

A Report of an Appraisal



Adamson & Associates, Inc.

Kansas City

P.O. Box 327
Mission, KS 66201
913.722.5432

Phoenix

7127 W. Morning Vista Drive
Peoria, AZ 85383
602-647-5294

800.818-0523 Toll Free and E-Fax
info@adamsoninc.com
www.adamsoninc.com

16.65 Acres of Vacant Land
+/-1130 Southview Drive
Liberty, Missouri 64068

Prepared for
Mr. Steve Anderson
Chief Operations Officer
Liberty Public School District #53
8 Victory Lane
Liberty, MO 64068

Client Reference
Liberty Public School District #53

Adamson File
1-12562-51-50.0

SUBJECT PROPERTY

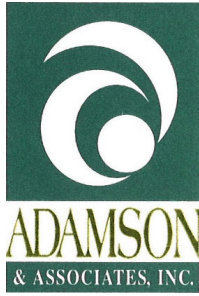


Subject Property



Aerial Parcel Map

**The outlined area in red is being assembled with the adjacent parcel to the north, but is still currently part of the subject according to Clay County records. It is not part of the subject of this report at the request of the client.*



Henry K. Adamson IV, MAI, AI-GRS, MRICS, CCIM, GAA
Matthew D. Angelo, MAI

800.818.0523 Toll Free Phone and E-Fax
info@adamsoninc.com
adamsoninc.com

November 1, 2023

Mr. Steve Anderson
Chief Operations Officer
Liberty Public School District #53
8 Victory Lane
Liberty, MO 64068

Re: 16.65 Acres of Vacant Land
+/-1130 Southview Drive
Liberty, MO 64068

Dear Mr. Anderson:

Adamson & Associates, Inc. is pleased to submit the accompanying appraisal report that addresses the above referenced property. The client in this assignment is Liberty Public School District #53 and the intended user of the report is Liberty Public School District #53. The intended use of this appraisal is to assist the client in matters regarding the subject. This appraisal report is prepared for the sole and exclusive use of the client and intended users. No third parties are authorized to rely upon this report without our express written authorization.

The subject of this report consists of a tract of vacant land that is located on the west side of Southview Drive, one block west of MO-291, and approximately one-half mile north of Creekwood Drive in Liberty, Clay County, Missouri. The entire parcel contains 18.55 acres according to Clay County. However, the owner is planning to split off a portion of the northern section and combine it with the parcel to the north that is also owned by the Liberty School District. The City of Liberty has reportedly approved the lot-split, but a plat has not been finalized. The scope of work for this assignment requires the use of an extraordinary assumption that the lot split will occur. The total site area for the subject in this appraisal is 725,274 square feet, or 16.65 acres. It should be noted that the subject does not have an address listed by Clay County or the City of Liberty. An address of +/-1130 Southview Road is used to reference the subject in this report. It should be noted that there is a cross access easement leading to Southview Drive through the parcel to the north. The owner has decided not to grant a cross access easement to the subject after the lot-split occurs. It should be noted that the City approved the lot-split knowing there will be no cross access easement. Discussions with the City Planner indicate that they have slated the future land use plan for the subject site to be single-family residential development and it is assumed that the property owner to the south, a developer that has already been approved for development of a single-family residential subdivision, will eventually purchase the subject for future expansion. The Planner indicated that rezoning of the subject to allow single-family residences is likely to be approved and at that time a new cross access easement will be granted. It should be noted that the owner to the north could still provide an easement should the developer to the south not purchase the property.

The appraisal has been prepared in accordance with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, the appraisal has been prepared in compliance with Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

The appraisal report option under USPAP Standards Rule 2-2(a) has been used to report the results of this assignment. The attached report summarizes the data researched, the appraisal methods utilized and the analyses and reasoning for my opinions and conclusions. Some information is retained in my file.

The acceptance of this appraisal assignment and the completion of the attached appraisal report are subject to the General Assumptions and Limiting Conditions contained in the report. The analyses and opinions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions that might have affected the assignment results:

Special Limiting Conditions

1. The land area for the entire parcel is based on County records. The size of the land area after the lot-split is based on a preliminary plat provided by MKEC bearing an effective date of July 21, 2023. Any changes in the land area may result in commensurate changes in value.
2. No use restrictions were found in researching the history of the subject property. It is assumed no use restrictions exist. The analyses and conclusions in this report could be affected should a use restriction or restrictions be found to exist.
3. It should be noted that there is no address listed for the subject according to the Clay County Assessor or the City of Liberty. An address of +/-1130 Southview Road will be used to reference the subject in this report.

Extraordinary Assumptions

1. The lot-split has reportedly been approved by the City of Liberty, but a final plat has not yet been filed. The City is allowing the subject's owner to remove the cross access easement after the lot-split, which will make the subject landlocked. Discussions with the City Planning Department indicate that the lot-split was allowed without a cross access easement in place because it is assumed that the owner to the south will purchase the site, at which time a cross access easement will be granted. The City reported that if the owner to the south purchases the subject, it will have to be rezoned to residential uses, which is likely to be approved. The final value opinion in this report has relied on the information provided by the City of Liberty Planning Department.

Hypothetical Conditions

1. No hypothetical conditions are used in the appraisal development.

My opinion of the “as is” value of the property, based on the data and analyses in the attached report, is summarized below.

VALUE CONCLUSION			
Value Type	Interest Appraised	Effective Date of Value	Value Conclusion
Market – “As Is” Vacant Site	Fee Simple	October 24, 2023	\$435,000

The analyses and conclusions presented in the attached report apply only as of the effective date of value indicated. Adamson & Associates, Inc. is not responsible for the effects of future events that cannot reasonably be foreseen, as of the date of this report. The Covid-19 pandemic has created volatility in the financial markets and a wide range of viewpoints exists regarding the effects of the pandemic on real estate demand and values. A consensus has not yet been formed as to the long-term effects of the pandemic on the national economy and national real estate markets, and no metrics exist that can accurately quantify or predict the effects of the pandemic while it continues to be fought.


Market participants were interviewed as part of the scope of work for this and other assignments and they related that the effects of the pandemic have been inconsistent in relation to different property types, different markets and even different asset classes. Some property types in certain markets are reported to have been unaffected by the pandemic or have already returned to pre-Covid-19 levels.

A majority of market participants interviewed anticipate that the overall economy will return to Pre-Covid-19 levels once the pandemic is fully-contained. The commercial real estate markets have not yet fully felt the effects of inflation and increasing interest rates. Caution is advised in the short-term for commercial real estate investments and the client is advised to review the collateral frequently and seek advice regarding market participants’ reactions to changes in interest rates and inflation.

This transmittal letter is not an appraisal report and the opinions expressed in this letter are only a summary of the data contained in the appraisal report, and this letter is invalid should it be detached from the appraisal report.

Thank you for the opportunity to be of service.

Adamson & Associates, Inc.



Matthew Angelo, MAI
Senior Vice President
MO State Certified General Real Property Appraiser 2007036009

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 limited conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I 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.
- I have performed no 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 this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- No one provided significant real property appraisal assistance to the persons signing this report.
- I have made a personal inspection of the of the subject property.
- Matthew Angelo has completed the requirements of the continuing education program of the Appraisal Institute, as of the date of this report.

I certify that, to the best of my knowledge and belief, the reported analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Matthew Angelo, MAI
MO State Certified General Real Property Appraiser 2007036009
E-mail: mangelo@adamsoninc.com



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EXECUTIVE SUMMARY

Property Identification

Property/Location	16.65 Acres of Vacant Land +/-1130 Southview Drive Liberty, Missouri 64068
County	Clay
Census Tract	0223.01
Property Major Type/Property Type	Land / Residential
Owner	Liberty Public School District #53
Parcel ID Number	15410000701800

Site Data

Land Area	725,274 SF; 16.65 Acres
Zoning	M-1, Light Industrial District (current zoning) R1-C, Standard Single-Family Residential District (potential rezoning)

Highest and Best Use

Highest and Best Use as Vacant	The concluded highest and best use of the site, as vacant, is assemblage with the adjacent parcel to the south, rezoning of the site to R1-C, and immediate development with a single-family residential subdivision. The site could also be developed with an improvement constructed for owner-occupancy, assuming an access easement were in place.
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Highest and Best Use, As Improved	Does not apply.
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Summary of Values	
Value Premise	As Is
Date of Value	October 24, 2023
Value Type	Market
Value Perspective	Current
Interest Appraised	Fee Simple
Cost Approach	Not Developed
Sales Comparison Approach	\$435,000
Income Approach	Not Developed
Value Conclusion:	\$435,000

The values above are subject to the definitions, assumptions and limiting conditions included later in this report. This appraisal report is prepared for the sole and exclusive use of the client and intended users. It is assumed that the client and intended users have read the entire report, including the definitions, assumptions and limiting conditions.



SPECIAL LIMITING CONDITIONS, EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

This assignment is subject to special limiting conditions, extraordinary assumptions and hypothetical conditions that may vary with each appraisal. Special limiting conditions are conditions affecting the appraisal that are not addressed by standard assumptions and general limiting conditions (contained at the end of this report). An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. A hypothetical condition is a condition directly related to a specific assignment that is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. If a hypothetical condition is used in an appraisal, its exclusion could alter the appraiser's opinion of value.

Special Limiting Conditions

1. The land area for the entire parcel is based on County records. The size of the land area after the lot-split is based on a preliminary plat provided by MKEC bearing an effective date of July 21, 2023. Any changes in the land area may result in commensurate changes in value.
2. No use restrictions were found in researching the history of the subject property. It is assumed no use restrictions exist. The analyses and conclusions in this report could be affected should a use restriction or restrictions be found to exist.
3. It should be noted that there is no address listed for the subject according to the Clay County Assessor or the City of Liberty. An address of +/-1130 Southview Road will be used to reference the subject in this report.

Extraordinary Assumptions

1. The lot-split has reportedly been approved by the City of Liberty, but a final plat has not yet been filed. The City is allowing the subject's owner to remove the cross access easement after the lot-split, which will make the subject landlocked. Discussions with the City Planning Department indicate that the lot-split was allowed without a cross access easement in place because it is assumed that the owner to the south will purchase the site, at which time a cross access easement will be granted. The City reported that if the owner to the south purchases the subject, it will have to be rezoned to residential uses, which is likely to be approved. The final value opinion in this report has relied on the information provided by the City of Liberty Planning Department.

Hypothetical Conditions

1. No hypothetical conditions are used in the appraisal development.



SALE, OPTION, LISTING AND OFFER HISTORY OF THE PROPERTY

Sale History

The most recent transaction involving the subject is summarized below.

Date of Sale	July 31, 2018
Grantor	Brian V. and Lisa J. Thomas
Grantee	Liberty Public School District #53
Sale Price	\$0

The entire parcel contains 18.55 acres according to Clay County. However, the owner is planning to split off a portion of the northern section and combine it with the parcel to the north that is also owned by the Liberty School District. The City of Liberty has reportedly approved the lot-split, but a plat has not been finalized. The scope of work for this assignment assumes a lot-split will occur. The total site area for the subject in this appraisal is 725,274 square feet, or 16.65 acres. It should be noted that there is a cross access easement leading to Southview Drive through the parcel to the north. The owner has decided not to grant a cross access easement to the subject after the lot-split occurs. It should be noted that the City approved the lot-split knowing there will be no cross access easement. Discussions with the City Planner indicate that they have slated the future land use plan for the subject site to be single-family residential development and it is assumed that the property owner to the south, a developer that has already been approved for development of a single-family residential subdivision, will eventually purchase the subject for future expansion. The Planner indicated that rezoning of the subject to allow single-family residences is likely to be approved and at that time a new cross access easement will be granted.

No transactions were found to have occurred in the past five years.

Current Listing

The subject is not listed for sale to my knowledge.

Pending Transactions

The subject is not under contract to my knowledge.



SCOPE OF WORK

Purpose of the Appraisal and Definition of Market Value

The purpose of the appraisal is to develop an opinion of market value for the subject property. The specific definition of market value used in this appraisal is as follows:

The most probable price that 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 U.S. 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.*

Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

Property Rights Appraised

The property rights appraised in this assignment are those of the fee simple estate.

Client, Intended Use, Intended User

As previously stated, the client in this assignment is Liberty Public School District #53, and the intended user of the report is Liberty Public School District #53. No other parties are entitled to use this report. The intended use of this appraisal is to assist the client in matters regarding the subject property. Any other use is prohibited.

Report Date and Effective Date of Value

The date of this report is November 1, 2023. The property was inspected on October 24, 2023. The effective date of the “as is” value is October 24, 2023, the date of inspection. The appraisal is valid only as of the stated effective date.

Inspection

The inspection included viewing the vacant site from the adjacent parcel and the surrounding streets.

Personnel of Adamson & Associates, Inc. are not engineers and are not competent to judge matters of an engineering nature, nor has Adamson & Associates, Inc. retained independent structural, mechanical, electrical, or civil engineers in connection with the report. As such, Adamson & Associates, Inc. makes no representations relative to the condition of the improvements, if any exist. Unless otherwise noted in the report, no problems were brought to the attention of Adamson & Associates, Inc.'s professionals by ownership or management. If questions regarding engineering studies are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon.



Data Research

Information about the subject property and the surrounding market was collected from various sources including CoStar, Heartland MLS, the Clay County Assessor's Office and GIS mapping website, Adamson & Associates, Inc.'s database, local and national publications and other online sources. Real estate brokers and other market participants were interviewed in an effort to obtain comparable data and information about market conditions.

The land area for the entire parcel is based on County records. The size of the land area after the lot-split is based on a preliminary plat provided by MKEC bearing an effective date of July 21, 2023. Any changes in the land area may result in commensurate changes in value. The zoning of the site was verified with the City of Liberty Planning and Zoning Department, and a copy of the ordinance is retained in my file. Flood plain information was obtained from the CCIM Institute's Site to do Business and/or the FEMA website. Adamson & Associates, Inc. personnel are not experts in flood plain determination and have relied solely on information from these sites.

Methods and Reporting

The Cost Approach was considered and was not developed in this appraisal because the subject is vacant land. The Income Approach was considered and was not developed in this appraisal because the subject is vacant land. The Sales Comparison Approach was considered and was developed in this appraisal because there is adequate data to develop a value opinion and this approach reflects market behavior for this property type. Information about the application of each approach is contained in the appropriate section of this report.

The reporting consists of this appraisal report that is intended to comply with the reporting requirements set forth under USPAP S.R. 2-2(a). This report summarizes the data researched, the appraisal methods utilized and the analyses and reasoning for my opinions and conclusions. Some of the information, reasoning and analyses used in the appraisal process are retained in my file.

Competency

I have the knowledge and experience needed to complete this assignment in a competent manner. All necessary and appropriate steps have been taken in order to complete this assignment competently. See qualifications included later in this report.

Standard Assumptions and General Limiting Conditions

This report assumes the following:

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. We have made no survey of the property and assume no responsibility in connection with such matters.
2. The appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the appraiser or the appraiser's staff or was obtained or taken from referenced sources and is considered reliable. No responsibility is assumed for the costs of preparation or for arranging geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.



3. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in fee simple unless discussed otherwise in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as noted.
4. Unless otherwise noted herein, it is assumed there are no encroachments or violations of any zoning or other regulations affecting the subject property and the utilization of the land and improvements is within the boundaries or property lines of the property described.
5. Adamson & Associates, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
6. It is assumed the subject property is not adversely affected by the potential of floods.
7. It is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
8. Unless otherwise noted within the report, the depiction of the physical condition of the improvements described herein is based on an on-site visual observation. No liability is assumed for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made. No responsibility is assumed for hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during our on-site observation.
9. If building improvements are present on the site, no significant evidence of termite damage or infestation was observed during our on-site visual observation, unless so noted in the report. No termite inspection report was available, unless so noted in the report. No responsibility is assumed for hidden damages or infestation.
10. Any proposed or incomplete improvements included in this report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
11. No responsibility is assumed for hidden defects or for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
12. The property is assumed to be under financially sound, competent and aggressive ownership.
13. The appraisers assume no responsibility for any changes in economic or physical conditions which occur following the effective date of this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
14. The value estimates reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value estimates, unless such proration or division of interests is set forth in the report.
15. Any division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.

16. Unless otherwise noted in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment.
17. Unless otherwise stated, it is assumed ownership includes subsurface oil, gas, and other mineral rights. No opinion is expressed as to whether the property is subject to surface entry for their exploration or removal. The contributing value, if any, of these rights has not been separately identified.
18. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are our best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand.
19. Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
20. Adamson & Associates, Inc. representatives are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraisers are not qualified to detect such substances. The client is urged to retain an expert in this field.
21. We are not experts in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species.
22. No environmental impact studies were either requested or made in conjunction with this analysis. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, and investigation.
23. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.
24. Neither all nor any part of the contents of this report or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media, without the prior written consent and approval of the appraisers. This limitation pertains to any valuation conclusions, the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof.



25. Although the appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraiser either by the client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or estimates of value.
26. If this report has been prepared in a so-called “public non-disclosure” state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a “non-disclosure” state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. It is suggested the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds to the subject property.
27. This report is null and void if used in any connection with a real estate syndicate or syndication, defined as a general or limited partnership, joint venture, unincorporated association, or similar organization formed for or engaged in investment or gain from an interest in real property, including but not limited to a sale, exchange, trade, development, or lease of property on behalf of others or which is required to be registered with the U.S. Securities and Exchange Commission or any Federal or State Agency which regulates investments made as a public offering.
28. The American Disabilities Act of 1990 (ADA) sets strict and specific standards for handicapped access to and within most commercial and industrial buildings. Determination of compliance with these standards is beyond appraisal expertise and, therefore, has not been attempted by the appraisers. For purposes of this appraisal, we are assuming the building is in compliance; however, we recommend an architectural inspection of the building to determine compliance or requirements for compliance. We assume no responsibility for the cost of such determination and our appraisal is subject to revision if the building is not in compliance.
29. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at their own risk.
30. Unless otherwise indicated in this report, Adamson & Associates, Inc. has completed an on-site visual observation of the subject property which consisted of less than inspecting 100% of the interior and exterior of the improvements. Accordingly, Adamson & Associates, Inc. reserves the right to amend the appraised value and appraisal conclusions if engineering reports or other evidence is found, which would materially impact the reported conclusions.
31. The right is reserved by the appraiser to make adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the appraiser or appraisers. The appraiser(s) shall have no responsibility for any unauthorized change(s) to the report.

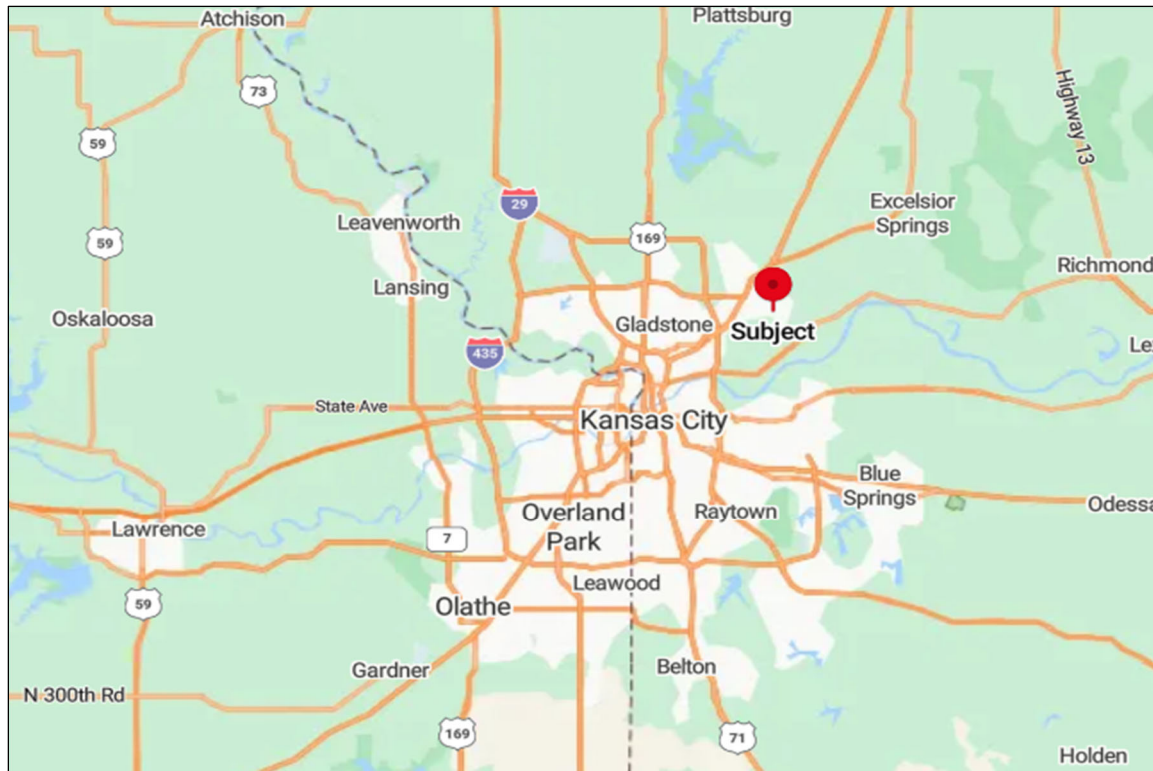
32. If the client instructions to the appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the observation date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
33. The submission of this report constitutes completion of the services authorized. It is submitted on the condition the client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, and judicial or administrative proceedings. In the event the appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the client immediately. The client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the estimate of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
34. Use of this appraisal report constitutes acknowledgement and acceptance of the general assumptions and limiting conditions, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based.
35. If provided, the estimated insurable value is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The appraisers are not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.

SUBJECT NEIGHBORHOOD AND MARKET AREA

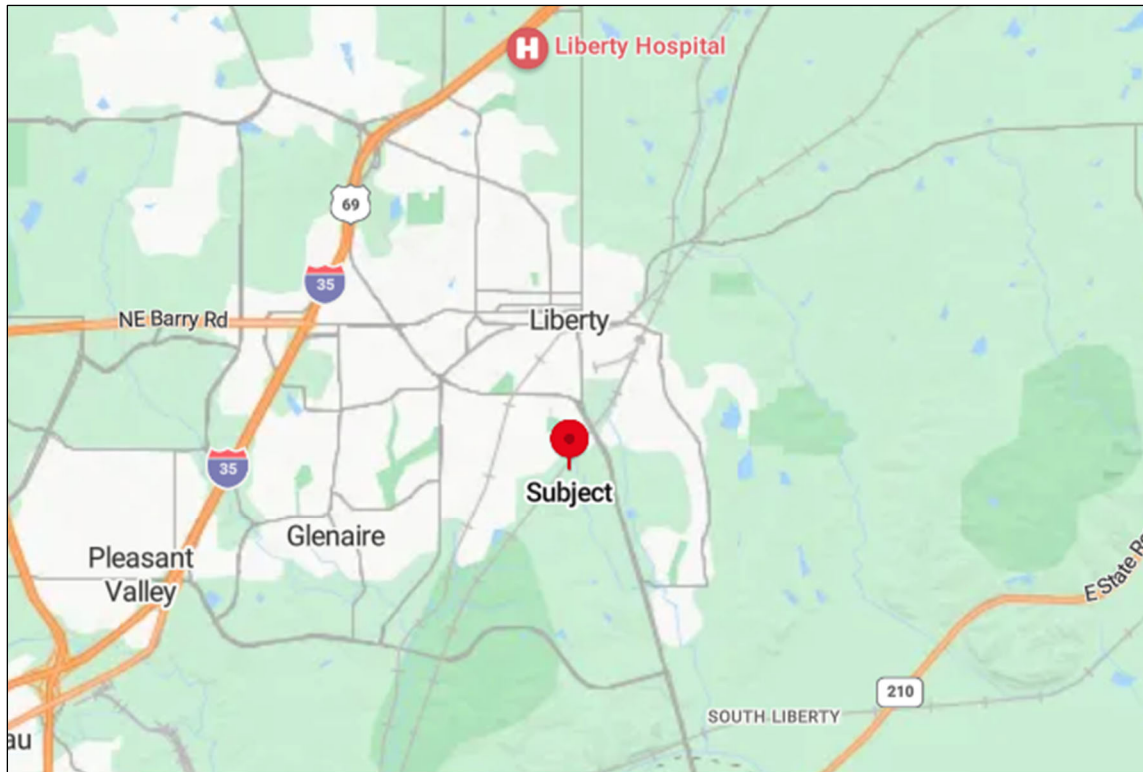
The boundaries of market areas and neighborhoods identify the areas that influence a property's value. The boundaries may coincide with land use changes or demographic and socioeconomic characteristics. Physical features such as structure types, street patterns, terrain and lot sizes can help define land use districts. Transportation arteries, bodies of water and changing elevations (cliffs, valleys, hills) can also serve as significant boundaries. The subject neighborhood boundaries and market area are described below.

Direction	Boundary
North	Mill Street
East	MO-291
South	MO-210
West	I-35/435

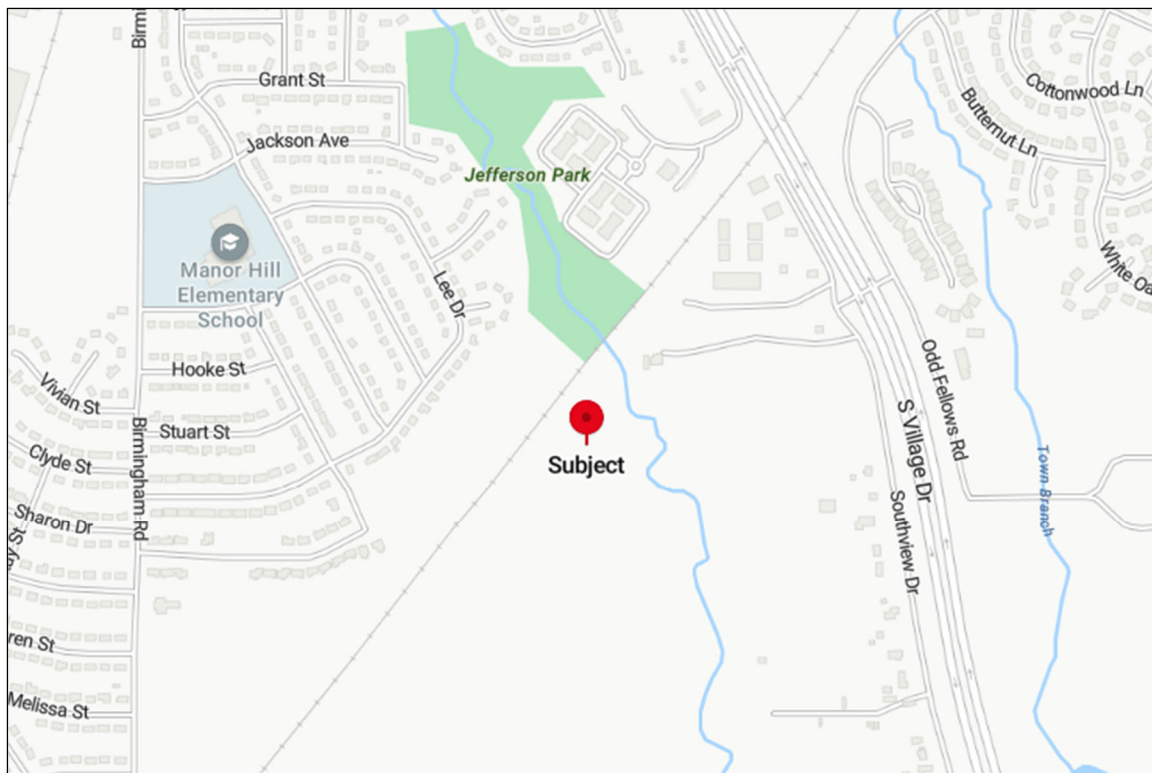
The subject is located on the west side of Southview Drive, one block west of MO-291, and approximately one-half mile north of Creekwood Drive in Liberty, Clay County, Missouri. The market area is considered to be a five-mile radius from the subject property. The following location maps illustrate the location and access characteristics of the neighborhood and market area.



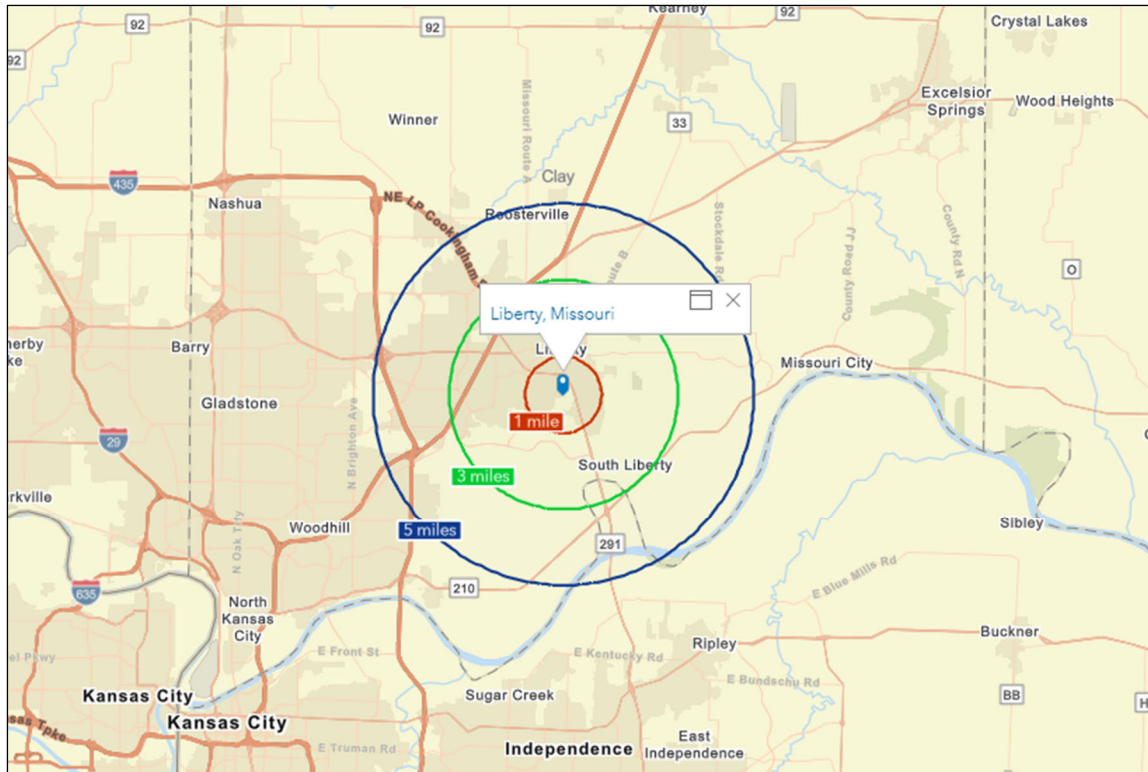
Metropolitan Area Location Map



Neighborhood Location Map



Immediate Neighborhood Map



One-, Three- and Five-Mile Radii Map – Site to do Business

Location/Access for the Subject Neighborhood

The following table describes the location and access characteristics of the subject neighborhood.

Item	Description
Primary Thoroughfare(s)	I-35, I-29, I-435, MO-291, MO-210, Kansas Street and others
Direction of Travel	All directions
Traffic Volume	Moderate to high
Secondary Thoroughfare(s)	Several secondary thoroughfares serve the subject neighborhood.
Direction of Travel	All directions
Traffic Volume	Low to moderate
Proximity to Interstate or Highway Access	The subject is located one block from MO-291 and 2.25 miles from Interstate 35.
Distance to City Center or CBD	The subject property is located approximately 12 miles northeast of the Kansas City, Missouri CBD.
Overall Adequacy of Access to the Neighborhood	Access to the neighborhood is average to good.

Access to the Subject

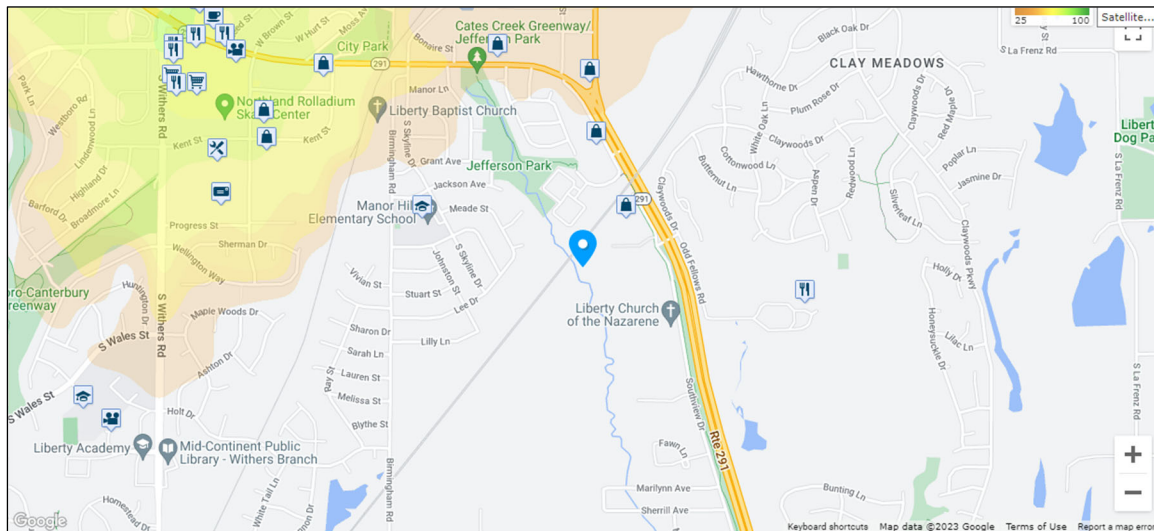
Southview Drive is a secondary street in the subject neighborhood with a 2022 traffic count of 963 vehicles per day (VPD). MO-291 is a primary thoroughfare in the subject neighborhood with a 2022 traffic county of 22,535 VPD. Access to the subject is average, assuming an access easement to either the north or the south.

Walk Score rates locations based on the walkability of an address with ratings ranging from 0 to 100 with 100 being the most walkable. The Walk Score algorithm awards points based on the distance to amenities in each category. Amenities within 0.25 miles receive maximum points and no points are awarded for amenities further than one mile. Walk Score categories and the subject's walk scores are summarized below.

Walk Score Data		Subject		
Walk Score Range	Description	Walk Score	Bike Score	Transit Score
90-100	Walker's Paradise Daily errands do not require a car		27	N/A
70-89	Very Walkable Most errands can be accomplished on foot			
50-69	Somewhat Walkable Some errands can be accomplished on foot			
25-49	Car-Dependent Most errands require a vehicle			
0-24	Car-Dependent Almost all errands require a vehicle	11		

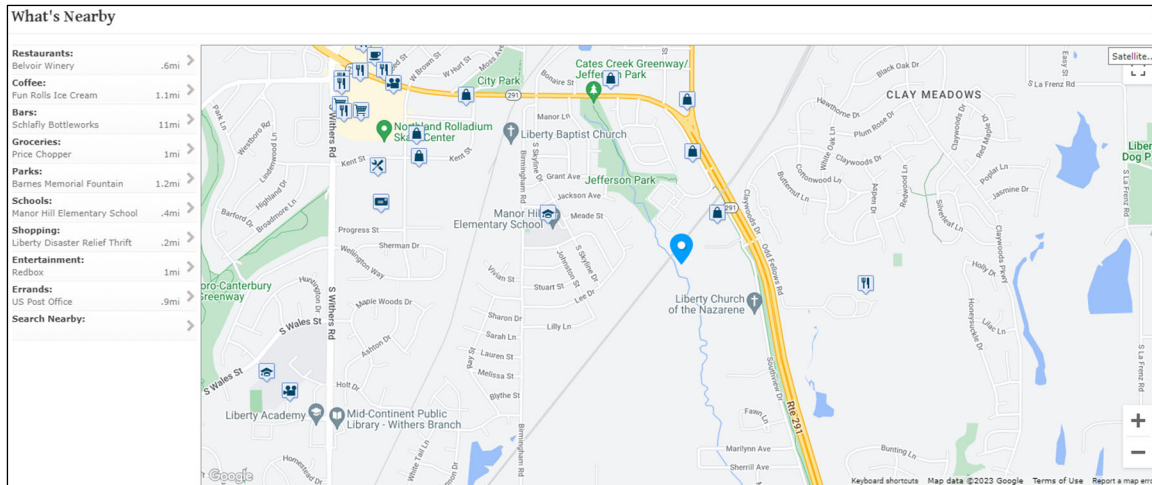
Source: Walk Score

The following heat map was obtained from Walk Score showing the walkability of the subject.



Source: Walk Score

The following map was obtained from Walk Score and illustrates the proximity of various services to the subject property.



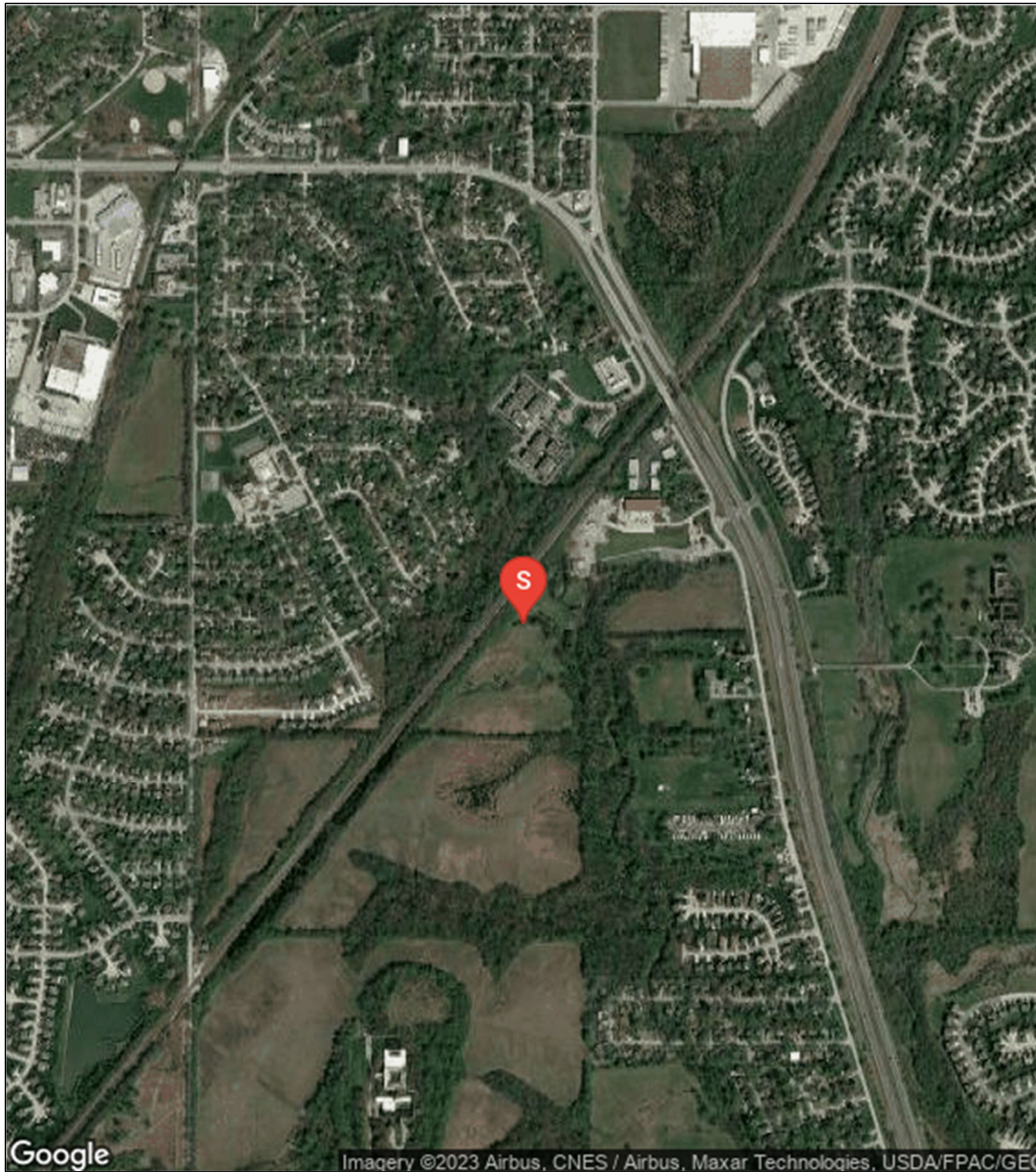
Source: Walk Score

Surrounding Land Uses

Surrounding land uses are summarized in the following table and are further illustrated in aerial map that follows.

Direction	General Land Uses
North	Office/warehouse and multifamily
East	Vacant land and single-family residences
South	Vacant land
West	Single-family residences

The subject property conforms well to surrounding land uses.



Aerial Map Illustrating Immediate Neighborhood – Google Earth

Developments in the Neighborhood and Market Area

New developments were noted in the subject's market area.

Development Activity

Liberty, Missouri Economic Development

Industrial Projects

Liberty is experiencing unprecedented industrial growth that will result in six million square feet of new construction. These projects, which represent \$650 million in investment in our community, will bring more than 4,000 new jobs to this area.

Heartland Cold Storage Logistics Center - COMPLETED

- Located off of 69 Highway in North Liberty.
- This project was an \$18 million investment that is estimated to bring in around 85 jobs.
- Sitting on 13.2 acres, it is 167,000 sq. ft.
- The estimated property taxes for all taxing entities over the first 10 years with Chapter 100 incentives at 90% would be \$578,427 (Estimated property tax on this area over 10 years without this development = \$939).

Heartland Meadows Commerce Center - COMPLETED

- Located on the corner of Shepherd Road and Heartland Drive.
- This project was an \$18 million investment that is estimated to bring in around 180 jobs.
- Sitting on 15 acres, this building is 181,000 sq. ft. speculative development.
- Estimated property taxes for all taxing entities over the first 10 years with Chapter 100 incentives at 90% would be approximately \$398,000 (Estimated property tax on this area over the first 10 years without this development = \$0).

Liberty Heartland Logistics Center - UNDER CONSTRUCTION

- Located on Shepherd Road, north of the Hallmark Distribution Center.
- This was a \$154.5 million investment that is estimated to bring in around 265 jobs - new and retained from Hallmark.
- Sitting on 152 acres, this is a three building establishment. It is 1,600,000 sq. ft. featuring an expansion of the Hallmark Distribution Center.
- Estimated property taxes over the first 15 years with tiered Chapter 100 incentives will be \$8.1 million (Estimated property tax on this area over the first 15 years without this development = \$37,800).

Liberty Parkway Plaza & Logistics Center - COMPLETED

- Located on I-35 and South Liberty Parkway.
- This was a \$62.5 million investment that is estimated to bring in around 400 jobs.
- This facility is on 62 acres and has 710,000 sq. ft. built to date with a future space for 300,000 sq. ft. of building and retail pad sites.
- Estimated property taxes over the first 10 years with Chapter 100 incentives at 100% will be \$8,044 (Estimated property tax on this area over the first 10 years without this development = \$2,780).

Liberty Commerce Center - UNDER CONSTRUCTION

- Located east of the Ford Stamping Plant at Hughes Road.
- The project was a \$400 million investment that is estimated to bring in around 3,000 jobs.
- The Liberty Commerce Center will have a total of seven buildings totaling 3,600,000 sq. ft. and sitting on 339 acres of land.
- Five buildings are currently under construction.
- Estimated property taxes over first 20 years with tiered Chapter 100 incentives will be \$20.5 million (Estimated property tax on this area over first 20 years without this development = \$21,500).

New Residential Projects

Liberty is experiencing new residential growth. The renewed interest in residential development started with a targeted look at the City's permitting fee's and financing alternatives. There are currently two major residential projects in process.

Homestead Hills - UNDER CONSTRUCTION

- Located along Withers Road, just south of the Liberty Community Center and Homestead of Liberty
- Phase two of the three phase project

- The project includes 47 platted lots with 75 future lots
- Lots are now available
- Features homes built by five quality builders: Aspen Homes, Cardinal Crest Homes, Hearthside Homes, Olympus Custom Homes and BeHome

Homestead of Liberty - UNDER CONSTRUCTION

- 52.7 acre property located along Withers Road, just south of the Liberty Community Center
- Project will connect to the City's trail system, which will connect to the Community Center
- The project will be developed in phases, with the first phase just south of the Liberty Community Center and Blackberry development.
- Lots are now available
- Several homes are available in Phase 1

The Wellington - UNDER CONSTRUCTION

- 153 Senior housing units
- The living community will provide independent living, assisted living and memory care
- Located on Withers Rd, north of the Liberty Community Center

Withers Farm - UNDER CONSTRUCTION

- 190 market - rate apartments for individuals 55 and older
- Located on S. Withers Rd and S. Liberty Parkway

Clay Meadows, 11th Plat - UNDER CONSTRUCTION

- Located east of 291 Highway along Claywoods Dr.
- The project includes 54 platted lots
- Lots are now available

Lillian Acres - UNDER CONSTRUCTION

- Located off Birmingham Rd
- The project includes 33 platted lots
- No lots are currently available

Ella's Crossing - UNDER CONSTRUCTION

- Located on Missouri Highway H across from William Jewell College
- The project includes 53 platted lots
- Lots are now available

Commercial Developments

Over the last several years Liberty has seen an influx of commercial developments and redevelopments allowing our community to grow in all areas: residential, industrial and commercial.

Liberty Commons

Liberty Commons is a thriving "destination shopping area" for the Northland, located at the southeast corner of I-35 & 152 Highway. The 315,000 square foot redevelopment represents an \$85 million investment, with an estimated 550 jobs aimed at high school and college students along with full-time management.

B & B Theatre

B & B Theatre opened in July 2018 in the Blue Jay Crossing development.

The theatre houses ScreenX, the largest screen in the world at four stories tall and seven stories wide. The screen, one of four in the United States, is the centerpiece of B & B's flagship theater. The theater also offers:

- Screenplay - an MX4D auditorium.
- The Lyric - an event type space that can be rented for private parties.
- Johnnie's Jazz Bar and Grille - an on-site restaurant that features live music and trivia nights.
- Heated, reclining leather seats in all theaters.

This \$19.5 million project has been a great investment in the community.

Liberty Triangle

The Liberty Triangle is a mixed use project located along I-35.

Major tenants include:

- Lowe's
- Red Robin
- Hyvee
- Starbucks
- Dick's Sporting Goods
- Ross Dress for Less
- 5 Guys
- Texas Roadhouse
- Chick-fil-a

Downtown Reconstruction

Liberty's downtown received a much needed update in 2016-2017 thanks to a voter approved Economic Development Sales Tax.

The City dedicated \$5 million to public infrastructure improvements within the downtown area. Highlight of the project included reconstruction of the streets, sidewalks and utilities around the Liberty "square" area. Sidewalks are now a wider, more pedestrian friendly 14 feet in a number of sections. New landscaping and crosswalks define the intersections and even parking was upgraded.

LIBERTY, MISSOURI WESTLAKE ACE HARDWARE OFFICIALLY OPENS

Westlake Hardware

September 12, 2023

The new Westlake Ace Hardware at 9715 North Ash Ave near Liberty, Mo. will host a grand opening event and sale September 14-16, 2023. The weekend's events will also be an opportunity for the community to meet Sean Bogle, the new store's general manager.

Located on the northwest corner of I-35 and Highway 291 (in the Highland Plaza Shopping Center), the new 15,000 sq. ft. store will sell lawn and garden supplies, fasteners, tools, plumbing, and electrical supplies, and offer services such as automotive key cutting and fob replacement and propane tank exchange. The store will also feature several specialty departments and store-within-a-store concepts, selling such brands as:

- Milwaukee, DeWalt, and Craftsman power tools
- Benjamin Moore and Magnolia Home by Joanna Gaines paints
- Stihl, Ego, and Milwaukee outdoor power equipment
- Weber, Traeger, Big Green Egg, and Ooni grills and accessories



- Scotts lawn care products
- Solo Stove firepits
- Yeti coolers and accessories
- Nursery plants, flowers, shrubs, and outdoor living supplies

General Manager Sean Bogle joined Westlake Ace Hardware in 2008 and has nearly 25 years of retail management experience. In his spare time, he enjoys landscaping, gardening, and home repair.

“Board Cutting” and Grand Opening Celebrations

A ceremonial board cutting by Westlake Ace leadership and representatives from the Liberty Chamber of Commerce will be held at 9 a.m. on Thursday, September 14. A light breakfast will be served.

A “Celebration Sale” will be held September 15-17 and receive 20 percent off most products throughout the weekend.

On Saturday, September 16, from 11 a.m. – 2 p.m., a grand opening celebration event will include grill and outdoor power equipment demonstrations, free prize drawings, a balloon artist and other free kids’ activities, and a food truck with special treats.

Westlake Ace currently owns and operates more than 20 stores in the Kansas City metropolitan area.

Another Mahomes-owned Whataburger opening in Kansas City area

Fox4KC

August 11, 2023

There will soon be a dozen Whataburger locations in the Kansas City area when the newest restaurant opens next week.

Franchise KMO Burger, which Kansas City Chiefs quarterback Patrick Mahomes has invested in, announced it will open a new Whataburger near Liberty.

The new restaurant is located near Highway 152 and N. Booth Avenue.

A company spokesperson said the new location will open at 11 a.m. Monday with 24/7 drive-thru service only for now.

The restaurant plans to roll out dining room access, curbside pickup, online ordering and delivery in the coming weeks, the company said.

Whataburger has previously said it chooses to start as drive-thru only at locations where it anticipates long lines of customers.

This newest Northland location will have a special nod to one of its investors. The restaurant will feature a Chiefs game day jersey and a plaque showcasing the number 15 — Mahomes’ jersey number.

This will be the Kansas City-area’s 12th Whataburger location.

KMO Burger already operates two other Northland locations, one that just opened in June near Interstate 29 and Highway 152 and another at N.W Barry Road and Highway 169.



The franchise also has two locations in Overland Park — one at U.S. 69 Highway and West 159th Street, and one near 112th Street and Nall Avenue — and another near the Legends in Kansas City, Kansas.

KMO said it plans to open 30 Whataburger restaurants in the next seven years.

Whataburger also has corporate-owned locations at 95th Street and Metcalf Avenue plus 135th Street and Antioch Road in Overland Park, Kansas, as well as Raymore, Lee's Summit, Independence and Blue Springs in Missouri.

Here are a few other Whataburger locations previously announced, all originally slated for 2023 openings:

- I-435 and Bannister Road, Kansas City, Missouri
- 14123 W. 135th St., Olathe, Kansas
- Highway 45 and Highway 9, Parkville, Missouri

Hallmark Celebrates Liberty Distribution Center Expansion with Ribbon Cutting Event

Hallmark

June 28, 2023

Hallmark celebrated the opening of their Liberty II Distribution center building today with words from company President Smith Holland and Vice President of Logistics Lora Rhodus.

“The opening of our new Liberty II facility is an incredible milestone and growth lever for Hallmark,” says Holland. “We now have a centralized distribution hub here in Liberty, MO. The efficiencies this unlocks will enable Hallmark to better, and more quickly, serve our customers and consumers, as well as create more capacity for growth and innovation in the future.”

The new 850,000 square foot facility in Liberty, Missouri is an expansion of the current Liberty Distribution Center where the 113-year-old Kansas City-based company ships its products across North America. The Liberty II building will be the distribution hub for Hallmark Ornaments, Hallmark Keepsake Ornaments, Christmas boxed cards, and gift wrap.

Less than one mile from the current distribution center, the new facility brings multiple smaller outlying distribution facilities under a two-roof, co-located operation creating a more optimized and efficient distribution network. Expanding the Liberty campus honors Hallmark's commitment to sustainability by reducing transportation needs and using an estimated one million fewer cardboard boxes annually for outbound shipping.

“Centralizing our distribution operations is not only good for Hallmark and our customers, but it's also good for the community of Liberty, and it's good for the planet. Liberty II will create more jobs in this community for years to come,” says Rhodus. “In addition, we can combine shipments that we couldn't have with a more segmented distribution network. We'll be shipping less cartons; using less transportation; lowering our emissions. It's a win all around.”

Liberty has been home to Hallmark distribution for over 50 years. The new expansion grew the company's footprint in Liberty by 50 percent. Hallmark anticipates more than 1,400 full-time employees working between the two facilities and about 150 seasonal part-time employees.

Hallmark broke ground on the facility on October 6, 2021 with The Opus Group, City of Liberty and Missouri Department of Economic Development.

Amazon opens massive 1,000,000-square-foot fulfillment center in Liberty

KMBC

April 11, 2023

The company announced Tuesday that it has officially opened its massive 1,000,000-square-foot fulfillment center in Liberty, Missouri.

Amazon expects to create more than 500 jobs through the new facility.

The fulfillment center specializes in heavy and oversized items.

That includes products like mattresses, large TVs and exercise equipment, grills, kayaks and trampolines. Items handled by this type of facility are typically longer than 96" or greater than 50 lbs.

"It's a privilege to further our investment in Liberty to meet the growing customer demand for larger items in the Kansas City metro while also creating career opportunities for the community," Site Leader Jyoti Sharma said.

The Liberty fulfillment center opened with approximately 150 employees and is still hiring. Starting pay begins at \$17 hourly, with comprehensive benefits for full-time employees starting on the first day of employment.

The new fulfillment center is located south of South Liberty Parkway and east of Withers Road at 2361 South Withers Road. Amazon has 12 operational locations in the Kansas City region with more than 6,000 associates.

Market Participant Interviews

Mr. Braden Taylor, PE, is a civil engineer that was working with the owner and the City of Liberty to get the lot-split approved. According to Mr. Taylor, there were discussions with the school district in the past about allowing an access easement once they ultimately decide to split the parcel. It was decided not to allow an access easement through their property to the north, which is the only access easement that currently exists for the subject. They came to the decision not to allow an access easement once the lot is split because they had been in discussions with the adjacent property owner to the south who wanted to purchase the subject to expand a single-family residential subdivision that will be built.

According to a representative with the City of Liberty Planning and Zoning Department, even though the subject is zoned M-1, Industrial District, if the property owner to the south purchased the subject for expansion of a subdivision, rezoning of the subject site to a residential use, such as R1-C, would likely be approved. The representative also indicated that they are not requiring an access easement to be granted as a result of the lot-split because they believe that the property owner to the south will purchase the subject site.

Market participants interviewed for this and other assignments report that the market is "paused" and buyers and sellers are taking a "wait and see" attitude due to increasing interest rates and inflation. The residential market in some areas is experiencing price decreases and marketing times are lengthening for most property types. The volume of commercial sales is slowing and is anticipated to be slower for the next eight to twelve months. Many market participants expect the Fed to continue to increase interest rates to combat inflation, with the potential of decreases beginning in the summer or fall of 2023. The Fed President announced the week of March 6th that the Fed is open to speeding up the pace of interest rate increases to combat inflation; but the banking crisis lead many to believe that the Fed could start cutting interest rates, possibly starting in July. However, the Fed increased the Federal Funds rate by 25 basis points in May with the goal of achieving a Federal Funds Rate of 5%. The Fed has signaled that they are likely to hold rates steady at the June meeting

with probable future increases later this summer, per Wall Street Journal and ABC News articles dated May 31, 2023. Per the ABC News article, "Skipping a rate hike at a coming meeting would allow (Fed policymakers) to see more data before making decisions about whether to further increase rates, said Fed Governor Philip Jefferson in a speech Wednesday. Philadelphia Fed President Patrick Harker made similar comments Wednesday. Including Jefferson, three top Fed officials have been united in support of the idea of skipping a rate hike in June, despite a slew of tough talk from other Fed policymakers and a disappointing inflation report last week." Federal Reserve Chair Jerome Powell suggested the run-up in long-term Treasury yields could allow the central bank to suspend a historic run of interest-rate increases so long as recent progress on inflation continues. The Federal Reserve left interest rates unchanged at a 22-year high but kept the door open to potentially raising them later to keep slowing inflation. Officials described recent economic activity as strong and highlighted how a run-up in long-term interest rates could weigh on economic activity, according to a statement released after their two-day meeting.

Demographics and Neighborhood Life Cycle

Market areas are perceived, organized, constructed and used by people. Therefore, each has a dynamic quality commonly known as a life cycle. The land uses that make up neighborhoods and the homogeneous uses that make up districts typically evolve through four stages:

1. Growth – a period during which the market area gains public favor and acceptance
2. Stability – a period of equilibrium without marked gains or losses
3. Decline – a period of diminishing demand
4. Revitalization – a period of renewal, redevelopment, modernization, and increasing demand.

No set number of years is assigned to any particular life cycle stage, and the above definitions are meant to be general descriptions.

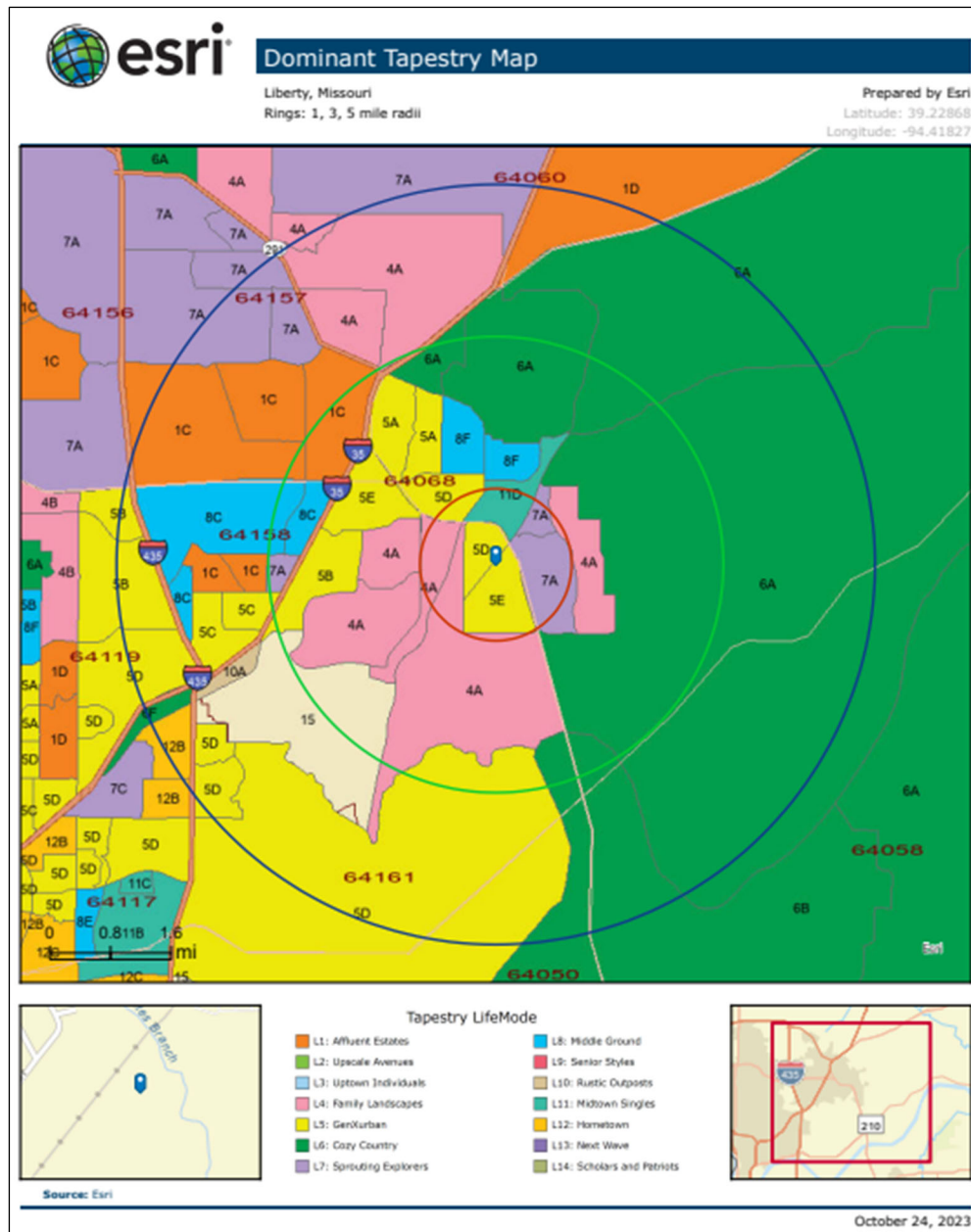
Census data were obtained from the CCIM Institute STDB Online website. Key data are summarized and compared below.



Item	1-Mile	% Change	3-Mile	% Change	5-Mile	% Change
Population						
Census 2020	8,499		32,430		62,670	
2023	8,637	1.62%	33,058	1.94%	64,612	3.10%
2028	8,704	0.78%	33,569	1.55%	66,349	2.69%
Households						
Census 2020	3,025		12,503		23,173	
2023	3,092	2.21%	12,850	2.78%	24,006	3.59%
2028	3,144	1.68%	13,151	2.34%	24,807	3.34%
Average Household Size						
Census 2020	2.76		2.50		2.64	
2023	2.75	-0.36%	2.48	-0.80%	2.63	-0.38%
2028	2.73	-0.73%	2.46	-0.81%	2.62	-0.38%
Median Household Income						
Current Median Household Income	\$81,707		\$79,936		\$88,783	
Forecast Median Household Income	\$88,575	8.41%	\$89,756	12.28%	\$101,081	13.85%
Housing Profile Data						
Current Median Home Value	\$239,369		\$273,602		\$288,919	
Forecast Median Home Value	\$278,512	16.35%	\$315,803	15.42%	\$322,923	11.77%
Total Current Housing Units	3,272		13,578		25,192	
Occupied Housing Units	3,092	94.50%	12,850	94.64%	24,006	95.29%
Owner-Occupied	2,215	71.64%	9,161	71.29%	17,834	74.29%
Renter Occupied	877	28.36%	3,689	28.71%	6,172	25.71%

The populations in all three radii increased from 2020 through 2023 and are anticipated to increase through 2028. The number of households mirrors the trends in population. The average household size decreased slightly. Median household incomes are increasing in all three areas but at a greater rate in the three- and five-mile radii. Household incomes are lower near the subject. Home prices are increasing in all three areas but at a greater rate in the one-mile radius. Most occupied housing is owner-occupied in the three study areas.

Tapestry Segmentation classifies US neighborhoods into distinct market segments. The following Tapestry map was obtained from the Site to do Business (STDB), and shows that the subject falls in the Midlife Constants segment of the GenXurban Lifemode. The subject is also very near an area in the Rustbelt Traditions segment of the GenXurban Lifemode.



Source: Site to do Business

The characteristics of the neighborhoods are summarized below.

Midlife Constants

- Older homes (most built before 1980) found in the suburban periphery of smaller metropolitan markets.
- Primarily married couples, with a growing share of singles.
- Settled neighborhoods with slow rates of change and residents that have lived in the same house for years.
- Single-family homes, less than half still mortgaged, with a median home value of \$154,100 (Index 74).

Rustbelt Traditions

- Almost half (46%) of the households are married-couple families, similar to the US (48%), most without children (also similar to the US); the slightly higher proportion of singles (Index 105) reflects the aging of the population.
- Average household size is slightly lower at 2.47.
- They are movers, slightly more mobile than the US population (Index 109), but over 70% of householders moved into their current homes before 2010.
- Most residents live in modest, single-family homes in older neighborhoods built in the 1950s (Index 224).
- Nearly three quarters own their homes; nearly half of households have mortgages.
- A large and growing market, *Rustbelt Traditions* residents are located in the dense urban fringe of metropolitan areas throughout the Midwest and South.
- Most households have one to two vehicles available.

Based on interviews with market participants and my observations of the events, trends and demand in the area, I conclude the subject's neighborhood is in a stage of stability.

Summary and Conclusion

The subject is located in the northeast quadrant of the Kansas City Metropolitan Area in Liberty, Missouri, in a mixed-use neighborhood. More specifically, the subject is on the west side of Southview Drive, one block west of MO-291, and approximately one-half mile north of Creekwood Drive. Surrounding properties are predominantly residential and large tracts of vacant land with some light industrial, commercial and special-use properties intermixed. Access to the neighborhood is average to good and the properties in the area benefit from the increasing household incomes. It is anticipated that the area will see continued stability in the foreseeable future.



DESCRIPTION OF THE SUBJECT PROPERTY

Site Description

The site description is based on the inspection of the property and on data obtained from online sources or data provided by the owner or client.

Location Characteristics

Location/Access	The subject is located in the southwest quadrant of Southview Drive and MO-291. There is currently a cross-access easement that leads to Southview Drive through the parcel to the north. A lot-split has been approved and the cross access easement will be lost.
Adequacy of Access	Access to the subject is fair, assuming as easement.
Visibility	Fair
Traffic Count	22,535 VPD on MO-291 963 VPD on Southview Drive
Traffic Count Year	2022 (latest available)

Physical Characteristics (Assuming Lot-Split)

Land Area SF	725,274
Gross Land Area Acres	16.65
Usable Land Area SF	725,274
Usable Land Area Acres	16.65
Comments on Usable Land Area	The entire site is usable.
Shape	The site is irregular in shape.
Topography	The topography is level to heavily sloping downward from the north to the south and the site is also partially wooded.
Primary Street/Frontage	The subject has no direct street frontage.

Utilities

Available Utilities	Electricity: Available Gas: Available Sewer: Available Water: Available
Comments on Utilities	All necessary utilities are available.

Flood Plain Data

Zone	Zone X and AE
Comments on Flood Plain	The majority of the site (+/- 90%) is located in FEMA Zone X, an area of low flood risk. Approximately +/-10% of the site along portions of the north and east edge are located in FEMA Zone AE, areas of high flood risk. See flood map included later in this section of the report.



Additional Comments

The site contains 725,274 square feet, or 16.65 acres, assuming a lot-split. The topography is basically level to heavily sloping and partially wooded. All utilities are available. The majority of the site (+/- 90%) is located in FEMA Zone X, an area of low flood risk. The remaining portion of the site (+/- 10%) is located in FEMA Zone AE, an area of high flood risk. The portion of the site that are located in the flood zone are located along the eastern and northern edges, which does not appear to have an adverse effect on any future development. The site is zoned M-1, Light Industrial District. After the lot-split is final, there will be no cross-access easement unless the south property owner grants one.

Zoning Data

Zoning	M-1, Light Industrial District
Authority	City of Liberty
Height Restriction	50'
Front Yard Setback	30'
Rear Yard Setback	15'
Side Yard Setback	10', except a side yard abutting a street or a zoned residential lot shall be 20'
Parking Requirement	Based on use
Required Site Area	None
Comments on Zoning	According to a resolution that was adopted on March 13, 2023, the future land use plan for the subject site is single-family residential.

Zoning	R-1C, Standard Single-Family Residential District
Authority	City of Liberty
Height Restriction	35' or 2.5 stories
Front Yard Setback	30'
Rear Yard Setback	30'
Side Yard Setback	Minimum seven (7) feet each. Buildings on corner lots shall allow a minimum of fifteen (15) feet on the side abutting a local street and twenty (20) feet on the side abutting a collector or arterial street.
Parking Requirement	Two per dwelling unit
Required Site Area	8,000 SF per lot
Comments on Zoning	The subject could accommodate 90 residences based on the required site area. However, this does not account for the topography of the site, the railroad tracks to the west, and the pond in the center, which could reduce the number of usable lots.

Personnel of Adamson & Associates, Inc. are not experts in matters of zoning. The client and intended users are urged to contact experts in zoning matters, such as an attorney, planner, or architect, if greater understanding of zoning is desired.

Hazardous Materials/Toxic Wastes

No known hazardous materials were observed during an inspection of the property. It is assumed that no toxic wastes are present within the soils. Adamson & Associates, Inc., however, is not qualified to detect the presence or absence of such materials. If further evidence is needed regarding the lack of danger from hazardous materials or toxic wastes, authorities with expertise in detecting these conditions should be consulted (see Standard Assumptions and Limiting Conditions, item No. 20).

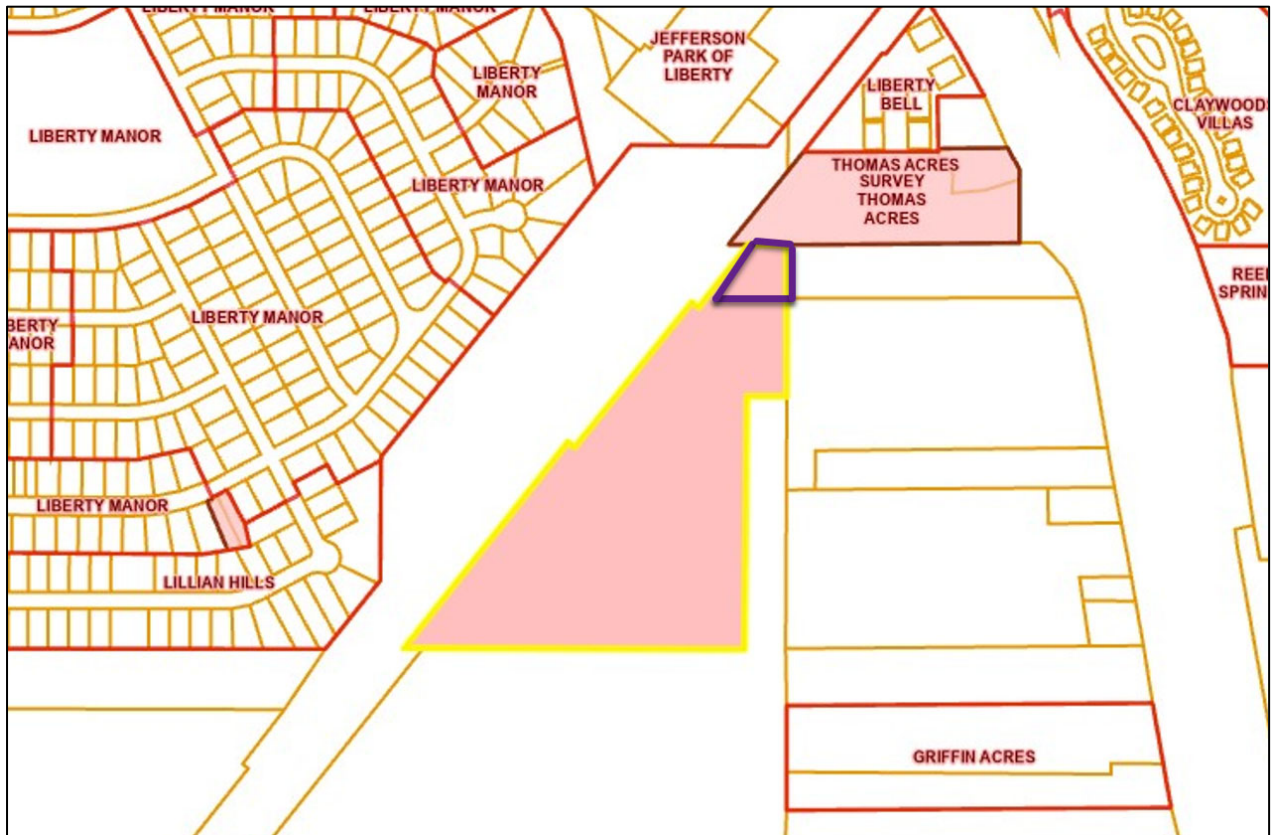
Easements, Encroachments and Restrictions

An access easement is in place for the subject through the parcel to the north, both of which belong to the subject's owner. However, once the lot-split is finalized, there will be no cross-access easement and the subject will be landlocked. There have been discussions with the property owner to the south to purchase the subject in order to expand his already approved residential subdivision that is proposed. In that case, a cross access easement would be granted through the south parcel. It should be noted that the owner to the north could still provide an easement should the developer to the south not purchase the property. No obvious adverse easements or encroachments were observed. Normal utility easements are assumed to exist and are not considered to adversely impact the development potential of the site. I cannot guarantee that the property is free of encroachments or easements, and recommend further investigation and survey.

No other restrictions on development were found, but further investigation is recommended by appropriate professionals.

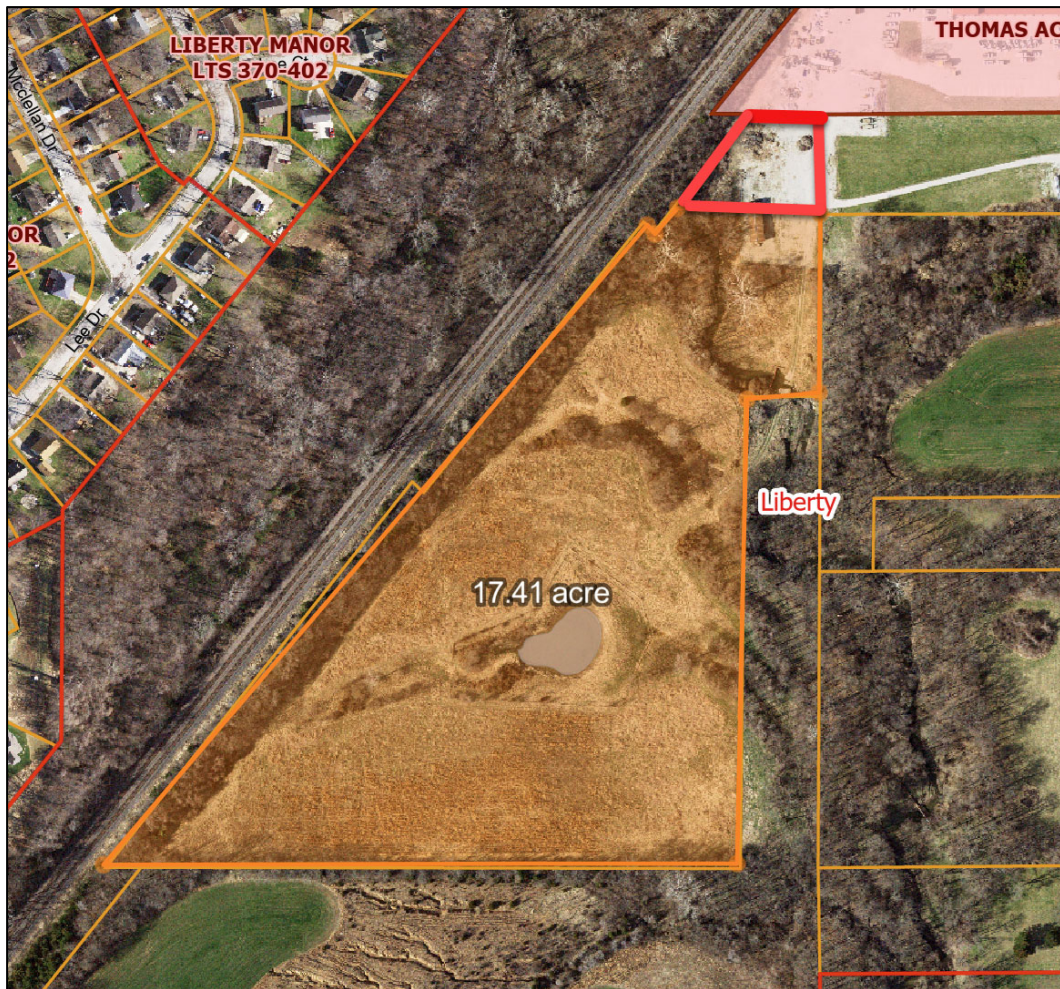
Buildability of the Site

My conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the site that might impact upon buildability. I recommend due diligence be conducted through the local building department or municipality to investigate buildability on whether the site is suitable for the any proposed use. I make no representations, guarantees, or warranties.



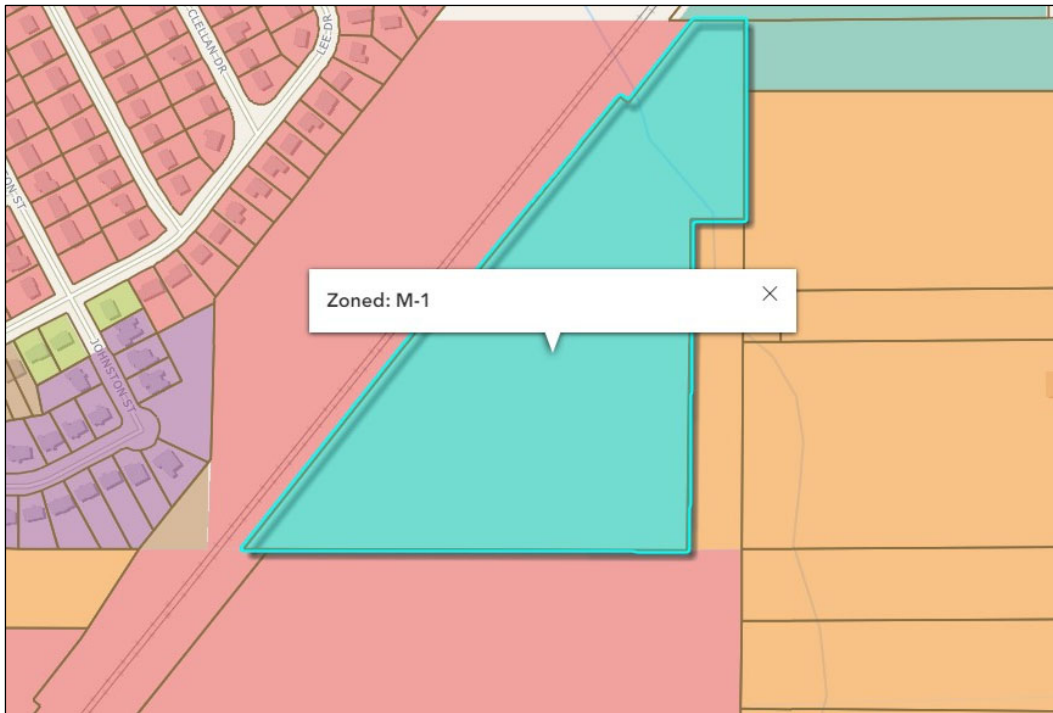
Parcel Map

**Area in purple is not part of the subject of this report*

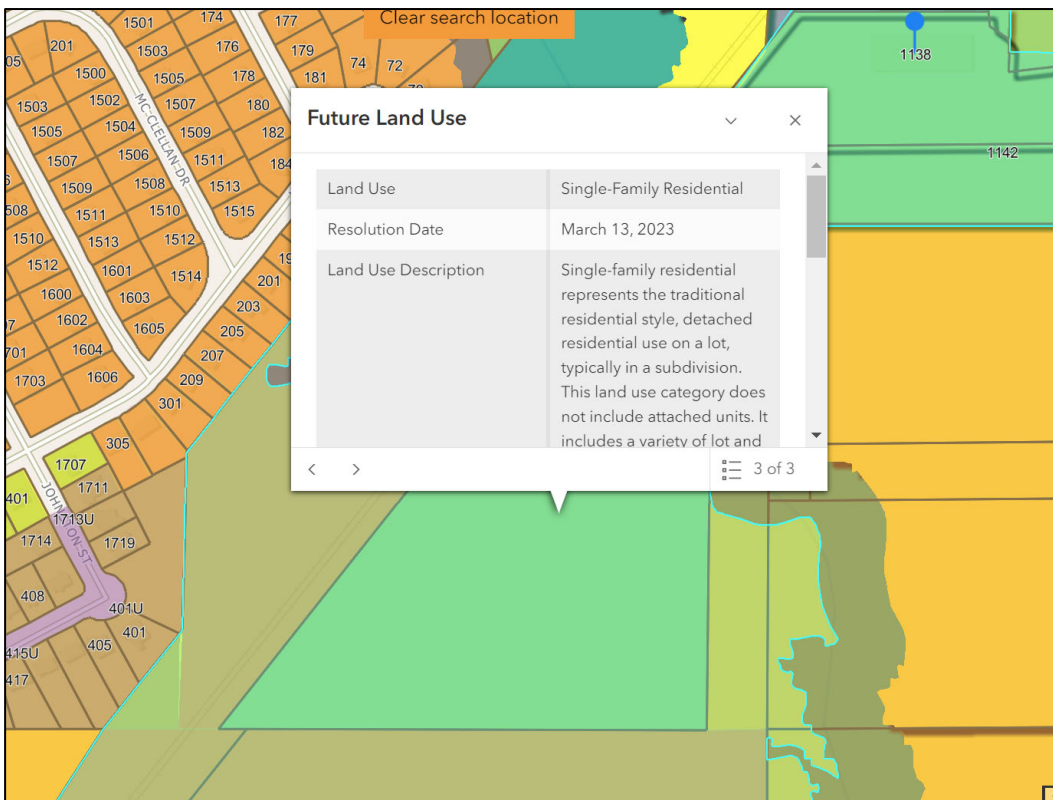


Aerial Parcel Map

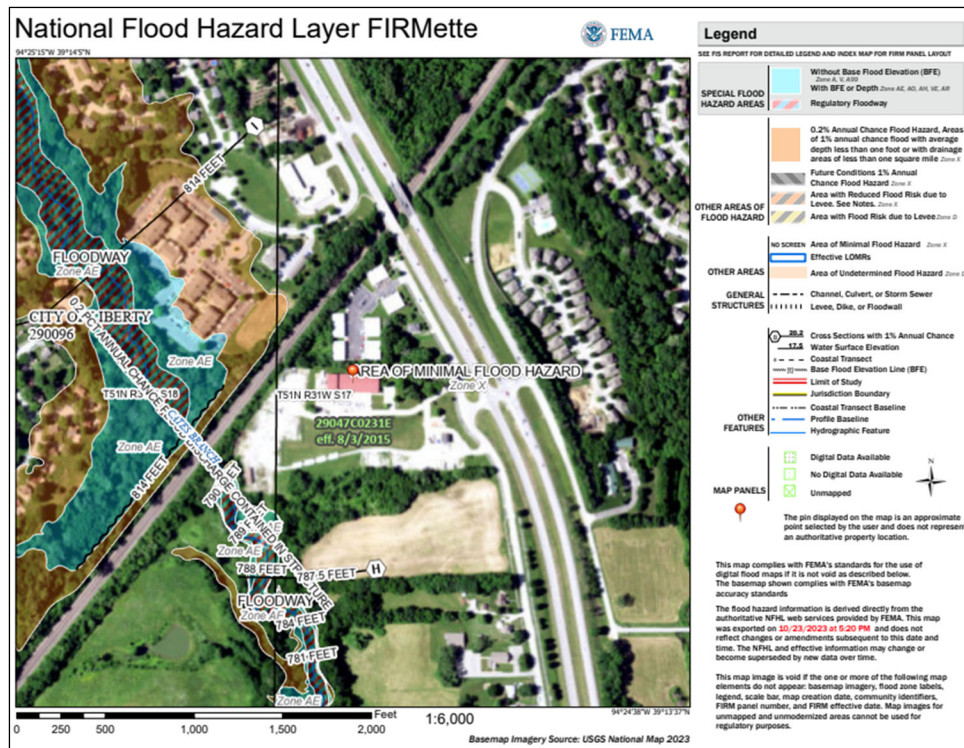
**The outlined area in red is the area being combined with the adjacent parcel to the north, but is still currently part of the subject according to Clay County records. The eastern and southern edges of the subject abut parcels owned by the same party. The western edge of the subject abuts railroad tracks.*



Zoning Map



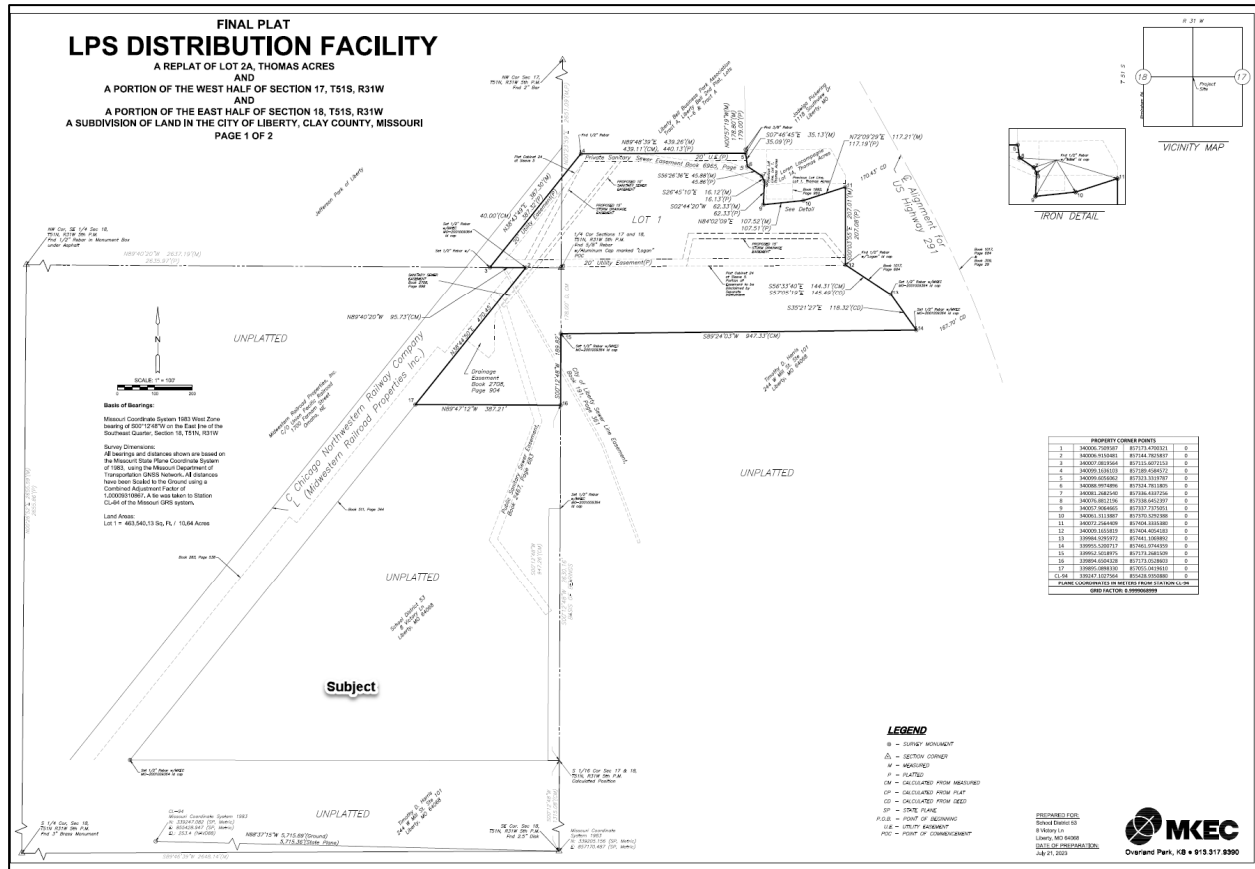
Future Land-Use Map



Flood Plain Map – FEMA



Flood Plain Map – City of Liberty





Sanitary Sewer Location Map

Subject Site Improvements Description

The subject is improved with approximately 8,000-square feet of gravel that offers no contributory value. It is unclear whether the 1,400-square foot metal barn (site improvement) will stay with the subject after the new plat lines are drawn. The dividing line appears to go through the center of the building as it stands. Regardless of whether the barn stays with the subject, it also offers no contributory value. The site improvements are considered to be 100% depreciated.

PHOTOGRAPHS OF THE SUBJECT PROPERTY

	
<p><i>Facing west on MO-291</i></p>	<p><i>Facing south on Southview Drive</i></p>
	
<p><i>Facing north on Southview Drive</i></p>	<p><i>Facing west on Southview Drive</i></p>
	
<p><i>View of subject facing southeast</i></p>	<p><i>View of subject facing south</i></p>



Facing north on Southview Drive



Facing south on MO-291



Facing north on MO-291

Intentionally Blank



Marketability

The following is a summary of the characteristics of the subject property that affect marketability.

Property Characteristics

Item	Description	Asset/Liability/Neutral
Location/Access	The subject is located in the southwest quadrant of Southview Drive and MO-291. A cross access easement is assumed from the north or the south for purposes of this analysis.	Neutral
Topography	Level to sloping and wooded	Liability
Shape	Irregular	Neutral
Frontage	None, it should be noted that railroad tracks abut the western edge of the site.	Liability
Visibility	Fair	Liability
Utilities	All available	Asset
Land Area SF/Acres	725,274 / 16.65	Neutral

Neighborhood/Market Area Characteristics

Proximity to Highway or Interstate	The subject is located one block from MO-291 access.	Asset
Neighborhood Property Condition	Average to good	Neutral
Population Trends	Stable	Neutral
Housing Trends	Stable	Neutral
Income Trends	Increasing	Asset
Availability of Land	Land remains available for new construction in the market area.	Neutral
Land Values Increasing/Decreasing	Stable to increasing	Neutral
No. of Similar Property Listings	I found five tracts of vacant residential land listed for sale on CoStar and Heartland MLS in the subject's market area.	Neutral
Sales Activity in the Local Market	Steady	Neutral
Construction or Expansion Projects	New development and redevelopment projects were noted in the market area.	Asset/Neutral
Neighborhood Lifecycle Stage	The neighborhood is in a stage of stability.	Neutral

Marketability Conclusions

The subject's liabilities are the visibility, access, lack of frontage, proximity to railroad tracks, and topography. Approximately 10% of the site is located in Flood Zone AE; however, this area would likely be used to fill greenspace requirements in a residential development and is not considered a liability. The property benefits from the location in a mixed-use area with highway access in proximity making the property attractive to potential purchasers. I conclude the marketability to be inferior to other tracts of vacant land in the market area.

Most Likely Purchaser of the Subject

The most likely purchaser of the subject property is the adjacent property owner, unless an access easement were able to be obtained.



Reasonable Exposure Time and Marketing Time Estimates

Reasonable exposure time is the length of time that the subject property would have been exposed for sale in the market had it sold for the market values concluded in this analysis, as of the date of valuation. Marketing time is the amount of time it would probably take to sell a property like the subject property at the adjusted price range in the Sales Comparison Approach, if exposed in the market beginning on the date of this valuation.

The days on market for the listings and the vacant land sales used in this analysis are summarized below.

Listings		Sales					
Average DOM	Median DOM	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
60	57	322 Days	19 Days	143 Days	82 Days	30 Days	322 Days

The reasonable exposure time and marketing time conclusions are summarized below.

Value Perspective	Reasonable Exposure Time	Marketing Time
"As Is"	12-24 months	12-24 months

Given the subject's previously discussed liabilities, a conclusion above the range is reasonable. The assumption of access is also inherent in these estimates. No access means the subject would not sell to anyone other than the adjacent property owner. These estimates assume that the property is marketed by a competent real estate professional.

REAL ESTATE TAXES

The subject is exempt due to ownership by a non-profit organization and no special assessments or assessed values were reported.

HIGHEST AND BEST USE

Definition

Highest and best use may be defined as, "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 land value" (*Appraisal of Real Estate, 14th Edition, p. 333*).

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:

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

These criteria are usually considered sequentially; a use may be financially feasible, but this is irrelevant if it is physically impossible or legally prohibited.

In all instances, the appraiser must determine which uses are legally permissible. Private restrictions, zoning, building codes, historic district controls, and environmental regulations must be investigated because they preclude many possible uses. Frequently, the appraiser must consider whether or not there is a reasonable probability that the zoning could be changed in order for the highest and best use of the property to be realized. The test of legal permissibility helps to determine which uses are permitted by current zoning, which uses could be permitted if a zoning change were granted, and which uses are restricted by private restrictions on the site.

The test of physical possibility addresses the physical characteristics associated with the site that might affect its highest and best use. The size, shape, terrain, accessibility and the risk of natural disasters such as floods or earthquakes affect the uses to which land can be put. The utility of a parcel of land may also depend on its frontage and depth. Irregularly shaped parcels can cost more to develop and, after development, may have less utility than regularly shaped parcels of the same size.

Ease of access enhances the utility of a site, as does the availability and capacity of utilities. When topography or soil conditions make development difficult or costly, that land's utility may be adversely affected. If the cost of grading or constructing a foundation on the subject site is higher than for other sites in the area competing for the same use, the subject site may be economically infeasible for the highest and best use that would otherwise be indicated.

In determining which uses are legally permissible and physically possible, an appraiser eliminates some uses from consideration. Only those uses that meet the first two criteria are analyzed further. The use is financially feasible, as long as a potential use has value commensurate with its cost and conforms to the first two tests.

The test of maximum productivity is applied to the uses that have passed the first three tests. Additional analysis of the market forces of supply and demand may aid in the process of elimination. The test addresses not only the value created under the maximally productive use, but also the costs to achieve the value, if any,



such as demolition and removal of structures, environmental remediation costs, and zoning changes. Of the financially feasible uses, the highest and best use is the one that produces the highest residual land value consistent with the market's acceptance of risk and with the rate of return warranted by the market for that use. To determine the highest and best use of land as though vacant, rates of return that reflect the associated risks are often used to capitalize income from different uses into their respective values. The use that produces the highest residual land value is the highest and best use.

Highest and Best Use as Vacant

The subject property is located in a well-established neighborhood with a complementary mix of land uses in proximity. The location of the site provides average access to the subject, assuming an access easement, and access to the neighborhood is average to good.

Legally Permissible

The site is zoned M-1, Light Industrial District, by City of Liberty. The subject has been approved for a lot-split, which will remove the cross-access easement that is in place. Without an easement in place, it would significantly limit the use of the property. The M-1 district is intended to provide for the development of warehousing, manufacturing and processing and associated uses in a manner that complements the community, but does not create undue impact on the environment or community health and welfare.

According to a representative with the City of Liberty Planning and Zoning Department, a change in zoning to R1-C is likely, given that the adjacent property owner to the south has already been approved for a residential subdivision on land that is zoned R1-C. The representative also indicated that they are not requiring any cross access easements to be granted as a result of the lot-split because they believe that the property owner to the south will purchase the subject site. The R1-C district is to provide for quality single-family residential neighborhoods in a conventional subdivision setting, while encouraging a mix of housing styles, designs, and developments.

A change in zoning to R1-C is likely, thus commercial and industrial uses are eliminated from consideration due to the potential future rezoning. Residential use of the site is the only use given further consideration in the analysis of the highest and best use of the site, as vacant, based on the potential future rezoning and land use patterns in the area.

Physically Possible

The physical characteristics of the subject site are summarized below.

Item	Description
Gross Land Area SF	725,274
Gross Land Area Acres	16.65
Usable Land Area SF	725,274
Usable Land Area Acres	16.65
Shape	The site is irregular in shape.
Topography	The topography is level to heavily sloping downward from the north to the south and partially wooded.
Flood Plain	The majority of the site (+/- 90%) is located in FEMA Zone X, an area of low flood risk. Approximately +/-10% of the site at the northeastern edge is located in FEMA Zone AE, areas of high flood risk.



Utility Availability

Electricity	Available
Gas	Available
Sewer	Available
Water	Available

After the lot-split is finalized, there will no longer be an access easement in place. Other than lack of an easement and the proximity to railroad tracks, the physical characteristics of the site do not appear to create any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses in conformity with zoning.

Financially Feasible

Adequate demand for speculative residential development does exist in the subject's market area, based on my analysis of the market. It appears that a newly developed speculative residential use on the site would have a value commensurate with its cost, and would be financially feasible, assuming assemblage with the adjacent lot to the south.

Maximally Productive

Single-family residential development is the most likely use for the same reasons that eliminate the other uses from consideration and would be the maximally productive use of the site. The site could be developed with an improvement constructed for owner-occupancy assuming an access easement is in place.

Conclusion

The concluded highest and best use of the site, as vacant, is assemblage with the adjacent parcel to the south, rezoning of the site to R1-C, and immediate development with a single-family residential subdivision. The site could also be developed with an improvement constructed for owner-occupancy, assuming an access easement is in place.

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 subject is essentially vacant land and the concluded highest and best use of the site, as improved, does not apply.

THE VALUATION PROCESS

The valuation process is a systematic procedure measuring the type(s) of value(s) under consideration within a specific appraisal report. The number of steps in the process depends upon the nature of the assignment and the data available. A standard model exists; however, providing a pattern suited to nearly any appraisal assignment.

The first step in the valuation process is the definition of the problem. This fundamental step identifies the market segments to be researched and defines the data to be assembled for analysis. It includes identification of the real estate, isolation of the property rights to be valued, stipulation of the effective date of valuation, terms governing the usage of the appraisal, definition of value and applicable limiting conditions.

The second step is research and data analysis. This step concerns preliminary data selection, collection and analysis. Its general and specific components are as follows:

General Components

Social
Economic
Government
Environment

Specific Components

Site and Improvements
Sales and Listings
Cost and Depreciation
Income/Expenses and Capitalization Rate

The third step is the determination of highest and best use. When the objective of the appraisal is estimation of market value, the governing principle is the highest and best use of the property under (1) the assumption that the property is vacant, and (2) as improved. Other use criteria may apply when other types of value are measured.

Step four is the estimation of land value. This step entails estimation of the value of the land at its highest and best use, as though vacant and unimproved.

The fifth step is the application of the three approaches to value. The Cost Approach estimates the cost of replacing the improvements with new improvements of comparable utility. In some specialized instances, the reproduction cost of the improvements may be more appropriate. From that figure is deducted accrued depreciation from all causes in order to arrive at an estimation of the value of the improvements in their as-is condition as of the effective date of the appraisal. The value of the underlying land is then added.

The Income Approach is a process that measures value in terms of future financial benefits flowing from the property in terms of periodic net incomes and future reversions. The basic formula is

$$\text{Income} \div \text{Rate} = \text{Value.}$$

The Sales Comparison Approach calls for comparison of the property being appraised with other properties that may have been sold, listed for sale, or leased. Because of the unique character of each property, adjustments are made for differences between the subject property and those to which it is compared.

The final step in the valuation process is the reconciliation of the final value indication. This step entails examination of the differences in the analyses and conclusions derived from the applicable approaches. The logic employed throughout the process is reviewed, and the relative merits of the approaches are discussed. Most importantly, any inconsistencies are resolved, and a final value indication is selected.

COST APPROACH

The Cost Approach, like the Income and Sales Comparison Approaches, is based on comparison. In the Cost Approach, the appraiser compares the cost to develop a new property or a substitute property with the same utility as the subject property. The estimate of development cost is adjusted for differences in the age, condition and utility of the subject property to generate an indication of value. The Cost Approach reflects the attitudes of market participants in the way they relate value to cost. Potential buyers tend to relate value of an existing structure not only to the prices and rents for similar buildings, but also by comparing the cost to create a new building with optimal physical condition and functional utility. This is the principle of substitution, which holds that a prudent buyer would pay no more for a property than the cost to acquire a similar site and construct improvements of similar desirability and function. In short, the cost of property improvements plus the accompanying land value provides a measure against which prices for similar improved properties may be evaluated.

The Cost Approach is performed in three parts, as follows:

- Land Valuation
- Estimated Replacement Cost Less Depreciation
- Summary and Conclusion.

The land valuation is an analysis of the property assuming the land is vacant and available for development as of the effective date of valuation. In estimating land value, comparable sales are analyzed for comparison purposes to the property appraised. The term comparable sale means similar/competing properties that would be utilized for the same purposes or appeal to the same types of buyers.

The estimated replacement cost of the improvements is based on actual construction costs, if available, as well as cost figures derived from the Marshall Valuation Service, a nationally recognized provider of construction cost estimates. Three forms of depreciation (physical depreciation, functional obsolescence and external obsolescence) are considered and deducted from the replacement cost in order to develop an opinion of value for the property.

The Cost Approach is not developed, as previously noted, and is unnecessary in the development of credible assignment results.

Value Opinion by the Cost Approach:

Not Developed

INCOME APPROACH

Income producing real estate is typically purchased for an investment, and from an investor's point of view earning power is the critical element affecting property value. A basic premise of investing is that the higher the earnings, the higher the value, provided that the risk of an investment remains constant. An investor in income producing property is essentially giving present dollars in the anticipation of receiving future dollars. The income capitalization approach to value consists of methods, techniques and mathematical procedures used to analyze the capacity of a property to generate benefits (typically the monetary benefits of income and reversion) and to convert these benefits into an estimate of present value. Investors generally expect to earn a higher return on investments that are riskier.

Anticipation is fundamental to the income approach. All income capitalization methods, techniques and procedures involve the anticipation of future benefits and attempt to measure their present value. Supply and demand and the concept of competition are useful in forecasting future benefits and estimating rates of return in the Income Approach. Both income and rates of return are determined in the market by market participants. For example, the rents charged by the owners of an office/warehouse building will usually not vary greatly from rents for a competing property. If demand exceeds supply for a particular property type, owners may be able to increase rents. Vacancy rates may also fall and development of new facilities may be profitable. Values may increase until the supply satisfies the demand. Conversely, if demand for a particular property type is less than supply, rents may decline and vacancy rates may increase.

Two basic methodologies apply to the Income Approach: direct capitalization, which uses the relationship of one year's income to conclude a value, and yield capitalization, which considers a series of cash flows over time together with any reversion value or resale proceeds. The basic formula for direct capitalization is

$$\text{Income} \div \text{Rate} = \text{Value.}$$

The first step in direct capitalization is a review of the historical income and expenses for the subject property and comparison to operating expenses for similar properties. This review is followed by an analysis of market rent using actual leases and listings for similar properties in the market. A stabilized income and expense statement is then developed for the subject property, which includes an allowance for vacancy and collection loss. An overall rate of return is then applied to the resulting net operating income for an indication of value.

The Income Approach is not developed, as previously noted, and is unnecessary in the development of credible assignment results.

Value Opinion by the Income Approach:

Not Developed

SALES COMPARISON APPROACH

The Sales Comparison Approach involves the comparison of the property being appraised with other properties that may have been sold, listed for sale, or that are under contract. Central to the premise of the Sales Comparison Approach is the idea that the market value of a property is related to the prices of comparable, competitive properties. Because of the unique character of each property, adjustments are made for differences between the subject property and those to which it is compared. Common elements of comparison include:

- real property rights conveyed (fee simple, leased fee, leasehold),
- financing terms,
- conditions of sale,
- market conditions,
- location,
- physical characteristics,
- economic characteristics,
- use, and
- non-realty components of value.

The concepts of anticipation and change are central to the Sales Comparison Approach, in that they are the underlying concepts of supply and demand, substitution, balance and externalities. Prices paid for property result from negotiations between buyers and sellers. The activities of lenders also affect prices. Buyers constitute demand, and the properties available for sale constitute supply. Most real estate purchases are financed; thus sales activity is influenced by lenders. If interest rates drop, market activity will tend to increase and prices will tend to rise. If interest rates rise, the converse will be true. Market activity can also be adversely impacted by the scarcity of loan funds, either through high interest rates or restrictive underwriting standards.

The principle of substitution holds that the value of a property tends to be set by the price needed to acquire a substitute property of similar utility and desirability within a reasonable time frame. This principle implies that the reliability of the Sales Comparison Approach is reduced if substitute properties are not available on the market.

Supply and demand tend toward equilibrium in the market, but the real estate market is imperfect and balance is almost never achieved. Shifts in purchasing power, population, demand and consumer preferences can vary demand widely over time. New construction, demolition and conversion projects can cause supply to vary as well.

Positive and negative forces impact all types of property. Periods of economic development or depression influence values. The external forces affecting a property are, to a great extent, reflected in a location adjustment. For example, the proximity to a shopping district and enforcement of zoning laws in a particular area can greatly impact the value of a property.

The Sales Comparison Approach is applicable to all types of real property interests when sufficient market data is available, and it can provide a reliable indication of value for properties that are bought and sold regularly. When the market is weak and few sales are available, the applicability of the Sales Comparison Approach can be limited. For example, the Sales Comparison Approach is often not applied in the valuation of special-use properties because few similar properties may be sold in a given market. Nevertheless, sales and

offers for similar properties can be utilized to establish a broad range of value in support of the other approaches to value.

Land Valuation

Land has value in that it offers potential utility as the site of a structure, agricultural uses, recreational uses, or right of way for thoroughfares. If land has utility for a specific use and there is demand for that use, the land has value to a particular category of users. However, there are other principles and factors beyond basic utility that must be considered in the valuation of land.

Anticipation, change, supply and demand, substitution and balance are principles that affect and influence land value. Anticipation means that value is created by the expectation of benefits to be received in the future. Buyers may be motivated to acquire raw land for future use in a certain location due to the anticipation that a particular use will be in demand in the future. They may be motivated to acquire the land for future development, even though the development of a particular use may not be feasible at the present time. Competition among such buyers creates a price level for land that may have little to do with its current use. In some cases, the highest and best use of a site may be an interim use awaiting future development.

The supply of land is relatively stable. Land value is substantially affected by the relationship of supply and demand, but the economic use of a parcel of land is the determining factor of value in a particular market. For example, the price a developer can afford to pay for a retail site is directly related to the net income that the retail development will generate and the cost of developing the project. Competition for prime lots or the last remaining lots in a particular development can create a situation in which potential purchasers will pay more for a site than is indicated by prices for similar properties in the market. Scarcity, coupled with utility, is what creates value.

The principle of substitution, as applied to the valuation of land, holds that a buyer will not pay more for one parcel of land than for an equivalent parcel. Substitution indicates that the greatest demand will be generated for the lowest-priced land with similar utility. The principle of balance, as it relates to land value, holds that when the various elements of a particular economic mix are in a state of equilibrium, land value is sustained; when the balance is upset, values change. For example, if there is an overabundance of vacant multi-family land in a particular neighborhood, the value of multi-family land will likely fall or remain the same over a period of time.

The valuation of land focuses on the physical component and the accompanying property rights. Property rights may include the right to develop the site, lease the land to others, farm or mine the land, subdivide the land, hold it for future use, or construct building improvements, among others. Most governments have some form of land control in the form of zoning regulations. Many governments now have land use plans or master plans that direct land use with the future in mind. Planning and zoning considerations can greatly influence the use of land.

The physical characteristics of land, utilities available, and site improvements, affect land use and value. Physical characteristics that should be considered include size, shape, topography and drainage, location, view, and availability of utilities. A parcel of land becomes a site when it is improved and ready to be used for a specific purpose.

Land is always valued in terms of its highest and best use. Even if a parcel of land has improvements, the land value is based on the highest and best use as though vacant and available for development to its most economic (maximally productive) use. The comparability of competitive sites is based on the highest and best use of potential comparable sites on the date of sale. Regardless of how physically similar a potential

comparable sale is to the subject property, if the comparable site does not have the same highest and best use as though vacant as the subject, the transaction does not qualify as a comparable sale and should be dismissed from consideration.

The Sales Comparison Approach is the preferred methodology for the valuation of land, although there are other techniques that may be applied when sales of vacant land are not plentiful enough for the application of direct sales comparison. To apply the sales comparison approach, data on sales of similar parcels of land is collected, analyzed, compared and adjusted to provide a value indication for the land being appraised. Several tasks are performed in developing an opinion of land value. They include:

- Gathering data on actual sales, as well as listings, offers and options;
- Identifying the similarities and differences in the data;
- Identifying the highest and best use of each potential comparable sale;
- Identifying appropriate units of comparison;
- Adjusting the sale prices of the comparables to account for dissimilar characteristics between the comparables and the subject property; and
- Forming a conclusion as to the market value of the subject land.

The goal of the sales comparison approach is to select the most comparable market sales and then adjust for differences that are not eliminated by the selection process. Elements of comparison include: property rights, financing, conditions of sale, market conditions, location, physical characteristics, utilities and zoning. Unit prices may be expressed as price per square foot, price per front foot, price per acre, price per lot, price per allowed dwelling unit, or any other unit of comparison recognized in a particular market.

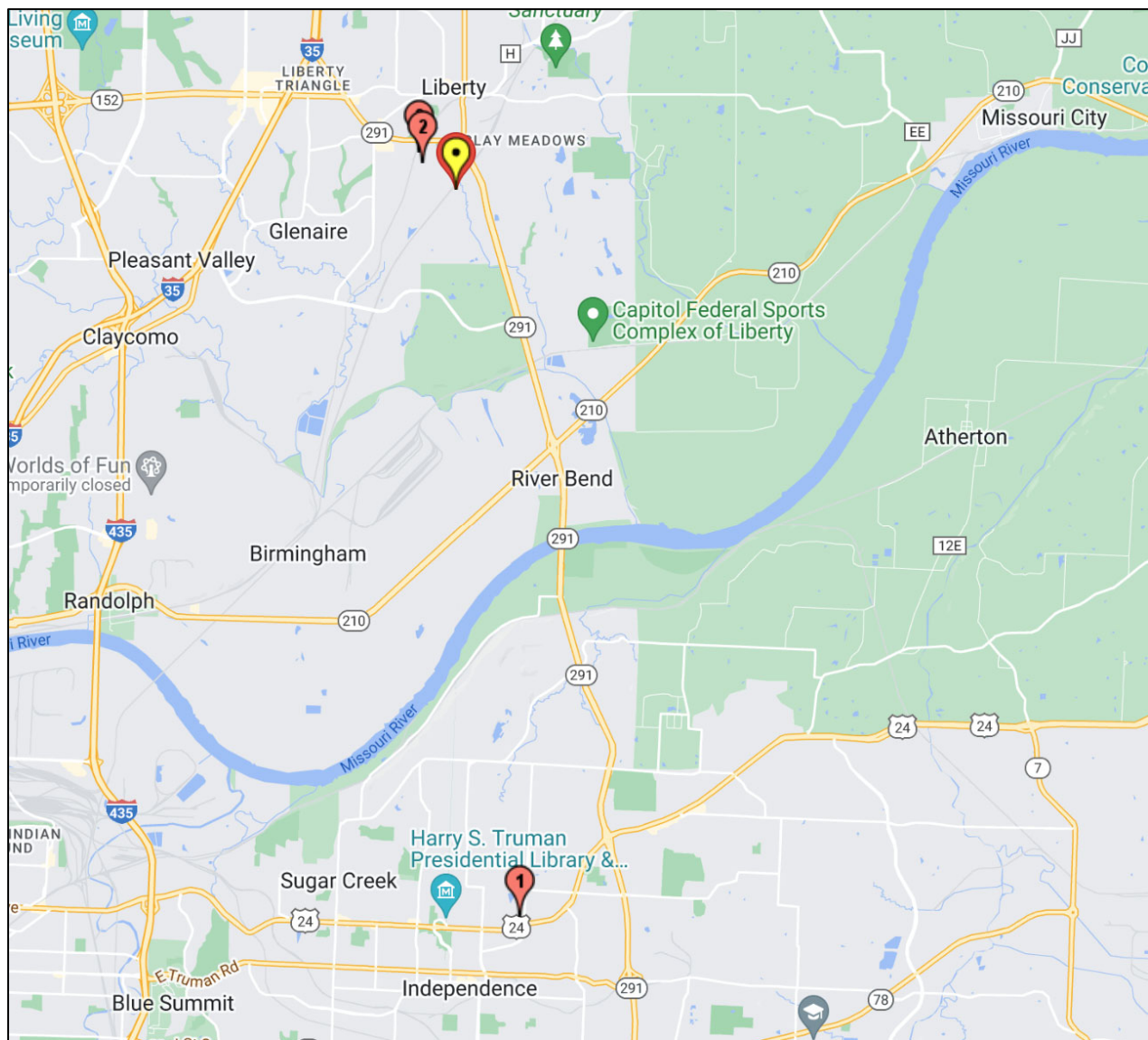
Unit of Comparison

Units of comparison are used to facilitate the comparison of the subject and comparable properties. The unit of comparison considered most appropriate in the analysis of the subject site is the price per acre, given that the highest and best use is to rezone the subject site to allow for single-family residential development.

Data Selection

My research yielded the following comparable sales appropriate for use in the analysis of the subject site. More detailed write-ups are included after the Reconciliation section of this report. I searched for sales using Costar, Heartland MLS, appraisers, brokers, and Adamson & Associates, Inc.'s database. Due to a lack of sales from the market area, the search was expanded. The zoning of the site is assumed to be R1-C, as previously explained.

COMPARABLE LAND SALES ADJUSTMENT GRID - SALES 1 - 3				
ITEM	SUBJECT	SALE 1	SALE 2	SALE 3
Sale Date	Current	January 19, 2023	November 10, 2022	January 16, 2021
Address	1138 Southview Drive	1220 Dickinson Road	1140 Birmingham Road et al	1000 Birmingham Road
City	Liberty, MO	Independence, MO	Liberty, MO	Liberty, MO
Topography	Level to sloping and wooded	Level to Sloping	Level to rolling	Level
Shape	Irregular	Irregular	Irregular	Irregular
Utilities	All Necessary Available	All Available	Installed	All available
Zoning	R1-C (Potential Rezoning)	R-18/PUD	R-1A and R-1C	R-1A
Flood Zone	Zone X (90%) Zone AE (10%)	Zone X	X (97%) and AE (3%)	X
Size in SF	725,274	285,329	3,517,034	687,377
Size in Acres	16.65	6.55	80.74	15.78
Sale Price	N/A	\$180,000	\$1,125,000	\$370,000
Price/Acre	N/A	\$27,480	\$13,934	\$23,447



Land Sales Location Map



Listings

The following listings of vacant residential land were found in the subject's market area. Additional details are included in the Addenda.

Listing	Land Acres	Land SF	Asking Price	Asking \$/Acre	Asking \$/SF	DOM	Comments
1	5.06	1,404,810	\$250,000	\$49,407	\$0.18	57	All of the listings are vacant residential land located in Liberty. The listings bracket the subject in size. All of the listings have been on the market for less than one year.
2	12.00	522,720	\$350,000	\$29,167	\$0.67	27	
3	8.02	349,351	\$350,000	\$43,641	\$1.00	57	
4	39.96	1,740,658	\$1,018,980	\$25,500	\$0.59	56	
5	16.57	1,742,400	\$1,044,000	\$63,005	\$0.60	103	
Minimum	5.06	349,351	\$250,000	\$25,500	\$0.18	27	
Maximum	39.96	1,742,400	\$1,044,000	\$63,005	\$1.00	103	
Average	16.32	1,151,988	\$602,596	\$42,144	\$0.61	60	
Median	12.00	1,404,810	\$350,000	\$43,641	\$0.60	57	

The subject is currently zoned for industrial uses. Therefore, the following listings of vacant industrial land are included for informational purposes. Additional details are included in the Addenda.

Listing	Land Acres	Land SF	Asking Price	Asking \$/Acre	Asking \$/SF	DOM	Comments
1	32.25	1,404,810	\$2,400,000	\$74,419	\$1.71	930	The following tracts of industrial land are shown for informational purposes. The listings bracket the subject in size. Three of the listings have been on the market for less than one year and two listings have been on the market for several years. Listing 2 is most proximately located to the subject.
2	8.76	381,586	\$225,000	\$25,685	\$0.59	73	
3	18.71	815,008	\$650,000	\$34,741	\$0.80	2	
4	19.00	827,640	\$960,000	\$50,526	\$1.16	94	
5	40.00	1,742,400	\$2,400,000	\$60,000	\$1.38	1,389	
Minimum	8.76	381,586	\$225,000	\$25,685	\$0.59	2	
Maximum	40.00	1,742,400	\$2,400,000	\$74,419	\$1.71	1,389	
Average	23.74	1,034,289	\$1,327,000	\$49,074	\$1.13	498	
Median	19.00	827,640	\$960,000	\$50,526	\$1.16	94	

Analysis of the Sales

Ideally, all of the comparable properties selected for use in the analysis of land value would be identical to the subject property and no adjustments would be required. However, this is rarely the case, which necessitates an adjustment process. A sale price reflects many factors that affect the value of a particular site to varying degrees. Both qualitative and quantitative techniques are employed to estimate the relative significance of these factors. When insufficient data is available to support a quantitative adjustment, qualitative relationships are investigated through comparison of market data and analysis of market trends.

Elements of comparison, as previously noted, include property rights, financing, conditions of sale, market conditions, location, physical characteristics, zoning and utilities. The comparable sales are adjusted for these elements of comparison in the following adjustment grid(s). An explanation of adjustments follows the grid(s).



TRANSACTIONAL ADJUSTMENTS				
ITEM	Subject	SALE 1	SALE 2	SALE 3
LOCATION	1138 Southview Drive	1220 Dickinson Road	1140 Birmingham Road et al	1000 Birmingham Road
PROPERTY RIGHTS	<i>Fee Simple</i>	Fee Simple	Fee Simple	Fee Simple
	% Adjustment	0.0%	0.0%	0.0%
	Adjusted Price/Acre	\$27,480	\$13,934	\$23,447
FINANCING TERMS	<i>Market</i>	Cash	Conventional	Conventional
	% Adjustment	0.0%	0.0%	0.0%
	Adjusted Price/Acre	\$27,480	\$13,934	\$23,447
CONDITIONS OF SALE	<i>Arm's Length</i>	Arm's Length	Arm's Length	Arm's Length
	% Adjustment	0.0%	0.0%	0.0%
	Adjusted Price/Acre	\$27,480	\$13,934	\$23,447
EXPENDITURES AFTER PURCHASE	<i>Purpose</i>	NA	NA	NA
	Adjustment	\$0	\$0	\$0
	% Adjustment	0.0%	0.0%	0.0%
	Adjusted Price/Acre	\$27,480	\$13,934	\$23,447
MARKET CONDITIONS	<i>Current</i>	Jan-23	Nov-22	Jan-21
	% Adjustment	0.8%	1.0%	2.8%
	Adjusted Price/Acre	\$27,689	\$14,066	\$24,103
CUMULATIVE ADJUSTMENTS (NETTED AT BOTTOM OF SECTION)				
LOCATION/ACCESS/EXPOSURE	<i>1138 Southview Drive</i>	Inferior	Superior	Superior
	% Adjustment	10%	-5%	-5%
SHAPE	<i>Irregular</i>	Similar	Similar	Inferior
	% Adjustment	0%	0%	15%
TOPOGRAPHY	<i>Level to sloping and wooded</i>	Similar	Similar	Superior
	% Adjustment	0%	0%	-5%
UTILITIES	<i>All Necessary Available</i>	Similar	Similar	Similar
	% Adjustment	0%	0%	0%
SIZE IN ACRES	<i>16.65</i>	Smaller	Larger	Similar
	% Adjustment	-15%	70%	0%
ZONING/USE	<i>R1-C (Potential Rezoning)</i>	Similar	Similar	Inferior
	% Adjustment	0%	0%	10%
FLOOD ZONE	<i>Zone X (90%) Zone AE (10%)</i>	Similar	Similar	Similar
	% Adjustment	0%	0%	0%
NET CUMULATIVE ADJUSTMENT		-5%	65%	15%
GROSS CUMULATIVE ADJUSTMENT		25%	75%	35%
NET OVERALL ADJUSTMENT		-4.2%	66.0%	17.8%
GROSS OVERALL ADJUSTMENT		25.8%	76.0%	37.8%
ADJUSTED PRICE/ACRE		\$26,304	\$23,210	\$27,718
APPLIED TO SUBJECT		\$437,969	\$386,440	\$461,505

Explanation of Adjustments

Property Rights

Before the price of a comparable sale can be used in the analysis of the subject property, the appraiser must first ensure that the sale price of the comparable applies to property rights similar to those being valued. No adjustments are necessary.

Financing

The sale price of a property may differ from the price of a similar property when different financing is involved. For example, seller financing at a below market interest rate may motivate a buyer to pay a premium. Conversely, above market interest rates may result in lower sale prices. Borrowers with excellent credit and relationships with lenders may be able to command lower costs of borrowing. These situations must be investigated to determine whether or not an adjustment for financing is required. All of the sales are considered cash equivalent and no financing adjustments are needed.

Conditions of Sale

Motivations on the part of the buyer or seller are reflected in this element of comparison. The price paid for a particular property may be affected significantly by non-arm's length situations. For example, when a developer is assembling land tracts for a project, the developer may pay a premium due to the fact that plottage value may result in a higher utility of the larger assembled site. Conversely, a seller experiencing financial difficulties may be motivated to sell a property at a below market price. Sales between family members may also reflect a discounted price. All of the sales are arm's length transactions and no conditions of sale adjustments are warranted.

Expenditures after Purchase

This element of comparison reflects any expenditure made immediately after purchase, such as costs to cure deferred maintenance, costs to demolish and remove part or all of an improvement, zoning changes, or remediation of environmental contamination. The sales require no adjustments for expenditures after purchase.

Market Conditions

Comparable sales that occurred under market conditions different from those applicable to the subject property on the effective date of value require adjustment for the differences that affect their prices. An adjustment for market conditions is made if general property values have appreciated or depreciated since the dates of sale due to inflation, deflation or a change in investors' attitudes towards the market or the market for a particular property type over time. Market conditions adjustments are often referred to as a "time" adjustment; however, time is not the cause of the adjustment. Shifting market conditions over time cause the need for adjustment, not time. In other words, appreciation and depreciation of property values in the market is the cause of the adjustment, and time is simply the measure of it.

No adjustment is required, even if a considerable amount of time has elapsed between the date of sale of the comparable and the effective date of valuation, if market conditions have not changed. Market conditions adjustments are warranted for all of the sales. The adjustments account for the period between the dates of sale and the effective date of value.

Location and Access/Exposure

Adjustments to the comparable sales are made when the locational characteristics of the comparable in the market area are different from those of the subject property. Access is considered in the location adjustment. Although no location is inherently desirable or undesirable, the market may recognize that one location is better, worse or similar to, another property. An example might be a retail site on a corner versus an interior tract. The subject has no frontage along a street and fair visibility. Therefore, downward adjustments are made to Sales 2 and 3. This is a subjective adjustment given the lack of visibility and frontage and also assumes that an access easement is in place. Sale 1 is given an upward adjustment based on its location in an area with lower median home prices and lower median household incomes.

Physical Characteristics

The physical characteristics of a comparable property and the subject property may differ. Adjustments may be required for these differences. In this case, the physical characteristics considered are shape, topography, availability of utilities and size.

Shape

Sale 2 has a highly irregular shape and is split by railroad tracks and is adjusted upward for shape.

Topography

Sale 3 is adjusted downward for superior topography based on comparison with the other sales.



Utilities

No adjustments are made for utilities.

Size

The unit of comparison in this analysis is the price per square foot. The use of a size based unit of comparison usually eliminates the need for an adjustment for size. However, it is necessary to consider economies of scale. A property that is smaller or larger than the subject may be affected by economies of scale. Sale 1 is adjusted downward for smaller size and Sale 2 is adjusted upward for larger size based on comparison with Sale 3 after all other adjustments are considered.

Zoning/Use

Any difference in the current use or highest and best use of a potential comparable sale and the subject property must be addressed. Sale 3 is adjusted upward for zoning based on density.

Flood Zone

Approximately 10% of the site is located in Flood Zone AE. However, no adjustments are necessary due to the fact that this portion of the site could potentially be used to fulfill greenspace requirements in a subdivision development.

Conclusion

The adjusted prices are arrayed below.

Sale	Adjusted Price/Acre	Indicated Value
2	\$23,210	\$386,440
1	\$26,304	\$437,969
3	\$27,718	\$461,505
Average	\$25,744	\$428,638
Median	\$26,304	\$437,969
Low	\$23,210	\$386,440
High	\$27,718	\$461,505
Reconciled to	\$26,000	\$432,900

Sale 1 is the most recent sale and Sale 3 is the oldest transaction. Sales 2 and 3 are located less than one-half mile from the subject. The sales bracket the subject in size, with Sale 3 being most similar to the subject. Sale 1 required the least adjustment on a gross and net basis. Sale 2 required the greatest gross and net adjustment. The average of the adjusted prices is less than the median. The concluded value for the subject site is \$26,000 per acre, or \$435,000, rounded, assuming an access easement is in place.

“As Is” Value Opinion by the Sales Comparison Approach:

\$435,000

RECONCILIATION AND FINAL VALUE CONCLUSION

The appraisal process usually involves the application of more than one approach to value, and each approach can result in a different indication of value. Often, one approach may be more reliable than another due to the property type or the quantity and quality of data obtained for use in that approach. A reconciliation of value is needed any time more than one approach to value is performed.

The reconciliation process involves consideration of the appropriateness of each approach to value, the quantity and quality of the data used in each approach and the confidence the appraiser has in the accuracy of the data. For example, the appraisal of a 30-year old, multi-tenant office building would ordinarily be weighted towards the Income Approach with its focus on income capitalization and discounting of cash flows. The Cost Approach would be less reliable due to the difficulty associated with estimating replacement cost and accrued depreciation. The ultimate goal of the reconciliation process is the final opinion of value.

The final opinion of value may be expressed as a single figure, a range of values, or in relation to a benchmark amount (“not more than” or “not less than”). The final value estimate is typically reported as a single dollar amount called a point estimate. The point estimate is rounded to reflect the degree of precision associated with the quantity and quality of the data.

In the Cost Approach, the replacement cost of the improvements is typically estimated using figures from the Marshall Valuation Service Cost Handbook. Deductions are considered for physical depreciation, functional and external obsolescence. The value of the land, which is typically estimated by direct comparison with similar unimproved tracts, is then added to the depreciated cost of the improvements for an indicated value by this approach.

The Cost Approach is most applicable in the analysis of new or proposed properties, especially when building additions or renovations are being considered. One of the weaknesses of the Cost Approach from an investment perspective is the assumption that newly constructed improvements are immediately available on the date of the appraisal. An investor or owner-user looking for immediate investment or occupancy opportunities may consider the months or years required to construct a new property to be an unacceptable delay. The Cost Approach was not developed, as previously noted, and is unnecessary in the development of credible assignment results.

In the Income Approach, the subject’s potential gross income is estimated and a vacancy rate applied to arrive at the effective gross income. The subject’s stabilized expenses are estimated and deducted from the effective gross income to arrive at the net operating income (NOI). A market derived overall rate is used to capitalize the NOI into an indication of value. The Income Approach was not developed, as previously noted, and is unnecessary in the development of credible assignment results.

In the Sales Comparison Approach, comparisons were made between the subject property and properties similar to the subject that sold. After considering property rights, financing, conditions of sale, expenditures after purchase and market conditions, adjustments were considered for location, shape, topography, utilities, size, zoning, and flood zone.

The Sales Comparison Approach to value has different strengths and weaknesses. The strength of the Sales Comparison Approach is the fact that three land sales were found that bracket the subject in size and which are fairly recent. The weakness lies in the fact that none of the sales are similar in terms of lacking frontage on a street.



In conclusion, the Sales Comparison Approach offers a reliable indication of market value. The final value conclusion is summarized below.

Summary of Values	
Value Premise	As Is
Date of Value	October 24, 2023
Value Type	Market
Value Perspective	Current
Interest Appraised	Fee Simple
Cost Approach	Not Developed
Sales Comparison Approach	\$435,000
Income Approach	Not Developed
Value Conclusion:	\$435,000

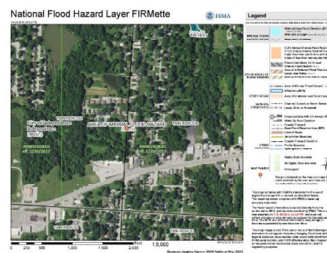
The analyses and conclusions presented in this report apply only as of the effective date of value indicated. Adamson & Associates, Inc. is not responsible for the effects of future events that cannot reasonably be foreseen, as of the date of this report. The Covid-19 pandemic has created volatility in the financial markets and a wide range of viewpoints exists regarding the effects of the pandemic on real estate demand and values. A consensus has not yet been formed as to the long-term effects of the pandemic on the national economy and national real estate markets, and no metrics exist that can accurately quantify or predict the effects of the pandemic while it continues to be fought.

Market participants were interviewed as part of the scope of work for this and other assignments and they related that the effects of the pandemic have been inconsistent in relation to different property types, different markets and even different asset classes. Some property types in certain markets are reported to have been unaffected by the pandemic or have already returned to pre-Covid-19 levels.

A majority of market participants interviewed anticipate that the overall economy will return to Pre-Covid-19 levels once the pandemic is fully-contained. The commercial real estate markets have not yet fully felt the effects of inflation and increasing interest rates. Caution is advised in the short-term for commercial real estate investments and the client is advised to review the collateral frequently and seek advice regarding market participants' reactions to changes in interest rates and inflation.

COMPARABLE LAND SALES DATA

Land Comparable 1



Transaction			
ID	12671	Date	1/19/2023
Address	1220 Dickinson Road	Price	\$180,000
City	Independence	Price Per Acre	\$27,480
County	Jackson	Expenditures after Purchase	NA
State	MO	Purpose of Expenditures	NA
Zip	64050	Effective Price	\$180,000
Legal Description	Deed 2023E0003953	Effective Price Per Acre	\$27,480
Tax ID	15-840-01-07-00-0-00-000	Property Rights	Fee Simple
Grantor	Joseph M. Halastick, Mark W and Karen Halastick	Financing	Cash
Grantee	Marvin & Maria Elena Mendoza	Conditions of Sale	Arm's Length
Transaction Type	Closed Sale	Days on Market	322 Days
Proposed Use	Single-Family Residence	Sale Verification Source	Agents, MLS #2368035
Site			
Acres	6.55	Topography	Level to Sloping
Land SF	285,329	Zoning	R-18/PUD
Road Frontage	470'	Zoning Type	Moderate Density Residential
Shape	Irregular	Encumbrance or Easement	None noted
Utilities	All Available	Environmental Issues	None noted
		Flood Zone	Zone X

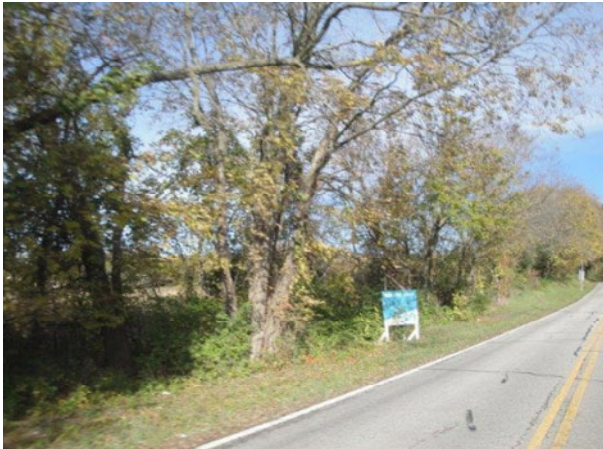
Sale Comments

This is a sale of 6.55-acre tract of land located at the northwest quadrant of Dickinson Road and Highway 24 in Independence, Jackson County, Missouri. The property contains a single-family residence that was not habitable and required significant work and was marketed as development opportunity or potential rehab. The house was constructed in 1908 containing 2,016 square feet of GLA and 3,024 square of gross building area, with the difference being the basement. A detached garage is located west of the house.

The site is irregular in shape with approximately 470 front feet on the west side of Dickinson Road. The topography is level to sloping and is in FEMA Zone X. The site is zoned R-18/PUD, Moderate Density Residential PUD, by the City of Independence. All utilities are to the site. The listing agent reported the property has two sewer lines as the site used to have a second home that burned several years ago. The lot is treed and a pond is located towards the northwest quadrant of the site.

The sale occurred on January 19, 2023 for \$180,000 or \$0.63 per SF after being listed for 322 days. The original asking price was \$250,000 and was lowered to \$195,000 on August 5, 2022. The listing agent reported the seller inherited the property and that the property should have been "bulldozed" due to the condition; however, the buyer is a contractor and rehabs homes and was able to salvage the home and is in the process of rehabbing. The buyer's agent reported the buyer has replaced the roof and has gutted the improvements to the studs. The buyer's agent indicated the property would be worth \$400,000 once rehabbed.

Land Comparable 2



Transaction			
ID	9380	Date	11/10/2022
Address	1140 Birmingham Road et al	Price	\$1,125,000
City	Liberty	Price Per Acre	\$13,934
County	Clay	Expenditures after Purchase	NA
State	MO	Purpose of Expenditures	NA
Zip	64068	Effective Price	\$1,125,000
Legal Description	In File	Effective Price Per Acre	\$13,934
Tax ID	15410000701700,	Property Rights	Fee Simple
Grantor	Bell Trust by TRS 1/2 interest and Patrick and Susan Lawler 1/2 interest	Financing	Conventional
Grantee	Tim Harris	Conditions of Sale	Arm's Length
Transaction Type	Closed Sale	Days on Market	30 Days
Proposed Use	150 SFRs	Sale Verification Source	Seller
Site			
Acres	80.74	Topography	Level to rolling
Land SF	3,517,034	Zoning	R-1A and R-1C
Road Frontage	1,125'-Birmingham Rd, 490'-Southview Drive	Zoning Type	Suburban Residential District and Standard Single-Family Residential District
Shape	Irregular	Encumbrance or Easement	None noted
Utilities	Installed	Environmental Issues	None noted
		Flood Zone	X (97%) and AE (3%)

Sale Comments

This is comprised of three parcels of land that are located along the west side of Southview Drive, the east side of Birmingham Drive, north of E Ruth Ewing Road, in Liberty, Clay County, Missouri. There are two adjacent parcels that have access to Southview Drive. The westernmost parcel is separated from the other two parcels by railroad tracks and has access to Birmingham Road. The total site area is 3,517,034 square feet, or 80.74 acres. The entire eastern parcel and a portion of the center parcel, which totals 14.15 acres, is zoned R-1A, Suburban Residential District. The remaining 66.59 acres is zoned R-1C, Standard Single-Family Residential District. All utilities are available to the site. Approximately 2.50 acres (+/-3%) is located in a flood zone. The site sold for \$1,125,000. The transaction was arm's length and the price at market. The buyer plans to construct 150 single-family homes. The site was listed for \$1,200,000 for 30 days.

Land Comparable 3



Transaction			
ID	9381	Date	1/16/2021
Address	1000 Birmingham Road	Price	\$370,000
City	Liberty	Price Per Acre	\$23,447
County	Clay	Expenditures after Purchase	NA
State	MO	Purpose of Expenditures	NA
Zip	64068	Effective Price	\$370,000
Legal Description	In File	Effective Price Per Acre	\$23,447
Tax ID	15405000300600	Property Rights	Fee Simple
Grantor	Blue Heron Homes, LLC	Financing	Conventional
Grantee	Liberty Manor Baptist Church	Conditions of Sale	Arm's Length
Transaction Type	Closed Sale	Days on Market	322 Days
Proposed Use	Religious Facility	Sale Verification Source	MLS
Site			
Acres	15.78	Topography	Level
Land SF	687,377	Zoning	R-1A
Road Frontage	1,275'	Zoning Type	Suburban Residential District
Shape	Irregular	Encumbrance or Easement	None noted
Utilities	All available	Environmental Issues	None noted
		Flood Zone	X

Sale Comments

This is the sale of a vacant tract of land that is located at 1000 Birmingham Road in Liberty, Clay County, Missouri. The total site area is 687,377 square feet, or 15.78 acres. The site is zoned R-1A, Suburban Residential District. All utilities are available to the site and no portion is in a flood zone. The site sold for \$370,000. The transaction was arm's length and the price at market. It appears that the buyer plans to construct a religious facility. The site was listed for \$499,900 for 322 days.

NATIONAL ECONOMIC INDICATORS FOR REAL ESTATE

The following data were compiled from various sources including the U.S. Census Bureau, Bureau of Labor Statistics, the Federal Reserve, *The Secrets of Economic Indicators*, 2nd Edition by Bernard Baumohl and various online sources including *The Wall Street Journal*, Standard & Poor's, Moody's, and ML Financial Advisors. Exact sources are retained in our files.

The Conference Board Consumer Confidence Index® declined again in September to 103.0 (1985=100), down from an upwardly revised 108.7 in August. The Present Situation Index—based on consumers' assessment of current business and labor market conditions—rose slightly to 147.1 (1985=100) from 146.7. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—declined to 73.7 (1985=100) in September, after falling to 83.3 in August. Expectations fell back below 80—the level that historically signals a recession within the next year. Consumer fears of an impending recession also ticked back up, consistent with the short and shallow economic contraction we anticipate for the first half of 2024.

“Consumer confidence fell again in September 2023, marking two consecutive months of decline,” said Dana Peterson, Chief Economist at The Conference Board. “September’s disappointing headline number reflected another decline in the Expectations Index, as the Present Situation Index was little changed. Write-in responses showed that consumers continued to be preoccupied with rising prices in general, and for groceries and gasoline in particular. Consumers also expressed concerns about the political situation and higher interest rates. The decline in consumer confidence was evident across all age groups, and notably among consumers with household incomes of \$50,000 or more.”

Peterson added: “Assessments of the present situation were little changed overall, due to divergent views on the state of business conditions and job availability. Fewer consumers said that business conditions were good, but fewer also said they were bad. Regarding the employment situation, slightly more consumers said that jobs were “plentiful,” but also slightly more said that jobs were “hard to get.” When asked about current family financial conditions (a measure not included in calculating the Present Situation Index), the share of respondents citing a ‘good’ situation fell again, and those citing ‘bad’ conditions rose, signaling rising concerns about current family finances.

“Expectations for the next six months tumbled back below the recession threshold of 80, reflecting less confidence about future business conditions, job availability, and incomes. Consumers may be hearing more bad news about corporate earnings, while job openings are narrowing, and interest rates continue to rise—making big-ticket items more expensive. Expectations for interest rates declined in September after surging in the prior month, but the outlook for stock prices continued to fall. Notably, average 12-month inflation expectations have held steady over the past three months despite ongoing complaints about higher prices. Still, the measure of expected family financial situation, six months hence (not included in the Expectations Index) worsened further.

“The proportion of consumers saying recession is ‘somewhat’ or ‘very likely’ rose in September after dropping in August. The fluctuating soundings likely reflect ongoing uncertainty given mixed buying plans. On a six-month moving average basis, plans to purchase autos were flat but remained at an elevated level, while plans to purchase appliances continued to trend upward. But plans to buy homes—more in line with rising interest rates—continued to trend downward.”

Present Situation

Consumers' assessment of current business conditions was slightly less pessimistic in September.

- While 20.9% of consumers said business conditions were “good,” down from 21.5 percent in August
- 16.4% said business conditions were “bad,” down from 17.3%.

Consumers’ appraisal of the labor was slightly more positive in September.

- 40.9% of consumers said jobs were “plentiful,” up from 39.9% in August.
- But 13.6% of consumers said jobs were “hard to get,” up from 13.2% last month.

Expectations Six Months Hence

Consumers were less optimistic about the short-term business conditions outlook in September.

- 14.1% of consumers expect business conditions to improve, down from 17.5% in August.
- Meanwhile, 18.4% expect business conditions to worsen, up from 17.3%.

Consumers’ assessment of the short-term labor market outlook was less favorable in September.

- 15.5% of consumers expect more jobs to be available, down from 17.5% in August.
- 18.9% anticipate fewer jobs, up from 18.0%.

Consumers’ assessment of their short-term income prospects was more pessimistic in September.

- 16.3% of consumers expect their incomes to increase, down from 18.7% in August.
- Moreover, 14.4% expect their incomes will decrease, up from 11.9% last month.

As of October 18, 2023, the rate for the 10-year Treasury was at 4.83%, up from the January 1, 2022, rate of 1.76%, up from the January 1, 2021, rate of 1.08%, down from the January 1, 2020, rate of 1.76%, down from the January 1, 2019, rate of 2.71% and down from the January 1, 2018, rate of 2.58%. The rate for a 10-year Treasury was 2.43% as of January 1, 2017, as compared to 2.09% on January 1, 2016. The last time the U.S. Treasury note fell below 2.00% was on January 29, 2016, when it was 1.94%. Overall, the treasuries have experienced some volatility over the last seven years; however, the rate has overall declined from 3.73% in January 2010 as compared to 3.69% in January 2011, 1.97% in January 2012, 1.91% in January 2013, 2.86% in January 2014, and 1.88% in January 2015.

The unemployment rate in the US was at 3.8% in September of 2023, remaining unchanged from the February 2022 high from the previous month and slightly above market expectations of 3.7%. Still, the result consolidated evidence that the labor market remains tight on historical standards, adding leeway for the Federal Reserve to leave borrowing costs at restrictive levels for a prolonged period. The number of unemployed individuals was essentially unchanged at 6.36 million people. The so-called U-6 unemployment rate, which also includes people who want to work, but have given up searching and those working part-time because they cannot find full-time employment, edged lower to 7% after touching a 15-month high of 7.1% in August. In the meantime, the labor force participation rate was also unchanged at 62.8%, the highest since February 2020.

Privately-owned housing units authorized by building permits in September were at a seasonally adjusted annual rate of 1,473,000. This is 4.4 percent below the revised August rate of 1,541,000 and is 7.2 percent below the September 2022 rate of 1,588,000. Single-family authorizations in September were at a rate of 965,000; this is 1.8 percent above the revised August figure of 948,000. Authorizations of units in buildings with five units or more were at a rate of 459,000 in September.

Privately-owned housing starts in September were at a seasonally adjusted annual rate of 1,358,000. This is 7.0 percent (± 15.8 percent) above the revised August estimate of 1,269,000, but is 7.2 percent (± 12.1 percent) below the September 2022 rate of 1,463,000. Single-family housing starts in September were at a rate of 963,000; this is 3.2 percent (± 10.8 percent) above the revised August figure of 933,000. The September rate for units in buildings with five units or more was 383,000.



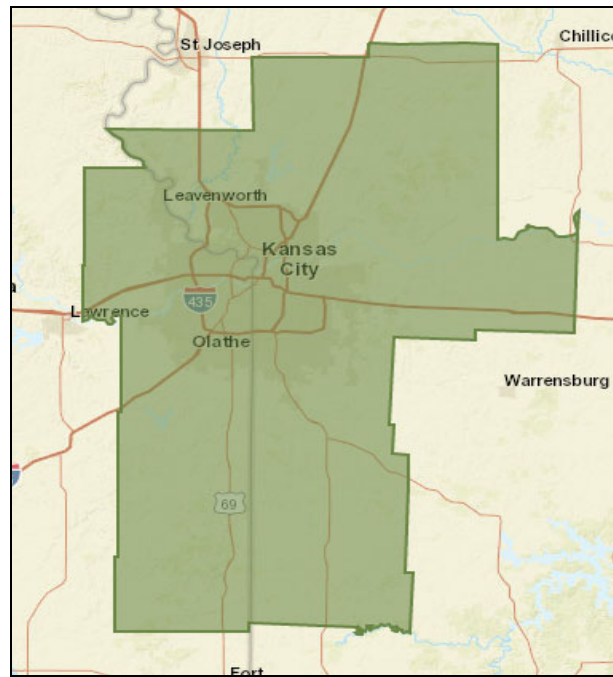
Privately-owned housing completions in September were at a seasonally adjusted annual rate of 1,453,000. This is 6.6 percent (± 10.2 percent) above the revised August estimate of 1,363,000 and is 1.0 percent (± 13.7 percent) above the September 2022 rate of 1,438,000. Single-family housing completions in September were at a rate of 998,000; this is 5.3 percent (± 11.2 percent) above the revised August rate of 948,000. The September rate for units in buildings with five units or more was 445,000.

September 20, 2023, the Federal Reserve held their sixth regularly scheduled meeting for the year. The Board of Governors of the Federal Reserve System voted unanimously to maintain the interest rate on reserve balances to 5.4 percent, effective September 21, 2023. The Board also voted unanimously to approve the establishment of the primary credit rate at the existing level of 5.5 percent, effective September 21, 2023.

KANSAS CITY METROPOLITAN AREA

Location

The Kansas City, MO-KS Metropolitan Statistical Area is situated at the confluence of the Kansas and Missouri Rivers at Kaw Point and straddles the Kansas and Missouri state border. The Metropolitan Area consists of 14 counties, nine in Missouri and five in Kansas. The counties in Missouri include Clay, Platte, Ray, Clinton, Jackson, Cass, Bates, Caldwell and Lafayette. The counties in Kansas include Leavenworth, Johnson, Wyandotte, Miami and Linn.



Site to Do Business – Kansas City, MO-KS Metropolitan Statistical Area

Population

The Kansas City Metropolitan Area had an estimated population of 2,238,618 for 2023, according to data obtained from the Site to do Business website. The region is projected to have a population of 2,273,691 by 2028. The population data for 2023 and 2028 are projections, based on the 2010 Census data. The following table illustrates population data from 2010 to 2028.

Summary	Census 2010	2023	2028
Population	2,009,342	2,238,618	2,273,691
Households	789,533	892,148	914,075
Families	520,929	568,640	581,253
Average Household Size	2.51	2.47	2.45
Owner Occupied Housing Units	530,278	589,233	603,577
Renter Occupied Housing Units	259,255	302,915	310,498
Median Age	36.5	38.7	39.4

Source: Site to do Business

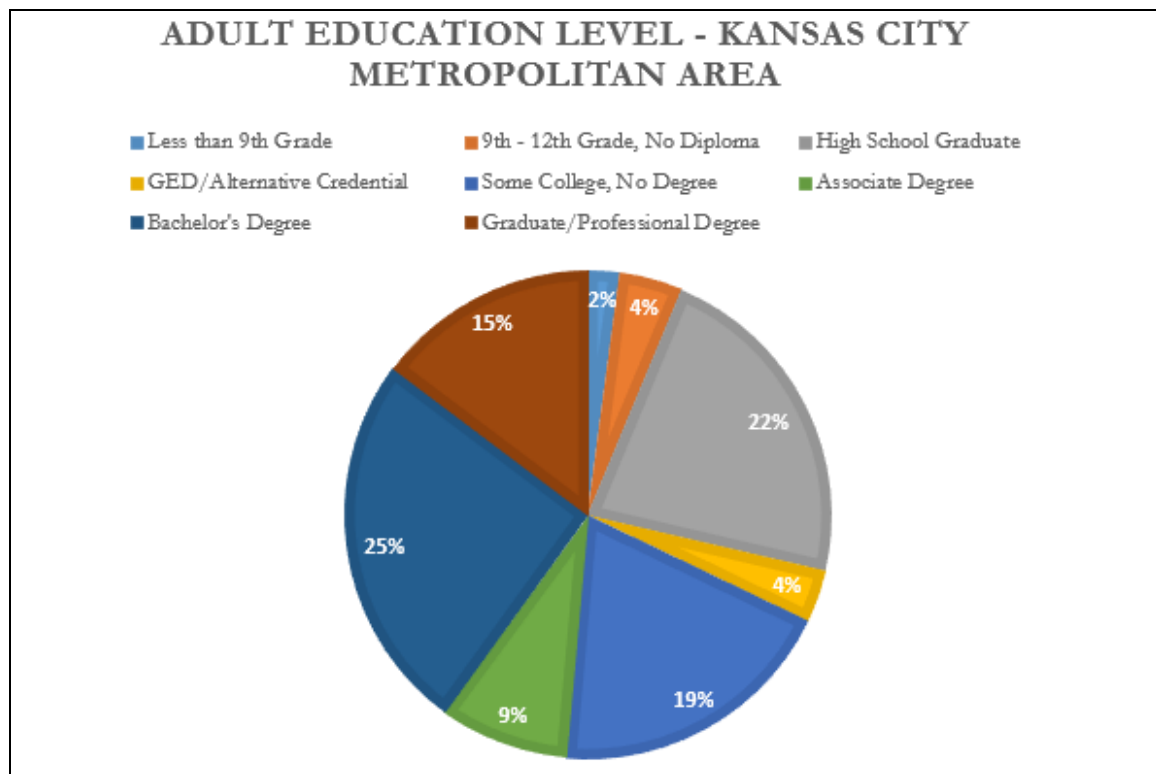
Median Household Income

According to the Site to do Business, the Kansas City Metropolitan Area had a median household income of \$76,890 for 2023, which was higher than the national median household income of \$72,603. The Kansas City Metropolitan Area is expected to have a median household income of \$85,591 by 2028.

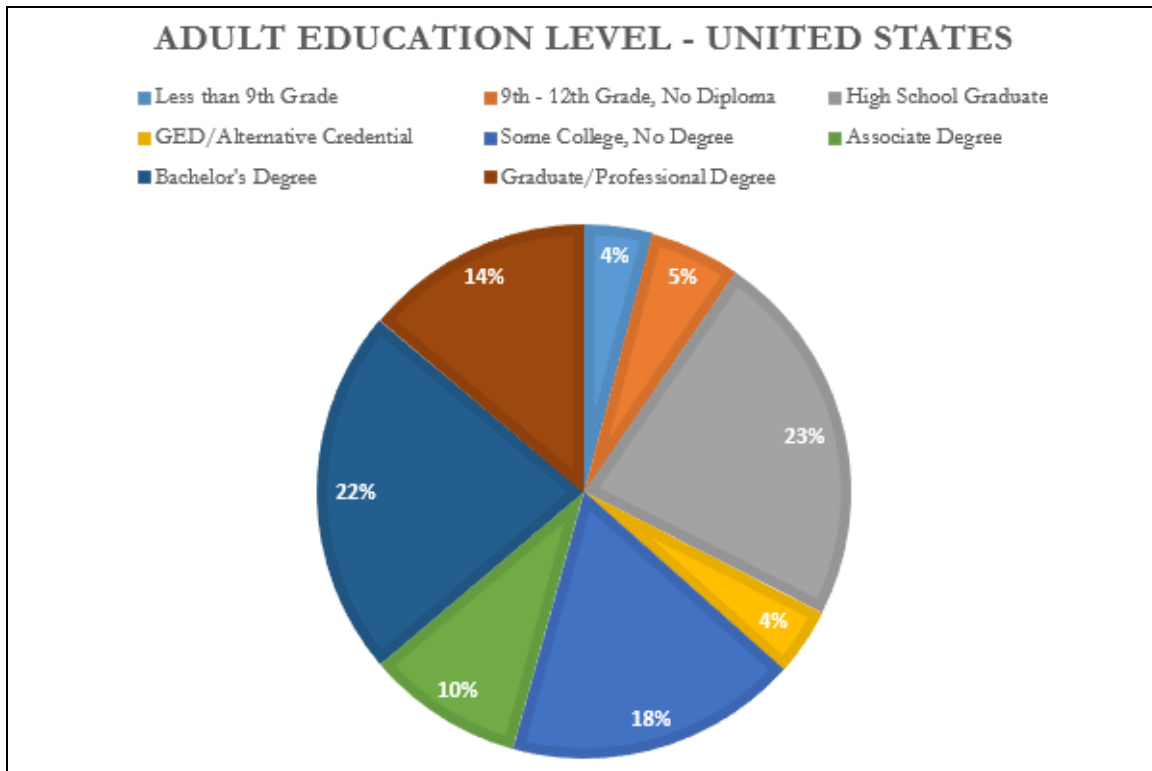
Education

There are many opportunities for the population of the Kansas City Metropolitan area to obtain higher education. Post-secondary institutions in the Metropolitan Area include the University of Kansas-Edwards Campus, University of Missouri-Kansas City, Rockhurst College, William Jewell College, Baker University-Overland Park Campus, Western Baptist Bible College, Mid-America Nazarene University, Avila University and numerous community colleges and technical institutions.

Approximately 48.70% of the adult population in the Kansas City Metropolitan Area has at least an associate's degree, while 25.90% of the adult population have completed high school or obtained a GED or alternative credential. In comparison, approximately 45.70% of the U.S. population has at least an associate's degree, and 27.00% of the U.S. population completed high school or obtained a GED or alternative credential. The following pie charts break down the education levels of the Kansas City Metropolitan adult population and compares it with the adult education level within the United States for 2023.



Source: Site to do Business



Source: Site to do Business

Land Uses

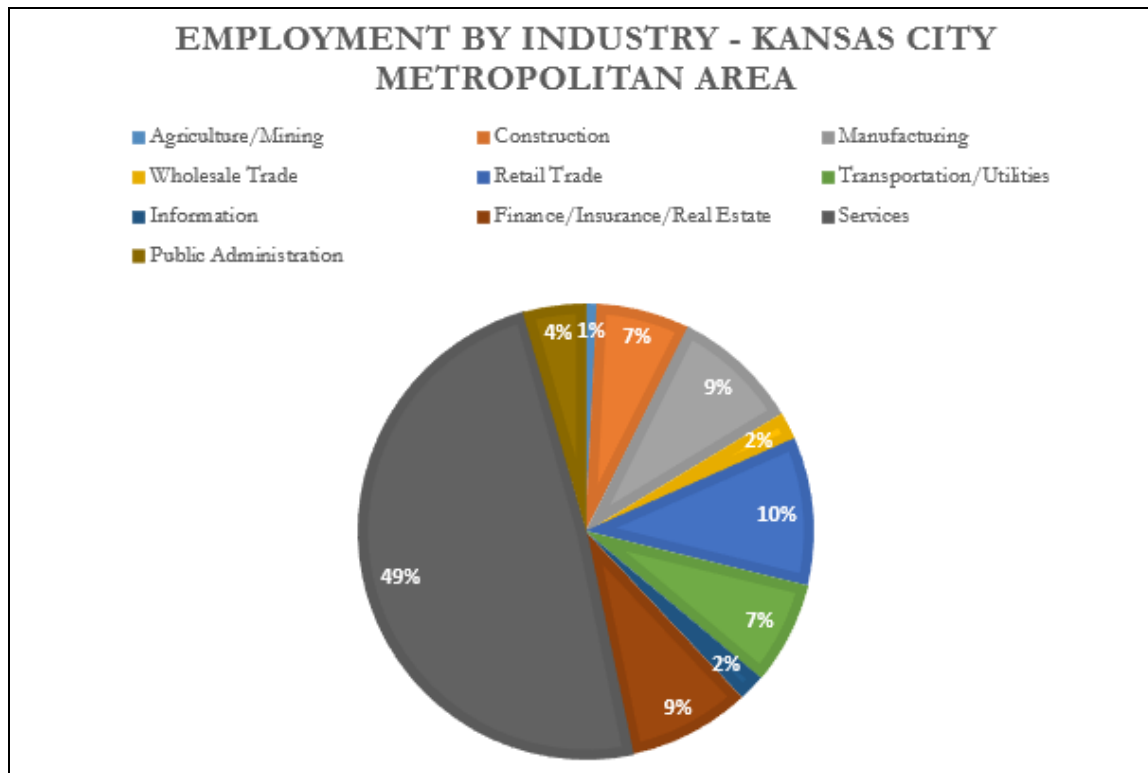
The Kansas City Metropolitan Area encompasses more than 7,952 square miles. Everything from farmland to industrial parks is located within the area. Included in the city limits are the Central Business District and attractions such as the Power & Light District, Nelson-Atkins Museum of Art, Missouri Repertory Theater, Kansas City Zoo, and the Country Club Plaza shopping district. Kansas City is the only city nationwide to have two professional stadiums side-by-side, which includes the Truman Sports Complex, located a few miles east of downtown, which accommodates two major league professional sports teams, the Royals (MLB), and the Chiefs (NFL). Community America Ball Park in Kansas City, Kansas is home to the independent American Association, Kansas City T-Bones (minor league baseball). Children's Mercy Park, formerly Sporting Park and Livestrong Sporting Park, is home to Sporting Kansas City (soccer) also located in Kansas City, KS. The Sprint Arena, which first opened in October 2007, plays host to concerts and sporting events, and is located in the newly revitalized downtown area. The Kansas Speedway is located in western Wyandotte County, at the intersection of Interstates 70 and 435, and plays host to Indy and NASCAR racing events.

Economic Base

Major employers in the Kansas City, Metropolitan Area include one Fortune 500 company, Seaboard Corp, and additional large employers headquartered in the metro area include Sprint, Cerner, YRC Worldwide Inc., American Century Investments, Black & Veatch, Burns & McDonnell, H&R Block, AMC Entertainment, and Hallmark Cards. The Kauffman Foundation for Entrepreneurial Leadership has helped stabilize the small business community. Kansas City is the regional center for finance, law, education, transportation, healthcare and government. Kansas City was the first major city to meet all of the Environmental Protection Agency clean air standards, thus lowering the total cost of doing business because companies are not required to

comply with stricter regulations. The metropolitan area is served by several commercial airlines, Amtrak passenger rail line, access to two rivers, and is one of the top trucking centers in the United States.

The Kansas City Metropolitan Area has a civilian work force of approximately 1,163,861. The primary source of jobs for the Kansas City Metropolitan Area is in the service industries at 49.00% followed by the retail trade at 10.50% and manufacturing at 9.00%. The following chart shows the breakdown of employment by industry within the Kansas City Metropolitan Area for 2023.



Source: Site to do Business

The following companies are the major employers in the Kansas City Metro Area according to the Kansas City Economic Development Corporation.

Organization Name	Industry	# of Employees
Federal Government	Government	20846
Children's Mercy Hospital	Health services	8382
Cerner Corporation	Health care information systems-Rockcreek Aviation	6879
Honeywell	Electronic & mech. weapons components mfg.	5000
Saint Luke's Health System	Health services	4638
Internal Revenue Service	Government	4600
City of Kansas City, Missouri	Government	4411
Truman Medical Centers	Health services	3579
SS&C	Healthcare information management services; Insurance Broker	3125
Burns & McDonnell	Architects/Engineering	2907

Source: Kansas City Economic Development Corporation

Employment

The preliminary unemployment rate in the Kansas City Metropolitan Area for August 2023 was 3.40%, while the State of Kansas had an unemployment rate of 3.20% and the State of Missouri had an unemployment rate of 3.40%. The table below illustrates the historical unemployment rates from 2011 to 2023 for the Kansas City Metropolitan Area, the counties within, the State of Kansas and the State of Missouri. The rates shown are specific to January of each year.

Unemployment Rate Comparison 2011-2023													
Region	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Kansas City Metropolitan Area	9.00%	7.10%	6.90%	6.20%	6.00%	4.30%	4.50%	4.10%	3.80%	3.40%	4.80%	3.00%	2.70%
Johnson County, Kansas	6.10%	4.90%	4.80%	4.10%	3.80%	3.20%	3.30%	3.10%	3.20%	2.70%	3.50%	2.20%	2.50%
Leavenworth County, Kansas	8.40%	7.10%	7.00%	5.80%	5.40%	4.80%	4.70%	4.50%	4.10%	3.80%	4.00%	3.10%	3.10%
Linn County, Kansas	13.00%	12.50%	11.00%	9.10%	7.90%	8.20%	7.10%	7.00%	7.40%	6.60%	5.80%	4.40%	4.60%
Miami County, Kansas	8.50%	7.50%	7.10%	5.60%	5.50%	5.10%	4.70%	4.50%	4.10%	3.90%	3.60%	2.80%	2.90%
Wyandotte County, Kansas	10.60%	9.10%	8.90%	7.60%	7.50%	5.90%	6.30%	6.10%	5.20%	4.40%	5.30%	3.80%	3.80%
Bates County, Missouri	11.80%	10.10%	9.50%	8.60%	7.90%	6.10%	6.00%	5.40%	4.90%	4.30%	5.30%	3.60%	3.10%
Caldwell County, Missouri	11.00%	8.30%	7.80%	6.40%	7.10%	4.90%	5.80%	4.40%	3.70%	3.50%	5.10%	3.20%	2.80%
Cass County, Missouri	10.10%	7.60%	7.40%	6.50%	5.90%	4.50%	4.40%	3.90%	3.70%	3.50%	4.80%	3.10%	2.70%
Clay County, Missouri	9.00%	6.60%	6.40%	6.00%	6.70%	3.80%	4.40%	3.90%	3.20%	3.00%	4.60%	2.90%	2.30%
Clinton County, Missouri	11.00%	8.40%	7.80%	6.90%	7.40%	4.40%	4.90%	4.40%	3.50%	3.40%	5.00%	3.30%	2.80%
Jackson County, Missouri	10.80%	8.60%	8.40%	7.80%	7.20%	5.20%	5.30%	4.60%	4.30%	3.80%	6.10%	3.50%	2.90%
Lafayette County, Missouri	10.70%	8.20%	7.50%	6.60%	6.40%	4.90%	4.50%	4.20%	3.60%	3.60%	4.90%	3.30%	2.70%
Platte County, Missouri	9.00%	5.90%	5.80%	5.60%	5.80%	3.50%	4.10%	3.60%	2.90%	2.80%	4.20%	2.80%	2.10%
Ray County, Missouri	11.40%	8.60%	8.60%	7.70%	8.50%	4.90%	5.70%	4.90%	4.10%	3.80%	5.00%	3.50%	2.80%
State of Kansas	7.20%	6.20%	6.10%	5.00%	4.60%	4.10%	4.10%	3.70%	3.70%	3.30%	4.20%	2.70%	2.90%
State of Missouri	10.00%	8.00%	7.70%	7.10%	6.20%	4.80%	4.60%	4.00%	3.80%	3.70%	5.40%	3.30%	2.80%

Source: United States Bureau of Labor Statistics

Cost of Living

Although the cost of living has slowly been on the rise over the last decade, the Kansas City Metropolitan Area continues to offer one of the lowest cost of living rates in the country for major metropolitan areas. The national average cost of living index is 100% and the Kansas City Metro Area's overall cost of living index is 87.9%. Compared by state, Kansas has the 8th lowest cost of living index in the country at 83.1%. Missouri ranks as the 11th lowest state in cost of living at 85.6%.

Building Permits

The following article from the Home Builders Association of Greater Kansas City was posted on September 11, 2023, for July 2023.

Year-To-Date Home Building Activity Lower

The pace of new-home construction in the region has remained largely stable this summer despite rising mortgage rates and construction financing costs, according to statistics compiled by the Home Builders Association of Greater Kansas City (KCHBA). In July 378 permits were issued, which is almost identical to June when 373 permits were issued.

Kansas City, Mo., leads the list of top-permitting cities with 69 single-family homes, although that number has decreased significantly the last few months. Olathe ranks second with 47 units, followed by Overland Park with 35. Lee's Summit and Gardner both had 22 single-family permits issued in July.

Comparison of Single Family Building Units for Greater Kansas City (Cass, Clay, Jackson, Platte, Johnson, Leavenworth, Miami, Wyandotte Counties)								
Month/Year	2016	2017	2018	2019	2020	2021	2022	2023
January	274	457	463	234	355	411	444	185
February	408	477	463	234	475	493	416	152
March	542	571	549	357	438	560	457	359
April	523	562	564	411	434	637	450	390
May	503	504	598	391	374	579	465	439
June	578	567	569	387	421	558	547	373
July	494	512	485	471	493	480	448	378
August	536	480	514	429	444	502	498	
September	424	514	353	396	557	458	314	
October	466	583	485	500	510	690	316	
November	417	502	354	410	404	524	303	
December	352	468	276	434	461	653	227	
Annual Total	5,517	6,197	5,673	4,654	5,366	6,545	4,885	2,276

Source: Home Builders Association of Greater Kansas City

Transportation

An extensive highway system provides access to all parts of the metropolitan area, which includes Interstate 435, a circumferential highway accessing all areas of the Kansas City Metro area; Interstate 35, which connects Downtown Kansas City with the northeast portion of the metro area and Johnson County, Kansas to the southwest; Interstate 70, which is the major east-west artery, accessing Independence and Blue Springs, Missouri to the east and Wyandotte County, Kansas to the west; and Interstate 70, which also connects Kansas City with St. Louis, Missouri to the east and Denver, Colorado to the west.

Kansas City Area Transportation Authority, the bi-state public transit agency provides bus, express bus, bus rapid transit and paratransit service throughout the metro. Approximately 67,000 riders are provided daily service with the fleet of 300 with 6,504 bus stops and 113 MAX stations.

KC Streetcar offers free streetcar service along a 2.2-mile stretch between River Market and Union Station. In addition to providing pedestrian-friendly service, the Downtown streetcar links services such as Amtrak, Megabus, and the MAX.

Amtrak train station Kansas City is served by Southwest Chief and Missouri River Runner trains. The 2,265-mile Southwest Chief runs daily between Chicago and Los Angeles passing through Illinois, Iowa, Missouri, Kansas, Colorado, New Mexico, Arizona and California. The Missouri River Runner operates four trains daily with two round trips between St. Louis and Kansas City, Missouri.

Kansas City is served by two airports available for travel and the shipment of goods including the Kansas City International Airport and the Charles B. Wheeler Downtown Airport. Kansas City International Airport deals primarily with large commercial airliners, while the downtown airport is used for corporate, charter and recreational flyers. The Kansas City International airport offers flights internationally and to destinations all over the United States. The Downtown airport offers flights to destinations on a needs-based system.

Kansas City Air Freight and Air Traffic

According to a news release dated October 23, 2023, the Kansas City Aviation Department reports that 991,859 passengers arrived and departed through Kansas City International Airport's gates in September, a 13.1-percent increase from September 2022. Passenger boardings were up 13.0 percent, with a total of 494,995 boarded. Year-to-date passenger boardings are 4,289,961, up 19.3 percent. For the year to date, total passengers in and out total 8,604,946, up 19.1 percent.

“I am proud of the overwhelming positive feedback our brand-new Kansas City International Airport is continuing to receive over the past six months and I am thrilled we are continuing to break boarding records,” said Mayor Quinton Lucas. “A busy and active KCI means more jobs and continued local economic growth long-term. We will continue to work with airlines to further expand domestic and international service out of Kansas City.”

“It is with great enthusiasm that we announce this new September record at Kansas City International Airport,” said Interim Aviation Director Justin Meyer. “We are thankful for our airline partners who’ve added new flights and new destinations, and to the passengers who took advantage of more than 300 daily flights to and from Kansas City last month.”

Air cargo tonnages, which consist of both freight and mail transported by air, for all carriers at Kansas City International were down 11.8 percent in September with a total of 19.2 million pounds handled. Year to date, 175.1 million pounds of air cargo has been handled, down 9.1 percent. Air freight handled at Kansas City International during September amounted to 20.2 million pounds, down 11.3 percent year-over-year. Year to date, air freight is down 10.3 percent with a total of 171.1 million pounds handled. Air mail for September was down 90.0 percent from September 2022 with 12,857 pounds handled. Air mail year to date for 2023 is up 110.9 percent from 2022 with 4.1 million pounds handled.

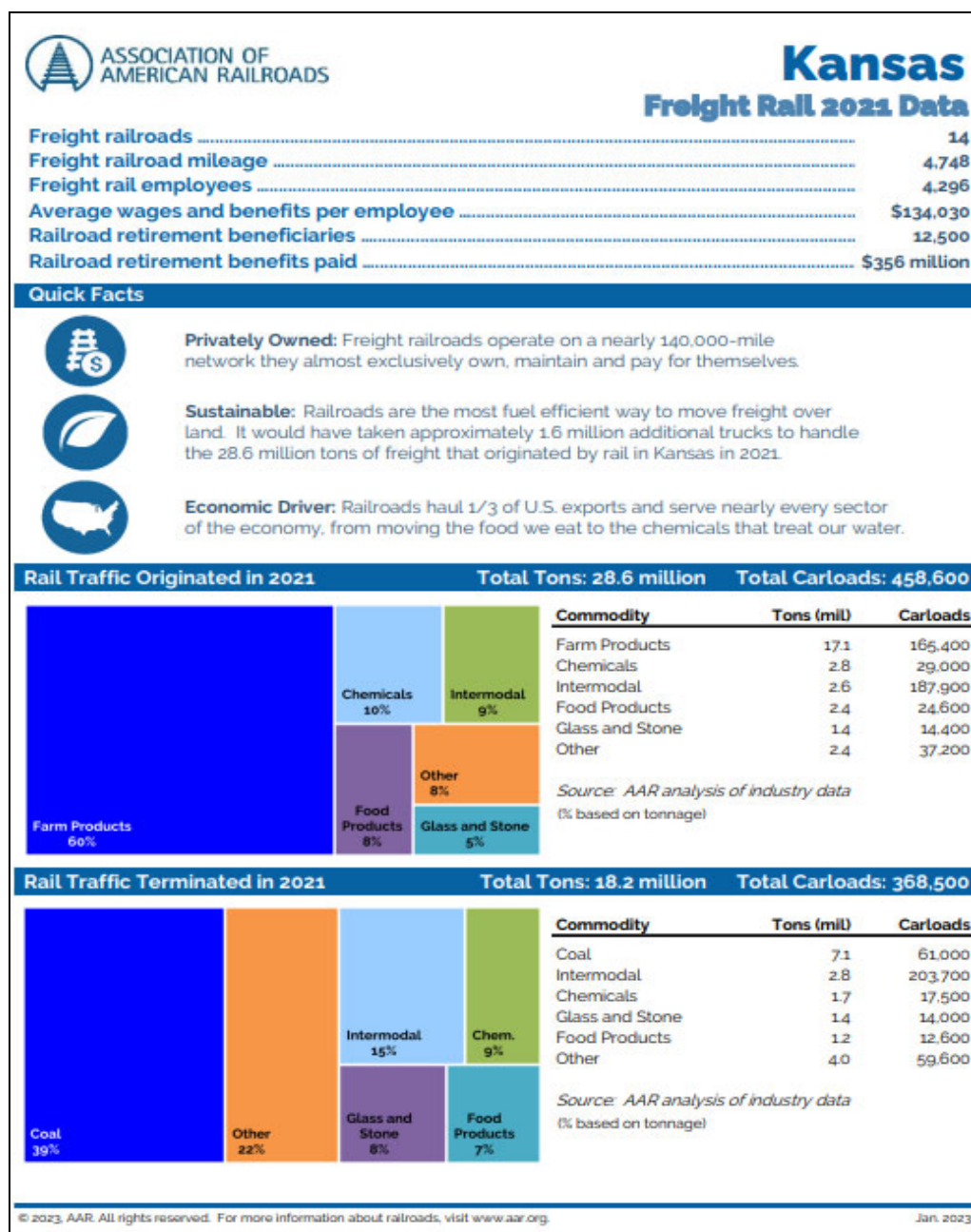
The number of peak-day scheduled aircraft departures for September 2023 was 154. Service was offered to 48 nonstop markets. There was an average of 41,219 arriving and departing scheduled seats in the market each day. The all-cargo carriers reported 9 daily departures for September.

Railroad Freight

Kansas City is generally regarded to be the second largest rail center in the United States and ranked first by freight volume. Four of eight Class I rail carriers, three regional lines, and a local switching carrier, Kansas City Terminal, serve the area as well as Amtrak, a passenger train. With 90 miles of track in the metro area, all under centralized traffic control, the Kansas City Terminal Railway Co. coordinates the efficient movement and interchange of rail traffic for more than 300 trains arriving or departing Kansas City each day. Rail utilization levels continue to increase in commodities such as coal and grain, while intermodal shipping continues to grow with the rebirth of the rail industry. Intermodal facilities have been growing rapidly since 2007, especially in the Kansas City area, as it is securing the status of being a key intermodal center for the United States.

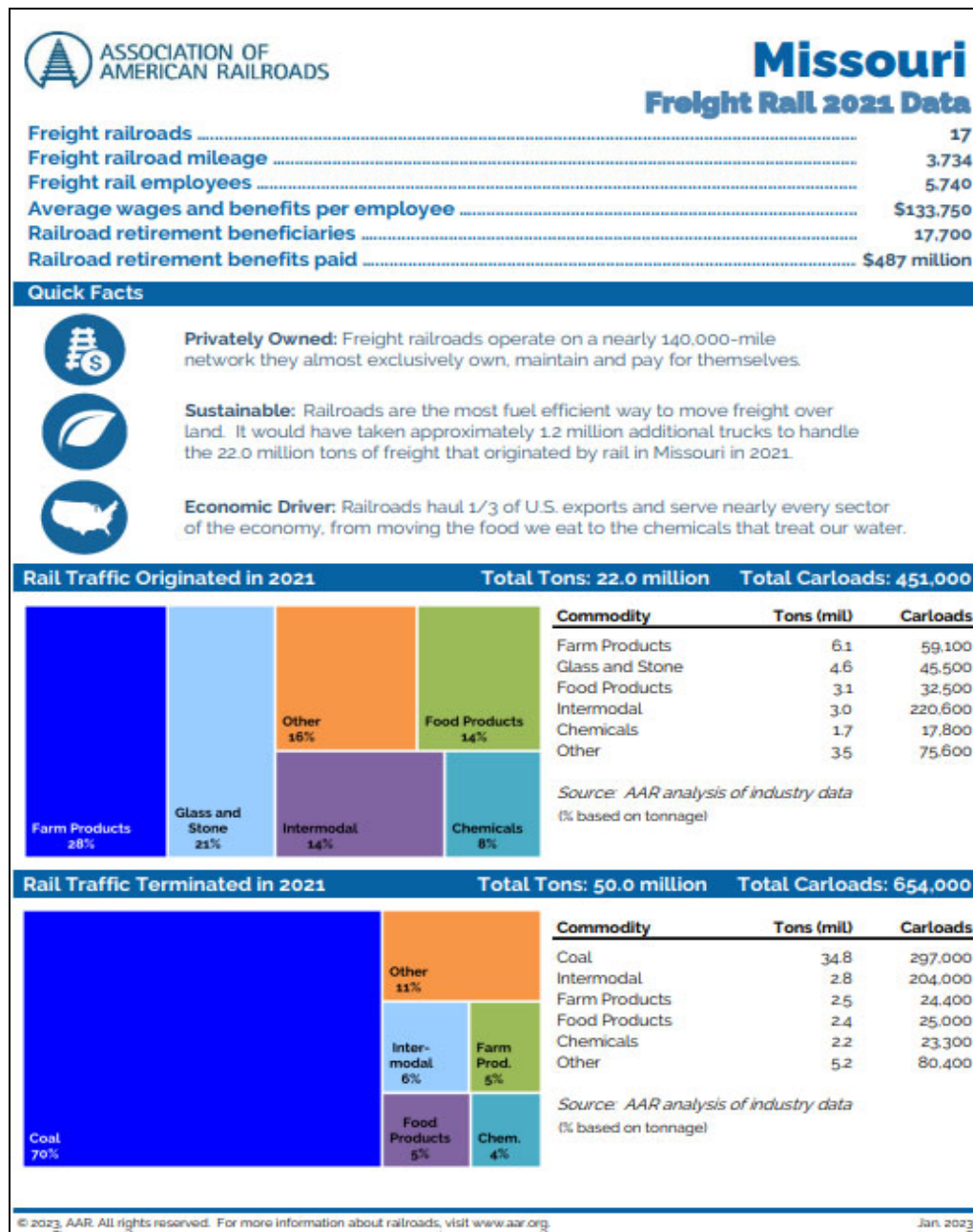
In 2013, Logistics Park Kansas City opened in Edgerton, Kansas providing a 433-acre intermodal center operated by Burlington Northern-Santa Fe railroad. Logistics Park is becoming known as the only full-service facility in the western United States to offer domestic and international intermodal shipping, as well as direct-rail and carload service.

There are 14 freight railroads in the State of Kansas and 4,748 freight railroad miles. The following chart shows the average annual composition of freight origination and termination by train for the state of Kansas in 2021 (most recent data available).



Source: American Association of Railroads Kansas

There are 17 freight railroads in the State of Missouri and 3,734 freight railroad miles. The following charts show the average annual composition of freight origination and termination by train for Missouri in 2021 (most recent data available).



Source: American Association of Railroads Missouri

Barge Traffic

Kansas City is connected by the Kansas and Missouri rivers to the United States inland water system. Seven barge lines operate in the Kansas City metro area with 41 docks and terminal facilities. According to the Port KC, previously known as Port Authority of Kansas City, the “Missouri River system includes more than 25,000 miles of navigable waters inside the United States. Waterborne commerce connects the Upper Missouri River, the lower Missouri River and the Mississippi River through 19 states and into the global trade system. The system spans the states of Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, Ohio, Pennsylvania, South Dakota, Tennessee, West Virginia,

Wisconsin and Wyoming.” Approximately 5 million tons of cargo is transported along the Missouri River. Typical shipping season is March through November.

The Kansas City Metropolitan Area is situated along the largest navigable inland waterway in the United States, the Missouri/Mississippi River System. The Port of Kansas City is an inland port on the Missouri River in Kansas City, Missouri at river mile 367.1, near the confluence with the Kansas River. Kansas City, the second-largest rail hub and third-largest trucking hub in the country, is on marine highway M-70, which extends as far as Pittsburgh and intersects M-55 at St. Louis, allowing shipping to New Orleans, Chicago, Minneapolis, and connections to major cities all over the eastern United States. The Missouri inland waterway allows for barge traffic as far upriver as Sioux City, Iowa; however, most of the commercial traffic on the Missouri is concentrated between Kansas City and St. Louis.

Real Estate Markets Summary

The following are excerpts from local published studies for 2023 Forecast, Mid-Year and Q2-Q4 2023 for Office, Retail, Industrial and Multifamily. The published studies are retained in our file.

Office

According to a Q3 2023 published study by Cushman & Wakefield, Class A product in the CBD is supposed to be one of the major drivers for an office market, which at first glance is concerning for Kansas City. The overall combined vacancy rate for Downtown, the Crossroads, and Crown Center ended the third quarter at 26.5%, and the Class A vacancy rate was 35.1%. However, an 82,000-square foot lease announced at Lightwell in September means there is now 342,000 square feet of Class A space in the CBD that is vacant but signed to long-term leases. If that space is counted as occupied, the overall vacancy rate would drop by 296 basis points and the Class A vacancy rate would drop by 575 basis points.

According to the Marcus & Millichap Q4 2023 report, Kansas City offices continue to contend with challenges imposed by remote work habits, with the amount of occupied square feet down about 3.9 million between the end of 2019 and mid-year 2023. While more office space is being relinquished than absorbed at a market level, select areas nevertheless reported increasing demand over the past year ended in June. Properties on the Missouri side of South Kansas City, as well as in St. Joseph and along the I-29 and I-35 Corridors, recorded positive net absorption, reflecting a general preference among tenants for suburban floor plans. Major leases signed so far this year include a 104,000-square-foot commitment by Hill's Pet Nutrition in Aspiria, where Black & Veatch also took up 77,000 square feet. These and other leases in the Overland Park area will help offset the local impact of trucking firm Yellow's bankruptcy and local office closure.

According to a CBRE Q3 2023 study, overall net absorption posted negative 8,223 square feet for Q3 2023, with the Class A market posting 15,681 square feet of positive net absorption. Over the trailing 4-quarters, the overall market posted negative 416,632 square feet of net absorption. The Class A market has out-performed the overall market with 29,207 square feet of negative net absorption over the trailing 4-quarters. Prime Class A has continued to be the best performing segment of the office market with 349,862 square feet of positive net absorption over the trailing 4-quarters.

According to a published report from Colliers for Q2 2023, locally, office occupiers continue to right-size their current operations, which has led to a slight uptick in touring activity throughout the office market. Bifurcation of office product remains most evident between classes and product age but will also occur between different business sectors. High quality space remains the most sought-after office product as firms continue to seek the optimal work experience to retain and attract the best talent and bring employees back to the office.

Newmark Grubb Zimmer's published study for third quarter 2023 states, absorption in the third quarter of 2023 totaled negative 99,958 square feet. The total net absorption has averaged negative 286,439 square feet per quarter during the past three years, demonstrating a contracting environment. Net absorption during the past four quarters totaled negative 1.0 million square feet. The 497,210-square foot construction pipeline has fluctuated between 300,000 square feet and 700,000 square feet during the past four years with a limited number of major projects.

According to Integra Realty Resources Mid-Year Report, the Kansas City office market continues to face challenges in the aftermath of the COVID-19 pandemic, which dramatically accelerated remote work and hybrid work arrangements among employers. Inflation and higher interest rates are boosting operating costs and capitalization rates, respectively. These factors make the office sector most susceptible to disruption. Many firms have retained the remote or flexible work policies adopted during the pandemic, adding to uncertainty. Decisions on lease renewals and potential footprint reduction due to remote work are key concerns for companies in 2023. Uncertainty over remote work, inflation, and interest rates complicate these choices. Even though inflation is moderating, elevated operating expenses could negatively affect net operating income and property returns. This is especially a concern for property owners who may have loan renewals upcoming. However, job growth remains relatively robust which should support underlying office demand. Health information technology provider Cerner is the region's largest private employer and was acquired by Oracle in 2022. In October 2022, the company announced closure of its world headquarters office in North Kansas City and Realization Campus in South Kansas City, consolidating operation at a single campus. This is the most prominent example of the trend towards remote work causing larger companies to reduce their real estate footprint. Some market participants have noted that larger properties with larger tenant footprints (especially tenants above 10,000 square feet) are more vulnerable to the risks of reduced tenant footprints. Properties with smaller tenants (especially under 3,000 square feet) seem less likely to reduce footprints even with a move to more remote and hybrid work arrangements. Additionally, continued job growth in the Kansas City market may help stabilized reduced demand from increase remote work. The market has also lacked significant new speculative construction, which further mitigates the risk of significant oversupply. The COVID-19 pandemic dramatically accelerated companies adapting to remote work which has caused continued challenges in the office market. Major rent declines have not been widespread. However, there has been some impact to vacancy and tenants have sought more concessions and have been more likely to receive additional free rent or higher TI especially at older and/or higher vacancy properties. Significant uncertainty remains about remote work and flexible work arrangements are now compounded by inflation and higher interest rates, causing significant headwinds for the office market in 2023.

According to JLL Q3 2023 release, demand for Class A product within Kansas City remains the predominant trend both in the CBD and suburban markets. Despite some headwinds in the office market, both have positive absorption year-to-date. Within the CBD, the FAA leased 80,000 square feet at the Lightwell building and the Greater Kansas City Sports Commission leased 15,000 square feet at 1111 Main. Additionally, tour activity for Class A product is up year-over-year as tenants continue to prioritize highly amenitized, walkable buildings.

The Federal Aviation Administration announced it will establish a new regional headquarters by leasing 82,270 square feet across four floors within the Lightwell office building in Downtown Kansas City. The FAA signed a 10-year lease, which will start in 2025 and is expected to house more than 200 employees.

TruHome Solutions will move its headquarters from Lenexa to the Aspira Campus in Overland Park and lease 36,500 square feet. The firm is expected to open its new space for more than 220 employees by the first quarter of 2024. Aspira continues to attract office tenants, signing leases with Hill's Pet Nutrition, Black & Veatch, Airshare and CareCentrix, during 2023.

From an office construction standpoint, activity continues to be limited to build-to-suit development or office buildings with anchor tenants in place. Kiewit announced plans for a fourth building to complete their campus at Lenexa City Center. The new \$75-million addition will be a six-story, 177,550 square foot building. Construction is expected to start in late 2023 with an early 2025 delivery. Additional office development around the metro includes CityPlace Centre IV, Shamrock Trading, and the new FBI Field Office building.

Retail

The second quarter 2023 published report by Newmark Grubb Zimmer reported, in Kansas City and beyond, the outlook for retail real estate is optimistic. Increasing rental rates, decreasing availability and new development projects lacking in the pipeline have created a landlord's market in the world of retail. We are continuing to see tenants and landlords get creative in filling space, including conversions of office to multifamily, hotel and mixed-use development projects. Entertainment concepts are actively seeking big-box space, and drive-thru concepts are continuing to seek out prime pad sites.

According to the Colliers International 2023 Forecast Report, the retail sector remained very active throughout 2022 with a flurry of new openings around the Kansas City Metro. By year end, the Kansas City vacancy rate stood at a healthy 6.5% within shopping centers and 4.3% for total retail product. Shopping center vacancy rates decreased by 80 basis points relative to this time a year ago, while total retail vacancy decreased by 80 basis points as well. The total retail market average asking rent ended at \$14.63/square foot, an improvement from \$14.05/square foot at the beginning of the year.

According to a Marcus & Millichap Q2 2023 published report, last year, Kansas City logged its lowest vacancy since at least 2007, but the rate will inch up in 2023. The metro expects one of the fastest paces of annual inventory expansion in the Midwest. Overland Park, one of Kansas City's most populous suburbs, accounts for over 30 percent of the new inventory slated for this year. Space coming online here is highly sought after and was almost entirely pre-leased as of June. This could lead expanding retailers to take up existing space here or in nearby areas also located in Johnson County. Both the North and South Johnson County submarkets experienced falling vacancy annually in March. Other areas may face more challenges, skewing the overall market vacancy rate. East Jackson County, the second-largest submarket by stock, also had one of the metro's highest multi-tenant vacancy rates in March, applying pressure to the overall market rate.

According to Integra Realty Resources Mid-Year Report, the Kansas City retail market has performed surprisingly well throughout the first half of 2023 considering inflation has put a damper on consumer spending, and rising interest rates have caused uncertainty for investors. However, the impacts of inflation and rising interest rates have led to increases in capitalization rates that started around the middle of 2022 and have continued into 2023. With interest rate increases continuing but at a more modest pace, we expect upward cap rate pressure to continue but not as strongly. Rental rates have been increasing to offset increasing landlord costs due to inflation; however, leasing activity remains below pre-pandemic levels. On a positive note, vacancy rates within the retail sector have remained low and even decreased. Retail property values have increased, but only slightly, and this is offset by increasing construction costs. Positive factors for the Kansas City market include the entry of Whataburger with plans to open 14 locations across the region. This started in 2021 and will continue through 2023. Hawaiian Bros now has 12 locations in the Kansas City area and is continuing to expand. Since the start of 2023, there has been a noticeable shift towards experiential retail in Kansas City. Retailers are focusing on creating unique and engaging shopping experiences to attract customers. This trend is evident in the revitalization of urban retail areas, where new retailers, restaurants, and entertainment venues have emerged. The Crossroads Arts District and the Country Club Plaza, in particular, have witnessed increased activity and investment. Uncertainty remains in the retail market in Kansas City and nationwide due to inflation and the rising interest rate environment. While the industry continues to recover from the effects of the pandemic, high occupancy, newer shopping centers with national tenants in areas with strong population growth will continue being relatively more insulated from the volatility impacting consumer

demand. Older shopping centers and retail spaces may continue to struggle to maintain and attract new tenants with the continue elevated inflation and interest rates.

Following significant commitments to its office buildings during the past few years, Occidental Management announced it will develop a three-story, mixed-use building on its Aspiria campus in Overland Park. The 103,000-square-foot property will offer 43,000 square feet of retail space dedicated to shops and restaurant uses, as well as 60,000 square feet of Class A office space. In addition, a 103,400-square-foot Andretti Indoor Karting & Games will be constructed at the northwest corner of 117th Street and Nall Avenue, providing additional entertainment offerings on the campus.

Developers for Pennway Point, a six-acre family-oriented entertainment district at the former Carter-Waters industrial site near the Crossroads Arts District, announced various attractions for the first phase of the project: Icon Experiences including a Ferris wheel and mini-golf course; a 30,000-square-foot area composed of three concepts including Talegate Park, Beef & Bottle and Funk House Lounge; and Barrel Hall, which will house Boulevard Brewing Co., Chef J BBQ, Wurstl and Bull Creek Distillery. The initial phase is expected to open in the first quarter of 2024.

Char Bar Smoked Meats & Amusements announced it will occupy a 6,000-square-foot space at the \$300-million Creekside Development in Parkville. In addition to a beer garden and yard games, the new location will feature six pickleball courts. The location is expected to open by fall 2023.

Industrial

According to a published report by Cushman & Wakefield for Q3 2023, at the end of the third quarter in 2023, year-to-date absorption was 5.3 million square feet and new deliveries were at 6.9 million square feet, two numbers that prior to 2016 would have been records for an entire year. However, there have been indications that momentum has started to slow down. After seeing absorption rise every year from 2019 through 2022, it is almost certain Kansas City will see a slowdown in absorption in 2023. By historical standards it will be a high total, but the market looks to have crested from the recent boom. What stands out in a review of leasing activity is the obvious absence of a lack of massive lease transactions.

According to a CBRE Q3 2023 study, overall vacancy rates decreased 30 basis points quarter-over-quarter, a result of 2.6 million square feet of positive net absorption. The overall market vacancy rate of 3.0% remains near an all-time low and represents a 100 basis points decrease year-over-year (4.0% to 3.0%). The overall market average asking lease rate was \$5.29 triple net at the end of Q3 2023. Average asking lease rates increased 5.6% year-over-year (\$5.01 triple net to \$5.29 triple net).

According to a published report from Colliers Q2 2023, the overall vacancy rate in Kansas City increased slightly to 4.8% by the end of Q2 2023. A total of 3,099,710 square feet of positive net absorption was recorded in Q2, with a year-to-date total of nearly 5.2 million square feet of positive absorption, keeping pace with new supply levels. The market delivered 4.34 million square feet of new industrial product in the second quarter and a total of 5.4 million square feet through the first half of 2023. Demand levels for quality industrial space remain elevated within the metro and as a result, continue to push rents upward.

A Q3 2023 published survey by Newmark Grubb Zimmer stated that absorption in the third quarter of 2023 totaled 1.5 million square feet, down from 1.9 million square feet of absorption last quarter but rebounding to a normal level after a slow first quarter. Total net absorption during the past four quarters totaled 11.5 million square feet, equating to an increase of 12.3% compared with the average annual absorption during the pandemic period. The 8.6-million-square foot construction pipeline decreased significantly as 4.2 million square feet delivered to the market during the quarter. As delivered speculative inventory becomes leased, the next construction cycle will offer very few alternatives, leading to a tightening of vacancy. Vacancy increased

70 basis points to 4.9% during the quarter as unleased space across 13 buildings delivered to the market. The increase in vacancy is not due to a weakness in leasing fundamentals, as seen in other markets.

According to the JLL Q3 2023 report, the Kansas City industrial market continued its robust leasing activity in the third quarter. Notable transactions including both LKQ and Panasonic leasing over 500,000 square feet in Heartland Logistics Building 3 and Flint Commerce Center Building C. Additionally, market activity in the 50,000 square feet to 200,000 square feet range with multiple leases being signed within that size threshold.

According to the Integra Realty Resources Mid-Year Report, the Kansas City industrial market continues to perform strong demand overall while inflation has started to moderate and this has also resulted in a “pause” in interest rate increases, the higher operating costs and elevated interest rates relative to recent years are still presenting some challenges in the market despite overall growth. The local industrial market benefits overall from the region’s central location, business friendly environment, low tax rate, skilled workforce and competitive costs for transportation and utilities. Distribution and logistics continue to experience the strongest demand due to continued e-commerce demand and the ability of the region’s transportation network to reach 85% of US consumers within 2 days. The region’s new international airport opened in February 2023 and as part of the ongoing airport development, a \$2.5 billion supporting logistics park is planned with groundbreaking just completed in June 2023. The region is also a rail hub connected throughout the Midwest, West and South regions of the country. In addition to general industrial trends, significant corporate investment and development has been noted in outlying areas of the metro including the Olathe, Lee’s Summit, and Grandview submarkets. Jones Development reportedly plans to develop a \$152 million industrial plaza known as Free State Exchange Park over 138-acres. Walmart, Inc. also plans to develop a new beef facility in Olathe set to open in 2025. A variety of private capital groups have also been observed developing new build-to-suit opportunities throughout the metro. Block Real Estate Services has planned a 3.72 million square foot industrial development in the north-metro known as Tiffany Springs Logistics Park. The development is expected to total \$365 million and cover 281 acres.

The largest transaction during the quarter occurred in De Soto, Kansas as Flint Development broke ground on Building C of the Flint Commerce Center, following Panasonic’s 509,760-square foot commitment to lease half of the 1.0-million-square-foot building. In addition, Cnano Technology USA will invest nearly \$94.7 million to own and occupy a 333,000-square-foot facility at New Century Commerce Center in South Johnson County. Lastly, Community Wholesale Tire will fully occupy the 203,900-square foot HMBC Logistics V Building being developed by Hunt Midwest as a build-to-suit in the Northland.

In other areas of the metro, JE Dunn leased 133,000 square feet at Hunt Midwest Business Center, while Sleep Outfitters leased nearly 123,000 square feet at Liberty Commerce Center. Hallmark delivered and recently opened a new 847,475 square foot distribution center in Liberty, Missouri. The expansion grew Hallmark’s workforce in Liberty by 50%, bringing the total to 1,400 full-time jobs between its two facilities in Liberty. In Cass County, Factory Motor Parts leased nearly 193,000 square feet at Southview Commerce Center, while Harmar Mobility leased nearly 147,000 square feet within Raymore Commerce Center. A total of 10 metro area buildings were completed in the second quarter, totaling 4.34 million square feet throughout the Kansas City metro.

Multifamily

According to the Block Real Estate Services 2022 report, the Kansas City multifamily market continues to perform exceptionally well, despite softening market fundamentals due to economic uncertainty on the horizon. Like several multifamily markets across the country, both rent growth and demand began to ease throughout the second half of 2022. By year end, overall occupancy rates declined to a healthy 96.1%, 50 basis points lower than this time one year ago, and a full point lower than the record-high occupancy rate of 97.1% that was set in the first quarter of 2022. While market occupancy has declined 100 basis points since the start

of the year, occupancy levels remain above the market's long-term average, suggesting a return to normalized market fundamentals in the wake of the pandemic-fueled expansion growth period.

According to the Marcus & Millichap Q3 2023 report, over the last year, Kansas City vacancy has risen from record lows. Despite an 80-basis-point uptick in vacancy from the end of 2019, total occupied stock will reach a high point in 2023. New inventory has placed upward pressure on vacancy, but renter demand is situated to continue growing. Among major Midwest markets, Kansas City had the third-largest affordability gap, or difference between the average Class A effective rent and the mean monthly mortgage on a median-priced metro home. As the cost of homeownership stays high, current renters may opt to stay so for longer, supporting new supply. Class A vacancy was at 5.4 percent in June, roughly in-line with the segment's long-term average and equal to the Class C metric.

According to the Cushman & Wakefield Q4 2022 report, rental rates cooled off in the fourth quarter, and across the market effective rates were 8.4% higher at the end of 2022 than they had been a year earlier. Southern Johnson County finished the year up 9.9%, the biggest increase of any submarket, but for comparison at the end of the third quarter there were six separate submarkets with double-digit year-over-year growth. Rate growth will likely temper in the near future, but it should remain strong.

According to the Colliers 2023 Forecast Report, the Kansas City Metro apartment market has continued its strong performance as it recovered from the pandemic. 2022 has shown a decrease in the average vacancy rate to 4.30%, despite over 3,200 new units being delivered into the market. Strong growth continues with a 9.8% increase in asking rents. The most significant change in the market centered on sales volume and the increasing upward pressure on sale prices. In 2022, the Kansas City market saw an 11.7% increase in the total number of units sold compared to the same period a year prior. As activity continued to rise, prices have pushed higher, with a 27.7% increase from the 2021 average price. As of now, more than 3,200 units are expected to be completed before the end of 2022, which is a 25% decrease compared to 2021. Coupling the decrease in new deliveries with the already strong rent growth, expectations are for sales to flatline or continue the current trend despite uncertainty in the capital markets. The Kansas City multifamily market should have another active year as inventory continues to grow and investors look to capitalize on record-high prices.

According to the Integra Realty Resources Mid-Year Report, as 2023 continues, multifamily remains a popular property type with investors in the Kansas City market. It remains one of the best-positioned sectors to maintain resilience despite risk factors of inflation and rising interest rates which are starting to moderate but still present challenges in the market. During 2021 and 2022 investors benefitted from strong rent growth and continued good occupancy, with healthy absorption of new product. Although inflation is now beginning to moderate it has increased operating expenses and presents a challenge for owners to maintain healthy net operating income and property returns. Similarly, while the interest rate increases intended to battle inflation have also started to ease, rates remain elevated relative to recent years. This has placed upward pressure on capitalization rates and/or diminished owner equity returns at least in the short term. However, multifamily market fundamentals remain generally favorable. Furthermore, increased mortgage interest rates could benefit multifamily demand by pricing out some potential homebuyers who may remain in the rental market longer than they otherwise would. In terms of new product delivery, the two driving factors are continued resurgence of Downtown Kansas City, Missouri and suburban growth in Johnson County, Kansas. New development throughout the region remains concentrated in the Class A Sector, although there also remains market demand for purchase and repositioning of Class B and Class C product through renovation and updating. Overall, buyers remain cautiously optimistic about the multifamily market due to rent growth and healthy absorption of new supply. Investors also continue to benefit from upgrading existing stock and positioning existing units for higher rents through remodels. Overall, the market should be able to remain relatively resilient despite the threats of higher interest rates and an inflationary pressure on operating expenses.

Expect to see additional development growth within the urban core as the KC Streetcar expansion line remains on pace for a 2025 delivery. Developers continue to position themselves for redevelopment projects along the new line. Lux Living is well underway on Katz on Main, a 192-unit project at the intersection of Westport Road and Main Street. Several additional projects have been announced within Midtown and Westport in anticipation of the completed extension line.

North Kansas City continues to experience significant growth with the addition of several recent projects. The Sunflower Development Group is nearing completion on The OxBow Apartments. The 208-unit project is slated for an early 2023 opening. Star Development has begun construction on 23rd & Swift, a 294-unit development named after the intersection. Milhaus has also begun foundation work on its One North Apartments which will add 272 units in 2024. Opus Group is well underway on a new 247-unit apartment project at Briarcliff that will be completed by late 2023.

NorthPoint is currently developing The Chadwick, located near 75th and Quivira. The 348-unit project will be completed in 2023. In Olathe, two large communities are currently underway. Block Real Estate is developing The Clearing at Anderson Pointe, a 270-unit project, while Davis Development has begun work on a 289-unit project at the southwest corner of College and Ridgeview. Weltner Equities is developing Leawood Village, a 182-unit development located just west of Ward Parkway Center.

Additional growth around the metro includes two large Wyandotte County projects. Milhaus is nearing completion on Switch KC, a 270-unit project located at the former Schlitterbahn site. Beck-Cal Development is currently developing Legends 267 adjacent to Legends Outlet Mall. NorthPoint is currently developing The Encore, a 322-unit community in Belton. The Edison at Tiff any Springs in Platte County will be delivered in early 2023.

Single-Family Homes

The following is a published report from October 7, 2023, by Kansas City Regional Association of Realtors (KCRAR) for September 2023.

National sales of existing homes recently fell to a 7-month low, as surging borrowing costs, rising sales prices, and limited inventory continue to keep many would-be buyers out of the market. Borrowers have become increasingly sensitive to fluctuations in mortgage rates, which have remained above 7% since mid-August. With fewer buyers able to afford the costs of homeownership, existing-home sales declined 0.7% month-over-month and were down 15.3% year-over-year, according to the National Association of REALTORS®(NAR).

Closed Sales decreased 21.8 percent for existing homes and 5.9 percent for new homes. Pending Sales decreased 7.8 percent for existing homes but increased 30.3 percent for new homes. Inventory decreased 13.6 percent for existing homes and 9.2 percent for new homes.

The Median Sales Price was up 0.5 percent to \$276,500 for existing homes but decreased 5.8 percent to \$539,950 for new homes. Days on Market increased 9.5 percent for existing homes and 172.2 percent for new homes. Supply increased 6.7 percent for existing homes but remained flat for new homes.

Prices have continued to increase this fall despite softening home sales nationwide, as a lack of inventory has kept the market competitive for prospective buyers, sparking bidding wars and causing homes to sell for above asking price in some areas. Heading into September there were only 1.1 million units available for sale, 0.9% fewer than a month ago and 14.1% fewer than the same period last year, according to NAR. As a result, the U.S. median existing-home sales price rose 3.9% year-over-year to \$407,100, marking the third consecutive month that the median sales price topped \$400,000.

Beige Book Report

Eight times per year the Federal Reserve Bank gathers anecdotal information on current economic conditions in its District through reports from Bank and Branch directors and interviews with key business contacts, economists, market experts, and other sources. This report is commonly called the *Beige Book*. The following pages contain information taken directly from the Tenth District (Kansas City) most recent report.

October 18, 2023 Federal Reserve Districts Tenth District--Kansas City

Summary of Economic Activity

Economic conditions softened slightly across the Tenth District in recent weeks. Hiring activity and business conditions were mostly unchanged, but contacts in the energy, agriculture and commercial real estate sectors reported moderate declines in activity. Several bankers characterized their appetite for lending as being on a "loan diet" – looking for smaller portions (smaller balances) and only healthy fare (better creditworthiness). Most businesses indicated wage growth slowed to a moderate pace. In particular, wage growth among entry-level jobs slowed as job hopping became less common. Lower turnover reportedly eased wage competition and led job switching to result in smaller wage gains for workers compared to earlier in the year. The pace of consumer spending was unchanged. Some contacts noted that household spending on home renovation activity grew slightly, which they attributed to a "lock-in effect" among homeowners with low interest rate mortgages. Prices generally grew at a moderate pace. However, several housing property managers reported that rent growth decelerated significantly in recent weeks. Contacts also indicated that rent pressures will subside further due to a substantial amount of new multifamily housing becoming available over the next eighteen months.

Labor Markets

Labor market conditions in the Tenth District were unchanged over the last month on average. Though several contacts in manufacturing reported slight job gains over the last month, they indicated they were filling long-vacant positions rather than growing their workforce. Average hours worked at manufacturing facilities fell slightly as new staff allowed employers to reduce overtime hours. Service contacts reported a slight contraction in employment. Labor markets remain tight on balance, but wage growth slowed to a moderate pace.

Business contacts reported their workforce is less qualified and less productive compared to earlier this year. They attributed the moderate declines in workforce effectiveness to high turnover of more skilled and tenured staff in recent years. Most contacts expected these workforce conditions to persist due to continued difficulty hiring qualified workers. Many noted new applicants across job levels and occupations are less skilled, experienced, or educated than applicants earlier this year. Service contacts mentioned particularly pronounced issues with new applicant reliability, experience, and skills – making it difficult to fill open positions.

Prices

Price growth remained moderate across the District. Services businesses noted ongoing difficulty passing price increases to their customers. Given these pressures on their margins, most contacts expected to continue raising their prices over the next six months. Several multifamily housing property managers reported that growth in rent prices stalled in recent weeks, and that rent growth is down considerably compared to last year. Contacts expected rent pressures to further subside over the next year due to a substantial amount of multifamily housing supply coming online.

Consumer Spending

The pace of consumer spending was unchanged in recent weeks. Spending at restaurants slowed mildly but other leisure spending-maintained momentum. Retail spending picked up slightly, which some contacts noted was concentrated among larger retail businesses. Citing the "lock-in effect" of homeowners with low interest rate mortgages, some contacts noted that spending on home renovation activity grew slightly. However, spending on renovation activity was constrained by the limited availability of contractors willing to take smaller jobs.

Community Conditions

Contacts reported that low- and moderate-income (LMI) workers continued to pursue higher wages through job hopping, but those opportunities were becoming less advantageous. Entry-level wages have continued to rise, though at a much slower pace than a few months ago. Most workforce organizations said they focused on directing clients to seek more career-oriented opportunities in preparation for a possible recession. However, clients have been hesitant to pursue such opportunities due to the time they would need to spend in training, favoring more immediate employment. Workforce organizations reported seeing more LMI individuals pursuing work despite ongoing challenges reaching employer locations and finding childcare. One organization with a harder-to-place clientele reported placement rates fell to a multi-year low of 30 percent, citing higher rates of addiction, mental health issues, and physical disabilities.

Manufacturing and Other Business Activity

Overall business activity was mostly unchanged, with subtle differences across sectors. Manufacturing firms, especially durable goods producers, continued to report broad-based declines in new orders, shipments, and order back logs – all indicators of future softening in demand. Service contacts in consumer-facing retail businesses, healthcare, and education reported strength in activity. However, several transportation contacts highlighted broad-based declines in shipments and freight rates. One contact specifically highlighted a decline in shipments of goods tied to interest rate sensitive sectors like housing and construction, noting that shipping volumes of carpet and other building materials were down. Another contact in trucking highlighted a risk surrounding credit performance of owner-operators who are facing lower revenues and steeply declining valuations on equipment that was used to collateralize loans.

Real Estate and Construction

Contacts across the commercial real estate sector highlighted distinctions in performance across property classes. Newly constructed – or otherwise prime – office, retail, and industrial spaces continued to perform above expectations while class B properties faced lower operating incomes and valuations. Most contacts noted funding for renovation activity was substantially less available than for new property development. Several contacts suggested uncertainty about rates inhibited transaction activity more so than higher rates. They expected revaluation of properties and greater transaction activity would emerge once rate stability was achieved.

Community and Regional Banking

Several bankers characterized their appetite for lending as being on a "loan diet" – looking for smaller portions (smaller balances) and only healthy fare (better creditworthiness). Although credit quality remained sound across commercial loan types, pockets of deterioration appeared in various consumer loan segments. Weakness grew in mortgage loans and consumer installment debt, in particular. Bankers expected additional deterioration in consumer credit quality over the next six months. Loan demand was mostly unchanged during the last month as higher interest rates continued to mute activity from the commercial real estate and commercial and industrial sectors. Deposit balances exhibited continued migration from checking accounts into higher yielding time deposits and money market accounts. Contacts highlighted deposit promotions and maintaining competitive pricing as key strategies for deposit retention.

Energy

Tenth District energy activity declined moderately over the last month. Oil prices rose recently and regional inventories in the District decreased to multi-year lows. Yet, the number of active oil rigs declined, with contacts citing capital discipline as a constraining factor amid slightly declining profits for District firms. Profitability was expected to increase as contacts' six-month oil price expectations moved up over the last month. Firms also anticipate a slight increase in productivity over the next year, further boosting future profit expectations. Accordingly, contacts noted capital expenditures are expected to increase at a faster pace in coming months, as access to credit remains steady. District states added gas rigs recently due to a slight increase in natural gas prices during the summer months.

Agriculture

Conditions in the Tenth District farm economy softened alongside further declines in commodity prices and prolonged drought. As harvest began in some areas, at least one third of corn and soybean acres were in very poor condition, raising concerns about yields and revenue. Dry conditions across the nation also reduced water levels in the Mississippi River, disrupting barge traffic along many gulf port routes and heightening concerns about freight costs and export activity. Cattle prices continued to be supported by low inventories, but drought also constrained hay supply in many areas, raising costs for ranchers. Interest rates were another key concern cited by agricultural contacts, as producers faced significantly higher financing costs.

QUALIFICATIONS



Matthew D. Angelo, MAI
Senior Vice President
mangelo@adamsoninc.com

Experience

June 2007 to Present – Vice President, Adamson & Associates, Inc.
April 2003 to May 2007 - Associate Appraiser, Adamson & Associates, Inc.
August 2002 to April 2003 – Real Estate Analyst, Novogradac & Company, LLP

Formal Education

Kansas State University, Manhattan, Kansas BA in Finance, 2002

State Certifications and Licenses

Kansas State Certified General Real Property Appraiser, No. G-2481
Missouri State Certified General Real Property Appraiser, No. 2007036009
Ohio State Certified General Real Property Appraiser, No. 2010000741
Illinois State Certified General Real Property Appraiser, No. 553.002137
Michigan State Certified General Real Property Appraiser, No. 1201073457
Colorado State Certified General Real Property Appraiser No. CG.200000761
Iowa State Certified General Real Property Appraiser No. CG03042
New York Certified General Real Property Appraiser No. 46000052914
Kansas Licensed Real Estate Salesperson, No. 00237897

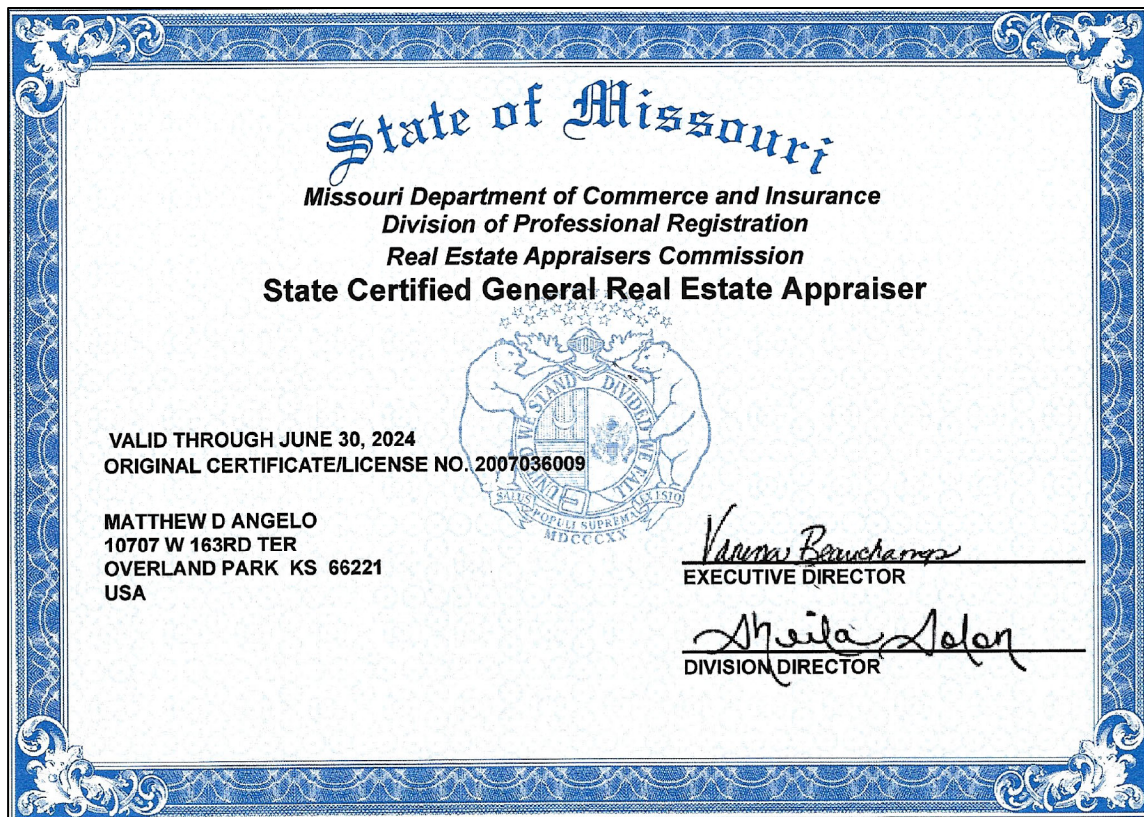
Professional Affiliations

Member: Appraisal Institute (MAI), Member No. 513411
Member: Greater Kansas City Chapter of the Appraisal Institute

Course Work & Seminars

Various Courses and Continuing Education Seminars
Basic Income Capitalization – Appraisal Institute
Capstone Program – Appraisal Institute
Quantitative Analysis – Appraisal Institute
Advanced Concepts and Case Studies – Appraisal Institute
General Market Analysis and Highest and Best Use – Appraisal Institute
Advanced Market Analysis and Highest and Best Use – Appraisal Institute
Advanced Sales Comparison and Cost Approach – Appraisal Institute
USPAP – Appraisal Institute
Advanced Income Capitalization – Appraisal Institute
Advanced Report Writing – Appraisal Institute
General Applications – Appraisal Institute
AI Course 110, Appraisal Principles – Appraisal Institute
AI Course 120, Appraisal Procedures – Appraisal Institute
FHA and HUD Appraisals – McKissock
Derivative Securities and Markets

Security and Portfolio Analysis
Financial Reporting
Debt Securities and Markets
Equity Securities and Markets
Marketing Business and Economics Statistics
Business Practices and Ethics – Appraisal Institute
Appraising and Analyzing Office Buildings for Mortgage Underwriting – McKissock
Appraising and Analyzing Flex Buildings for Mortgage Underwriting – McKissock
Online Data Verification – Appraisal Institute
Appraisal of Fast Food Restaurants – McKissock
Appraisal of Owner-Occupied Commercial Buildings – McKissock
Appraisal of REO and Foreclosure Properties – McKissock
Appraisal of Self-Storage Facilities – McKissock
Complex Properties – The Odd Side of Appraisal – McKissock
Supervisor-Trainee Course – McKissock
Dirty Dozen – McKissock
Introduction to Expert Witness Testimony for Appraisers – McKissock
Michigan Law – McKissock
How To Work With Real Estate Investors – Part I – McKissock
Land and Site Valuation – McKissock
Evaluations, Desktops, and Limited Scopes – McKissock
Supporting Your Adjustments – McKissock



GLOSSARY OF TERMS

The following definitions were obtained from Appraisal Institute publications, USPAP and other online sources.

Adjustable Rate Mortgage (ARM): A debt secured by real estate with an interest rate that may change following a specific schedule or in accordance with the movements of a standard or index to which the interest rate is tied.

Ad Valorem Tax: A real estate tax based on the assessed value of the property, which is not necessarily equal to the market value. Often the assessed value is a percentage of market value.

Amortization: The process of retiring a debt through periodic scheduled payments of the principal.

Annual Percentage Rate (APR): The actual cost of borrowing, including interest, points, fees, etc., calculated as a yearly rate. This rate is calculated over the life of the loan.

Appreciation: A rise in value or price, especially over time.

Assessed Value: The official valuation of property for ad valorem taxation.

Assessment:

1. The official valuation of property for ad valorem taxation.
2. A charge levied against a tract of real estate to off-set the cost of public improvements.

Assessment Ratio: The relationship between assessed value and market value.

Basis Point: One one-hundredth of one percent. Used to express changes in interest rates.

Covenants and Restrictions: A list of expressed limitations on land use.

Debt Service: The periodic payment that covers interest and principal payments for retiring debt. Annual debt service is the annual amount of the monthly payments, often expressed as ADS.

Deed Restriction: A limitation that passes with the land, regardless of the owner.

Depreciation: In appraising, a loss in property value from any cause.

Discount Points: A percentage of the loan amount that a lender charges a borrower for funding a loan. Can also be interest paid in advance. Also called Points.

Easement: An interest in real property that conveys use, but not ownership, of a portion of an owner's property.

Effective Gross Income Multiplier (EGIM): The ratio between the sale price of a property and its effective gross income.

Effective Tax Rate (ETR): The tax rate multiplied by the assessment ratio.



Eminent Domain: The right of government to take private property for public use with the payment of just compensation.

Encroachment: The intrusion of a structure on the property of another.

Encumbrance: A lien or claim on property.

Equity: The net value of an owner's interest in a property after subtracting all liens and other encumbrances against it.

Escheat: The right of government that gives the government titular ownership of a property when its owner dies with no will and no heirs.

Escrow: A fund held by a third party until the conditions of a contract are met.

Estate: A right or interest in property.

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

First Mortgage: A mortgage that has priority over all other liens on a property.

Fixed Rate Mortgage: A conventional mortgage with an interest rate that does not change over the life of the mortgage.

Fixture: An article that was once personal property, but has subsequently been installed or attached to the land or building in a permanent manner.

Foreclosure: The legal process in which a lender forces the sale of a property to recover all or a part of a loan on which the borrower has defaulted.

Going Concern Value: The value created by a proven property operation; considered as a separate entity to be value with a specific business establishment. Most commonly associated in the appraisal field with lodging and health care properties where it can often be difficult to separate the value of the business from the value of the real property.

Gross Building Area (GBA): The total floor area of a building, including below grade space, but excluding unenclosed areas, measured from the exterior walls.

Gross Living Area (GLA) The total area of finished, above-grade residential space excluding unheated areas such as porches and balconies; the standard measure for determining the amount of space in residential properties.

Improvements: Buildings or other relatively permanent structures or developments attached to land.

Ingress/Egress: The means of entering and exiting a property.

Interest: Money paid for, or earned by, the use of capital.



Interest Rate: The price of money. The rate of return. Usually expressed as the nominal annual percentage of the loan amount.

Investment Value: The specific value of an investment to a particular investor or class of investors based on certain individual investment guidelines and requirements.

Leased Fee Estate: A leased fee estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.

Leasehold Estate: A leasehold estate is the right to use and occupy real estate for a stated term under conditions conveyed in the lease. Also referred to as the lessee's or tenant's estate.

Lease-Option Agreement: An agreement between a tenant and an owner that a portion of the monthly rent is credited toward the purchase of the rented property. The tenant has the option to purchase the property by a certain time and under certain conditions.

Legal Description: A description of land that identifies the property according to a system established or approved by law.

Lien: A charge against a property in which the property is the security for payment of the debt.

Life Estate: Total rights of use, occupancy, and control, limited to the lifetime of a certain party.

Life Tenant: One who owns a life estate for his or her own lifetime.

Listing: A written contract in which an owner employs a broker to sell his or her real estate.

Listing Contract: The written agreement between an owner and a broker to sell real estate. Also known as a listing agreement.

Loan to Value Ratio: The ratio between a mortgage loan and the value of the property pledged as collateral.

Lot and Block System: A system for the legal description of land that refers to a parcel's lot and block numbers which appear on recorded plats of subdivisions.

Metes and Bounds System: A system for the legal description of land that refers to a parcel's boundaries that are formed by the point of beginning and all intermediate points and the courses of each point.

Mortgage: A pledge of a property interest as collateral or security for the repayment of a loan under specified terms and conditions.

Net Rentable Area (NRA): Actual square-unit of a building that may be leased or rented to tenants, the area upon which the lease or rental payments are computed. It usually excludes common areas, elevator shafts, stairways, and space devoted to cooling, heating, or other equipment. Sometimes referred to as net leasable area.

Nominal Interest Rate: A stated or contract rate of interest, usually annual.



Overall Capitalization Rate (Ro): An income rate that reflects the relationship between a single year's net operating income and total property price or value (Vo).

Parcel: A tract of land of any size in one ownership.

Plat: A map showing a subdivision of land.

Points: A percentage of the loan amount that a lender charges a borrower for making a loan. Points may be for services rendered or additional interest to the lender payable in advance.

Prepayment Penalty: An extra charge paid by the buyer for paying off a mortgage before the maturity date.

Prime Rate: The interest rate that a commercial bank charges for short-term loans to borrowers with high credit ratings.

Prospective Value Opinion: A forecast of the value expected at a future date. Most commonly used in connection with proposed projects or projects that are under construction.

Purchase Money: Money that is paid for property.

Range Line: In the government survey system, one of a series of government survey lines that extend due north and south at six mile intervals, and are numbered east and west from the principal meridian. Range lines are the eastern and western boundaries of Townships.

Real Estate: Physical land and appurtenances attached to the land.

Real Property: All interests, rights, benefits inherent in the ownership of physical real estate.

Recording: The filing of a copy of a legal document or instrument in a government office provided for this purpose. Recording gives constructive notice to the public at large.

Refinance: Obtain a new loan, the proceeds of which are used to repay an existing loan.

Remainder: A future ownership interest in real estate that is given to a third party and matures upon the termination of a limited fee such as a life estate. Also, in eminent domain, the property remaining in possession of the owner after a partial taking.

Reversion: A lump-sum benefit that an investor receives or expects to receive at the termination of an investment.

Right of First Refusal: An option that gives the holder the right to purchase a property before any other offer to purchase can be made by a third party.

Sale Contract: A written document signed by a buyer and seller agreeing to the transfer of ownership.

Sales Commission: A fee paid to an agent or broker who arranges the sale of a property; usually a percentage of the sale price.

Section: In the government survey system of land description, one of the 36 sections in a township. Each section is one-mile square, or approximately 640 acres.



Setback: Zoning regulation that designates the distance a building must be set back from the front property line or street.

Special Assessment: An assessment against real estate levied by a public authority to pay for public improvements.

Subdivision: A tract of land that has been divided into blocks or plots with streets, open areas and other facilities appropriate for development.

Survey: The process in which the quantity and/or location of a piece of land is scientifically ascertained. A map or plot that describes the courses, distances, and quantity of land and shows the boundary lines.

Taking: The acquisition of a tract of land through condemnation.

Terms of Sale: Conditions and agreements in a contract for sale.

Title: The combination of all elements that constitute proof of ownership.

Title Defect: A legal right held by another to claim property or make demands on a property owner.

Title Insurance: Insurance against financial loss from claims arising out of defects in the title to real property that were not disclosed at the time the policy was issued.

Township: In the government survey system of land description, the area between two township lines and two range lines, normally containing 36 sections of approximately 640 acres each.

Township Lines: Survey lines that run east and west at six mile intervals north and south of a baseline, forming the northern and southern boundaries of townships.

Undivided Interest: Fractional ownership without physical division into shares.

Undivided Partial Interest: An interest in a property that is shared by co-owners.

Value in Use: A value in use is the value a specific property has for a specific use. The concept of use value is based on the productivity of an economic good. It focuses on the contributory value of the real estate to the enterprise of which it is a part, without regard to its highest and best use or the monetary amount that might be realized upon its sale.

Wraparound Mortgage: A mortgage that is subordinate to, but inclusive of, any existing mortgage or mortgages on a property.

Zoning Ordinance: A statute enacted under the police powers of government to regulate and control the use of real estate.

Zoning Variance: A legally authorized modification of the use of property at a particular location that does not conform to the existing zoning ordinance.



ADDENDA



Adamson & Associates, Inc.

P O Box 327

Mission, KS 66201

Phone: (913) 722-5432

Toll Free and E-Fax: (800) 818-0523

E-Mail: info@adamsoninc.com

Web: www.adamsoninc.com

Engagement Letter

This letter is intended to be a memorandum of understanding concerning the engagement of Adamson & Associates, Inc. (Adamson) by Liberty Public School District 53 for the purpose of providing valuation services.

Property to be Appraised

Property	Vacant Land
Property Address	1138 Southview Drive Liberty, MO 64068
Property Contact	Mr. Steven Anderson
Property Contact Phone Number	Chief Operations Officer
Property Contact E-Mail	816.736.5358

Scope of Work

Report Type	<i>Appraisal</i> <i>Appraisal Review Report</i>	X	<i>Restricted Appraisal</i> <i>Other</i>
Report Format	<i>Narrative</i> <i>Other</i> <i>Comments</i>	X	<i>Form</i>
Value Type(s)	<i>Market Value</i> <i>Liquidation Value</i> <i>Comments</i>	X	<i>Insurable Value</i> <i>Other</i>
Inspection	<i>Full Interior/Exterior</i> <i>Other</i> <i>Comments</i>	X	<i>Exterior Only</i>
Effective Date(s)	<i>Date of Inspection</i> <i>Prospective, As Stabilized</i> <i>Comments</i>	X	<i>Prospective, As Complete</i> <i>Retrospective</i>
Value Perspective(s)	<i>Value "As Is"</i> <i>Prospective, As Stabilized</i> <i>Comments</i>	X	<i>Prospective, As Complete</i> <i>Other</i>
Property Rights	<i>Fee Simple</i> <i>Leasehold</i> <i>Comments</i>	X	<i>Leased Fee</i>
Approaches to Value	<i>Cost Approach</i> <i>Income Approach</i> <i>Sales Comparison Approach</i>		<i>All Applicable (TBD)</i>

**Report to be Addressed to
Delivery Method**Liberty Public School District 53
PDF Download X**Report Due Date**

3-4 weeks from engagement

Fee(s) and Payment

Fee	\$2,000.00
Retainer	\$1,000.00
Balance	\$1,000.00
Balance Due Date	Upon completion before uploading the appraisal report
Fee Responsibility	Liberty Public School District 53
Comments	

Client Information

Client	Liberty Public School District 53
Client Address	801 Kent Street Liberty, MO 64068
Client Contact	Mr. Steven Anderson
Title	Chief Operations Officer
Client Phone Number	816.736.5358
Client Contact E-Mail	steven.anderson@lps53.org

Intended Use and Intended User(s)

Intended Use	The intended use of the appraisal will be to assist the client in making decisions regarding the property.
Intended Users	Liberty Public School District 53
Additional Intended Users	

Additional Comments

N/A

Information to be Provided by Client

Client or property contact will provide Adamson information that pertains to the property such as the following (some may not apply):

- Copies of historical occupancy, current rent roll, income/expense history and pro-forma;
- Details regarding renovations, including costs and building plans;
- Copies of any listings or contracts for sale, including the land;
- Title policy and/or abstract;
- Contact for inspection/additional property data;
- History of the property;
- Survey/site plans and building plans;
- Copies of any leases encumbering the property;
- Legal description;
- Copies of any prior appraisals;
- Balance Sheets – 3-5 years;
- Tax Returns;
- Interim Statement YTD;
- Profit and Loss Statements – 3-5 years;
- List of Equipment; and
- Income and Expense Projections.

Additional information regarding the subject property not listed above may need to be provided to Adamson. Client should note that if such information is not provided to Adamson in a timely manner, the due date may be set back by Adamson accordingly. However, in all cases, Adamson will do its best to complete the assignment on or before the requested due date.

Additional Terms and Conditions

Changes to Agreement

Any changes to the scope of work as outlined in this engagement shall necessitate a new Agreement. The client, intended users, intended use; the date of value, type of value or property interest appraised cannot be changed without a new engagement.

Privacy Disclosure

Individuals: We collect personal information about you from the following sources:

- Information we receive from you or your lender on applications or other documents; and
- Information about your transactions with us.

We restrict access to non-public personal information about you to those employees who need to know that information to provide products or services to you and to those employees who may be required to provide reports to government agencies. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your non-public personal information. We do not disclose any non-public personal information about our clients or former clients to anyone, except as required /permitted by law. We may use information pertaining to real estate transactions and information developed in the course of preparing an appraisal in future appraisal assignments.

Financial Institutions: We do not collect non-public information about you from any source. We do not disclose any non-public personal information about our clients or former clients to anyone, except

as required /permitted by law. We may use information pertaining to real estate transactions and information developed in the course of preparing an appraisal in future appraisal assignments.

No Third Party Beneficiaries

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

Testimony at Court or Other Proceedings

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment. Fees for testimony and trial preparation will be \$300 per hour for a designated appraiser (MAI) or \$250 per hour for a state certified appraiser not holding a designation.

The client agrees to indemnify and hold harmless Adamson & Associates, Inc. and its affiliates, partners, agents, and employees from and against any losses, claims, damages, or liabilities, which may be asserted by any person or entity who may receive our report, except to the extent of any losses, claims, damages or liabilities (or actions in respect thereof) arising by reason of the gross negligence or willful misconduct of Adamson & Associates, Inc. in preparing the report and will reimburse Adamson & Associates, Inc. for all expenses (including counsel fees) as they are incurred by Adamson & Associates, Inc. in connection with investigating, preparing, or defending any such action or claim.

In any circumstance in which the foregoing indemnification is held by a court to be unavailable to Adamson & Associates, Inc., Client and Adamson & Associates, Inc. shall contribute to any aggregate losses, claims, damages or liabilities (including the related fees and expenses) to which Client and Adamson & Associates, Inc. may be subject in such proportion that Adamson & Associates, Inc. shall be responsible only for that portion represented by the percentage that the fees paid to Adamson & Associates, Inc. for the portion of its services or work product giving rise to the liability bears to the value of the transaction giving rise to such liability.

Acceptance or use of the report constitutes agreement by the client and any other users that any liability for errors, omissions or judgment of the appraiser is limited to the amount of the fee charged for the appraisal.

Appraiser Independence

Adamson cannot agree to provide a value opinion that is contingent on a predetermined amount and cannot guarantee the outcome of the assignment in advance. Adamson cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. The opinion(s) of value will be developed competently and with independence, impartiality and objectivity, and in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Governing Law & Jurisdiction

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

Cancellation

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Report upon written notification to the Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

Confidentiality

Adamson shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

Adamson reserves the right to use data regarding the subject property and data developed in the appraisal process in future assignments.

Client shall not distribute the report to other parties or publish copies of the report without written permission from Adamson.

Please sign this letter of engagement and return it to us if you elect to proceed with this assignment. This proposal is valid for 14 days from the date signed by Adamson below.

Adamson:




October 6, 2023

Cathy Adamson
Executive Vice President
Adamson & Associates, Inc.
E-mail: cadamson@adamsoninc.com

Date:

Client:

By: 
Mr. Steve Anderson
Chief Operations Officer
Liberty Public School District 53

Date: 10.18.23

Web Copy

Recorded in Clay County, Missouri

Date and Time: 08/01/2018 at 12:11:55 PM

Instrument Number: 2018024875

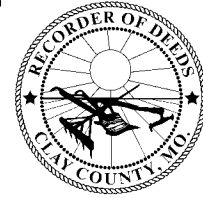
Book: 8251

Page: 16

Instrument Type: WD

Page Count: 4

Recording Fee: \$33.00 S



Electronically Recorded

Katee Porter, Recorder

SPECIAL WARRANTY DEED

THIS INDENTURE, Made on July 31, 2018 by and between

Grantor: **Brian V Thomas and Lisa J Thomas, husband and wife**

AND

Grantee: **Liberty Public School District #53, a political subdivision of the State of Missouri**

(Grantee's mailing address: 8 Victory Lane, Liberty, MO 64068)

WITNESSETH: THAT THE SAID GRANTOR(S), in consideration of the sum of **TEN DOLLARS AND OTHER VALUABLE CONSIDERATIONS** to be paid by said Grantee(s) (the receipt of which is hereby acknowledged), do by these presents, **GRANT, BARGAIN AND SELL, CONVEY AND CONFIRM** unto said Grantee(s) and unto the heirs, successors and assigns of Grantee(s), the following described lots, tracts or parcels of land lying, being and situate in the County of **Clay** and State of **Missouri**, to-wit:

SEE ATTACHED EXHIBIT A

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS, IF ANY, NOW OF RECORD.

TO HAVE AND TO HOLD The premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereto belonging to or in anywise appertaining unto said Grantee(s), and unto the successors and assigns of Grantee(s) forever; said Grantor hereby covenanting that the said premises are free and clear from any encumbrance done or suffered by it; and that it will warrant and defend the title to said premises unto said Grantee and unto the successors and assigns of Grantee(s) forever, against the lawful claims and demands of all persons claiming under Grantor but none other.

IN WITNESS WHEREOF, The said Grantor(s) has/have signed as of the day and year above written.

Brian V Thomas

Lisa J Thomas

Web Copy

STATE OF MISSOURI

)

)ss

COUNTY OF CLAY

)

On ~~August~~^{July} 31, 2018, before me personally appeared Brian V Thomas and Lisa J Thomas, husband and wife to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that he/she/they executed the same as his/her/their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal in the County and State aforesaid, the day and year first above written.



Notary Public

My Commission Expires: 10-01-2018

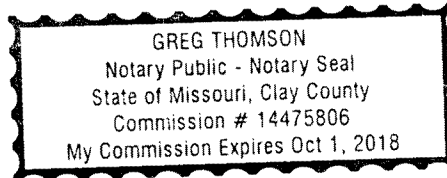


EXHIBIT A

LEGAL DESCRIPTION:

All of the Northeast Quarter of the Southeast Quarter of Section 18, Township 51, Range 31 in Clay County, Missouri, **Except** a strip off the East side thereof, described as follows: Beginning at a point in the East line thereof of said Section 18, which point is 643 feet South of the Northwest corner of the Southeast Quarter of Section 18; thence West 30 feet; thence South to the South line of the Northeast Quarter of the Southeast Quarter of Section 18; thence East 30 feet to the East line of Section 18; thence North in said East line of Section 18 to the point of beginning; **Except** that part deeded to the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, by the Deed recorded March 21, 1932 in Book 283 at Page 538 in the office of the Recorder of Deeds of said County, and **also subject** to right-of-way grant, as shown of record on February 14, 1936 in Book 310 at Page 157 in the office of said Recorder of Deeds.

AND

Also a part of the Northwest Quarter of the Southwest Quarter of Section 17, Township 51 of Range 31, in Clay County, Missouri described as follows: Beginning at the Quarter Section corner of the West of Section 17, Township 51, Range 31; thence South 178 feet to an iron rod; thence East parallel to the North line of the Southwest Quarter of said Section 17, a distance of 986 feet to a point in the center of public road leading from Liberty to Liberty Landing; thence with the centerline of said road North 11 degrees 20 minutes West, 180 feet to a point in the North line of the Southwest Quarter of said Section 17; thence West on said line, 950.4 feet to the point of beginning, **Except** that part deeded to the State of Missouri for highway purposes, as shown by deed recorded January 20, 1936 in Book 309 at Page 34, in the office of said Recorder of Deeds.

Further excepting from all of above described land (in both of said Sections 17 and 18), the following:

1. All of the same which lies North and West of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company as located on October 1, 1946 (which Exception contains 13 acres, more or less and which last Excepted land was conveyed to Joseph S. Morrow, Sr. by Warranty Deed recorded January 11, 1947 in Book 411 at Page 100 in the office of said Recorder of Deeds).
2. (2.28) acres, more or less, conveyed by George J. Rife, a widower, to the Chicago, Milwaukee, St. Paul and Pacific Railroad Company by Warranty Deed recorded May 21, 1954 in Book 511 at Page 344 in the office of said Recorder of Deeds.
3. Terms and conditions of Easement for Sewer line conveyed to City of Liberty by instrument recorded February 2, 1917 in Book 191 at Page 361 over the following tract: A strip of land 6 feet in width, the centerline of which is described as follows: Beginning at a point 154.0 feet West of the East Quarter corner of Section 18, Township 51, Range 31; thence South 32 degrees 10 minutes East, 3 feet; thence South 29 degrees 10 minutes East, 539 feet; thence South 20 degrees 26 minutes East, 279.2 feet to the South line of the tract owned by said first parties.
4. In instrument dated March 14, 1932 and recorded March 21, 1932 in Book 283 at Page 538, Boude L.

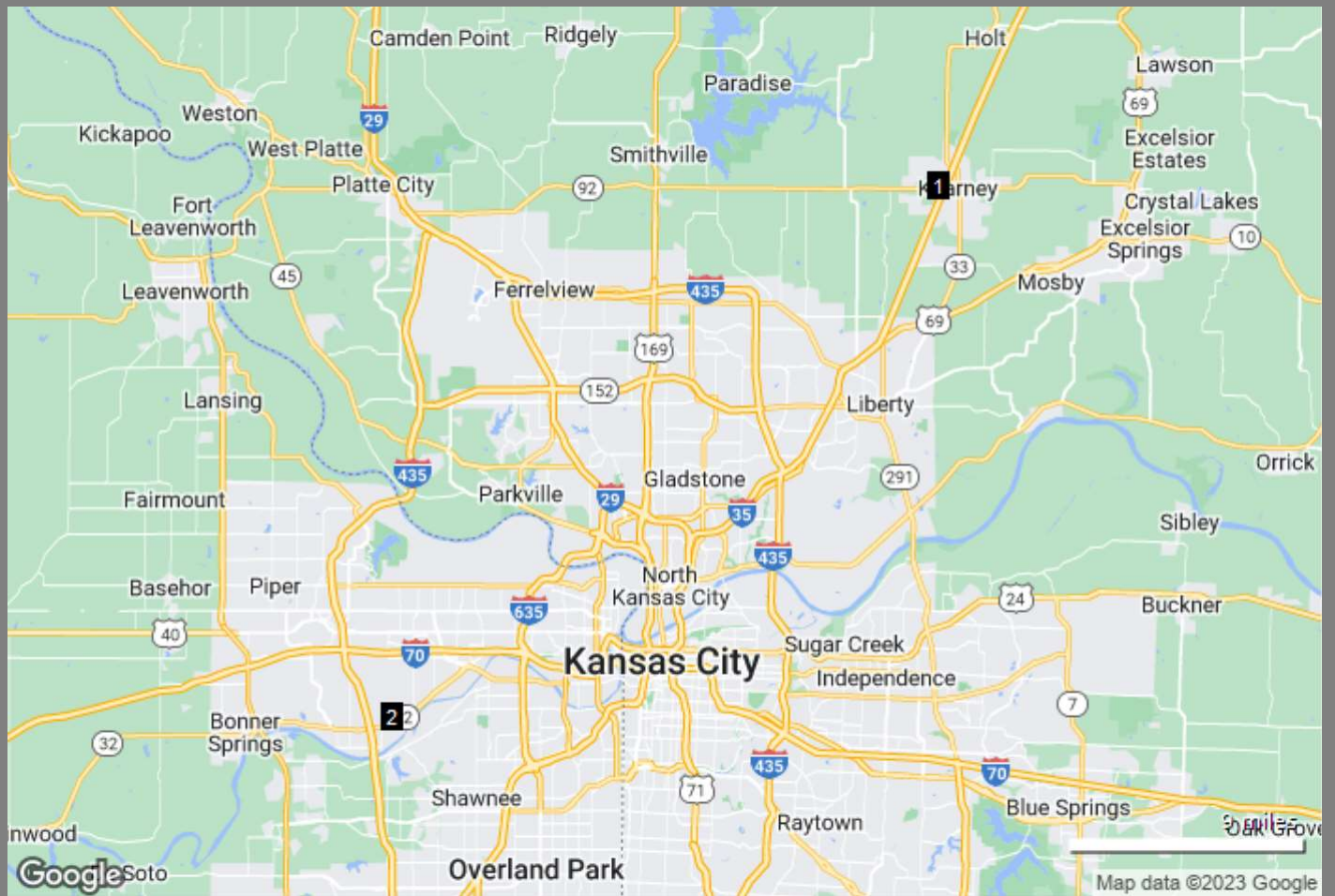
Web Copy

Crossett and Emma Crossett, husband and wife, conveyed to Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a corporation, a strip of land for railroad right-of-way, and in said instrument the grantors released the said railroad, its successors and assigns, from any and all liability for injury or damage to any and all other lands or property of the parties of the first part, caused by the location, construction and operation of a railroad over and upon the premises hereby conveyed.

5. Easement granted to Central Pipe Line Company, by instrument dated November 18, 1935 and recorded February 14, 1936 in Book 310 at Page 157, over the land.

6. That part conveyed to State of Missouri for Highway purposes in instrument dated February 10, 1934 and recorded January 20, 1936 in Book 309 at Page 34.

7. Right-of-Way conveyed to Chicago, Milwaukee, St. Paul and Pacific Railroad Company as set out in document recorded May 21, 1954 in Book 511 at Page 344.



1



92 Hwy & Bennett Blvd

Zoning: **Industrial / Retail**

Sale Price: **\$2,400,000**

**Gateway to Kearney
Development**

Parcel Size: **1,404,810 SF**
Lot Dimensions: -
of Lots: -

Price/SF: **\$1.71**
Sale Status: **Active**
Days On Market: **930**

Kearney, MO 64060

Clay County

This property is represented by Armour Realty - Ryan Hays, (816) 278-1565 Tom Demesko, (816) 392-3913

This property is for sale individually

2



Ruby Avenue and K-32 Hwy

Zoning: **Planned Industrial**

Sale Price: **\$200,000-
\$2,400,000**

West Hills Industrial Park

Parcel Size: **1,742,400 SF**
Lot Dimensions: -
of Lots: -

Price/SF: **\$0.11-
\$1.38**
Sale Status: **Active**
Days On Market: **1,389**

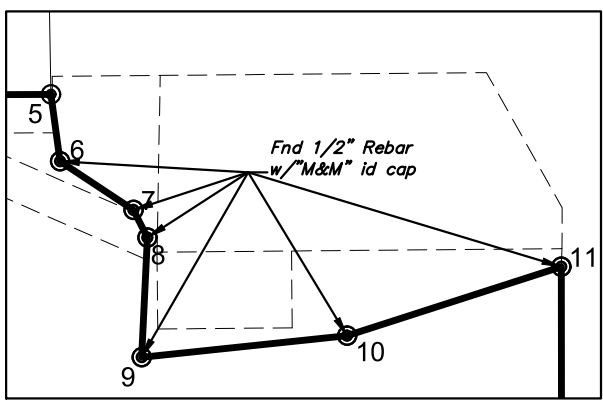
Kansas City, KS 66111

Wyandotte County

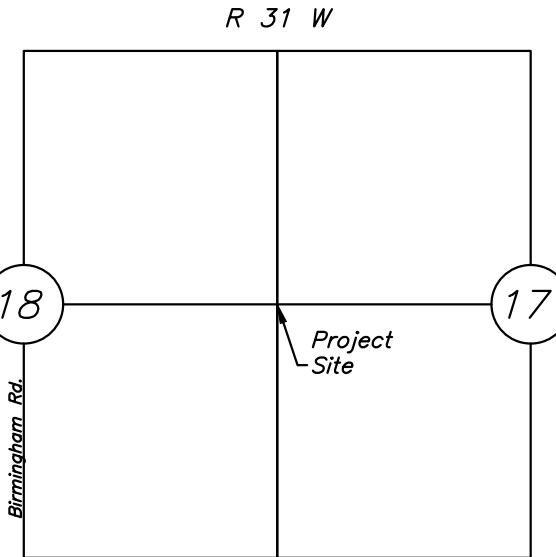
This property is represented by Serrone & Co - Louis A. Serrone, (913) 219-9924

This property is for sale individually

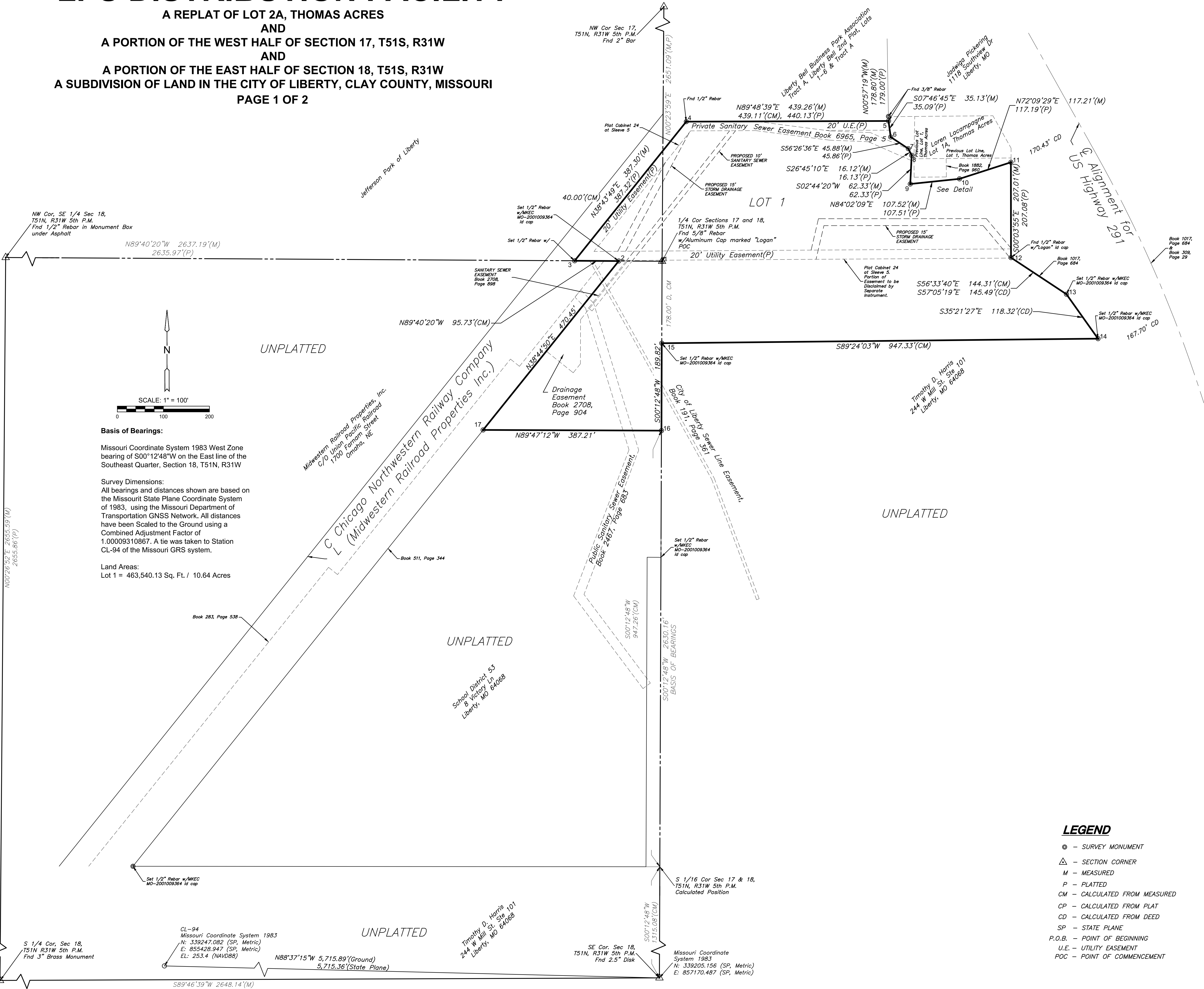
FINAL PLAT
LPS DISTRIBUTION FACILITY
A REPLAT OF LOT 2A, THOMAS ACRES
AND
A PORTION OF THE WEST HALF OF SECTION 17, T51S, R31W
AND
A PORTION OF THE EAST HALF OF SECTION 18, T51S, R31W
A SUBDIVISION OF LAND IN THE CITY OF LIBERTY, CLAY COUNTY, MISSOURI
PAGE 1 OF 2



IRON DETAIL



VICINITY MAP



Basis of Bearings:
Missouri Coordinate System 1983 West Zone bearing of S00°12'48"W on the East line of the Southeast Quarter, Section 18, T51N, R31W

Survey Dimensions:
All bearings and distances shown are based on the Missouri State Plane Coordinate System of 1983, using the Missouri Department of Transportation GNSS Network. All distances have been Scaled to the Ground using a Combined Adjustment Factor of 1.00009310867. A tie was taken to Station CL-94 of the Missouri GRS system.

Land Areas:
Lot 1 = 463,540.13 Sq. Ft. / 10.64 Acres

PROPERTY CORNER POINTS			
1	340006.7509587	857173.4700321	0
2	340006.9150481	857144.7825837	0
3	340007.0819564	857115.6072153	0
4	340099.1636103	857189.4584572	0
5	340099.6056062	857323.3319787	0
6	340088.9974896	857324.7811805	0
7	340081.2682540	857336.4337256	0
8	340076.8812196	857338.6452397	0
9	340057.9064665	857337.7375051	0
10	340061.3113887	857370.3292388	0
11	340072.2564409	857404.3335380	0
12	340009.1655819	857404.4054183	0
13	339984.9295972	857441.1069892	0
14	339955.5200717	857461.9744359	0
15	339952.5018975	857173.2681509	0
16	339894.6504328	857173.0528603	0
17	339895.0898330	857055.0419610	0
CL-94	339247.1027564	855428.9350880	0
PLANE COORDINATES IN METERS FROM STATION CL-94			
GRID FACTOR: 0.9999068999			

LEGEND

- SURVEY MONUMENT
- △ — SECTION CORNER
- M — MEASURED
- P — PLATTED
- CM — CALCULATED FROM MEASURED
- CP — CALCULATED FROM PLAT
- CD — CALCULATED FROM DEED
- SP — STATE PLANE
- P.O.B. — POINT OF BEGINNING
- U.E. — UTILITY EASEMENT
- POC — POINT OF COMMENCEMENT

PREPARED FOR:
School District 53
8 Victory Ln
Liberty, MO 64068
DATE OF PREPARATION:
July 21, 2023



FINAL PLAT

LPS DISTRIBUTION FACILITY

A REPLAT OF LOT 2A, THOMAS ACRES

AND

A PORTION OF THE WEST HALF OF SECTION 17, T51S, R31W

AND

A PORTION OF THE EAST HALF OF SECTION 18, T51S, R31W

A SUBDIVISION OF LAND IN THE CITY OF LIBERTY, CLAY COUNTY, MISSOURI

PAGE 2 OF 2

LEGAL DESCRIPTION

A parcel of land located in the Northeast Quarter of Section 18 and the Northwest Quarter of Section 17, Township 51 South, Range 31 West of the Fifth Principal Meridian, Clay County, Missouri as recorded in Instrument Number 2018024874, Deed Book 8251, Page 15, Clay County Recorder of Deeds Office; said parcel being described as follows;

Lot 2A, as shown on the Lot Split, a Replat of Thomas Acres, recorded October 30, 2012 as Document No. 2012042789 in Book H at Page 48, a subdivision in Liberty, Clay County, Missouri.

AND ALSO

A portion of a parcel of land located in the Northeast Quarter of Section 18, the Northwest Quarter of Section 17 and the Southwest Quarter of Section 17, Township 51 South, Range 31 West of the Fifth Principal Meridian, Clay County, Missouri as recorded in Instrument Number 2018024875, Deed Book 8251, Page 16, Clay County Recorder of Deeds Office; said parcel being described as follows;

All of the Northeast Quarter of the Southeast Quarter of Section 18, Township 51, Range 31 in Clay County, Missouri, Except a strip off the East side thereof, described as follows: Beginning at a point in the East line thereof of said Section 18, which point is 643 feet South of the Northwest corner of the Southeast Quarter of Section 18; thence West 30 feet; thence South to the South line of the Northeast Quarter of the Southeast Quarter of Section 18; thence East 30 feet to the East line of Section 18; thence North in said East line of Section 18 to the point of beginning; Except that part deeded to the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, by the Deed recorded March 21, 1932 in Book 283 at Page 538 in the office of the Recorder of Deeds of said County, and also subject to right-of-way grant, as shown of record on February 14, 1936 in Book 310 at Page 157 in the office of said Recorder of Deeds.

AND
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1. All of the same which lies North and West of the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company as located on October 1, 1946 (which Exception contains 13 acres, more or less and which last Excepted land was conveyed to Joseph S. Morrow, Sr. by Warranty Deed recorded January 11, 1947 in Book 411 at Page 100 in the office of said Recorder of Deeds).
2. (2.28) acres, more or less, conveyed by George J. Rife, a widower, to the Chicago, Milwaukee, St. Paul and Pacific Railroad Company by Warranty Deed recorded May 21, 1954 in Book 511 at Page 344 in the office of said Recorder of Deeds.
3. Terms and conditions of Easement for Sewer line conveyed to City of Liberty by instrument recorded February 2, 1917 in Book 191 at Page 361 over the following tract: A strip of land 6 feet in width, the centerline of which is described as follows: Beginning at a point 154.0 feet West of the East Quarter corner of Section 18, Township 51, Range 31; thence South 32 degrees 10 minutes East, 3 feet; thence South 29 degrees 10 minutes East, 539 feet; thence South 20 degrees 26 minutes East, 279.2 feet to the South line of the tract owned by said first parties.
4. In instrument dated March 14, 1932 and recorded March 21, 1932 in Book 283 at Page 538, Boude L. Crossett and Emma Crossett, husband and wife, conveyed to Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a corporation, a strip of land for railroad right-of-way, and in said instrument the grantors released the said railroad, its successors and assigns, from any and all liability for injury or damage to any and all other lands or property of the parties of the first part, caused by the location, construction and operation of a railroad over and upon the premises hereby conveyed.
5. Easement granted to Central Pipe Line Company, by instrument dated November 18, 1935 and recorded February 14, 1936 in Book 310 at Page 157, over the land.
6. That part conveyed to State of Missouri for Highway purposes in instrument dated February 10, 1934 and recorded January 20, 1936 in Book 309 at Page 34.
7. Right-of-Way conveyed to Chicago, Milwaukee, St. Paul and Pacific Railroad Company as set out in document recorded May 21, 1954 in Book 511 at Page 344.
Said parcels of land being more particularly described as follows:
A parcel of land located in the Northeast Quarter of Section 18, the Southeast Quarter of Section 18, the Northwest Quarter of Section 17 and the Southwest Quarter of Section 17, Township 51 South, Range 31 West of the Fifth Principal Meridian, Clay County, Missouri, as prepared by Michael Small, Professional Land Surveyor License Number 2011017291 on July 5, 2023; and being more particularly described as follows;

COMMENCING at the East Quarter Section Corner of Section 18, Township 51 South, Range 31 West of the Fifth Principal Meridian, Clay County, Missouri; thence along the north line of the Southeast Quarter of said Section 18 on a Missouri Coordinate System of 1983, West Zone bearing of N89°40'20"W, a distance of 94.13 feet to a point on the easterly line of the Midwestern Railroad Properties Inc. (formerly Chicago Northwestern Railway Company) Right of Way; said point being the POINT OF BEGINNING; thence continuing along the north line of said Southeast Quarter, N89°40'20"W, a distance of 95.73 feet to a point on the easterly line of said Midwestern Railroad Properties Right of Way; thence along said easterly Right of Way line, N38°43'49"E, a distance of 387.30 feet to the Northwest Corner of a recorded Lot Split of Thomas Acres as recorded in Book H, Page 48 as instrument number 2012042789 on October 10, 2012; thence along the boundary lines of Lot 2A of said Lot Split through the following eight courses; N89°48'39"E, a distance of 439.26 feet; thence S07°46'45"E, a distance of 35.13 feet; thence S56°26'36"E, a distance of 45.88 feet; thence S26°45'10"E, a distance of 16.12 feet; thence S02°44'20"W, a distance of 62.33 feet; thence N84°02'09"E, a distance of 107.52 feet; thence N72°09'29"E, a distance of 117.21 feet; thence S00°03'55"E, a distance of 207.01 feet to a point on the north line of the Southwest Quarter of Section 17, Township 51 South, Range 31 West of the Fifth Principal Meridian; said point being on the westerly Right of Way of US Highway 291; thence along said Right of Way through the following two courses; S56°33'40"E, a distance of 144.31 feet; thence S35°21'27"E, a distance of 118.32 feet; thence parallel with said north line, S89°24'03"W, a distance of 947.33 feet to a point on the west line of said Southwest Quarter of Section 17; thence along said west line, S00°12'48"W, a distance of 189.82 feet; thence N89°47'12"W, a distance of 387.21 feet to a point on the Southeasterly line of said Midwestern Railroad Properties Right of Way; thence along said Right of Way line, N38°44'50"E, a distance of 470.45 feet to the POINT OF BEGINNING.
Said Parcel contains 463,540.13 Square Feet, 10.64 acres, more or less.

Michael E. Small, PLS- 2011017291
MKEC Engineering, Inc. (CLS 39)
11827 W. 112th St., Ste. 200
Overland Park, KS 66210-2718

Dedication:
The undersigned proprietor of the property described hereon have caused the same to be subdivided in the manner as shown on this plat, which subdivision and the property shall hereafter be known as "LPS Distribution Facility". It shall be sufficient description of the lot on the plat to hereafter have the same by the number appearing near the center lot followed by the words: LPS Distribution Facility, a subdivision of land in the City of Liberty, Clay County, Missouri, according to the recorded plat thereof.

Streets:
Streets shown on this plat and not heretofore dedicated to public use as thoroughfares, are hereby so dedicated. No expressed or implied disclaimer or vacation of existing or previously dedicated right of way is intended in this plat.

Easement:
An easement is hereby granted to the City of Liberty, Missouri, to locate, construct and maintain, and to authorize the location, construction maintenance or use of conduits, for any and all purpose, water, gas and sewer mains, poles, wires, anchors, and appurtenances thereto, any or all of them over, under, and along the strips of land dedicated by this plat and designated "Utility Easement" or "U/E".

Sanitary Sewer easement:
An easement is hereby granted to the City of Liberty, Missouri, to locate, construct and maintain and to authorize the location, construction, maintenance or use of conduits, for all and any sewer mains and appurtenances thereof, or any or all of them upon, under and along the strips of land dedicated by this plat and designated "Sanitary Sewer Easement" or "S/E".

Drainage Easement:
An easement or license is hereby granted to the City of Liberty, Missouri, to locate, construct and maintain, and to authorize the location, construction, maintenance and use of surface drainage ways and installations, and underground drainage conduits and appurtenances for drainage purposes on, under and along the strips of land outlined on this plat designated "Drainage Easement" or "D/E".

Building Line Setback:
Building lines or setback lines are hereby established as shown on the accompanying plat and no building or portion thereof shall be built between this line and the street line.

Facilities Easement:
An easement or license is hereby granted to the City of Liberty, Missouri, to locate, construct and maintain and to authorized the location, construction, maintenance and use of stormwater detention facilities and installations and underground drainage conduits and appurtenances for drainage and detention purposes on under and along the strips of land outlined on this plat designated "F/E".

Landscape Easement:
Landscaping shown heron and not heretofore dedicated to public use.

Maintenance of Lot:
Lot 1 shall be maintained by the owner.

In testimony whereof: Steven Anderson, Chief Operations Officer, Liberty Public Schools has caused these presents to be executed this _____ day, _____, 2023.

Steven Anderson, Chief Operations Officer

State of Missouri)
JSS
County of Clay)

On this _____ day of _____, 2023 before me appeared Steven Anderson, Chief Operations Officer, Liberty Public Schools, to me personally known to be the same, who signed and acknowledged said instrument to be signed and sealed on behalf of said Liberty Public Schools, and said Steven Anderson acknowledged said instrument to be the free act and deed of said Liberty Public Schools. In witness thereof: I have hereunto set my hand and affixed my seal the year and date last written above

My commission expires: _____
Notary Public

City Planning and Zoning Commission:
Approved by the Panning and Zoning Commission of the City of Liberty, on this _____ day of _____, 2023

Chairperson: Dee Rosekrans

City Council
This is to certify that the foregoing plat was duly submitted to and approved by the council of the City of Liberty, Missouri, by ordinance No. _____ duly authenticated as passed this _____ day of _____, 2023.

Mayor: Greg Canuteson
Deputy City Clerk: Sarah Ranes

Director of Public Works: Sherri McIntyre P.E.

PREPARED FOR:
School District 53
8 Victory Ln
Liberty, MO 64068
DATE OF PREPARATION:
June 7, 2023

