>
<td>SideWalks</td>
<td>No</td>
</tr>
<tr>
<td>Lanes</td>
<td>Two lane road.</td>
</tr>
<tr>
<td>Direction of Traffic</td>
<td>East/West</td>
</tr>
<tr>
<td>Condition</td>
<td>Fair</td>
</tr>
<tr>
<td>Traffic Levels</td>
<td>MoDot 2004 AADT at I-435 north of 87th Street: 81,670; truck traffic of 9,384</td>
</tr>
<tr>
<td>Signals/Traffic Control</td>
<td>None at subject.</td>
</tr>
<tr>
<td>Access</td>
<td>One curb cut.</td>
</tr>
<tr>
<td>Visibility</td>
<td>Adequate</td>
</tr>
</tbody>
</table>

### Zoning

<table>
<thead>
<tr>
<th>Designation:</th>
<th>URD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Urban Renewal District. The purpose of this district is to encourage and accommodate development and redevelopment of underdeveloped and blighted sections of the city and to encourage the latitude and flexibility in design to ensure the stated purposes of a redevelopment plan.</td>
</tr>
<tr>
<td>Permitted Uses:</td>
<td>Residential, commerical, or light industrial uses.</td>
</tr>
<tr>
<td>Zoning Jurisdiction:</td>
<td>City of Kansas City, Jackson County, Missouri</td>
</tr>
</tbody>
</table>
OTHER LEGAL AND REGULATORY CONSTRAINTS

Easements, Encumbrances, and Restrictions

Although a title report was not provided for review, we are aware of a 15’ sewer easement to Jackson County, Missouri running through the property in an L-shaped pattern. We are not aware of any other easements, encumbrances, or restrictions that would adversely affect the use of the site. A title search is recommended to determine whether any adverse conditions exist. We assume that there are no easements, encumbrances, or restrictions that would restrict the property from being developed to its highest and best use.

Encroachments

We were not provided a survey; however, an inspection of the site revealed no apparent encroachments. It is assumed that the property is free and clear of encroachments.

Other Land Use Regulations; Development Moratoriums

We are not aware of any land use regulations other than zoning that would affect the property, nor are we aware of any moratoriums on development.

UTILITIES

All public utilities are available near or at the subject site.

SUMMARY OF LAND DESCRIPTION

The subject is currently used as a staging area for the Grandview Triangle reconstruction project. Overall, the physical characteristics of the site are suitable for the uses permitted by zoning, including retail, office and service oriented uses. Most factors, including its location, accessibility, and availability of utilities are positive attributes. In comparison to other similarly zoned sites in the region, we rate the subject as follows:

<table>
<thead>
<tr>
<th>SITE ATTRIBUTE RATINGS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Visibility</td>
<td>Above Average</td>
</tr>
<tr>
<td>Traffic Light Controlled Intersection</td>
<td>Below Average</td>
</tr>
<tr>
<td>Utilities</td>
<td>Average</td>
</tr>
<tr>
<td>Shape and Contour</td>
<td>Average</td>
</tr>
<tr>
<td>Land available for future development</td>
<td>Average</td>
</tr>
<tr>
<td>Landscaping</td>
<td>Below Average</td>
</tr>
</tbody>
</table>
**REAL ESTATE TAX ANALYSIS**

The real estate tax assessment of the subject is administered by Jackson County, Missouri. Assessed values are based on a current conversion ratio of 32.00% of assessor’s market value. The property tax identification numbers and assessed value of the property for tax year 2005 are as follows:

<table>
<thead>
<tr>
<th>Parcel Numbers</th>
<th>Appraised Value</th>
<th>Assessed Value</th>
<th>Taxes</th>
<th>Land Size (Acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>49-240-01-018-01</td>
<td>$165,097</td>
<td>$51,044</td>
<td>$5,568.07</td>
<td>37.97</td>
</tr>
<tr>
<td>49-240-01-018-02</td>
<td>$55,040</td>
<td>$17,017</td>
<td>$1,856.30</td>
<td>12.66</td>
</tr>
<tr>
<td>49-240-01-018-03</td>
<td>$88,441</td>
<td>$27,344</td>
<td>$2,982.76</td>
<td>20.34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$308,578</strong></td>
<td><strong>$95,405</strong></td>
<td><strong>$10,407.13</strong></td>
<td><strong>45.62</strong></td>
</tr>
</tbody>
</table>

**Value / SF**

|                | $0.16 | $0.05 | $0.00524 |

The taxes for the entire three parcels for 2005 were $10,407.13, or approximately $0.005/square foot. However, the subject site is 12.33 acres, or 537,232.71 square feet. Thus, the share of taxes apportioned that the subject site is approximately $2,813.
BLIGHT ANALYSIS

BLIGHTING FACTORS

Our analysis will begin with looking at the first set of factors that are a cause of blight as defined in RSMo 99.805, which are the following:

- Predominance of defective or inadequate street layout;
- Unsanitary or unsafe conditions;
- Deterioration of site improvements;
- Improper subdivision or obsolete platting;
- Existence of conditions which endanger life or property by fire or other causes.

Each category is discussed below with demonstrative exhibits where appropriate.

PREDOMINANCE OF DEFECTIVE OR INADEQUATE STREET LAYOUT

There are no interior streets to the subject property, either public or private. Additionally, 87th Street lacks curbs, sidewalks, gutters, and shoulders. This dated design will prove costly to remedy and is necessary for development. Additionally, the road is two lanes and there is no signalization at the site.
The above photo shows the lack of curbs, gutters, sidewalks, and shoulders on 87th Street, evidencing inadequate street layout.

The necessity of a sign warning of trucks entering the highway indicates inadequate sight lines on 87th Street.
Thus, it is our opinion that the site does suffer from a predominance of defective or inadequate street layout.

**UNSANITARY OR UNSAFE CONDITIONS**

We find there to be several instances of unsafe or unsanitary conditions present at the subject property. The site has been used as a staging area for the reconstruction of the "Triangle"; as a result, a large amount of construction rubble and refuse is located on the site. The presence of such rubble and refuse invites illegal dumping on the subject site.
The photos above show an abundance of construction debris and refuse located on the subject site; this presence invites trespass.
Safety is a concern. Should anyone trespass on this property there is, in our opinion, a high likelihood of injury. See the photograph below which shows a sign warning of power lines above the property.
The two photos above show that in addition to construction debris and rubble, there is a large amount of construction equipment left on the site, creating an attractive nuisance.
Below we show the subject's northern property line and the collection of road debris which is both unsafe and unsanitary.

Without the protective benefit of a shoulder or a curb, light posts are too close to the roadway, posing a danger to motorists.
This photo shows signage too close to the road without the protective benefit of curbs or shoulders.

As a result of each of these examples, we determine that the subject is characterized by unsafe conditions.

DETERIORATION OF SITE IMPROVEMENTS

The subject property has no site improvements and we conclude that the site is not characterized by a predominance of deteriorated site improvements.

IMPROPER SUBDIVISION OR OBSOLETE PLATTING

A parcel map of the subject is shown below.
As shown above, the subject site is made up of a portion of three parcels. It is clear that the parcels are obsolete in that 49-240-01-18-03 is too narrow and the irregular shape of the parcel hinders development. Replatting the parcel would enhance development opportunities.

Jackson County has a sewer easement that runs through the property in an L-shape. The L-shaped easement bifurcates the parcel, making development costly, as the sewer will likely need to be relocated for development to occur. This is further evidence of obsolete platting. If replatted to follow the easement line, sitework costs would be reduced. A map of the easement is below.
Furthermore, there is a creek which runs through the parcels, as evidenced in the above map. By creating parcels along the creek lines, the subject could be replatted to provide for more readily developable tracts. The photograph below shows the creek and the change in topography.
Additional evidence of the large elevation change.

It is our opinion there is evidence of obsolete subdivision and platting.
CONDITIONS THAT ENDANGER LIFE AND PROPERTY BY FIRE OR OTHER HAZARDS

Elements presented earlier regarding unsafe and unsanitary conditions, particularly the construction equipment on the site, are conditions that endanger life. Should a trespasser get on the site and try to handle the construction equipment, it may be life threatening. Furthermore, there is a great deal of construction dust that has collected on the site, posing a threat to personal safety. As discussed earlier, the lack of adequate line of sight for trucks entering the highway is an additional endangerment to life.

Thus, we determine that there are conditions that endanger life or property by fire or other hazards present at the subject site.

CONCLUSION

In the preceding pages we analyzed the factors that can cause blight in an area in accordance to RSMo 99.805. The following table summarizes our findings.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Present</th>
<th>Not Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defective or inadequate street layout.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Unsanitary or unsafe conditions.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Deterioration of site improvements.</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Improper or obsolete platting.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Conditions which endanger life or property by fire and other causes.</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

From our analysis it becomes apparent that four blighting factors are present at the subject site; a predominance of defective or inadequate street layout, unsanitary or unsafe conditions, improper or obsolete platting, and conditions which endanger life or property by fire and other causes. While the presence of only one of these conditions may be enough to blight an area, a presence of a majority of these factors is certainly enough to determine that an area is potentially blighted in accordance with RSMo 99.805.

The next step in our blight analysis is to determine whether the aforementioned factors present at the site contribute to “blight” by the following means:

- Retarding the provision of housing accommodations;
- Constituting an economic or social liability;
- Being a menace to the public health, safety, morals, or welfare in its present condition and use.
RETARDING THE PROVISION OF HOUSING ACCOMMODATIONS

The subject is not zoned for residential uses, nor is it adjacent to any residential. Thus, we conclude that the blighting factors present do not retard the provision of housing accommodations at the subject area.

CONDITIONS WHICH CONSTITUTE AN ECONOMIC OR SOCIAL LIABILITY

The subject property, were it not for the obsolete platting and subdivision, and endangerment issues would be able to generate real estate taxes as a developable site. At present, the subject is appraised at approximately $0.16/square foot and produces approximately $2,813 annually in real estate taxes (approximately $0.005 per square foot in taxes). In comparison, the parcel to the east of the subject site, 49-240-01-08, is 3.5 acres and produces $1,594.18 annually in taxes (approximately $0.01 per square foot in taxes). Because the subject site produces less than a cent per square foot in taxes, and the parcel directly next to it produces approximately double the taxes per square foot, the subject site is an economic liability. With this disparity in the real estate taxes, we determine that the blighting factors constitute an economic and social liability to the community.

CONDITIONS THAT CONSTITUTE A MENACE TO THE PUBLIC HEALTH, SAFETY, MORALS, OR WELFARE IN ITS PRESENT CONDITION AND USE

A menace to public morals and welfare is a largely subjective finding and is difficult to determine in any case. There were no obvious signs of illegal and dangerous activity on the property, or activity that would undoubtedly be considered a menace to morals. As a result, we do not find that the blighting factors constitute a menace to public morals or welfare in its present condition and use.

The site is currently a staging area for the reconstruction of the “Triangle”. Because of this, there is a large amount of construction equipment, rubble, and debris located on the site. There is also a large amount of dust from the construction, creating a menace to public health. As discussed earlier, there is a large amount of truck traffic to and near the subject site. The necessity of a sign warning of trucks entering the highway indicated that the sight line is inadequate on the street, thus creating a threat to public safety. We have previously determined that the site contains unsafe conditions that endanger life and property by fire or other causes. This related directly to being a menace to public safety in the subject’s present condition and use. Thus, due to the blighting factors present, we conclude that this site constitutes a menace to public health or safety.
CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP).
8. Carrie Coulson inspected the subject property April 26, 2006. Kenneth Jaggers, MAI, has also inspected the subject property.
9. No one provided significant real property appraisal assistance to the person(s) signing this certification.
10. We have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
11. We have experience in analyzing properties similar to the subject and are in compliance with the Competency Rule of USPAP.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report Kenneth Jaggers, MAI, has completed the continuing education program of the Appraisal Institute.

Kenneth Jaggers, MAI  
Managing Director  
Certified General Real Estate Appraiser  
State of Missouri Certificate No.: RA003190  
Direct Line: (913) 748-4704  
Email: kjaggers@irr.com

Carrie Coulson  
Analyst  
Direct Line: (913) 748-4742  
Email: ccoulson@irr.com
ASSUMPTIONS AND LIMITING CONDITIONS

In conducting this consulting assignment, we have assumed, except as otherwise noted in our report, as follows:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.

2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.

3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.

4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.

5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.

6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

Our consulting assignment is subject to the following limiting conditions, except as otherwise noted in our report.

7. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.

8. The conclusions stated in our report apply only as of the effective date of the report, and no representation is made as to the effect of subsequent events.

9. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

10. No environmental impact studies were either requested or made in conjunction with this consulting assignment, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the consulting assignment assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

11. We are not required to give testimony or to be in attendance in court or any government or other hearing with reference to the property without written contractual arrangements having been made relative to such additional employment.

12. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The consulting assignment covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
13. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our consulting assignment.

14. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.

15. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without prior written consent from Integra Realty Resources.

16. Information, estimates and opinions contained in this report, obtained from sources outside of the office of the undersigned, are assumed to be reliable and have not been independently verified.

17. Any income and expense estimates contained in this consulting assignment are used only for the purpose of estimating value and do not constitute predictions of future operating results.

18. If the property is subject to one or more leases, any estimate of residual value contained in the consulting assignment may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

19. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

20. The current purchasing power of the dollar is the basis for the value stated in our analysis; we have assumed that no extreme fluctuations in economic cycles will occur.

21. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

22. The analyses contained in this report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. In as much as compliance matches each owner’s financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to ADA. Given that compliance can change with each owner’s financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner’s financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

24. This consulting report has been prepared for the exclusive benefit of Mr. Brian Hedrick of Dean Realty Company. It may not be used or relied upon by any other party. All parties who use or rely upon any information in this report without our written consent do so at their own risk.

25. No studies have been provided to us indicating the presence or absence of hazardous materials on the site or in the improvements, and our valuation is predicated upon the property being free and clear of any environment hazards.

26. We have not been provided with any evidence or documentation as to the presence or location of any flood plain areas and/or wetlands. Wetlands generally include swamps, marshes, bogs, and similar areas. We are not qualified to detect such areas. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
ADDENDUM A

QUALIFICATIONS OF CONSULTANTS
### Professional Qualifications of Carrie Coulson

| EDUCATION | University of Kansas – Lawrence, Kansas  
|-----------|-----------------------------------------  
|           | • Juris Doctorate (2005)  
| University of Kansas – Lawrence, Kansas  
|           | • Bachelor of Science in Business Administration (2002) |

January 26, 2006

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**IRR.**

1901 West 47th Place, Suite 300 • Westwood, KS 66205-1834 • Phone: 913-236-4700 • Fax: 913-236-4307 • www.irr.com
# PROFESSIONAL QUALIFICATIONS

**KENNETH JAGGERS, MAI**

## EXPERIENCE:

Mr. Jaggars, Managing Director, has been with Integra Realty Resources – Kansas City, since May 1993. He started his career in commercial real estate in 1987 as an investment officer with a subsidiary of Metropolitan Life in Overland Park, Kansas then in the Washington D.C., and Boston, Massachusetts’ offices. In 1991, Mr. Jaggars joined BankBoston and served as a review and field appraiser for two years. Duties included quality control over two acquired banks in Maine and Vermont.

In 1993, Mr. Jaggars returned to Kansas City as a Senior Analyst for Integra Realty Resources – Kansas City. Since that time he has completed appraisals on commercial properties of all types, primarily for institutional investors and litigation support. Significant appraisal assignments in 2003 and 2004 include the 1,140,000 SF IRS Processing facility and 2345 Grand Avenue in Kansas City’s Crown Center, Sprint’s former corporate headquarters in Shawnee Mission, Kansas, and the Black & Veatch headquarters in Overland Park, Kansas. Mr. Jaggars completed major eminent domain assignments in 2004. He appraised a total of 53 Kansas City CBD tracts for acquisition of sites for the H&R Block/Kansas City Live project and for the Sprint Arena Project. He also completed an appraisal assignment totaling 57 industrial properties in the Kansas City area in 2003 and 2004. In 2005, Mr. Jaggars managed a 36 property industrial portfolio for a major investment bank. The properties were located from Arizona to New Jersey and totaled 6.2 million square feet.

## LITIGATION EXPERIENCE:

Mr. Jaggars has performed appraisal services and/or provided expert trial or deposition testimony in many legal proceedings, including the following: State of Kansas vs. Westgate, LC 04 C 214, Moore v. United States No. 93-134 L, Illig v. United States 98-934L, Randolph and Kelly Akers v. City of Oak Grove, MO 02CV233809, Colliers v. City of Oak Grove, MO 03CV223403, NT Realty v. APW CV 1988 749CC, Gailloyd Enterprises v Centertainment 98-CV5115, Allen v. Zovars et al 00CV218291.

## EXPERIENCE WITH MUNICIPALITIES/ADMINISTRATIVE BODIES:

Mr. Jaggars has provided expert testimony to a number of taxing authorities, city councils, boards of planning and zoning, commission members’ hearings, and bodies providing public finance (TIF and Tax Abatement). His expertise is sought by the administrative bodies and by the private developers. Major projects include the 597 acre proposed Parvin Road Corridor TIF Plan for Hunt Midwest in Clay County, the Performing Arts District and Kansas City Public Library Central Library Projects, both in Kansas City, Missouri.

## PROFESSIONAL ACTIVITIES:

Member of the Appraisal Institute 2004, Director Kansas City Chapter Westwood City Planning Commission, Westwood View Education Enhancement Fund Advisory Council.

## STATE LICENSES:

- State of Iowa Certified General Real Property Appraiser (CG02446)
- State of Kansas Certified General Real Property Appraiser (G-969)
- State of Missouri Certified General Real Estate Appraiser (RA 003190)
- State of Nebraska Certified General Real Estate Appraiser (CG070204)

## EDUCATION:

Bachelor of Arts (1983) Chadron State College, Chadron, Nebraska Economics and Marketing, Minor in Business Administration

## APPRAISAL TRAINING:

Mr. Jaggars has successfully completed numerous Appraisal Institute courses and attended seminars in keeping current, the educational and professional work product requirements of the Appraisal Institute and states in which he is licensed. Completed 3rd Party Multifamily Accelerated Processing (MAP), September 18, 2002.

January 26, 2006
State of Missouri

Department of Economic Development
Division of Professional Registration
Real Estate Appraisers Commission
Real Estate Appraiser

State Certified General

VALID THROUGH JUNE 30, 2008
ORIGINAL CERTIFICATE/LICENSE NO. RA001495

KENNETH JAGGERS
INTEGRA NUNNINK & ASSOCIATES
1901 WEST 47TH PLACE
WESTWOOD KS 66205
USA

EXECUTIVE DIRECTOR

DIVISION DIRECTOR
CORPORATE PROFILE

Integra Realty Resources, Inc. is the largest property valuation and counseling enterprise in the North America, with 53 offices in 31 states and Mexico. On average, an Integra office has 30 years of local service and is led by a Managing Director holding an MAI designation and having an average of 35 years of experience. Combined with a national delivery platform, our philosophy is “Local Expertise...Nationally.”

Integra offers a single point of contact to coordinate your assignments and communicate the unique nature of the real estate and/or your special requirements. Each local office offers the most advanced methods of analysis, our unique national data base comprised of sales, rental/lease information, operating expenses, and all delivered to you as the client in a standardized reporting product for ease of review and presentation.

Integra Realty Resources, Inc. has over 130 professionals who hold the Appraisal Institute’s MAI designation, of which 23 are CRE members of The Counselors of Real Estate. In addition to having expertise in core commercial property types, many Integra professionals have extensive experience in specialty property classes including regional malls, hotels, senior housing, health care facilities, and capital markets.

A listing of Integra’s local offices and their Managing Directors follows:

ATLANTA, GA – J. Carl Schultz, Jr., MAI, SRA, CRE
ATLANTIC COAST, NJ - Anthony S. Graziano, MAI, CRE
AUSTIN, TX – Randy A. Williams, MAI
BALTIMORE, MD – G. Edward Kerr, MAI
BOSTON, MA – David L. Cary, MAI, SRA, CRE
CHARLOTTE, NC – Fitchugh L. Stout, MAI, CRE
CHICAGO, IL – Gary K. DeClark, MAI, CRE
CHICAGO, IL – Jeffrey G. Pellegrin, MAI
CINCINNATI, OH – Gary S. Wright, MAI, SRA
COLUMBIA, SC – Michael B. Dodds, MAI, CCIM
COLUMBUS, OH – Eric E. Belfrage, MAI, CRE, ISHC
DALLAS, TX – Mark B. Lamb, MAI, CPA
DAYTON, OH – Gary S. Wright, MAI, SRA
DENVER, CO – Brad A. Weiman, MAI
DETROIT, MI – Anthony Sonna, MAI
FORT WORTH, TX – Donald J. Shorwood, MAI
GREENVILLE, SC – Michael B. Dodds, MAI, CCIM
HARTFORD, CT – Mark F. Bates, MAI, CRE
HOUSTON, TX – David R. Domino, MAI
INDIANAPOLIS, IN – Michael C. Lody, MAI, SRA, CCIM
KANSAS CITY, MO/KS – Kenneth Jaggers, MAI
LAS VEGAS, NV – Shell L. Lowe, MAI, SRA
LOS ANGELES, CA – John G. Elia, MAI
LOUISVILLE, KY – George M. Chapman, MAI, SRA, CRE
MEMPHIS, TN – J. Walter Allen, MAI
MIAMI, FL – Michael Y. Cannon, MAI, SRA, CRE

For more information, please contact: Megan Uhr, Marketing Director at 212-255-7858 Extension 2007
ADDENDUM B
DEFINITIONS
DEFINITIONS

These definitions have been extracted, solely or in combination, from definitions and descriptions printed in:

- Uniform Standards of Professional Appraisal Practice, 2005 Edition (USPAP)

Appraisal
The act or process of developing an opinion of value; an opinion of value. (USPAP)

Effective Date
The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. (Dictionary)

Exposure Time
1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Dictionary)

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Area Ratio (FAR)
The relationship between the above-ground floor area of a building, as described by the building code, and the area of the lot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. (Dictionary)

Highest and Best Use
The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. (Dictionary)
Leased Fee Interest
An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease. (Dictionary)

Leasehold Interest
The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. (Dictionary)

Market Value
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary; 12 CFR Part 34.421(g))

Marketing Time
1. The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.
2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. (Dictionary)

Value As Is
The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. (Dictionary)
ADDENDUM C

LETTER OF AUTHORIZATION
April 11, 2006

Brian Hedrick
Dean Realty Company
1201 West 31st Street
Kansas City, MO 64103

c/o Douglas S. Stone
Economic Development Practice
Poliselli-Statton Welte & Suelthaus, PC
700 West 47th Street, Suite 1000
Kansas City, MO 64112

Via Email: dstone@pswslaw.com

SUBJECT: Proposal/Authorization for Valuation and Consulting Services
Vacant Land – approximately 12.33 acres
NW ½ 13, TWP 53, N R 32W (the “Subject Property(ies)”)
Kansas City, Jackson County, MO

Dear Mr. Stone:

Integra Realty Resources – Kansas City (“Integra – Kansas City”), appreciates the opportunity to provide this proposal for valuation and counseling services to Poliselli-Statton Welte & Suelthaus, PC (the “Client”) for the above-captioned property.

It is our mutual understanding that the purpose of this blight study is to assist in the redevelopment process of the Subject Property. The report will be prepared in a complete summary format in conformance with and subject to, the Standards of Professional Practice and Code of Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation.

Our fee for this assignment will be billed on an hourly basis, not to exceed $5,000. A schedule of our hourly fees can be in Attachment I of this proposal. We will provide two (2) copies of the report(s); however, additional copies of the report(s) are available at an additional cost. The current minimum cost for each additional copy is $100 per copy. A letter that will include our findings will be delivered to you by May 1st and the report(s) will be completed and delivered to you directly after your review, provided we receive a copy of this fully executed engagement letter and the information requested in Attachment II within 24 hours.

Additional fees will be charged on an hourly basis for any work which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party which exceed the time allotted for an assignment of this nature.

The terms of Attachment I apply to this engagement and are hereby incorporated by reference.

Integra Realty Resources
1901 West 47th Place, Suite 300 • Westwood, Kansas 66205-1834 • 913-236-4700 • Fax 913-236-4307 • www. irr.com
In order to complete this assignment in the designated time, we will require as much of the available information as possible, as identified in Attachment II, within three business days after the execution of this engagement letter. Any delays in the receipt of this information or in the access to the property(ies) will automatically extend the final delivery date of the report(s) as proposed. Furthermore, the consulting report and conclusions therein will be predicated upon the accuracy and completeness of the information provided by the Client and set forth in Attachment II. In the absence of some of this information, the appraisers will attempt to obtain this information from other sources and/or may require the use of Extraordinary Limiting Conditions and Assumptions within the report.

The reports will be limited by our standard Assumptions and Limiting Conditions and any Extraordinary Assumptions and Limiting Conditions, which become apparent or necessary during the course of the assignment. A copy of the standard Assumptions and Limiting Conditions is set forth in Attachment III.

The purpose of the report is to assist in the redevelopment process of the Subject Property. The intended use of the report is to assist the Client, as the intended user of the report, in evaluating the development potential of the property. Without first obtaining our prior written consent, the use of the report by anyone other than the Client is prohibited. Accordingly, the report will be addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the report (even if their reliance was foreseeable).

In the event the Client provides a copy of this report to, or permits reliance thereon by, any person or entity not authorized by Integra – Kansas City, the Client agrees to indemnify and hold harmless Integra – Kansas City, its affiliates and its shareholders, directors, officers and employees, from and against all damages, expenses, claims and costs, including attorneys’ fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the report by any such unauthorized person or entity.

If the report is referred to or included in any offering material or prospectus, the report shall be deemed referred to or included for informational purposes only and Integra – Kansas City, its employees and the appraisers have no liability to such recipients. Integra – Kansas City disclaims any and all liability to any party other than the Client which retained Integra – Kansas City to prepare the report.
If this proposal is acceptable, please authorize us to proceed by executing this letter agreement where noted below and returning one copy to the undersigned. Thank you for considering us for this assignment and we look forward to working with you. Please call if you wish to discuss this proposal or the assignment any further.

Sincerely,

INTEGRA REALTY RESOURCES – KANSAS CITY

[Signature]

Managing Director

Attachments

KJ:sv

AGREED & ACCEPTED THIS 11th DAY OF April, 2006.

BY: DEAN REALTY COMPANY

[Signature]

AUTHORIZED SIGNATURE

Brian K. Hedrick

NAME (PRINT)
ATTACHMENT I

ADDITIONAL TERMS

This assignment is subject to the following terms:

1. Completion Date Estimate: Integra – Kansas City agrees to use reasonable commercial efforts to complete this report as per the attached letter agreement. Said completion date is an estimate and does not take into consideration pre-trial or court time as well as delays beyond the control of Integra – Kansas City such as illness, lack of specific necessary data and/or Acts of God.

2. Database/Marketing: Both parties acknowledge that real estate analysis requires current and historical market data to competently analyze the Subject Property. Accordingly, the Client agrees that: (i) the data collected by Integra – Kansas City in this assignment will remain the property of Integra – Kansas City; and (ii) with respect to any data provided by the Client, Integra – Kansas City and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in their marketing materials, the Integra database and derivative products including the identity of the Client and the Subject Property. The Client agrees that all data already in the public domain may be utilized on an unrestricted basis.

3. Litigation: In the event Integra – Kansas City is called upon to provide testimony or receives a subpoena concerning any suit or proceeding or otherwise become involved in any litigation relating to this engagement or assignment, in which Integra – Kansas City is not a party, Integra – Kansas City will make every reasonable effort to assist the Client and give such testimony. The Client agrees to compensate Integra – Kansas City at its then current rates, on an hourly basis, plus reimbursement for all expenses incurred as a result of said litigation. In addition to the foregoing, the following terms are applicable:

(a) Review and trial preparation (if applicable) in-office, will be billed at standard hourly rates; outside office rates may apply to conferences, depositions and testimony. Our current in-office rates are as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kevin K. Nunnink, MAI</td>
<td>$325 per hour</td>
</tr>
<tr>
<td>Directors or Principals</td>
<td>$125–$250 per hour</td>
</tr>
<tr>
<td>(Other MAIs, CPAs, CREs, and Real Estate Brokers)</td>
<td></td>
</tr>
<tr>
<td>Senior Analyst</td>
<td>$100–$150 per hour</td>
</tr>
<tr>
<td>Analyst/Researcher</td>
<td>$50–$100 per hour</td>
</tr>
</tbody>
</table>

(b) All reports for which testimony is required must be disclosed prior to report authorization.

(c) All fees for reports, conferences and depositions must be paid prior to hearings and trial.
(d) Scheduling of casework and appearances will be made with due consideration for the time of all persons involved. Every effort to comply with reasonable requests for appearances will be made. Once an appointment, deposition or appearance is scheduled, that time is set aside. Therefore, if the appearance is canceled, or the reserved time is abandoned for whatever reason, the following cancellation charges will apply:

1. More than one week No Charge
2. 48 Hours prior $250.00
3. Less than 48 Hours prior $600.00
4. A Stand-by Charge of $250.00 per day

(e) Due to the difficulty associated with accurately forecasting the number of hours which may be required with the research, hearing and/or trial preparation, deposition time, client/expert conferences, etc., we will maintain contemporaneous time and expense records and will provide you invoices on a 30 day billing cycle. The Client agrees to pay Integra – Kansas City at the time the invoice is submitted and acknowledges payment to Integra – Kansas City is not contingent upon any set outcome, result or award to the Client.

4. Limitations of Liability: It is expressly agreed that in any action which may be brought against Integra – Kansas City, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the consulting reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the analysis was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the consulting assignment unless it was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

In the event the Client provides our work or permits reliance thereon by, any person or entity not authorized by Integra – Kansas City in writing to use or rely thereon, Client hereby agrees to indemnify and hold Integra – Kansas City, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon our work by any such unauthorized person or entity.

You acknowledge that any opinions and conclusions expressed by professionals employed by Integra – Kansas City during this assignment are representations made as them as employees and not as individuals. Our responsibility is limited to you as Client, and use of our product by third parties shall be solely at the risk of you and/or third parties.

5. Late Fees; Etc.: Unless arrangements are made otherwise, a late charge of 15% per annum, commencing thirty (30) days after the receipt of invoice will be charged on any balance not paid; however, in no event shall this delinquency rate of interest exceed the maximum rate permitted by law. We shall also be entitled to recover our costs (including attorneys' fees), associated with collecting any amounts owed or otherwise incurred in connection with this engagement. Upon default, we shall be permitted to file a lien against the Subject Property for any amounts owed pursuant to this engagement.
6. Cancellation: In the event the assignment is canceled prior to completion, an invoice will be prepared reflecting the percentage of work completed as of that date. Any credits to the Client will be promptly refunded or any remaining balances to Integra – Kansas City will be indicated on the invoice.

7. Responding to Review: We agree to respond to your review of our report within five (5) business days of your communication to us. Correspondingly, you will have twenty-one (21) days from receipt of our report to communicate your review. We reserve the right to bill you for responding to your review beyond this time period.

8. Special Experts: Any out-of-pocket expenses incurred during this assignment will be billed at cost and included on the invoice. Should the Client request the assistance of Integra – Kansas City in hiring a special expert to contribute to this assignment (including but not limited to, a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), the Client agrees to perform their own due diligence to qualify said special expert. The Client agrees and acknowledges it is solely responsible in paying for the services of said special expert. Furthermore, the Client acknowledges that Integra – Kansas City is not responsible for the actions and findings of the special expert and agrees to hold Integra – Kansas City harmless from any and all damages that may arise out of the Client’s reliance on the special expert.

9. Duration of Quote: This proposal and fees quoted are valid for a period of fourteen (14) calendar days from the date hereof. If not retained by the Client, the fact that we made the foregoing proposal of professional services will not preclude us from performing professional services for another client on the property.

10. Marketpoint/Template: The Client acknowledges that IRR-Marketpoint, our appraisal and consulting templates and Interconnect software is proprietary and confidential. Accordingly, the Client agrees not to use such software or make such software available for the use of any third party.
ATTACHMENT II
REQUEST FOR PROPERTY INFORMATION

Following is a list of items needed to complete our consulting assignment on the referenced property. While some of the items may not be available, your assistance in gathering as much of the information as possible will be greatly appreciated. Additionally, the analyst may request additional information as needed to complete the valuation of the property. We need to receive this information no later than five (5) business days from authorization to proceed with assignment.

Should you have questions, please contact Ken Jagger at (913) 748-4704 or kjagger@irr.com.

- Contact name & phone number.
- Current ownership information.
- Information on any contracts for purchase of the subject property. Information on any sales or transfers of title in the subject property over the last three years.
- Title report or policy, if available.
- Names of utility providers (i.e. gas, electric, water and sewer).
- Survey, plat map or development plan, if available.
- Legal description, if available.
- Tax ID #.
ATTACHMENT III

ASSUMPTIONS & LIMITING CONDITIONS

This consulting assignment is based on the following assumptions, except as otherwise noted in the report.

1. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This consulting assignment is subject to the following limiting conditions, except as otherwise noted in the report.

1. A consulting assignment is inherently subjective and represents our opinion as to the presence or absence of blight at the subject property.

2. The conclusions stated in our report apply only as of the effective date of the assignment, and no representation is made as to the effect of subsequent events.

3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

4. No environmental impact studies were either requested or made in conjunction with this analysis, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the analysis assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The assignment covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our analysis.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.

9. The consulting report shall be considered only in its entirety. No part of the consulting report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to the identity of the consultants or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without
limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.

11. Information, estimates and opinions contained in the report, obtained from third-party sources are assumed to be reliable and have not been independently verified.

12. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

13. The current purchasing power of the dollar is the basis for the value stated in our report; we have assumed that no extreme fluctuations in economic cycles will occur.

14. The conclusions found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

15. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. In as much as compliance matches each owner’s financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to ADA. Given that compliance can change with each owner’s financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner’s financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

17. The consulting report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

18. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the Subject Property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the consulting report cannot be considered as an environmental assessment of the Subject Property.

19. The person signing the report may have reviewed available flood maps and may have noted in the consulting report whether the Subject Property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
20. Integra is not a building or environmental inspector. Integra does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.

21. It is expressly acknowledged that in any action which may be brought against Integra – Kansas City, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), arising out of, relating to, or in any way pertaining to this engagement, the consulting reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the analysis was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the consulting report unless the analysis was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

22. Integra – Kansas City, an independently owned and operated company shall prepare the consulting report for the specific purpose so stated elsewhere in this proposal. The intended use of the consulting report is stated in the General Information section of the report. The use of the consulting report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the consulting report will be addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the consulting report (or any part thereof, including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the consulting report (even if their reliance was foreseeable).

23. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public record, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The consulting assignment shall also be subject to those assumptions.