

MARKET VALUE ESTIMATE

December 30, 2014

Residential Development Land
Former Meadowbrook Country Club
9101 Nall Avenue
Prairie Village, Kansas 66207

An Appraisal Report

*prepared for The City of
Prairie Village*



Job No.

5028441



February 12, 2015

Quinn Bennion
City Administrator
The City of Prairie Village
7700 Mission Road
Prairie Village, Kansas 66208

Dear Mr. Bennion,

The appraisal report you requested is enclosed. Its purpose is to estimate a market value, subject to limiting conditions, of the

**Former Meadowbrook Country Club
9101 Nall Avenue
Prairie Village, Kansas 66207.**

The real property interest valued is the fee simple estate. Final market value indication, as of December 30, 2014, is

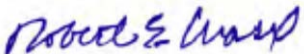
\$12,900,000.

There are no special limiting conditions. This appraisal is, however, subject to standard assumptions and general limiting conditions found in Appraisal Criteria.

Thank you for choosing Bliss Associates, LLC.

Sincerely,
Bliss Associates, LLC

By: 
Robert L. Jackson
State Certified General Appraiser


Robert E. Marx, MAI, SRA
State Certified General Appraiser

SPECIAL LIMITING CONDITIONS

Special limiting conditions consist of extraordinary assumptions and hypothetical conditions. USPAP defines *extraordinary assumption* as an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. A *hypothetical condition* is defined as that which is contrary to what exists, but is supposed for the purpose of analysis.

Extraordinary Assumptions

The following extraordinary assumption is made in this appraisal:

This appraisal is subject to the availability of sewer service and the accuracy of the estimated cost to buy-in to the Johnson County Wastewater District. The reported cost is \$2,137,469 for off-site downstream improvements. (See Site Analysis\Utilities)

Hypothetical Conditions

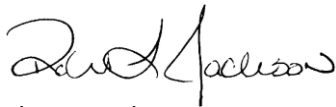
None

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My 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 the appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional real property appraisal assistance to the persons signing this report.
- The reported analyses, opinions, and conclusion were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements of the continuing education programs associated with States of Kansas and Missouri.

By:



Robert L. Jackson
State Certified General Appraiser
Kansas # G-1498

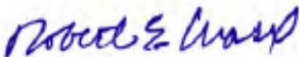
Effective date of the opinion: December 30, 2014
Date of the appraisal report: February 12, 2015

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By:



Robert E. Marx, MAI, SRA
State Certified General Appraiser
Kansas # G-383

Effective date of the opinion: December 30, 2014
Date of the appraisal report: February 12, 2015

TABLE OF CONTENTS

PREFACE
Special Limiting Conditions i
Certification ii
Table of Contents iv

INTRODUCTION
Executive Summary 1
Conclusion..... 2
Scope of Work 3
Criteria 4

MARKET AREA ANALYSIS
Market Area 6
Neighborhood..... 8
Conclusion..... 9

SUBJECT
Identification 10
History 10
Site Analysis..... 11
Improvements Description 16
Improvements Analysis..... 17
Real Estate Taxes 18
Property Photographs 19

USE
Market Overview 22
Exposure Time..... 24
Highest and Best Use..... 26

SALES COMPARISON APPROACH
Comparable Sales..... 29
Explanation of Adjustments 31
Sales Adjustment Grid 34
Summary of the Sales Comparison Approach 35

ADDENDUM
Comparable Sale detail sheet
Appraiser’s Qualifications

EXECUTIVE SUMMARY

Property/Location	Former Meadowbrook Country Club 9101 Nall Avenue Prairie Village, Kansas 66207
Effective Date:	December 30, 2014
Property Rights:	fee simple estate
Owner of Record:	MB-18, LLC
Land Area:	5,837,982 – Square Feet 134.02 – Acres
Zoning:	R-1a
Land Value:	\$13,135,000 (\$2.25 per sq. ft.)
Age of Improvements:	40 years; built in 1974
Number of Buildings:	Six
Gross Building Areas:	36,319 square feet
Highest & Best Use:	As residential development land
Market Value Estimat	
Cost Approach:	Not Developed
Income Approach:	Not Developed
Sales Comparison Approach:	\$12,900,000
Final Value Indication:	\$12,900,000

CONCLUSION

Reconciliation

The subject's existing improvements were considered to be an interim use and not the subject's highest and best use. Also, it would be difficult to develop a credible estimate of physical deterioration, while also being difficult estimating functional obsolescence and external obsolescence for the subject based upon the available market information. Given these considerations, any value estimated by the cost approach would be considered unreliable. Therefore, the cost approach has not been developed.

Due to the subject's concluded highest and best use as residential development land and valuation of the whole tract, the income approach to value has not been developed.

The subject's highest and best use is that of residential development land in high demand Prairie Village, Kansas. The sales comparison approach involved the comparison of the subject with several sales of relatively similar properties. The sales are compared to the subject on the standard elements of comparison. Adjustments are made for the discernible differences between the sales and the subject property. Due to the quantity and quality of information, the sales comparison approach is considered sufficient to arrive at a credible and reliable value conclusion.

In the final analysis, the sales comparison approach is given the most weight for the estimated market value of the subject property. Therefore, it has been relied upon for the purposes of this appraisal.

FINAL VALUE INDICATION:

\$12,900,000

SCOPE OF WORK

Scope is defined by the *Uniform Standards of Professional Appraisal Practice* (USPAP), as “the type and extent of research and analyses in an assignment”. The scope of this assignment complies with USPAP 2014 - 2015 Edition, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the *Financial Institution Reform Recovery Enforcement Act* (FIRREA) of 1989. The specific scope of work for this appraisal assignment (and report) is outlined below. The resulting analysis is considered adequate to provide credible results given the purpose, intended use and intended user of the appraisal.

Property Identification

- Reviewed Johnson County assessor records.
- Reviewed property owner records.
- No provided title work for the subject.

Property Inspection

- The final date of inspection was December 30, 2014.
- Inspected the subject site and exterior of the buildings.
- Relied on the available County information for the building sizes.
- No current subject site plan provided to review.
- Relied upon the County information for the property’s land size.
- Photographed the property’s site and exterior building improvements.
- Inspected the surrounding neighborhood and Metropolitan Area for general development, access and location factors.
- Inspected the surrounding neighborhood and regional competition.

Type and Extent of Data Researched

- Checked zoning map, zoning ordinances, flood map, utilities—particular sanitary sewer service.
- No title work was available.
- Consulted various local and national market studies.
- Researched land sales, as an estimate of land value was developed.
- Did not research construction costs, as the Cost approach was not developed.
- Researched sales through the database at Bliss Associates, local appraisal companies, industry brokers, and internet searches.
- Did not research rent comparables and listings through the data base at Bliss Associates, internet sites, area leasing agents, local appraisal companies, industry brokers and market publications, as the income approach was not developed.
- Did not research market expense information and capitalization rates through the database at Bliss Associates, local appraisal companies and industry brokers, as the income approach was not developed.

Type and Extent of Analysis

- Analyzed the Highest and Best Use.
- Performed the sales comparison approaches to value, but the cost and income approaches were not developed.
- Reconciled the analyses.

The reporting consists of an appraisal report, which is intended to comply with the reporting requirements set forth under USPAP S.R. 2-2 (a). As such, the report summarizes the pertinent data, reasoning and analyses used in the appraisal process to develop the opinions of value.

CRITERIA

Purpose

The purpose of the appraisal is to estimate market value.

Intended Use of the Appraisal

The intended use, or function, of this appraisal is for multiple purposes, including evaluation of part of the property for a city park.

Intended User/Client

The intended user and client is The City of Prairie Village. The appraisers and Bliss Associates, LLC, however, are not responsible for unauthorized use of this appraisal by third parties.

Effective Date

December 30, 2014

Report Date

February 12, 2015

Types and Definitions of Values Estimated

"Market value means 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:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- (5) 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."¹

Real Property Interest Valued

Real property interest valued is the fee simple estate.

Assumptions and General Limiting Conditions

This report assumes the following:

¹ Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, as revised and updated December 2010.

1. That title to the property interest appraised is good and marketable, unless otherwise noted; the report assumes no responsibility for the legal description or for legal matters or those relating to title considerations.
2. That the property is free and clear of any and all liens or encumbrances unless stated otherwise
3. That the property has responsible ownership and competent property management.
4. The information furnished by others is reliable; however, no warranty is given for the accuracy of such information.
5. That all engineering is correct; the intention of the report is that plot plans and illustrative materials are to assist the reader in visualizing the property.
6. That there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for procuring engineering services that may be necessary to discover them.
7. That the property complies fully with all applicable federal, state and local environmental regulations and laws, unless non-compliance is specified in the report.
8. That the property complies with all zoning and use regulations and restrictions, unless the report acknowledges nonconformity.
9. That the owners and/or property managers either have or could procure or renew any licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government, or private entity or organization, upon which the value conclusion reported depends.
10. That the utilization of the land and improvements is within the boundaries or property lines and that there are no encroachments or trespasses by or upon the property, unless noted in the report.

Additional conditions bearing upon this report are as follows:

11. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization; any separate allocations must not be used in any other appraisal and are invalid if so used.
12. Possession of this report, or any copy hereof, does not imply the right of publication.
13. By reason of this appraisal, the appraiser is relieved of any obligation to give further consultation or testimony, or to attend court with reference to the property in question, unless prior arrangements have been made.
14. Neither all nor any part of this report - especially any conclusions regarding value, the identity of the appraiser or the firm with which the appraiser is associated - may be disseminated to the public through advertising, public relations, news, sales-promotion, or other media without the prior written consent and approval of the appraiser.
15. The value estimates in the report apply to the entire property interest as described in the report; any pro-ratio or division of the total into fractional interests would invalidate the value conclusions, unless such pro-ratio or division of interests has been set forth in the report.
16. Unless stated otherwise in this report, the appraiser has not been advised or become aware of the existence of any hazardous substances and/or toxic wastes that may be present on the property; the appraiser has no knowledge of the existence of such materials on or in the property; the value estimated in the report is contingent upon the assumption that there is no hazardous condition on or in the property, or in such proximity to the subject that it would cause a loss in value.
17. No compliance survey or analysis of the subject property relating to the requirements of the *Americans with Disabilities Act of 1991* (ADA) exists. Such a survey could reveal that the property does not comply with one or more requirements of the Act, thus having a negative effect upon value. Unless stated otherwise in the report, there is no direct evidence relating to this issue. This report does not, therefore, consider possible non-compliance in estimating the value of the property.

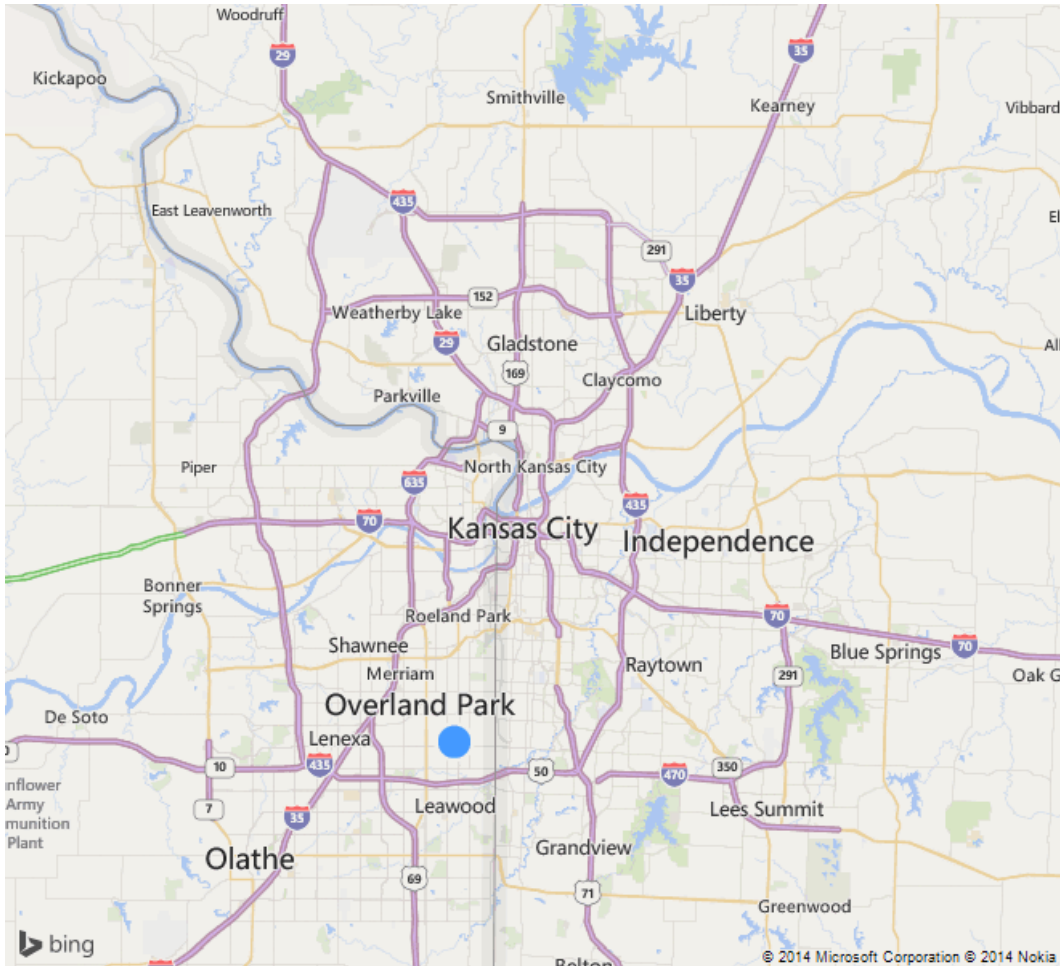
MARKET AREA

Market Area Boundaries

The market area is the broadly defined geographic area in which the subject property competes for the attention of market participants. The overall Kansas City Metropolitan Area is centered along the Kansas-Missouri border near the confluence of the Kansas and Missouri Rivers. It consists of 15 counties. The Missouri counties are: Platte, Clinton, Caldwell, Clay, Ray, Lafayette, Jackson, Cass, and Bates. The Kansas counties are: Leavenworth, Wyandotte, Johnson, Miami, Franklin, and Linn.

Location

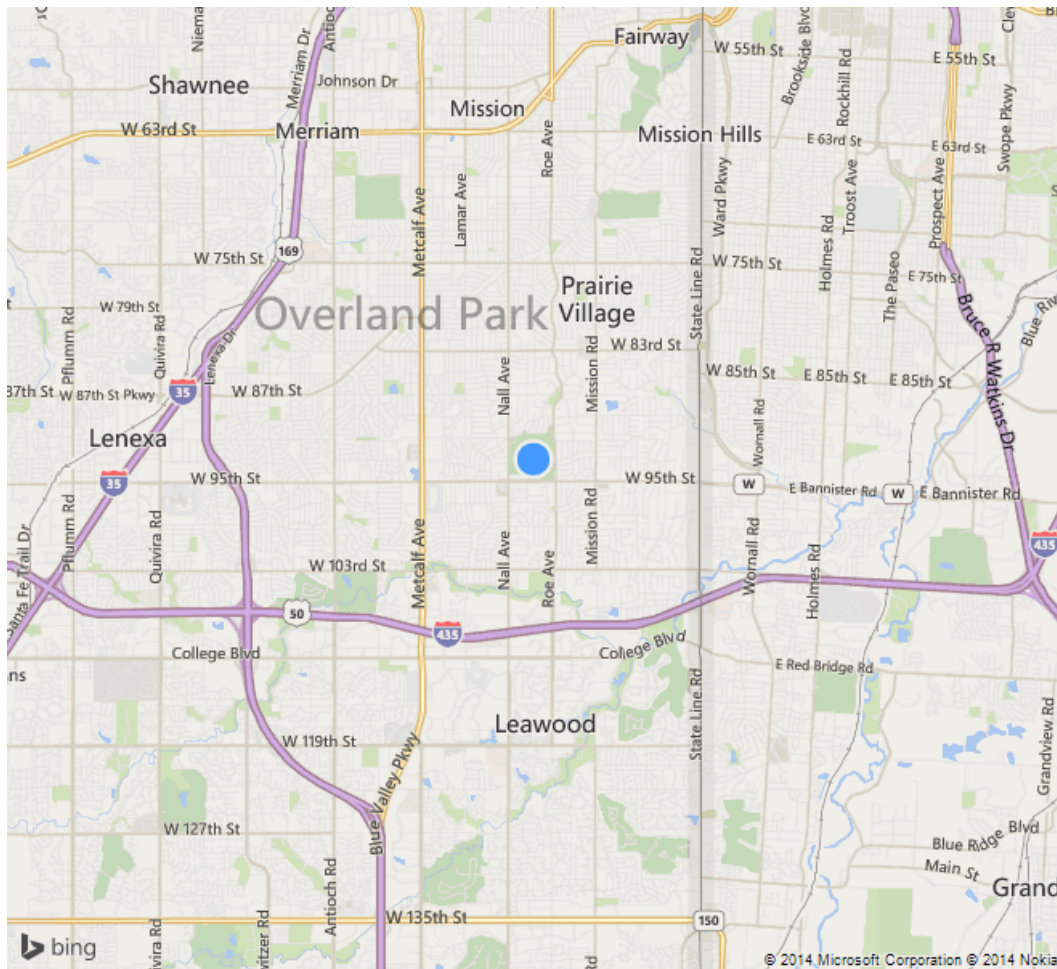
The subject is located in Prairie Village, Kansas and is situated in the southern portion of the Kansas City Metropolitan Area. The submarket is Northeast Johnson County. The City of Prairie Village is one of the land-locked communities in the submarket. The subject is located approximately 12 miles south of the Central Business District of Kansas City, Missouri.



NEIGHBORHOOD

The subject location is in a suburban portion of Prairie Village, Kansas. The subject is located in the southeast corner of Nall Avenue and Somerset Drive in Prairie Village, Johnson County, Kansas. More specifically, the subject is located with frontage along the east side of Nall Avenue and the south side of Somerset Drive. This intersection is controlled by a traffic-signal, with left-hand turn signals and left-hand turn lanes. Access to the subject site facilitated by two curb cuts, one from each adjacent street.

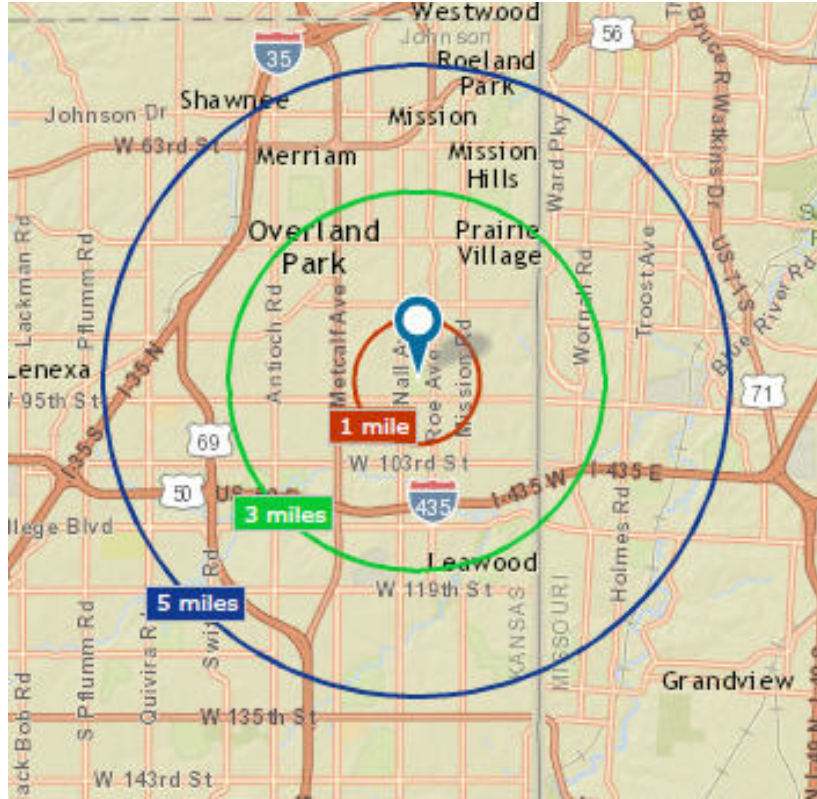
Primary access to the subject neighborhood is provided from the various interchanges with Interstate 435 and U.S. 69 Highway, as illustrated in the map below. Various exhibits of the subject and its neighborhood are shown on the following pages that illustrate these aspects.



The subject's general neighborhood is considered the area bound by 75th Street on the north, Metcalf Avenue on the west, State Line Road to the east and Interstate 435 to the south. The map shown above includes the subject's general neighborhood boundaries.

AREA DEMOGRAPHICS

The following map shows a 1-mile, 3-mile and 5-mile radius from the location of Meadowbrook Country Club in Prairie Village, Kansas:



The following charts show population demographics, particularly household and median income demographics within a 1-mile, 3-mile and 5-mile radius from the location of Meadowbrook Country Club:

Meadowbrook Country Club (1-Mile Radius) Census Trends					
	2010	% Change 10-14	2014	% Change 14-19	2019
Population	9,867	2.3%	10,098	4.4%	10,546
Number of Households	4,277	3.1%	4,409	4.9%	4,623
Median Household Income			\$79,341	17.6%	\$93,344

*Data from STDBOnline

The population within a 1-mile radius of the area has increased 2.3% since the previous census was taken in 2010 to reach 10,098 people. An increase of 4.4% is expected within the next five years. There are currently estimated to be 4,409 households within the area, with a median household income of \$79,341. This is expected to increase to \$93,344 per household by 2019 for 4,623 households.

	2010	% Change 10-14	2014	% Change 14-19	2019
Population	85,988	1.6%	87,379	3.7%	90,629
Number of Households	39,699	2.3%	40,601	4.1%	42,248
Median Household Income			\$61,195	24.8%	\$76,351
*Data from STDBOnline					

The current population in the area within 3-miles of the subject property is estimated to be 87,379 people.

	2010	% Change 10-14	2014	% Change 14-19	2019
Population	239,712	1.0%	242,107	3.0%	249,341
Number of Households	107,285	1.6%	108,992	3.3%	112,607
Median Household Income			\$61,428	24.3%	\$76,384
*Data from STDBOnline					

The population within a 5-mile radius of the subject property has increased 1.0% since the previous census was taken in 2010 to reach 242,107 people. An increase of 3.0% is expected over the next five years. There are currently estimated to be 108,992 households within the subject area, with a median household income of \$61,428. This is expected to increase to \$76,384 per household by 2019 for 112,607 households.

CONCLUSION

Income levels have been competitive for similar Midwestern cities, while the cost of living for Kansas remains below average. The subject's neighborhood is a mix of residential and commercial developments. The neighborhood has good highway accessibility. Development within the immediate subject neighborhood consists mostly of residential developments along the secondary streets, with commercial developments located along the 95th Street, Metcalf Avenue and State Line commercial corridors. Residential neighborhoods are primarily situated surrounding these thoroughfares.

Most of the residential development in the immediate area occurred post war—roughly thirty to fifty years ago, with a minimal amount of growth occurring in the past few years. Significant upgrade and redevelopments have occurred in the last decade, however, in the submarket. Examples are the Prairie Village, Corinth, and Ranch Mart shopping centers; the planned redevelopment of Metcalf South Mall; and upscale infill single family houses. The neighborhood improvements are considered to be overall good condition, with little observed deferred maintenance. It is likely that most future development will continue to consist of renovation of existing improvements, or new projects with the razing of existing older structures, as there is limited vacant land available for development in the area.

The subject property is a complementary land use compared to the surrounding properties. The overall immediate neighborhood is virtually completely developed. The trend of the immediate neighborhood is anticipated to continue stable, with limited growth, as the previous real estate downturn continues to abate and as demand warrants.

IDENTIFICATION

Brief Property Description

The subject is a former private country club property that consisted of a main clubhouse, golf course, swimming pool and tennis courts. The subject property consists of sixteen separate tax parcels. The subject is located in the southeast corner of the Nall Avenue and Somerset Drive (91st Street to the west) intersection, with frontage along both thoroughfares.

According to the available information the subject was constructed in 1974, and contains a total of 36,319 gross building square feet. The subject consists of six separate buildings, including the main clubhouse with a walkout lower level. The overall buildings and site improvements are considered to be in average condition. The subject site contains a combined 5,837,982 square feet of land, or 134.02 acres, indicating a land-to-building ratio of 160.74 to one. The subject site is improved with asphalt drives/parking, four tennis courts, swimming pool, along with typical golf course landscaping.

Address

The subject's address is 9101 Nall Avenue, Prairie Village, Kansas 66207.

Legal Description

The subject's legal descriptions are contained within the Addendum of this report.

Ownership

The subject ownership is MB-18, LLC.

HISTORY

The subject the subject was constructed built in 1974. According to a Kansas City Business Journal article an offer to purchase the subject property was made in 2005 by Opus Northwest LLC for a reported price of \$14 million. The offer was rejected by the club membership, which comprised the ownership group at that time. The offer was reportedly turned down due to the intent of Opus Northwest LLC to close the club and redevelop the property with various alternative developments, including high-rise condominiums. It is our understanding that the Johnson County Parks Department also expressed an interest in the property. Opus Northwest LLC subsequently entered into additional purchase discussions for the subject during 2006, but no agreement was reported to have been reached. The subject was purchased by its current owners, MB-18, LLC, on September 13, 2010 for a price of \$4,222,329. The country club operations were formally ceased on October 31, 2014. No other known transactions involving the subject property have occurred in the last three years.

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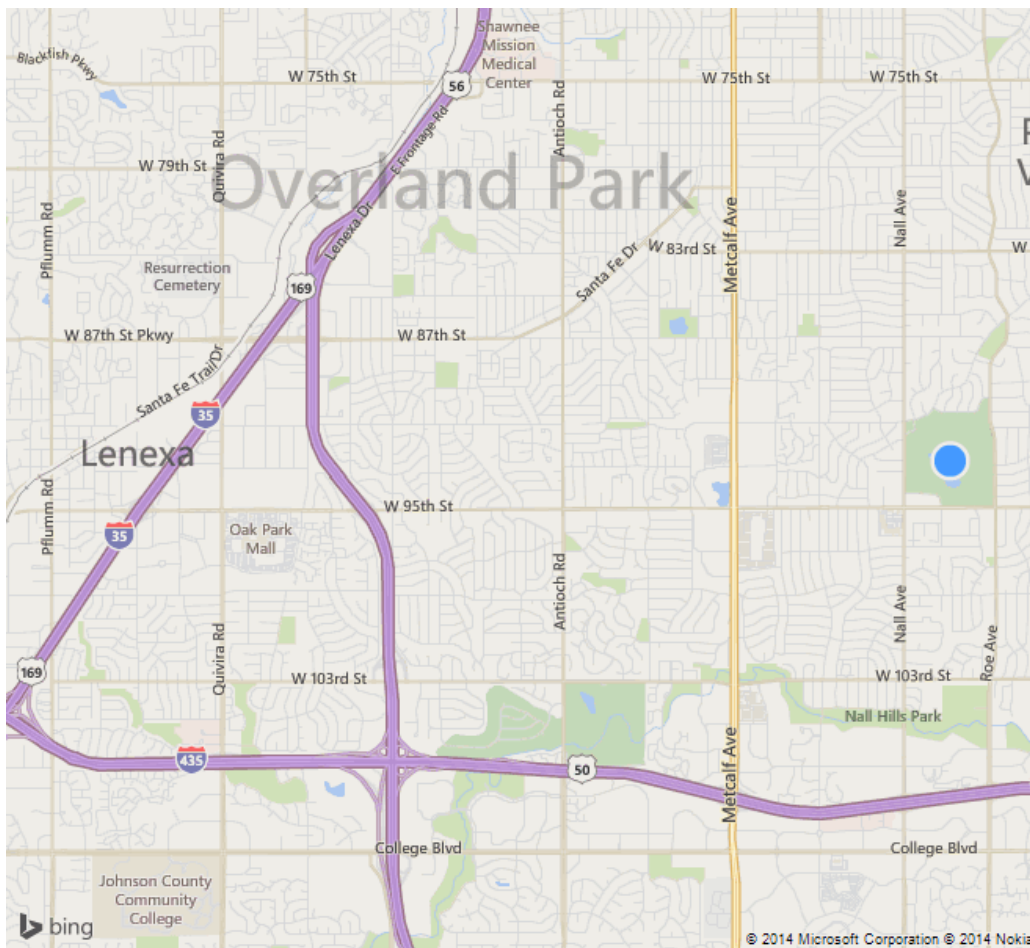
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SITE ANALYSIS

Location and Access

The subject location is essentially one of the close-in Northeast Johnson County suburbs. The subject is located in the southeast corner of Nall Avenue and Somerset Drive. More specifically, the subject is located with frontage along the east side of Nall Avenue and a portion of the south side of Somerset Drive. The intersection of Nall Avenue and Somerset Drive is controlled by a traffic-signal, with left-hand turn signals and left-hand turn lanes. Access to the subject site is facilitated by curb-cuts with both Nall Avenue and Somerset Drive, each a short distance from the hard corner of this intersection. General access to the subject neighborhood is provided from the various interchanges with Interstate 435 and U.S. Highway 69, as illustrated in the map below. Various exhibits of the subject and its neighborhood are shown on the following pages that illustrate these aspects.



Easements/Encroachments

There are numerous easements and encumbrances present at the subject site. These include various access, parking and utility easements. Typically, these provisions are designed to maximize the synergy of the properties within an overall project and intended to enhance the function, operation and value of the development in its entirety. The easements and encumbrances present are not considered to be adverse to the subject property.

Soil Conditions

Based upon the provided information, it is assumed there are no soil conditions, or subsurface conditions that would adversely affect the property. However, Bliss Associates, LLC is not qualified to conclusively determine these matters. If further examination is needed expert and qualified inspectors should be consulted.

Hazardous materials/toxic wastes

No environmental site assessment report was provided for the property. There were no known hazardous materials observed during an inspection of the property. Prior use of the site was reported to be agricultural. It is assumed that no toxic wastes are present within the soils. However, Bliss Associates, LLC is not qualified to detect the presence or absence of such materials. If further evidence or analysis is needed regarding the existence or potential of hazardous materials, toxic wastes, etc., then qualified professionals should be consulted (see Standard Assumptions and General Limiting Conditions, item No. 16).

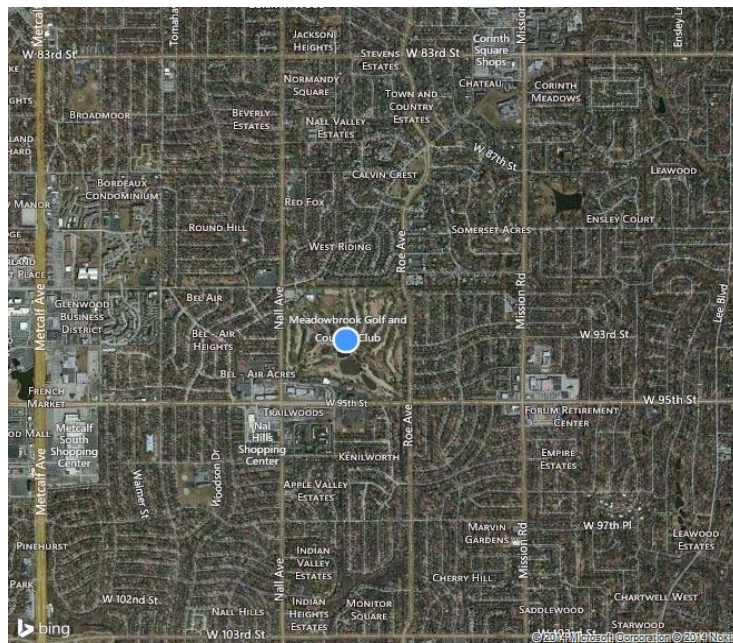
Utilities

All utilities are available to the site in capacities adequate to support a variety of development and improvements, except sanitary sewers. According to available information the subject property was excluded from a proposed sewer district in 1957. In an "Agreement" dated July 29, 1957, the owner, its successors and assigns, waived its rights to petition the county to use the sewer mains in the sub-district that serves the area. It has been reported that the "buy-in" cost for necessary downstream (off-site) improvements is \$2,137,469. This is an extraordinary off-site cost for in-fill developments. The Johnson County Wastewater District's phone number is 913-715-8500. This appraisal is subject to the availability of sanitary sewers at the reported buy-in cost. (See Special Limiting Conditions on p. i.)

Tax Parcel Map

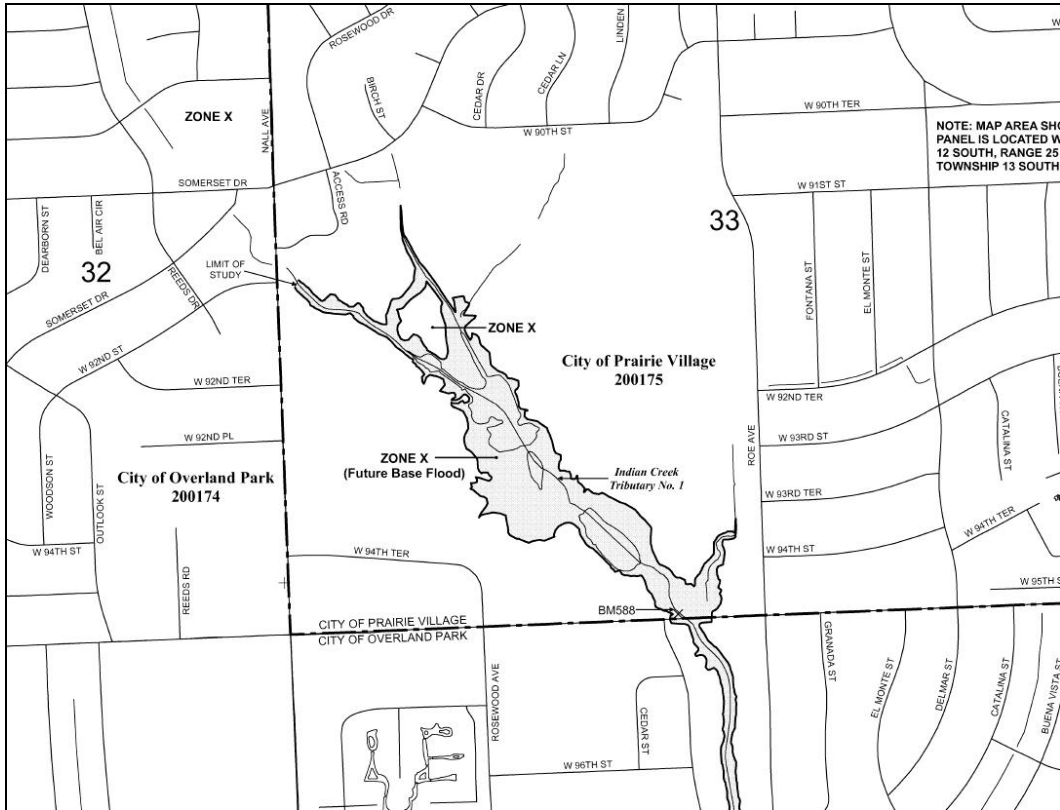


Aerial Photographs



Topography and Flood Hazard

The site has a moderately sloping topography, with drainage being generally downward from northwest to southeast. Overall drainage is considered adequate. Based on Flood Insurance Rate Map No. 20091C0054G, effective August 3, 2009, the subject site is predominantly located in an area of “low flood risk”, with approximately 21 acres situated within a “Future Base Flood” zone. A copy of the flood map is shown below.



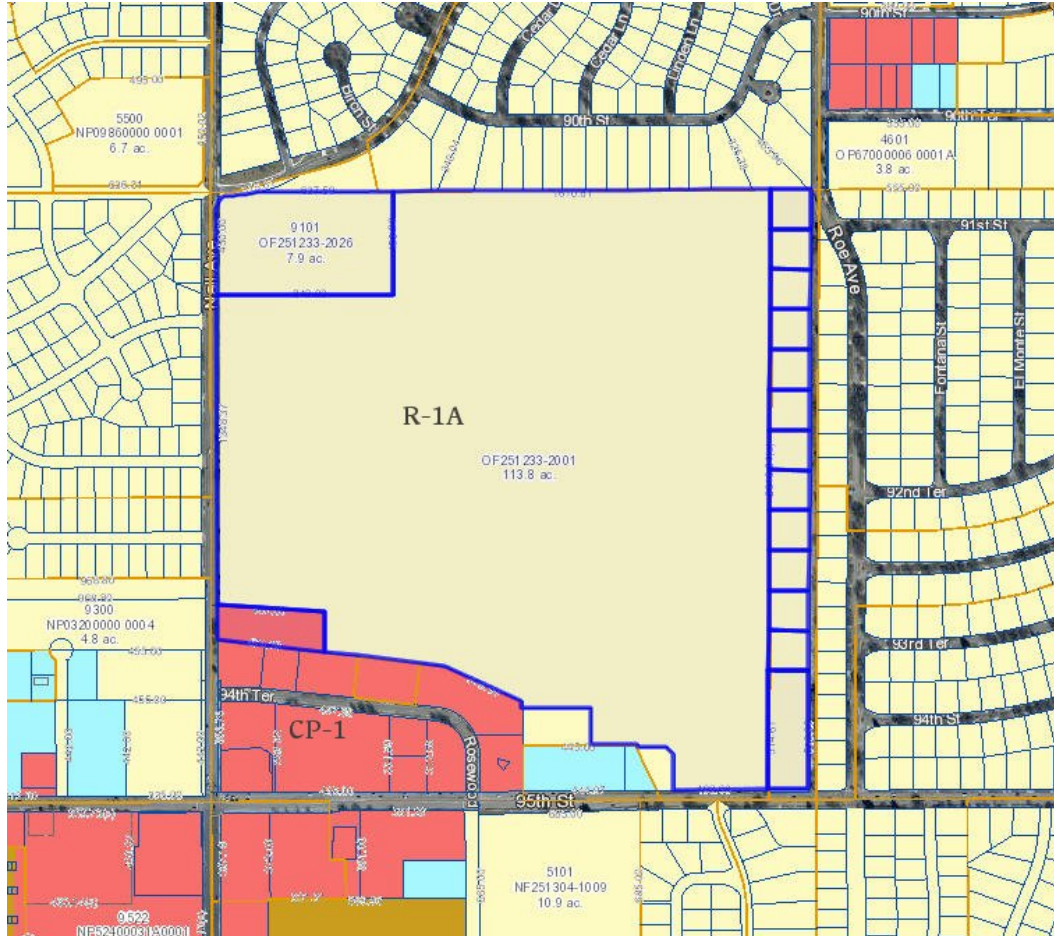
Shape, Frontage and Size

The subject site contains sixteen tax parcels with a slightly irregular overall combined shape, which is essentially rectangular. The parcels contain a combined 134.02 acres, or 5,837,982 square feet. The subject site has ample on-site parking for its prior interim use. The subject site has approximately 1,800 lineal feet of frontage along the east side of Nall Avenue, with approximately 340 lineal feet lineal of frontage along the south side of Somerset Drive.

The subject’s frontage and shape characteristics, as well as its location and access characteristics, are illustrated in the previous exhibits and those contained within the Appendix section of the report.

Zoning

The subject improvements are situated on tax parcels that are predominantly zoned R-1a, single family residential, by the City of Prairie Village. There is one small subject tax parcel that is zoned CP-1 (planned commercial) and situated in the extreme southwest corner of the overall subject site. The primary zoning allows for a variety of residential uses with maximum height, front, rear and side setbacks. The subject does comply with the zoning ordinance. The map below illustrates the zoning of the subject.



Conclusion

The subject's site is irregular in shape, containing a reported 134.02 acres, or 5,837,982 square feet. The site is predominantly zoned for residential uses and has good to excellent access and good to excellent visibility. All public utilities are available and installed. The access is provided by direct access from two points with adjacent streets. There are no other known easements or subsurface restrictions that would adversely affect the utility of the property. The subject site is conducive for development with a variety of residential uses, as demand warrants.

IMPROVEMENTS DESCRIPTION

The subject consists of a former country club property, with clubhouse, golf course, swimming pool and tennis courts. According to the available information the subject was constructed in 1974, contains a total of 36,319 gross building square feet. The subject consists of six separate buildings, including the walkout lower level clubhouse. The description is based upon an external inspection of the premises, along with a previous informal interior inspection. No building plans were provided for use in this analysis.

General

Design/Use:	Country Club, with golf course
Years Built:	1974
Gross Building Area:	36,319 square feet
Number of Stories:	One-Story, with walkout lower level
Number of Buildings:	Six

Structural

Foundations:	Poured reinforced concrete piers, footings and beams
Basements:	Partial walk-out level on the rear elevation of the main building
Floor Systems:	Reinforced concrete slabs, with vapor barrier
Structural Systems:	Wood frame columns, truss and joists
Exterior Walls:	Decorative stone and painted panels
Roof Framing:	Pitched roof over wood decking
Roof Coverings:	Asphalt shingles

Mechanical

Plumbing & Lavatories:	Standard club restroom/locker room facilities
Electrical:	Standard club electrical systems present to provide adequate service
Heating & Cooling:	Roof-top centralized H.V.A.C. systems

Ancillary Improvements

Exterior Lighting:	Building and pole mounted
Landscaping:	A variety of trees, shrubs and ground cover
Sidewalks/Cart Paths:	Concrete & asphalt
A.D.A. Features:	Dedicated handicap parking and ramps
Subject Parking:	Asphalt-paved surface spaces, with concrete curbs and gutters.
Swimming Pool:	One concrete, in-ground pool
Tennis Courts:	Four asphalt surfaced tennis courts
Water Features:	Four pond areas, fed by two creeks

IMPROVEMENTS ANALYSIS

The subject's buildings were constructed in 1974. The subject improvements are currently in average overall condition. The subject buildings consist of a combined total of 36,319 gross square feet.

Physical Analysis

Physical Curable Deterioration consists of deferred maintenance or repairs needing immediate attention as of the effective dates of the appraisal. Curable physical depreciation is measured as the cost to cure the item to a reasonably new condition. There were no significant deferred maintenance items noticed during the exterior inspection, only standard repair items that are typical of a property this age and included within general operating maintenance. Therefore, no line item deferred maintenance deduction has been made in this analysis.

Physical Incurable Deterioration pertains to all structural items not included in the curable depreciation calculation. This depreciation is measured by applying the ratio of effective age to total physical life to the estimated reproduction cost new of the physically incurable items.

The subject buildings have been in existence for approximately 40 years. The improvements are in average overall condition. The property appears to have been adequately maintained and has an estimated effective age of 30 years, as of the effective date of this report. Therefore, the improvements have an effective age that is considered less than its actual age. Assuming an effective age of 30 years and a total economic life of 45 years, the percentage of physical depreciation applied to the cost of the improvements is 66.67% (30/45).

REAL ESTATE TAXES

Real estate taxes in Kansas are calculated by multiplying the assessed value by the applicable mill levies. The commercial assessed value is based upon 25% of the assessor’s estimate of market value for the improved subject tax parcels. The most recent historical tax information for the tax parcels is shown below.

HISTORICAL COUNTY APPRAISED VALUES, ASSESSED VALUES, AND REAL ESTATE TAXES					
Owner: MB - 18, LLC					
Mailing Address: 4900 Main Street, Suite 300, Kansas City, MO					
Situs Address: 9101 Nall Avenue, Prairie Village, KS					
2014 Parcel #	Appraised Value	Assessed Value	R.E. Taxes	Special Assessments	Total Taxes
OF251233-2001	\$2,263,340	\$565,836	\$68,261.32	\$6,164.00	\$74,425.32 *
OF251233-2002	\$68,710	\$17,178	\$2,072.33	\$280.00	\$2,352.33 *
OF251233-2026	\$1,429,000	\$357,251	\$43,098.03	\$6,944.00	\$50,042.03 *
OP2300000B 0001	\$3,040	\$760	\$91.69	\$68.00	\$159.69 *
OP2300000B 0002	\$3,060	\$765	\$92.32	\$48.00	\$140.32 *
OP2300000B 0003	\$3,060	\$765	\$92.32	\$28.00	\$120.32 *
OP2300000B 0004	\$3,060	\$765	\$92.32	\$76.00	\$168.32 *
OP2300000B 0005	\$3,060	\$765	\$92.32	\$44.00	\$136.32 *
OP2300000B 0006	\$3,060	\$765	\$92.32	\$44.00	\$136.32 *
OP2300000B 0007	\$3,060	\$765	\$92.32	\$40.00	\$132.32 *
OP2300000B 0008	\$3,060	\$765	\$92.32	\$0.00	\$92.32 *
OP2300000B 0009	\$3,060	\$765	\$92.32	\$0.00	\$92.32 *
OP2300000B 0010	\$3,060	\$765	\$92.32	\$0.00	\$92.32 *
OP2300000B 0011	\$3,060	\$765	\$92.32	\$0.00	\$92.32 *
OP2300000B 0012	\$3,060	\$765	\$92.32	\$32.00	\$124.32 *
OP2300000B 000A1	\$2,700	\$675	\$81.45	\$176.00	\$257.45 *
Total	\$3,800,450	\$950,115	\$114,620.34	\$13,944.00	\$128,564.34

*unpaid

The above combined tax figures would likely be considered reasonable by market participants for the subject’s previous interim use, as a country club. The combined figures are lower than the estimated value per this report, which is indicative of the subject property’s highest and best use, as residential development land.



View looking north along western property line



View looking northeast from the subject's southwest corner



View looking northeast from southern property line



View looking northwest from southern property line

MARKET OVERVIEW

Discussion of Marketability

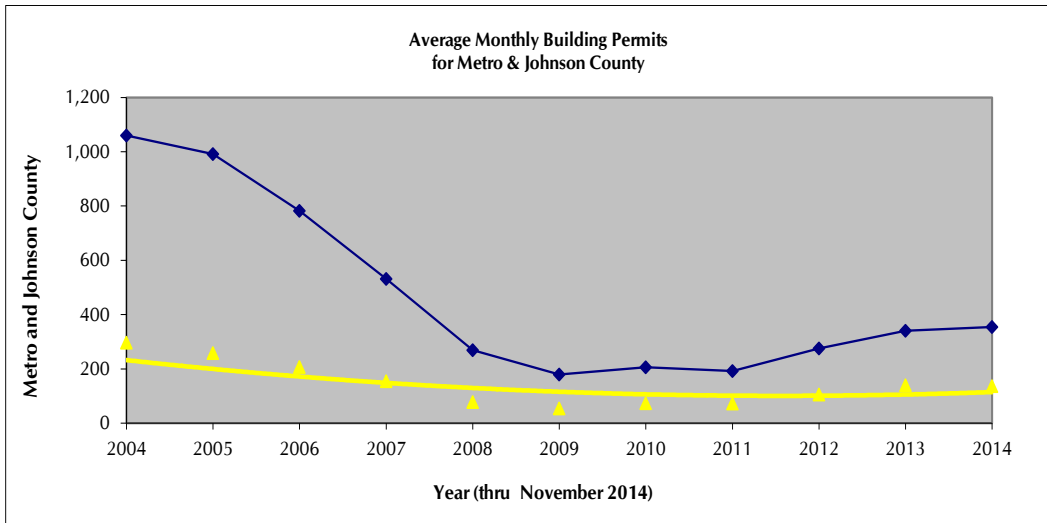
Investor interest in residential development land was previously increasing at the start of the century, until roughly early 2008. The supply of developed residential land in the subject's regional market had been increasing, given the previous sale prices, construction costs and absorption, but has since slowed.

There are a limited number of similar properties within the Northeast Johnson County submarket that have recently sold and would be considered directly comparable to the subject. Due to the limited nature of available sale information, the market survey was expanded somewhat. Therefore, other relatively comparable properties from the larger Johnson County, Kansas market were considered for the purposes of this analysis. The reader is referred to the Sale sections of this report for descriptions of similar properties. Though not all-inclusive, the comparable information used represents relatively similar properties in the subject's general market.

Market Overview

The following charts illustrate the trend in historical single-family building permits issued in Johnson County, Kansas. Those figures are compared to those issued in all of the Greater Kansas City Metropolitan Area during the last several years. This information is supplied by the Home Builders Association of Greater Kansas City.

Seasonally Adjusted Single-Family Residential Building Permits Issued Greater KC Metro Through November 2014				Single-Family Residential Building Permits Issued Johnson County Through November 2014			
Year	Permits	Avg/Mo	Change	Year	Permits	Avg/Mo	Change
2014	3,897	354	-	2014	1,501	136	-
2013	4,087	341	-	2013	1,677	140	-
2012	3,299	275	43%	2012	1,273	106	46%
2011	2,301	192	-7%	2011	869	72	-1%
2010	2,471	206	15%	2010	877	73	33%
2009	2,154	180	-33%	2009	657	55	-30%
2008	3,232	269	-49%	2008	937	78	-50%
2007	6,381	532	-32%	2007	1,860	155	-25%
2006	9,384	782	-21%	2006	2,489	207	-20%
2005	11,893	991	-7%	2005	3,098	258	-13%
2004	12,720	1,060	3%	2004	3,554	296	-2%
2003	12,404	1,034	8%	2003	3,612	301	5%
2002	11,472	956	12%	2002	3,450	288	-4%
2001	10,254	855	-	2001	3,576	298	-



Overall, the new home market was in a prolonged growth phase during the first part of the century, with a peak in number of permits issued in about 2004. Number of permits declined between 2005 and 2009, but the rate of the decline was the highest in 2008. New single-family residential construction activity is near its highest level since 2007 in Johnson County. Johnson County is now commanding a greater market since the Great Recession. There has been some small scale subdivision development activity in some of the more viable areas, since that time.

New single-family residential building permits declined in Johnson County during the period from 2004 through 2009, with the highest rate of decline taking place in 2008. The issuance of new permits started to effectively increase in 2010. During the first 11 months of 2014 permits are near, or above levels in Johnson County from the most recent years. It appears that the new home market bottomed out in 2009 for Johnson County. However, future increases are anticipated to be gradual and building activity is not expected to increase to the levels of the previous highs in the near term.

Conclusion

Given the previous data, it is concluded that the regional residential land development market has already started to stabilize, with tangible signs of moderate improvement. Despite these positive market aspects, based on the regional market's overall characteristics, development of large speculative residential projects is not widely considered feasible, at the current time. Sale prices and rent levels in the regional market most often are not adequate to support speculative new developments. Sales of residential land properties had slowed during the previous several years, suggesting lessened interest by investors in general during that time. Recent sales have started to moderately increase.

Given the above data, it is concluded that the subject property's marketability is anticipated to be average to good in the existing and near-term markets. Additionally, general market stability is projected to continue for the subject's submarket and overall Kansas City Metropolitan Area market for the foreseeable future.

MARKETING & REASONABLE EXPOSURE TIME

Marketing Time

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) requires the derivation of marketing time. Similarly, USPAP addresses reasonable marketing time, which is defined as follows:

The reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal. (Advisor Opinion AO-7, USPAP, Adopted September 16, 1992)

The key factor in marketing time is that is presumed to occur *after* the effective valuation date.

Reasonable Exposure Time

The Uniform Standards of Professional Appraisal Practice (USPAP) require the derivation of reasonable exposure time. It is defined as follows:

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 upon an analysis of past events assuming a competitive and open market (Statement on Appraisal Standards No. 6, USPAP, Approved for general distribution September 16, 1992)

The key factor in exposure time is that is presumed to occur *preceding* the effective valuation date.

Marketing & Reasonable Exposure Time Analysis

Sales in the property's market had previously indicated typical marketing times of six to nine months, as demand was outpacing supply. Growth in the general market area had previously been occurring prior to 2008 and then decreased, with recent signs of stabilizing and moderately increasing, including the residential development land market.

In the current real estate market, mortgage money is relatively scarce and offered at a considerably higher cost. The market for commercial mortgage-backed securities, which were formerly a significant source of permanent financing, completely dried up in early 2008. Most banks were not lending as of the 2008 year end, with many back in the market, as of the end of 2014. In addition, life insurance companies have significantly curtailed their lending during this time frame. Institutions that were making loans as of the year end 2014 were often doing so with somewhat more stringent terms, including higher debt service coverage ratios and lower loan-to-value ratios.

According to a regional mortgage banking firm with a National affiliation, the commercial loan market decreased approximately 55% to 60% from 2007 to 2008 and remained slow throughout the next few years, with moderate increases during 2012, 2013 and through the end of year 2014.

Conclusion

The value estimates contained in this report are consistent with recent sales and the return parameters are considered adequate to generate investor interest in the subject property. The property is well located near employment centers and has excellent access to major traffic arteries.

The value estimates contained in this report are consistent with recent non-distressed or motivated sales. The return parameters are considered adequate to generate investor interest in the subject property.

Prior to the real estate crisis, six to nine months had previously been quoted, as an adequate marketing period by area brokers, given proper pricing and an adequate commitment to marketing. But due to the slow-down in the economy and lack of multiple active lenders, as of the effective date of this report we judge the reasonable *exposure and market periods* would have increased by approximately an additional three months, for the subject.

Considering the subject's specific characteristics and the current residential development land market conditions, a reasonable *exposure time* of approximately twelve months is considered applicable for the subject property, for the subject. Additionally, a reasonable *marketing time* of approximately twelve months is also considered applicable for the subject.

Both reasonable *exposure time and marketing time* assume the subject property is/was priced accordingly, marketed by a competent real estate professional putting forth sufficient and reasonable effort toward these respective activities.

HIGHEST AND BEST USE

Definition

Highest and best use may be defined as "the reasonably probable use that produces the most benefits and highest land value at any given time."²

Because the use of land can be limited by the presence of improvements, highest and best use is determined separately for the site as though vacant and available to be put to its highest and best use, and for the property as improved.

Highest and best use must meet four criteria. It must be:

- physically possible
- legally permissible
- financially feasible
- maximally productive.

Procedure

The highest and best use analysis is performed in two parts:

1. The highest and best use of the land as though vacant; and
2. The highest and best use of the land as though improved.

In the analysis of highest and best use of the land as though vacant, it is assumed that the land is vacant, or can be made vacant by removal of existing improvements. The highest and best use of the land as though vacant addresses the questions of what use should be made of the land; and when and what type of improvement, if any, should be built on the site. The analysis of highest and best use of the land as improved considers the alternative uses of an improved property.

Both parts of the highest and best use are important to the appraisal process in several ways. For instance, the highest and best use analysis helps to establish what types of properties are considered comparable, and often, the highest and best use can reveal problems of functional or external obsolescence.

Highest and Best Use as Vacant

Physically Possible -

The physical characteristics of the overall subject site are good. It has good to excellent visibility and good overall access, and moderately sloping topography, primarily from the northwest to southeast. All public utilities are in service at the properties. There are no physical conditions adversely affecting the development potential of the sites. The site is sufficient in size to allow development, without requiring the assemblage of adjacent parcels.

Legally Permissible -

The subject site is zoned for residential uses in Prairie Village, Kansas and development with its former country club, with golf course use also considered to be a legally permissible use.

² *The Appraisal of Real Estate*, 14th ed., (Chicago: Appraisal Institute, 2013), 333

Financially Feasible -

Based on the property's location characteristics and surrounding property uses, development of the site with speculative new speculative residential improvements is not considered feasible at this time. Sale prices and rent levels in the immediate submarket are not adequate to support a large speculative development. It is not likely that a speculative residential development situated on the subject site could generate adequate income to support its cost. The most financially feasible use of the site, as vacant is the future development of residential uses, as demand warrants.

Maximally Productive -

The maximally productive use of the sites, as if vacant (assuming sufficient demand) would be for development with residential uses. Current sale prices and rental rates are not sufficient to support speculative development at this time. Thus, the maximally productive use of the site is the future development of residential uses, as demand warrants.

Based upon the criteria for highest and best use; speculative development is unlikely in the current market, but it does not preclude the potential development of a build-to-suit residential properties. Therefore, the highest and best use of the site, as vacant would be the development of residential uses, as demand warrants.

Highest and Best Use as Improved

The highest and best use as improved may determine that:

1. No changes are necessary to the existing improvements; or that
2. some changes or conversions are required; or that
3. the property should be demolished and replaced.

The existing improvements conform to current zoning restrictions. The improvements are not in conflict with any applicable zoning regulations. The subject improvements are not in violation with any area zoning regulations. The improvements do not suffer from any form of significant functional obsolescence. The subject improvements conform to the neighborhood.

In the case of the subject property, the existing improvements of a former country club do not use the full potential of the land. In short, the existing improvements were considered an interim use until the recent reported closure of the club operations on October 31, 2014. It has been determined that development of this site is not financially feasible for a speculative residential improvements.

Although the cost of demolishing the existing improvements would not negatively impact the subject's final estimated value at this present time, this cost is not necessary to incur at this time. Therefore, no changes or conversions to the subject property are considered reasonable, or appropriate at this time.

Conclusion

Based on the preceding discussion, it is determined that no immediate changes to the subject's improvements are necessary. The subject's site is improved with a former country club development, with club house, golf course, tennis courts and swimming pool. These improvements were considered an interim use.

Note an interim use may, or may not contribute to value until the highest and best use is achieved. In this case, the existing improvements are not considered to contribute to value, and reportedly are not economically viable for retention in order to defray the cost of carrying the property, until demand warrants development of the subject's highest and best use, as residential development land. The club house and related improvements might serve as a sales office for a new development. Besides this potential interim use, the *highest and best use* of the subject would be the razing of the existing structures for speculative hold, until demand warrants future residential development.

COMPARABLE SALES

The sales comparison approach involves the principal of substitution, which generally states that a buyer will not pay more for a property than the cost to acquire a comparable alternative property. So sales of comparable properties are researched for comparison to the subject property, and since no two properties are ever identical, adjustments are applied to address those differences perceived by the market.

The subject is a former country club, which includes an existing clubhouse, golf course, swimming pool and tennis courts. The subject's existing improvements were considered to be an interim use, with the subject's current highest and best use having been determined to be residential development land. Therefore, the market will be researched for comparable sales of properties with relatively similar highest and best uses.

Units of Comparison

When discussing sale transactions, the unit of comparison most frequently used by market participants, involving residential development land is the price per square foot. Other units of comparison that are sometimes utilized are price per acre, price per front foot and price per buildable foot. The price per square foot is the most typical unit of comparison and has been utilized in this analysis. According to the County information the subject contains 5,837,982 square feet of land, or 134.02 acres.

The market was researched for sales of vacant land in the subject's submarket. However, the subject is located in North Johnson County, which is a well-established area that is essentially fully developed. Most vacant land in the general neighborhood was developed decades ago. Due to the limited nature of recent sale information pertaining to vacant land within the subject's submarket, the market survey was expanded to include sales of improved properties that were purchased with the intent of razing the existing improvements for alternative development. In addition, an emphasis was placed upon relatively recent sales within the subject's immediate Johnson County, Kansas submarket.

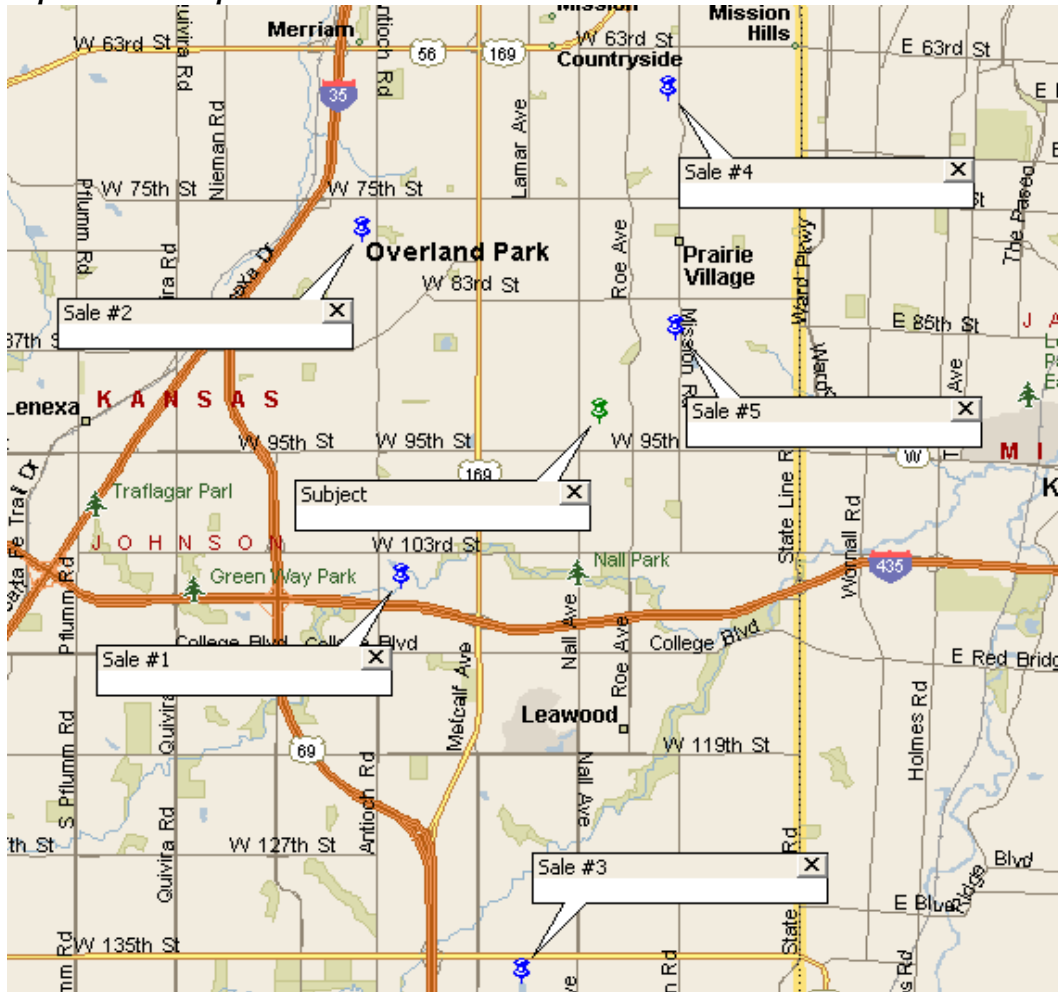
Comparable Sales Analysis

The immediate and general neighborhoods were researched for relatively similar properties for comparison to the subject site. The sales were selected with an emphasis placed on location, size and recent sale date. The following table summarizes those sales researched and compared to the subject. Detailed sale write ups are in the Addendum of this report.

Comparable Sale Table

	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Name	Former Meadowbrook Country Club	Brookridge Country Club	Mainstreet Senior Healthcare Land	Prairiefire Villas Land	Homestead Country Club	Mission Chateau Land
Address	9101 Nall Avenue	8215 W. 103rd St.	7600 Antioch Rd.	5901 W 137th St.	6510 Mission Rd.	8500 Mission Rd.
City	Prairie Village	Overland Park	Overland Park	Overland Park	Prairie Village	Prairie Village
Sale Price	NA	\$17,550,000	\$1,275,000	\$1,420,000	\$3,040,755	\$4,435,000
Date of Sale	NA	Aug-14	Jun-14	Nov-13	Nov-13	Jun-11
Cash Equivalent Price	NA	\$17,950,000	\$1,315,000	\$1,420,000	\$3,290,755	\$4,935,000
Land Area SF	5,837,982	7,675,708	213,025	285,123	630,721	802,747
Price/SF	NA	\$2.34	\$6.17	\$4.98	\$5.22	\$6.15
Zoning	R-1a	R-1	R-1	MXD	R-1a	R-1a

Improved Sale Map



EXPLANATION OF ADJUSTMENTS

Property Rights

All of the sales constituted arm's-length transactions, with effectively fee simple fee estates represented by the transactions. Therefore, no adjustments are made for property rights.

Terms/Financing

All of the sales were reported to have financing in-line with interest rates and terms typical of the market, as of the respective sale dates. None of the sales involved preferential financing and all are considered to be cash equivalent transactions, with no adjustment for financing necessary.

Conditions of Sale

Sale 4 is considered to have been a "distressed sale" and a positive 10% adjustment has been made to this sale to reflect this aspect. All of the remaining sales were considered indicative of adequate market exposure and none are considered to have been influenced by special motivating factors. Therefore, no adjustments are made to these sales for this aspect. Sales 1, 2, 4 and 5 all had existing improvements upon the sites, as of the respective sale dates. Based upon information from Marshall Valuation Service, along with discussions with local construction companies, cost estimates to raze the existing improvements, along with the removal of tennis courts and swimming pools have been made and are detailed in the individual sale write-ups. The appropriate adjustments have been made to the applicable sales in this category and are illustrated in the adjustment table that follows.

Market Conditions (Time)

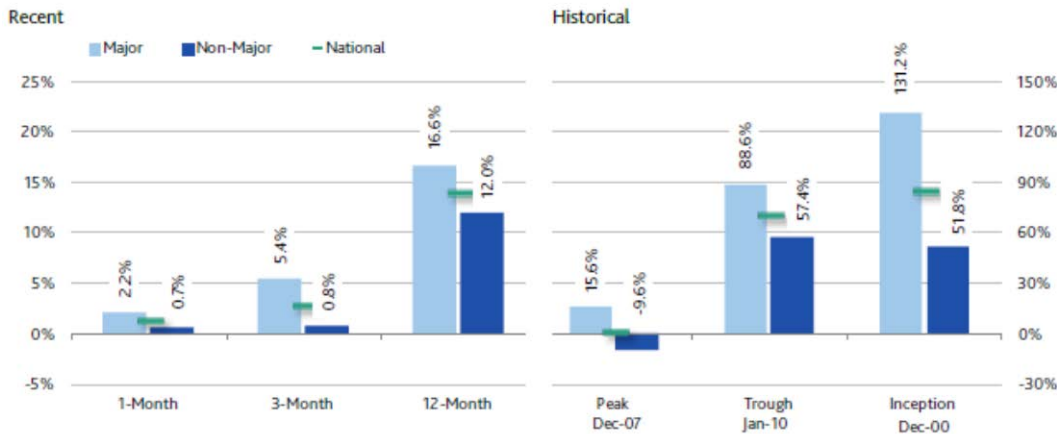
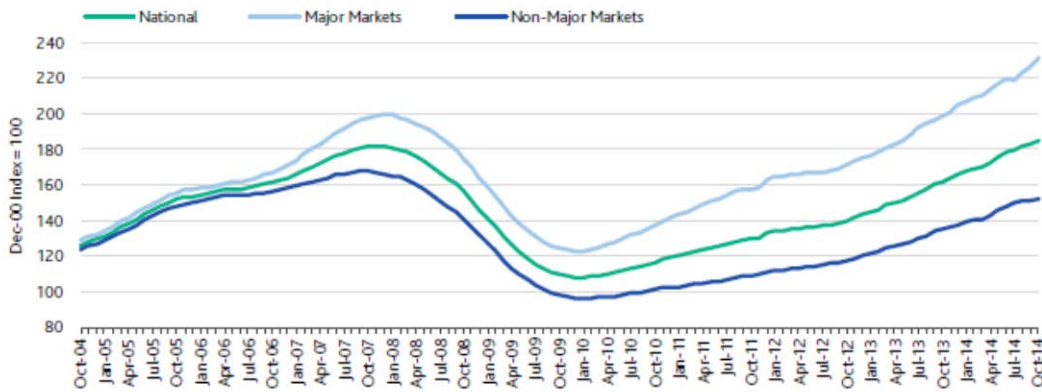
Based upon market information detailed in the Use section of this report, it is clear that real estate market conditions had previously deteriorated, but also have improved recently. The Moody's/RCA Commercial Property Price Indices measure price changes in real estate, based on completed sales of the same properties over time, using an advanced repeat-sale regression (RSR) analytics.

The Moody's/REAL index is a periodic same-property round-trip investment price change index of the U.S. commercial investment property market based on data from MIT Center for Real Estate industry partner Real Capital Analytics, Inc (RCA). The methodology for index construction has been developed by the MIT/CRE through a project undertaken in cooperation with a consortium of firms including RCA and Real Estate Analytics, LLC (REAL).

The Moody's/REAL research specifically breaks out "Major Markets" (MM) in the analyses, which are considered to be the metropolitan areas of Boston, Chicago, Los Angeles, New York, San Francisco and Washington DC. The subject's market is considered to be a "Non-Major Market".

The Moody's/RCA national all-property composite index increased by 1.4% in October. The rise was led by a 1.5% increase in commercial prices and a 1.1% increase in apartment prices. Prices for major market properties have increased by 5.4% over the last three months, topping the gain in non-major markets by about 4.5%. These findings generally mirror the real estate land market and have been considered for use in this analysis.

Moody's/RCA CPPI: Major Markets and Non-major Markets Composites



Based on data through the end of October 2014.
Sources: RCA, Moody's Investors Service

It is noted that index is a National indicator that includes "Non-Major Markets", which incorporates but does not specifically measure the subject's regional market. In addition, the properties comprising the index are primarily considered to be investment-grade, and or institutional-grade properties.

Due to these aspects the specific figures from the survey are considered, in conjunction with the market information specific to the subject's Kansas City Metropolitan Area, property type and investment grade. Based upon all of this information the comparable sales have been adjusted appropriately for market factors over time.

Location/Access

Sale 1 has relatively similar general location, but overall superior access features, as compared to the subject property, due to it being situated adjacent to a full interchange with Interstate 435. Therefore, this sale has been negatively adjusted 10% for this superior aspect. Sale 3 has slightly inferior general access features, as compared to the subject property, due to it being situated along a secondary street and not a major thoroughfare. Therefore, this sale has been positively adjusted 5% for this factor. The remaining sales have relatively similar overall location and general access features, as compared to the subject property and have not been adjusted for these aspects.

Size

Comparable sales are typically adjusted for size on the basis that size and value typically have an inverse relationship, with products selling for less per unit as the overall quantity increases. Typically, larger properties sell at a lower unit price than smaller properties because there are fewer available buyers, more investment dollars required and greater risk associated with their ownership/development.

Sale 1 has been positively adjusted 10% for its moderately larger size, as compared to the subject. Sales 2 and 3 have been negatively adjusted 60% for their significantly smaller sizes, as compared to the subject. Sales 4 and 5 have been negatively adjusted 50% for their considerably smaller sizes, as compared to the subject.

Utilities

The sales provide adequate utilities for standard residential and commercial development, comparable to the subject property. The subject property is bound by an "Agreement" made in 1957 that waives the right to petition the county for sewer service. This is an extraordinary cost. Notwithstanding typical governmental assistance for redevelopment projects³ the longstanding waiver to petition for sewers is considered to involve extraordinary cost. The adjustment made is roughly \$0.40 per sq. ft. (\$2.25M / 5,837,982 sq. ft.)

Zoning

The subject site is predominantly zoned R-1a, single family residential, by the City of Prairie Village. The zoning allows for a variety of residential uses with maximum height, front, rear and side setbacks. All the comparable sales had zoning at the time of their respective sales that was considered to be relatively similar to the subject. Therefore, no adjustments are applied for zoning in this analysis.

Topography/Configuration

Sale 1 has a portion of its property that is comprised of a former nine-hole golf-course, which meanders through a residential development, while also being separated from its primary tract by Antioch Road. This western portion of the property also has a narrow configuration that is not considered to be ideal for development. Therefore, this sale has been positively adjusted 10% for these inferior aspects. The remaining comparable sales have relatively similar configurations and developmental utility, as compared to the subject and have not been adjusted for these aspects.

Sale 1 has a rolling topography with large portion of its site within the 100-year flood zone. The size of this area is considered larger than what might typically be considered typical for designated "green space", or "detention areas", by market participants within a large development. Therefore, this sale has been positively adjusted 10% for this specific inferior aspect. The remaining comparable sales have relatively similar topographies, as compared to the subject and have not been adjusted for this aspect.

³ To name a few projects with residential use having city assistance in Johnson County: Overland Park's Mission Farms (West), Lenexa's City Center, and Shawnee's Cobblestone.

Frontage

The subject is situated with excellent frontage along its western boundary (Nall Avenue), but limited frontage along its northern boundary (Somerset Drive) and no street frontage along its eastern and southern boundaries. Sale 1 has frontage along three of its boundaries for its primary tract, including frontage along Interstate 435. Overall, this sale is considered to have considerably superior frontage aspects, as compared to the subject and has been negatively adjusted 25% for this aspect. Sales 2, 3, 4 and 5 have relatively similar frontage aspects, as compared to the subject, and have not been adjusted for this category.

SALES ADJUSTMENT GRID

	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Name	Former Meadowbrook Country Club	Brookridge Country Club	Mainstreet Senior Healthcare Land	Prairiefire Villas Land	Homestead Country Club	Mission Chateau Land
Address	9101 Nall Avenue	8215 W. 103rd St.	7600 Antioch Rd.	5901 W 137th St.	6510 Mission Rd.	8500 Mission Rd.
City	Prairie Village	Overland Park	Overland Park	Overland Park	Prairie Village	Prairie Village
Land Acres	134.02	176.21	4.89	6.55	14.48	18.43
Zoning	R-1a	R-1	R-1	MXD	R-1a	R-1a
Sale Price	NA	\$17,550,000	\$1,275,000	\$1,420,000	\$3,040,755	\$4,435,000
Land Area SF	5,837,982	7,675,708	213,025	285,123	630,721	802,747
Price Per SF		\$2.29	\$5.99	\$4.98	\$4.82	\$5.52
Property Rights		Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%
Adjusted Price/SF		\$2.29	\$5.99	\$4.98	\$4.82	\$5.52
Terms/Financing		Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
% Adjustment		0%	0%	0%	0%	0%
Adjusted Price/SF		\$2.29	\$5.99	\$4.98	\$4.82	\$5.52
Conditions of Sale		Inferior	Inferior	Similar	Inferior	Inferior
% Adjustment		2.28%	3.14%	0.00%	18.22%	11.27%
Adjusted Price/SF		\$2.34	\$6.17	\$4.98	\$5.70	\$6.15
Sale Date		Aug-14	Jun-14	Nov-13	Nov-13	Jun-11
% Adjustment		0%	0%	5%	5%	15%
Time Adjusted Price/SF		\$2.34	\$6.17	\$5.23	\$5.98	\$7.07
Location/Access		Superior	Similar	Inferior	Similar	Similar
% Adjustment		-10%	0%	5%	0%	0%
Size		Inferior	Superior	Superior	Superior	Superior
% Adjustment		10%	-60%	-60%	-50%	-50%
Utilities		Superior	Superior	Superior	Superior	Superior
% Adjustment		-15%	-6%	-8%	-7%	-6%
Zoning		Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%
Topography/Configuration		Inferior	Similar	Similar	Similar	Similar
% Adjustment		20%	0%	0%	0%	0%
Frontage		Superior	Similar	Similar	Similar	Similar
% Adjustment		-25%	0%	0%	0%	0%
Adjusted Price/SF		\$1.87	\$2.10	\$1.93	\$2.57	\$3.11

SUMMARY OF THE SALES COMPARISON APPROACH

Conclusion – price per square foot analysis

The comparable sales indicate a range of values after adjustments. The range is from \$1.87 per square foot to \$3.11 per square foot, with an average figure of \$2.32 per square foot and a median figure of \$2.10 per square foot.

As discussed earlier, due to the limited nature of recent available information pertaining to vacant land within the subject's submarket, the market survey was expanded to include sales of improved properties that were purchased with the intent of razing the existing improvements for alternative development. Sales 1, 2, 4 and 5 all had existing improvements upon the sites, as of the respective sale dates. Based upon information from information from Marshall Valuation Service, along with discussions with local construction companies, cost estimates to raze the existing improvements, along with the removal of tennis courts and swimming pools have been made to these sales.

A similar deduction has been calculated and applied to the subject property for its existing improvements. The estimated deduction of \$250,000 has been applied in this analysis and is illustrated in the table below. The resulting figure reflects the subject's "As Is" value indication for its highest and best use as residential development land.

Adjusted Price Indications		Concluded "As Is" Value
Minimum Adjusted Price/SF	\$1.87	\$2.25/SF
Maximum Adjusted Price/SF	\$3.11	\$13,135,460 Base Value Indication
Average Adjusted Price/SF	\$2.32	-\$250,000 Deduction: Razing Improvements
Median Adjusted Price/SF	\$2.10	\$12,900,000 Rounded "As Is" Value

1 of the sales have been relied upon in this analysis, with an emphasis placed upon Sale 1. This sale is the most recent and a sale of a relatively similar country club property that is being sold for alternative development.

An estimated per square foot value of \$2.25 per square foot is generally in-line with the indicated average and median figures. As applied to the subject property it results in the following value indication.

$$\begin{aligned}
 &\$2.25 \text{ per square foot} \times 5,837,982 \text{ square feet} = \$13,135,460 \\
 &\$13,135,460 - \$250,000 = \$12,885,460 \\
 &\text{Rounded to } \$12,900,000
 \end{aligned}$$

VALUE ESTIMATE – SALES COMPARISON APPROACH:

\$12,900,000

ADDENDUM

COMPARABLE SALE NO. 1

**Sport & Entertainment
Golf Related
Golf Course/Club**

Brookridge Country Club
8215 W 103rd St
Overland Park, KS 66212

BlissWorld No. 84215



Transaction

Sale Price:	\$17,550,000	Sale Date:	8/27/2014
Analysis Price:	\$17,950,000	Deed No.:	20140909-0002559
Conditions of Sale:	Arm's length	Book:	201409
Interest Conveyed:	Fee Simple	Page:	002559
Seller:	Capital Foresight Golf & Fitness LLC		
Buyer:	Overland Park Development Co. Inc., (Curtin Property Co., an OP, Ks investment company)		
Terms:	Cash		

Purchased for redevelopment with possible golf component. No formal plans were known at the time of sale. John Peterson represented the buyers. Steve Faltemeir owned a partial interest included in the \$17.55M (separate SVQ but consideration shown on 2nd SVQ). The analysis price reflects the anticipated cost of razing the improvements, including tennis courts and swimming pool.

Analysis

Price / SF Land:	\$2.29	Price / Acre Land:	\$99,597
Price / Unit:	\$650,000		

Building

Building SF:	65,684	Year Built:	1960
Quality:	Average	Condition:	Average

Land

SF:	7,675,708	Topography:	Rolling Land
Acres:	176.21	Utilities - Water:	Yes
Zoning:	R-1	Utilities - Gas:	Yes
Shape:	Irregular	Utilities - Sewer:	Yes
Easements:	Standard	Utilities - Electric:	Yes
Legal:	8215 W 103rd, 8223 W 103rd 10500 Antioch, 10601 Antioch		

The property includes an 18-hole golf course, a 9-hole golf course, swimming pool, clubhouse and other amenities. The site comprises 4 tax parcels on both sides of Antioch, with frontage along I-435. Approximately 38% of the site is situated within a "AE Floodway" designation, while approximately 17% is situated within the "AE" designation, both of which are 100-year flood areas.

COMPARABLE SALE NO. 2

Land Commercial

Mainstreet Senior Healthcare Land
7600 Antioch Rd
Overland Park, KS 66204

BlissWorld No. 123893



Transaction

Sale Price:	\$1,275,000	Sale Date:	6/19/2014
Analysis Price:	\$1,315,000	Deed No.:	20140623-0007718
Conditions of Sale:	Direct	Book:	201406
Interest Conveyed:	Fee Simple	Page:	007718
Seller:	Antioch Church of the Nazarene, Inc.		
Buyer:	MS Overland Park, LLC		
Terms:	Cash		

Property was purchased on June 19, 2014. Former site of the Antioch Church of the Nazarene, which contained 10,187 gross square feet. Church and Sunday school building were demolished at a price of \$40,000, according to the permit filed with Overland Park. Buyer is a company called Mainstreet, which constructs short-stay rehabilitation properties, mostly for seniors. Current portfolio contains 15 properties in Indiana and Illinois. The company currently has 13 proposed facilities. The sale was not exposed to the open market, but the sale price is considered to be at market.

Analysis

Price / SF Land:	\$6.17	Price / Acre Land:	\$268,916
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Land

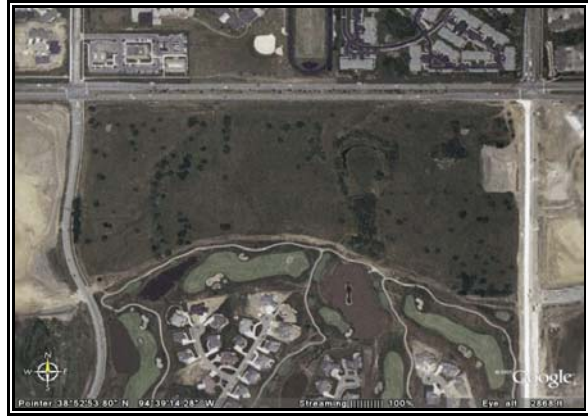
SF:	213,025	Topography:	Gently Sloping
Acres:	4.89	Utilities - Water:	Yes
Zoning:	R-1	Utilities - Gas:	Yes
Shape:	Irregular	Utilities - Sewer:	Yes
Frontage:	343.08	Utilities - Electric:	Yes
Easements:	Standard	Improvements:	Church
		Proposed Dev.:	rehabilitation center for seniors
		Highest&Best Use:	residential development

COMPARABLE SALE NO. 3

Land
Subdivision-Residential

Prairiefire Villas
5901 W 137th St
Overland Park, KS 66223

BlissWorld No. 100564



Aerial View

Transaction

Sale Price:	\$1,420,000	Sale Date:	11/20/2013
Analysis Price:	\$1,420,000	Deed No.:	SWD
Conditions of Sale:	Arm's length	Book:	201311
Interest Conveyed:	Fee Simple	Page:	005466
Seller:	MC Prairiefire Villas, LLC (Fred Merrill, Jr.)		
Buyer:	Prairiefire 135, LLC (Jim Lambie)		
Terms:	Cash		

The buyer, Jim Lambie, is a bulider who plans to develop the land into 18 lots and construct high-end patio homes. The typical lot has about 9,000 sq. ft. and ingress will be via a 50 ft. private drive south of 137th.

Analysis

Price / SF Land: \$4.98

Land

SF:	285,123	Topography:	Gently Sloping
Acres:	6.55	Utilities - Water:	Yes
Zoning:	MXD	Utilities - Gas:	Yes
Shape:	Irregular	Utilities - Sewer:	Yes
Easements:	Standard	Utilities - Electric:	Yes
		Improvements:	None
		Proposed Dev.:	High-end patio homes
		Highest&Best Use:	Mixed Use
Tax ID:	NF251332-3001, NF251332-3015,		

COMPARABLE SALE NO. 4

Sport & Entertainment Fitness, Court and Spa Facility Sports Club

Homestead Country Club
6510 Mission Rd
Prairie Village, KS 66208

BlissWorld No. 684



Transaction

Sale Price:	\$3,040,775	Sale Date:	11/15/2013
Analysis Price:	\$3,290,775	Book:	201311
Conditions of Sale:	Distressed	Page:	004361
Seller:	Valley View State Bank		
Buyer:	TTC, LLC (Jeffrey Alpert and Melanie Mann)		
Terms:	Cash		

The transaction was an assignment of the mortgage and considered a distressed transaction. The equity is very questionable. The face amount of the note was \$3.040M but likely sold at a discount. The actual price paid is unknown, however Equity Bank financed \$2.080M (68% of par). Membership had dropped 36% in the last decade, from about 500 in the late 1990s to 320 at the time of the sale. The Club filed for bankruptcy and intends to sell the front 6 acres to Evan-Talan Homes, a Leawood-based custom home builder. The 6 acres would support 10 to 12 homes. The analysis price reflects the estimated cost of razing the club's improvements for alternative development of the land.

Analysis

Price / SF Land:	\$4.85	Price / Acre Land:	\$211,165
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Building

Building SF:	29,504	Year Built:	1954
Quality:	Average	Condition:	Average

Land

SF:	630,721	Topography:	Rolling Land
Acres:	14.48	Utilities - Water:	Yes
Zoning:	R-1a	Utilities - Gas:	Yes
Shape:	Irregular	Utilities - Sewer:	Yes
Easements:	Standard	Utilities - Electric:	Yes
Legal:	Indian Fields, Lot A, and Lot 1 Block 11		
Subdivision:	Indian Fields	Lot: 1 and A	Block: 11

The club's facilities include an Olympic-size pool, 16 outdoor tennis courts, with four covered during the winter for year-round play and a main clubhouse with a restaurant, bar and banquet room.

COMPARABLE SALE NO. 5

Land Planned Development (PUD)

Mission Chateau (formerly Mission Valle)
8500 Mission Rd
Prairie Village, KS 66208

BlissWorld No. 114221



Transaction

Sale Price:	\$4,435,000	Sale Date:	6/20/2011
Analysis Price:	\$4,935,000		
Conditions of Sale:	Arm's length		
Interest Conveyed:	Fee Simple		
Seller:	SMSD		
Buyer:	MVS, LLC (Tuterra)		
Terms:	Cash		

Buyer has proposed several redevelopment projects all with greater density than single family subject to rezoning. Considerable opposition to the rezoning still pending. In 2013 the footprint was proposed at approx. 185,000 SF. The analysis price includes the estimated demolition costs of the 100,453 gross square foot school building and related site improvements.

Analysis

Price / SF Land: \$6.15

Land

SF:	802,747	Topography:	Level
Acres:	18.43	Utilities - Water:	Yes
Zoning:	R-1A	Utilities - Gas:	Yes
Shape:	Irregular	Utilities - Sewer:	Yes
		Utilities - Electric:	Yes
		Improvements:	School
		Proposed Dev.:	senior living facility
		Highest&Best Use:	residential
Tax ID:	0460682804001025000		
Legal:	Block 1, Meadowbrook Junior High School Plat		



ROBERT E. MARX, MAI, SRA

Certifications

- Appraisal Institute's Litigation Professional Development Program
- Member Appraisal Institute (MAI), No. M-9207
- Senior Residential Appraiser (SRA)
- Institute of Residential Marketing
- Colorado State Certified General Real Estate Appraiser No. CG100048101
- Kansas State Certified General Real Property Appraiser No. G-383
- Kansas Licensed Real Estate Broker No. BR00052260
- Missouri State Certified General Real Estate Appraiser No. RA001238
- Missouri Licensed Real Estate Broker-Salesperson (inactive) 1999023167

Experience

- 38 years full-time real estate appraising with Bliss involving all types of properties
- Expert Valuation Witness
District Courts in Kansas Counties:
 Geary, Johnson, Leavenworth, Riley, Sedgwick, Shawnee, and Wyandotte
Circuit Courts in Missouri Counties:
 Cass, Clay, Jackson and Platte
Federal Bankruptcy Courts:
 Western Missouri and Kansas
Various local planning and zoning hearings
- Recent teaching and related experience
March 2013, Co-presenter, CLE Seminar, National Business Institute, *Eminent Domain from Start to Finish*
October 2009, Speaker, KC Regional Chapter of the International Association of Assessing Officers, *Valuation and Appraisal in a Dysfunctional Market*
October 2009, Co-presenter, CLE Seminar, KC Metropolitan Bar Association, *Handling Distressed Commercial Properties in 2009*
2000, Approved instructor for appraiser continuing education in Idaho, Illinois, Indiana, Kansas, Missouri, Pennsylvania and Virginia
2000, co-author: manuscript *Police Power Regulation of Highway Access and Traffic Flow in the State of Kansas*

Associations

- Member: Appraisal Institute Review Panel
- Member: Kansas City Regional Association of Realtors®
- Member: Missouri Association of Realtors
- Member: National Association of Home Builders
- Member: Young Advisory Council of the Appraisal Institute
- Past President: KC Data Service, Inc. (1991)

Formal Education

- BA Chemistry
University of Kansas, 1973

Recent/Advanced Course Work

- 2012, Handling Eminent Domain Cases in Missouri and Kansas (CLE Seminar)
- 2012, Wind Energy Transaction (CLE Seminar)
- 2011, Condemnation Appraising: Principles and Application
- 2010, The Appraiser as an Expert Witness: Preparation & Testimony
- 2010, Hotel Appraisal
- 2010, Litigation Appraising: Specialized Topics and Applications
- 2008, Appraisal Review - General
- 2007, Finance, Statistics & Valuation Modeling
- 2006, New Markets Tax Credit Conference
- 2003, Separating Real and Personal Property from Intangible Business Assets
- 2000-2001, Regression Analysis and Special Topics in Statistics – SAS (UMKC\Courses 590\6 credit hours)
- 2000, Regression Analysis (UMKC\ Course 590\3 credit hours)



ROBERT L. JACKSON

Certifications

- Missouri State Certified General Real Estate Appraiser No. 1999141552
- Kansas State Certified General Real Property Appraiser No. G-1498

Experience

- A total of 24 years experience valuing and appraising commercial real estate as an appraiser, loan officer and mortgage banker
- Seventeen years experience in commercial real estate appraising involving office retail, multi-family, hotel/motel and industrial properties
- Two years experience as a loan officer for a national conduit lending institution
- Five years experience as a mortgage banker of the Kansas/Missouri region, as a direct correspondent for several national lending institutions

Formal Education

- Bachelor of Arts Psychology, 1990
The College of William & Mary, Williamsburg, Virginia

Advanced Course Work

- 2014 Real Estate Finance Statistics and Valuation Modeling
- 2014 Comparative Analysis
- 2014 National USPAP Update Course
- 2012 Apartment Appraisal, Concepts and Applications
- 2012 What Commercial Clients Would Like Appraisers to Know
- 2012 National USPAP Update
- 2010 Income Approach – An Overview
- 2010 Rates and Ratios: GIMs, OARs, and DCF
- 2010 Scope of Work Course
- 2010 The National USPAP Update Course
- 2008 Marshall & Swift Commercial Cost Training
- 2008 Business Practices & Ethics
- 2008 Analyzing Distressed Real Estate
- 2008 Real Estate Appraisal Operations
- 2006 Valuation of Detrimental Conditions in Real Estate
- 2006 Small Hotel/Motel Valuation
- 2006 Analyzing Operating Expenses
- 2004 On-line Using the HP12C Financial Calculator
- 2004 Feasibility, Market Value Investment Timing: Option Value
- 2004 Introduction to GIS Applications For Real Estate Appraising
- 2003 Internet Search Strategies for Appraising
- 2002 Real Estate Appraisal Applications
- 2001 The National USPAP Course
- 1998 Regression Analysis, Appraisal Approach of the Future
- 1994 AI Course 510, Advanced Income Capitalization
- 1993 AI Course 420, Standards of Professional Practice, Part B
- 1993 AI Course 410, Standards of Professional Practice, Part A
- 1993 AI Course 310, Basic Income Capitalization
- 1993 AI Course 120, Appraisal Procedures
- 1992 AI Course 110, Appraisal Principals