



LANDMARKS BOARD

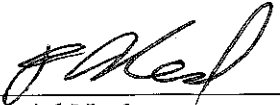
CITY OF SPRINGFIELD
P.O. BOX 8368
SPRINGFIELD, MISSOURI 65801
417-864-1031

City of Springfield

INTEROFFICE MEMORANDUM

DATE: August 1, 2012
RE: Landmarks Board meeting

Please find attached the agenda for the Landmarks Board meeting on **August 8, 2012**. A tour will be held on Wednesday afternoon at 4:30 p.m. We will meet in front of the Busch Municipal Building.


Daniel Neal
Senior Planner



LANDMARKS BOARD

CITY OF SPRINGFIELD
P.O. BOX 8368
SPRINGFIELD, MISSOURI 65801
417-864-1031

August 8, 2012
5:30 P.M.
Council Chambers
City Hall (830 Boonville)

I Roll Call

DAVID ESLICK
Historian Representative
Chair

II Minutes July 25, 2012

CYNTHIA LIPSCOMB
*Architect and Walnut St.
Representative*
Vice-Chair

III Unfinished Business

- A. Certificate of Appropriateness
None
- B. Certified Local Government Review
None
- C. Pre-Application Review
None

LEN EAGLEBURGER
At Large Representative

DAVID MAGGARD
At Large Representative

LAUREL BRYANT
Real Estate Representative

IV New Business

- A. Certificates of Appropriateness
 - 1. 205 W. Commercial Street: Remove storefront glass and board up storefront.
- B. Certificates of Economic Hardship
 - 1. 1040 E. Walnut Street: Demolish historic structure and redevelop site with a twenty-four (24) bed apartment
 - 2. 1046 E. Walnut Street: Demolish historic structure and redevelop site with a twenty-four (24) bed apartment
- C. Pre-Application Review
None

ANN BAYLIFF
At Large Representative

TODD SMITH
At Large Representative

MONICA STEGALL
Commercial St. Representative

V Communications

VI Reports

- A. Report on committees
 - 1. Application
 - 2. Demolition
 - 3. Historic sites and districts
 - 4. Communications
 - 5. Awards and recognition
 - 6. Design guidelines
- D. Administrative approval of C of A's
None

VII Any other matters that fall under the jurisdiction of the Board

- 1. Discuss the Landmarks Board/MSU Historic Preservation Workshop.

VIII Adjournment

NOTE: In accordance with ADA guidelines, if you need special accommodations when attending any City meeting, please notify the City Clerk's office at 864-1443 at least 3 days prior to the scheduled meeting.

MINUTES OF THE LANDMARKS BOARD

DATE: July 25, 2012

TIME: 5:30 pm

The regular meeting and public hearing of the Landmarks Board was held on the above date and time in City Council Chambers, third floor of Historic City Hall with the following members and City of Springfield staff in attendance: David Eslick (Chair), Cynthia Lipscomb, (Vice-Chair); Ann Bayliff, Laurel Bryant, Len Eagleburger, David Maggard and Monica Stegall; Daniel Neal, Senior Planner; Duke McDonald, Assistant City Attorney; and Sandy Goddard, Planning Administrative Assistant. ABSENT: Todd Smith.

APPROVAL OF MINUTES:

The minutes of June 13, 2012 were approved with corrections.

UNFINISHED BUSINESS:

None.

New Business:

A. Certificate of Appropriateness:

633 West Walnut Street: install new vinyl siding, replace guttering, soffits and fascia and repair front deck.

Mr. Aaron Van Gorp, 633 West Walnut St, and Jason Nill, 633 West Walnut St. Mr. Van Gorp submitted a brochure with some information and will be getting bids from contractors.

Mr. Eslick asked if applicant realized the house is on the local Historic Site and asked if Mr. Van Gorp had looked at the Secretary of Interior's Standards for Rehabilitation.

Mr. Van Gorp stated he did when it was put on line; they did not read it word for word but did look over it.

Mr. Eslick stated that as Historic Preservationist shy away from is any kind of vinyl and especially vinyl siding.

Ms. Bryant asked if Mr. Van Gorp had gotten any bids for restoring the clapboard or wood restoration.

Mr. Van Gorp said they had not.

Ms. Bayliff asked how long applicant has had the building.

Mr. Van Gorp stated four years.

Ms. Bayliff asked if they knew it was an historic site when the home was purchased.

Mr. Van Gorp stated they did.

Ms. Bayliff stated that in knowing there is an historical site they you knew there would be some limitations as to what you could do with the house.

Mr. Van Gorp stated being young, he did not think about it that much as it was the first property that they purchased. He asked about the building next to site if it was also a historic site.

Ms. Lipscomb stated there are certain districts in town that are historic, but this home is not in a district, the house is listed individually. You could have some neighbors that are, but some probably not.

Mr. Eslick stated they do shy away from vinyl because it does take away the character of the building and that property does have some distinctive characteristics; the fish scale shingles in the eaves and also the decoration over the front porch on the roof and it would be a shame to lose that. Like the house next door, they have tried to put replicated fish scale shingles and it does not look good.

Ms. Lipscomb asked if Mr. Neal had put the preservation brief in the packet or if it came from the applicant.

Mr. Neal stated yes, it was from him and the applicant has since read it.

Ms. Lipscomb stated products are getting better and better and stated that if the applicants had come with an actual sample of what you will be using then we could make a better informed decision, because I hate to say vinyl would be completely out and it does say that in the briefs. If you had someone that is going to do a really good job and match the profiles and match everything, and good luck finding that with a vinyl siding contractor, then we could make a better decision if feel. But in the cursory, I am going to have to say I cannot approve it for vinyl.

Mr. Van Gorp stated that areas are the fish scales and the Board is coming at it from a purist point of view so to me, I don't want to pay every year to have it painted. It would look better obviously, from our standpoint. We have clients coming up and it looks junky and unprofessional and we don't believe painting would help that much because it is so crooked and the wood is warped and you can see the dents in the wood as well. That is part of our problem but obviously we can put together some material samples.

Ms. Lipscomb said if they could find a siding sample, I don't know that we would approve it, but we would have something to look at and be very specific about the size of the clapboards and the size of the trim pieces going down the walls at the corners. They do fish scales in vinyl, but you would have to get a really good contractor and they would have to do a really good job, but the pediment over the front door, the decorative piece, don't get rid of that.

Mr. Van Gorp stated that was their intent as they wanted to make it as close as possible to the original and thought they would asked the contractor to as stated in the application.

Ms. Bryant stated the value is in the history of the building and you are right, we are purists; from a purist standpoint there is value in looking at a contractor who is capable of restoring the wood because there is restoration potential.

Ms. Lipscomb said that if the applicant wanted to try and go with vinyl, we would require more information, but I would suggest getting bids both directions, because you might find that it might not be as much to stay with wood and fix what might be rotted.

Mr. Van Gorp stated that the trim around the windows is what they want to repair and have the siding or the clapboard go to where that is, but replace or fix what is there like the sills where the water sits.

Ms. Lipscomb said that the trouble you run into with that is unless they take all of the wood siding off before they put the vinyl on, which I would not suggest you do by any means, the walls gets thicker and so the windows sit back further and it messes with the way you perceive the window and it changes the sill. If you are having water problems, you will have worse water problems in future unless they extend the sills as well. They say that vinyl siding is maintenance free but it is really not, compared to a good paint job. You might paint twice before you have to replace the vinyl siding over the course of twenty years, and your paint job, it might come out as a wash really. But we will definitely need more information because I would have to vote no.

Mr. Van Gorp asked if that was just related to the vinyl siding and the soffits and fascia.

Ms. Lipscomb said yes. There was discussion of the gutters and down spouts, that you could probably find newer material that would replace those ok.

Ms. Bryant stated the gutters look very narrow to carry the load of that pitch roof.

Mr. Eslick stated that if you were to bring the house back to its original appearance that would be the crown jewel on that block and it would make the clients feel better if they were to parking lot of a house that had been restored to its grandeur. Mr. Eslick suggested that Mr. Van Gorp talk to people who have done some restoration of houses on Grant to get some ideas and commented that their home is one of the older historic properties in Springfield and be proud of that.

Mr. Neal mentioned that the house to the east is the Abbott-Peabody House and it is listed as well. They were both listed in 1983.

Ms. Bryant suggested to Mr. Van Gorp to drive by a house on Walnut Street Joyce Foster Photography, just to show what the potential is to really treat this like the pretty little old lady it is.

The Board members mentioned several homes that Mr. Van Gorp could use as examples.

Mr. Eslick suggested that they go back and look for a contractor that can keep the building as is, the wood trim with the products they are going to use and come back before the Board. He suggested that the case be tabled.

Ms. Bryant motioned to **table** the Certificate of Appropriateness for 633 West Walnut Street. Ms. Lipscomb **seconded** the motion. The motion **carried** as follows: Ayes: Eslick, Lipscomb, Bryant, Bayliff, Maggard, Eagleburger, and Stegall. Nays: None. Abstain: None. Absent: Todd Smith.

Mr. Van Gorp asked about if there were any other items beside the vinyl that they need to find more information on, such as the deck columns, asking if that is something they can have done.

Ms. Bayliff suggested that if the applicants have not read the Preservation Briefs, it would give you ideas and information for the windows and such. It will give an idea of what is preferred.

Mr. Van Gorp asked if any of the other proposals could be approved so they could begin the work or if they needed to wait until it is all approved before they begin.

Mr. Eslick stated it all has to be approved and then you don't have to everything done immediately, you can spread it out.

Ms. Lipsomb stated that unfortunately the balustrade and the handrails and the columns all fall under the same requirement that the wood stay or be repaired or be replaced in kind if it can't be repaired. Most of those items fall into that same category.

Mr. Neal said there is a link for the Preservation Briefs through the Landmarks Website and you can go to the National Park Service as well, NPS Preservation Briefs.

Mr. Eslick if there is a list of construction personnel asking if it was something that they needed to acquire.

Mr. McDonald stated the City does not want to get into the business of choosing what business in the market place to choose from.

Ms. Bayliff stated that if they did find a house they liked which has been properly done, to talk to the owners and see who they used for the repairs.

VII. Any other matters that fall under the jurisdiction of the Board.

1. Discussion of the Landmarks Board/MSU Historic Preservation Workshop.

Mr. Neal showed the "Save the Date" postcard that has been prepared and if the Board approves it, it will be sent out electronically tomorrow morning and then it will be followed up with another flyer that will tell who the presenters will be. Preserving Buildings as part of the Natural World is the title for Bonnie Stepanoff's presentation; Joanne will be coming from Jefferson City to present How to Change an Ordinance or Guideline and the Green Building presentation. David Vaughn from MSU who is coordinating the Workshop has viewed the Springfield Mill facility and found it to be a great training room with lots of space outside for displays and to visit. It was discussed that the meeting begin at 5:15 with hors d'ourves served till 6:00, and the program beginning at 6:00 pm with a short introduction. Bonnie's power point

presentation will be about one hour, thereafter Joanne's presentation will be given followed by a question and answer period and then a short break which will be about an hour. The Green Building presentation is an hour long.

Ms. Bryant made a motion that the postcard be sent out.

Ms. Lipscomb agreed and asked if it would be helpful to put the address of the facility on the card.

Mr. Eslick stated they would put it on the next card and be more specific.

There was further discussion of the postcard by the Board and that it would be sent electronically. There was discussion by the Board of the groups to be invited to the workshop. Mr. Eslick mentioned Elise Crane wanted to be sent information and he has a list of the CLG communities as well. Ms. Lipscomb mentioned that she would e-mail Mr. Neal with the AIA contact information. Ms. Bryant gave contact information for the Springfield Board of Realtors also. "Simply Delicious", will be the caterer for the evening. Ms. Bryant suggested sending information to the siding and window salesmen as well. Ms. Bayliff asked why they don't take out a big advertisement in the newspaper.

Mr. Neal stated he had the mailing list for Commercial Street, Walnut Street and local Historic sites and asked if they wanted the information sent to Mid-Town; Commercial Club will be contacted. Mr. Neal said he would get Rusty Worley involved to help promote the workshop.

Mr. Neal told the Board there are two cases for the next meeting on August 8 and to check their schedules.

Ms. Stegall motioned to adjourn. Mr. Eagleburger seconded the motion. The motion carried unanimously.

There being no further business, the meeting adjourned at 6:14 p.m.

Daniel Neal



LANDMARKS BOARD

CITY OF SPRINGFIELD
P.O. BOX 8368
SPRINGFIELD, MISSOURI 65801
417-864-1031

STAFF REPORT

COMMERCIAL STREET HISTORIC DISTRICT

DATE: July 30, 2012

BACKGROUND:

LOCATION: 205 W. Commercial Street

APPLICANT: Jim Murrow

PROPOSAL:

1. Remove storefront glass and board up storefront as shown on attached elevation.

RECOMMENDATION:

The request be **denied**.

FINDINGS:

1. The building at 205 W. Commercial Street has been cited as a dangerous building for boarded up windows without a building permit.
2. The request is inconsistent with the Secretary of Interior Standards for Rehabilitation and Commercial Street Design Guidelines.

STAFF CONTACT:

Daniel Neal
Senior Planner

ATTACHMENT A
BACKGROUND REPORT
205 W. Commercial

APPLICANT'S PROPOSAL:

The applicant is requesting a Certificate of Appropriateness to remove glass and board up the storefront (see attached elevation).

STAFF COMMENTS:

1. The Commercial Street Design guidelines state, "Proposed design changes to the storefronts, especially the first floors, should evolve out of careful examination of the elements of the building, and research into the original treatment of its exterior. Many of the buildings have been photographed, and if not, building of similar period and character can provide a model." The Secretary of Interior's Standards for Rehabilitation guidelines state, "the creation of an arcade or other new design element, which alters the architectural and historic character of the building and its relationship with the street, should be avoided." Staff believes both the Secretary of Interior's Standards for Rehabilitation and Commercial Street Design Guidelines do not support the proposed boarding up of the storefront unless to preserve the existing storefront. The National Park Service has a Preservation Brief that particularly discusses mothballing a historic structure (see attached Preservation Brief #31)
2. Staff requires the Secretary of Interior's Standards for Rehabilitation Guidelines for all methods used (both removal and replacement) during this project.

ATTACHMENT B
PERTINENT DESIGN GUIDELINES
205 W. Commercial

SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION:

2. The historic character of a property will be retained and preserved. The removal of historic material or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property will be preserved.
9. New addition, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the historic integrity of the property and its environment.

PRESERVATION BRIEF #11 (<http://www.cr.nps.gov/hps/tps/briefs/brief11.htm>):

Rehabilitating Wooden Storefronts

The key to the successful rehabilitation of wooden storefronts is a careful evaluation of existing physical conditions. Moisture, vandalism, insect attack, and lack of maintenance can all contribute to the deterioration of wooden storefronts.

Paint failure should not be mistakenly interpreted as a sign that the wood is in poor condition and therefore irreparable. Wood is frequently in sound physical condition beneath unsightly paint. An ice pick or awl may be used to test wood for soundness--decayed wood that is jabbed will lift up in short irregular pieces; sound wood will separate in long fibrous splinters.

Repair and Replacement of Wood

Storefronts showing signs of physical deterioration can often be repaired using simple methods. Partially decayed wood can be patched, built up, chemically treated or consolidated and then painted to achieve a sound condition, good appearance, and greatly extended life.

To repair wood showing signs of rot, it is advisable to dry the wood; carefully apply a fungicide such as pentachlorophenol (a highly toxic substance) to all decayed areas; then treat with 2 or 3 applications of boiled linseed oil (24 hours between applications). Afterward, fill cracks and holes with putty; caulk the joints between the various wooden members; and finally prime and paint the surface.

Partially decayed wood may also be strengthened and stabilized by consolidation, using semirigid epoxies which saturate porous decayed wood and then harden. The consolidated wood can then be filled with a semirigid epoxy patching compound, sanded and painted. More information on epoxies can be found in the publication "Epoxies for Wood Repairs in Historic Buildings," cited in the bibliography.

Where components of wood storefronts are so badly deteriorated that they cannot be stabilized, it is possible to replace the deteriorated parts with new pieces. These techniques all require skill and some expense, but are recommended in cases where decorative elements, such as brackets or pilasters, are involved. In some cases, missing edges can be filled and rebuilt using wood putty or epoxy compounds. When the epoxy cures, it can be sanded smooth and painted to achieve a durable and waterproof repair.

Repainting of Wood

Wooden storefronts were historically painted to deter the harmful effects of weathering (moisture, ultraviolet rays from the sun, wind, etc.) as well as to define and accent architectural features. Repainting exterior woodwork is thus an inexpensive way to provide continued protection from weathering and to give a fresh appearance to the storefront.

Before repainting, however, a careful inspection of all painted wood surfaces needs to be conducted in order to determine the extent of surface preparation necessary, that is, whether

the existing layers of paint have deteriorated to the point that they will need to be partially or totally removed prior to applying the new paint.

As a general rule, removing paint from historic exterior woodwork should be avoided unless absolutely essential. Once conditions warranting removal have been identified, however, paint can be removed to the next sound layer using the gentlest method possible, then the woodwork repainted. For example, such conditions as mildewing, excessive chalking, or staining (from the oxidization of rusting nails or metal anchorage devices) generally require only thorough surface cleaning prior to repainting. Intercoat peeling, solvent blistering, and wrinkling require removal of the affected layer using mild abrasive methods such as hand scraping and sanding. In all of these cases of limited paint deterioration, after proper surface preparation the exterior woodwork may be given one or more coats of a high quality exterior oil finish paint.

On the other hand, if painted wood surfaces display continuous patterns of deep cracks or if they are extensively blistering and peeling so that bare wood is visible, the old paint should be completely removed before repainting. (It should be emphasized that because peeling to bare wood--the most common type of paint problem--is most often caused by excess interior or exterior moisture that collects behind the paint film, the first step in treating peeling is to locate and remove the source or sources of moisture. If this is not done, the new paint will simply peel off.)

There are several acceptable methods for total paint removal, depending on the particular wooden element involved. They include such thermal devices as an electric heat plate with scraper for flat surfaces such as siding, window sills, and doors or an electric hot-air gun with profiled scraper for solid decorative elements such as gingerbread or molding. Chemical methods play a more limited, supplemental role in removing paint from historic exterior woodwork; for example, caustic or solvent-base strippers may be used to remove paint from window muntins because thermal devices can easily break the glass. Detachable wooden elements such as exterior shutters, balusters and columns, can probably best be stripped by means of immersion in commercial dip tanks because other methods are too laborious. Care must be taken in rinsing all chemical residue off the wood prior to painting or the new paint will not adhere.

Finally, if the exterior woodwork has been stripped to bare wood, priming should take place within 48 hours (unless the wood is wet, in which case it should be permitted to dry before painting). Application of a high quality oil type exterior primer will provide a surface over which either an oil or latex top coat can be successfully used.

Designing Replacement Storefronts

Where an architecturally or historically significant storefront no longer exists or is too deteriorated to save, a new front should be designed which is compatible with the size, scale, color, material, and character of the building. Such a design should be undertaken based on a thorough understanding of the building's architecture and, where appropriate, the surrounding streetscape. For example, just because upper floor windows are arched is not sufficient justification for designing arched openings for the new storefront. The new design should "read" as a storefront; filling in the space with brick or similar solid material is inappropriate for historic buildings. Similarly the creation of an arcade or other new design element, which alters the architectural and historic character of the building and its relationship with the street, should be avoided. The guidelines on page 8 can assist in developing replacement storefront designs that respect the historic character of the building yet meet current economic and code requirements.

Guidelines for Designing Replacement Storefronts

1. **Scale:** Respect the scale and proportion of the existing building in the new storefront design.
2. **Materials:** Select construction materials that are appropriate to the storefronts; wood, cast iron, and glass are usually more appropriate replacement materials than masonry which tends to give a massive appearance.
3. **Cornice:** Respect the horizontal separation between the storefront and the upper stories. A cornice or fascia board traditionally helped contain the store's sign.
4. **Frame:** Maintain the historic planar relationship of the storefront to the facade of the building and the streetscape (if appropriate). Most storefront frames are generally composed of horizontal and vertical elements.
5. **Entrances:** Differentiate the primary retail entrance from the secondary access to upper floors. In order to meet current code requirements, out-swinging doors generally must be

recessed. Entrances should be placed where there were entrances historically, especially when echoed by architectural detailing (a pediment or projecting bay) on the upper stories.

6. **Windows:** The storefront generally should be as transparent as possible. Use of glass in doors, transoms, and display areas allows for visibility into and out of the store.

7. **Secondary Design Elements:** Keep the treatment of secondary design elements such as graphics and awnings as simple as possible in order to avoid visual clutter to the building and its streetscape.

A restoration program requires thorough documentation of the historic development of the building prior to initiating work. If a restoration of the original storefront is contemplated, old photographs and prints, as well as physical evidence, should be used in determining the form and details of the original. Because storefronts are particularly susceptible to alteration in response to changing marketing techniques, it is worthwhile to find visual documentation from a variety of periods to have a clear understanding of the evolution of the storefront. Removal of later additions that contribute to the character of the building should not be undertaken.

ORDINANCE REVIEW

In addition, the Zoning Ordinance states:

In the event the Board concludes that the request, if granted, will have a detrimental effect upon the Historic Landmark or Historic District or any adverse effect on an historical or architectural resource, then the Board shall deny the request for a certificate.

ATTACHMENT C
ARCHITECTURAL SIGNIFICANCE
205 W. Commercial

ARCHITECTURAL SIGNIFICANCE:

1. The Architectural Survey that was completed on this building stated the following:

The building front has been remodeled to include new windows on the first level. The entrance has ceramic tile apparently installed by one of the original tenants.... The windows on the front are different than others on Commercial Street in the sense that they are more closely spaced.

2. The narrative accompanying the Commercial Street Historic District's National Register nomination stated the following about this property:

The western portion [205 W. Commercial] was constructed between 1902 and 1910; the eastern portion [203 W. Commercial] was constructed between 1896 and 1891. The two story brick building at 201 East Commercial [at the east end] was enlarged considerably between 1902 and 1910 by a three-story addition that reiterates the fenestration and belt courses of the earlier front but deviates in the corbeled treatment of the roof line.



Office Use Only

Date Filed: _____

Received By: _____

Review:

☐ Administrative

☐ Landmarks Board

Application for Certificate of Appropriateness City of Springfield, Missouri

The applicant seeks to show the following.

1. That the proposed work will be done in conformance with the Secretary of Interior's Standards for Rehabilitation.
2. That the proposed work will be done in conformance with any applicable design guidelines or standards that the Landmarks Board has established and adopted. (Commercial Street and Walnut Street Districts and Mid-Town Neighborhood historic sites only).
3. That the proposed work will be done in conformance with all other relevant requirements of the Springfield Zoning Ordinance.

THEREFORE, applicant requests that the Certificate of Appropriateness be approved for the property as proposed in this submittal.

We, the signers of this application, do attest to the truth and correctness of all facts and information presented with this application and understand that, if approved, all work must be done under a building permit issued by the Department of Building Development Services. Approval of this application does not constitute approval of a building permit, nor does it certify that the zoning is appropriate for the proposed uses. These are separate processes that must be initiated by the applicants. We further understand that approval of this application does not constitute approval for tax certification under the Tax Reform Act of 1986 or amendments thereto.

Signature(s) Date:

Jim L. Morrow, OPERATING MEMBER
SAVE THE WHITES, LLC

24 AUG 2012

Please type or print name(s) clearly:

Jim L. Morrow

Exhibit A.

Request for Certificate of Appropriateness

Please use this form only. Form may be photocopied. Please type or print.

For instructions, see pages 5-8.

1. PROPERTY ADDRESS:

205 W. Commercial

2. APPLICANT:

Name(s): Jim L. Murrow, operating member, Save the WA's, LLC

If corporation: Corporate official: _____

Mailing address: 170 Crescent Drive, ^{Holister} MO Zip Code: 65672 (corporate seal)

Telephone number: 417-336-0744 Fax number: NA

e-mail: Jimurrow@drury.edu

3. AUTHORIZED REPRESENTATIVE: (The representative should have the authority to commit the applicant to changes that may be suggested by the Board).

Name: John Moody Signature: _____

Address: 1414 S. Jefferson Springfield Telephone: 417-865-1478 Fax: _____

e-mail: _____

4. BUILDING DEVELOPMENT SERVICES DISCUSSION: (Before submitting this application, the applicant should discuss the project with BDS. Their phone number is 864-1055.)

Date of discussion: _____

DAN Gerboth July 2012 ~ 5-6 July
Letter of Blighted & Dangerous Building rec'd 21 July 2012

NOTE: The property owner must either sign this application or give City staff a power of attorney showing that another person is authorized to sign.

Jim L. Murrow, operating member
Save the WA's, LLC

Exhibit B.

Description of Proposed Work & Supporting Information

Please use this form only. Form may be photocopied. Please type or print.

1. TYPE OF WORK PROPOSED: (Check all that apply. All work items require a written description of the proposed work. Additional required supporting information is denoted after each item and **must** be attached. See Instructions, page 5. **Maximum size for drawings: 11 x 17 inches.** NOTE: Even though you check the "Other" or the "New Construction" box, you must still give information on individual features such as windows, doors, etc., included in a large project.)

- | | | |
|---|--|--|
| ☐ Addition (1, 2, 3, 7) | ☐ Handicapped Ramp (1, 2, 3) | ☐ Sidewalk (1, 3) |
| ☐ Awnings (2, 3, 4 or 5, 6) | ☐ New Construction (1, 2, 3, 7) | ☐ Siding (3, 4 or 5) |
| ☐ Building Relocation (1, 2, 3, 7) | ☐ Parking (1, 3) | ☐ Sign (1, 2, 3, 6) |
| ☐ Demolition (1, 2, 3, 7) | ☐ Porch (1, 2, 3) | ☒ Window (2, 3, 4 or 5, 6) |
| ☐ Door (2, 3, 4 or 5, 6) | ☐ Retaining Wall (1, 2, 3) | ☐ Archeological Site (1, 3, 8) |
| ☐ Fence (1, 2, 3, 5) | ☐ Roof-New (3, 4 or 5, 7) | |
| ☐ Guttering (2, 3, 4 or 5, 6) | ☐ Re-roof (3, 4) | |

☒ Other (Specify) Remove unsafe glass & re install is boarded up property

- 1-Site plans
- 2-Elevations
- 3-Photographs
- 4-Sample of materials to be used

- 5-Product literature
- 6-Drawing
- 7-Exhibit C-Why proposed work should be approved
- 8-State Historic Preservation Officer Comments

2. DESCRIPTION OF PROPOSED WORK: (Attach additional pages if necessary.)

Remove glass & cut size as shown. Board up front to paint using approved paint as approved by landmarks official. Palate

~~that~~

NOTE: An application is considered incomplete until all supporting materials, as specified in Item 1 above, are attached. Incomplete applications will not be processed or scheduled for a public hearing.

Exhibit C.

WHY PROPOSED WORK SHOULD BE APPROVED

Please use this form only. Form may be photocopied. Please type or print.

When proposing a major project, please use this page to give information in support of your request. (See Exhibit B, item I, above: "Type of Work Proposed," key # 7. Suggested items of discussion are included in the Instructions, page 7.)

Dangerous Building requires Finished by 3 Sept. 2012



JOHN MOODY CONSTRUCTION COMPANY INC.

▼ 1414 S. JEFFERSON, SPRINGFIELD, MO 65807
417 ▼ 865 ▼ 1478
▼ ▼

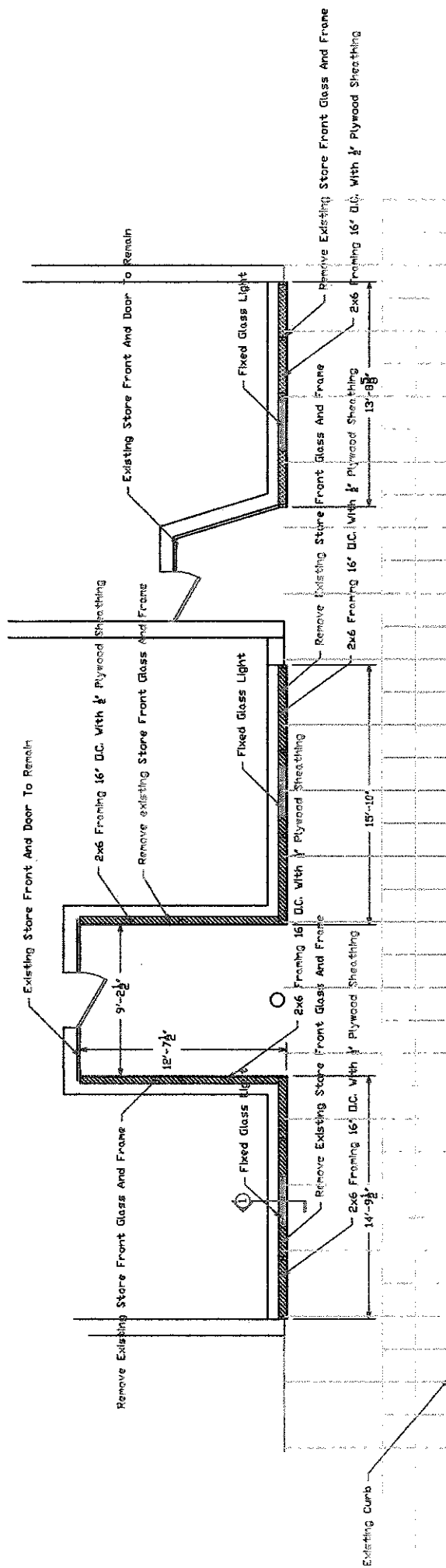
Client's Name/Address:

Name: Jim Murrow
Street: 205 W. Commercial Street
Address: Springfield, MO 65802

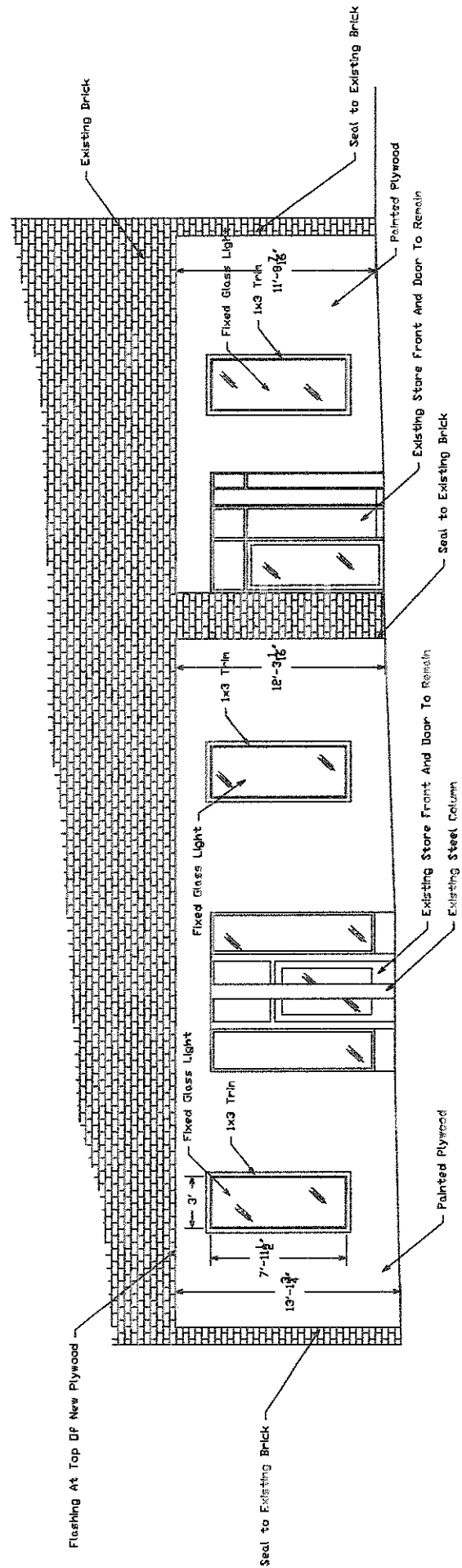
Name: Jim Murrow
Street: 205 W. Commercial
Address: Springfield, MO 65802
Submitted: 07/24/2012
Architect: n/a

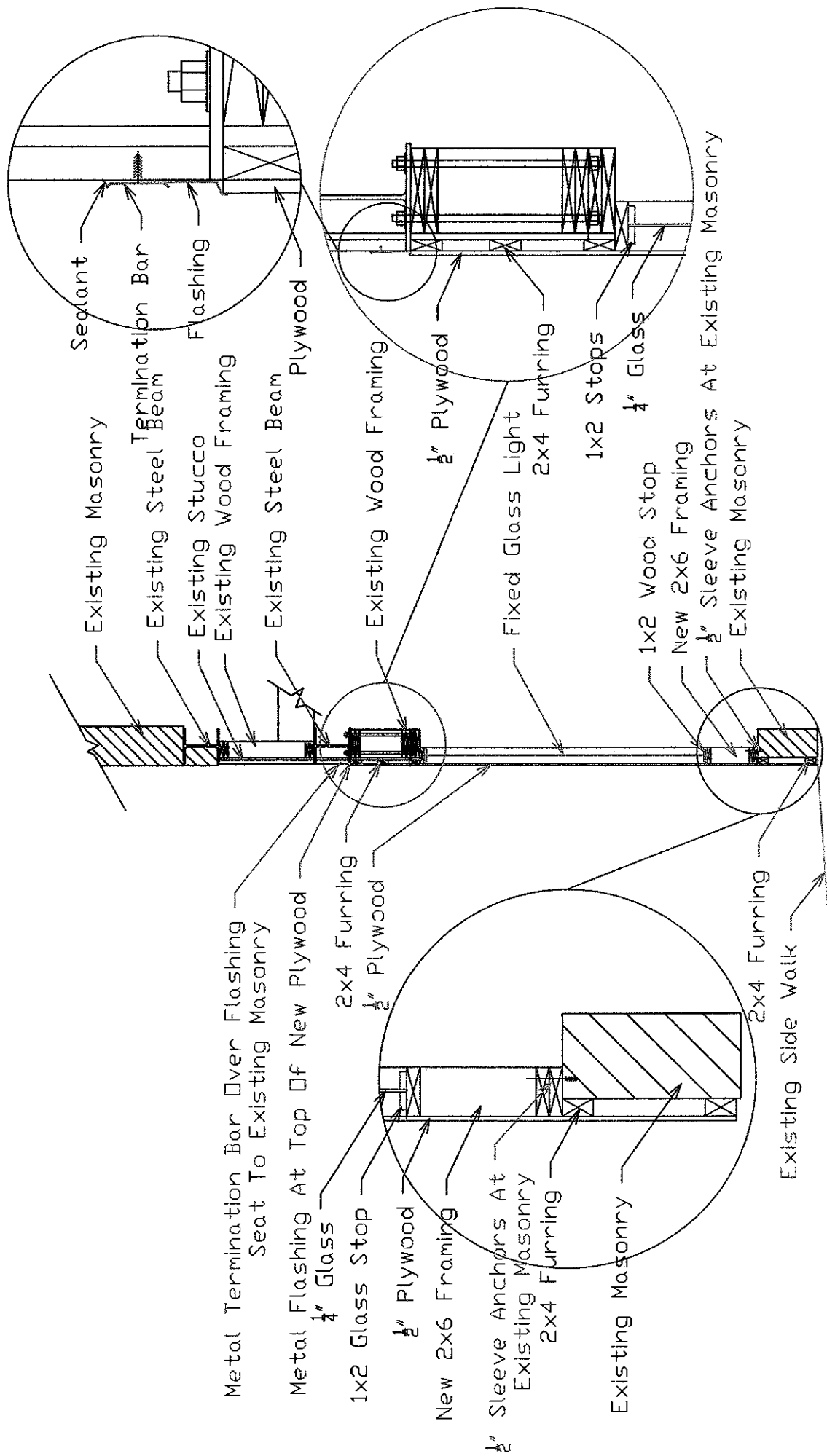
Please review and consider this plan to remove existing glass and metal from store front, and construct a temporary lower front enclosure at above project site. Paint color to be approved by the Historic Landmark approved palate.

Jim Murrow
417-336-0744
170 Crescent Dr
Hollister, MO 65672



FLOOR PLAN





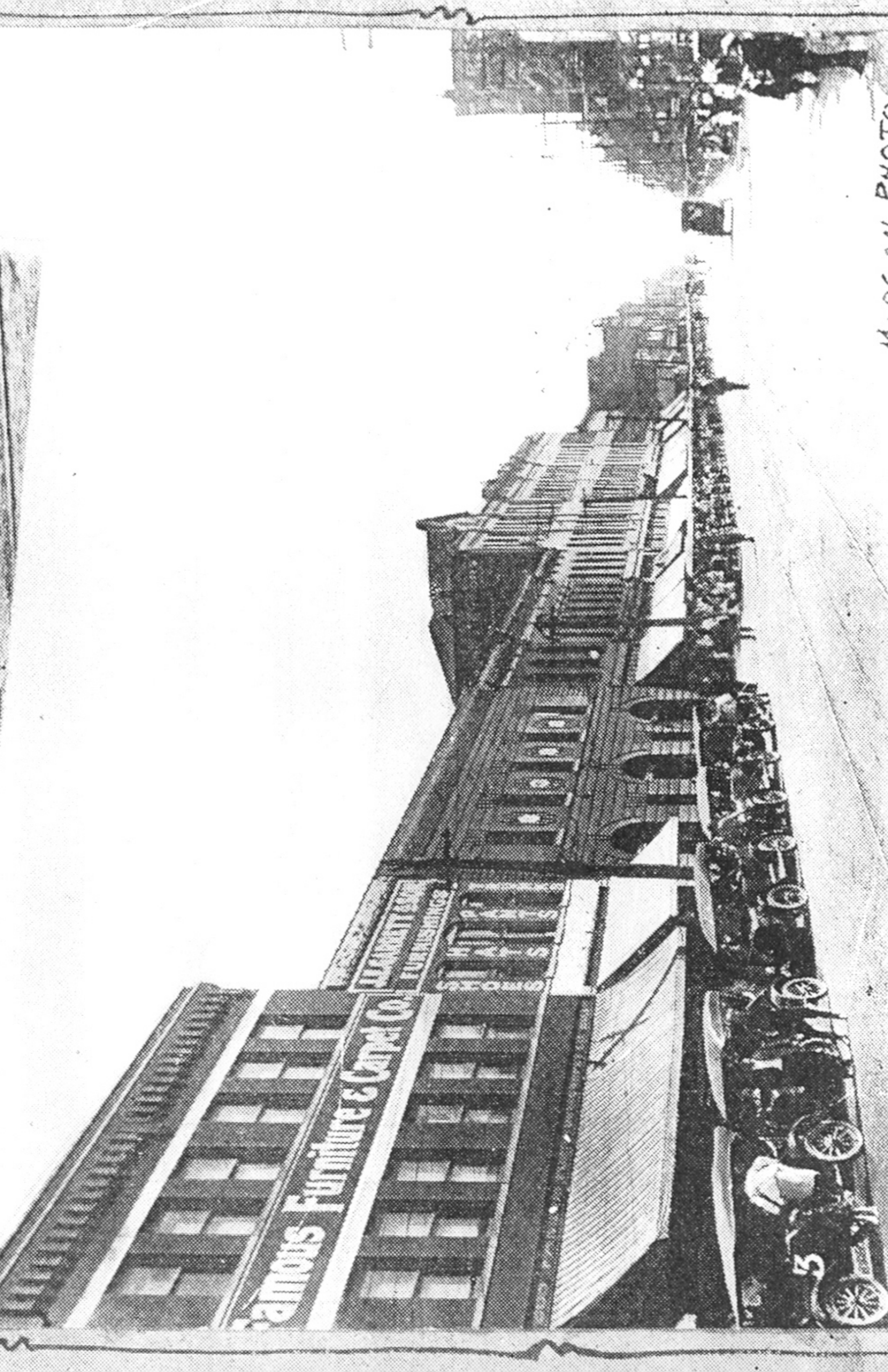
①DETAIL

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Mothballing Historic Buildings

Sharon C. Park, AIA

- » [Documentation](#)
- » [Stabilization](#)
- » [Mothballing](#)
- » [Mothballing Checklist](#)
- » [Maintenance Chart](#)
- » [Conclusion](#)



A NOTE TO OUR USERS: The web versions of the **Preservation Briefs** differ somewhat from the printed versions. Many illustrations are new, captions are simplified, illustrations are typically in color rather than black and white, and some complex charts have been omitted.

When all means of finding a productive use for a historic building have been exhausted or when funds are not currently available to put a deteriorating structure into a useable condition, it may be necessary to close up the building temporarily to protect it from the weather as well as to secure it from vandalism. This process, known as mothballing, can be a necessary and effective means of protecting the building while planning the property's future, or raising money for a preservation, rehabilitation or restoration project. If a vacant property has been declared unsafe by building officials, stabilization and mothballing may be the only way to protect it from demolition.



This building has been successfully mothballed for 10 years because the roof and walls were repaired and structurally stabilized, ventilation louvers added, and the property maintained. Photo: NPS files.

This Preservation Brief focuses on the steps needed to "de-activate" a property for an extended period of time. The project team will usually consist of an architect, historian, preservation specialist, sometimes a structural engineer, and a contractor. Mothballing should not be done without careful planning to ensure that needed physical repairs are made prior to securing the building. The steps discussed in this Brief can protect buildings for periods of up to ten years; long-term success will also depend on continued, although somewhat limited, monitoring and maintenance. For all but the simplest projects, hiring a team of preservation specialists is recommended to assess the specific needs of the structure and to develop an effective mothballing program.

A vacant historic building cannot survive indefinitely in a boarded-up condition, and so even marginal interim uses where there is regular activity and monitoring, such as a caretaker residence or non-flammable storage, are generally preferable to mothballing.

In a few limited cases when the vacant building is in good condition and in a location where it can be watched and checked regularly, closing and locking the door, setting heat levels at just above freezing, and securing the windows may provide sufficient protection for a period of a few years.

But if long-term mothballing is the only remaining option, it must be done properly. This will require stabilization of the exterior, properly designed security protection, generally some form of interior ventilation--either through mechanical or natural air exchange systems--and continued maintenance and surveillance monitoring.

Comprehensive mothballing programs are generally expensive and may cost 10% or more of a modest rehabilitation budget. However, the money spent on well-planned protective measures will seem small when amortized over the life of the resource. Regardless of the location and condition of the property or the funding available, the following 9 steps are involved in properly mothballing a building:



Boarding up without adequate ventilation and maintenance has accelerated deterioration of this property. Photo: NPS files.

Documentation

1. Document the architectural and historical significance of the building.
2. Prepare a condition assessment of the building.

Stabilization

3. Structurally stabilize the building, based on a professional condition assessment.
4. Exterminate or control pests, including termites and rodents.
5. Protect the exterior from moisture penetration.

Mothballing

6. Secure the building and its component features to reduce vandalism or break-ins.
7. Provide adequate ventilation to the interior.
8. Secure or modify utilities and mechanical systems.
9. Develop and implement a maintenance and monitoring plan for protection.

These steps will be discussed in sequence below. Documentation and stabilization are critical components of the process and should not be skipped over. Mothballing measures should not result in permanent damage, and so each treatment should be weighed in terms of its reversibility and its overall benefit.

Documentation

Documenting the historical significance and physical condition of the property will provide information necessary for setting priorities and allocating funds. The project team should be cautious when first entering the structure if it has been vacant or is

deteriorated. It may be advisable to shore temporarily areas appearing to be structurally unsound until the condition of the structure can be fully assessed. If pigeon or bat droppings, friable asbestos or other health hazards are present, precautions must be taken to wear the appropriate safety equipment when first inspecting the building. Consideration should be given to hiring a firm specializing in hazardous waste removal if these highly toxic elements are found in the building.

Documenting and recording the building

Documenting a building's history is important because evidence of its true age and architectural significance may not be readily evident. The owner should check with the State Historic Preservation Office or local preservation commission for assistance in researching the building. If the building has never been researched for listing in the National Register of Historic Places or other historic registers, then, at a minimum, the following should be determined:

The overall historical significance of the property and dates of construction;

The chronology of alterations or additions and their approximate dates; and,

Types of building materials, construction techniques, and any unusual detailing or regional variations of craftsmanship.

Old photographs can be helpful in identifying early or original features that might be hidden under modern materials. On a walk-through, the architect, historian, or preservation specialist should identify the architecturally significant elements of the building, both inside and out.



Documenting a building's history and assessing its condition provide information to set priorities for stabilization and repair, prior to mothballing. Photo: NPS files.

By understanding the history of the resource, significant elements, even though deteriorated, may be spared the trash pile. For that reason alone, any materials removed from the building or site as part of the stabilization effort should be carefully scrutinized and, if appearing historic, should be photographed, tagged with a number, inventoried, and safely stored, preferably in the building, for later retrieval.

A site plan and schematic building floor plans can be used to note important information for use when the building is eventually preserved, restored, or rehabilitated. Each room should be given a number and notations added to the

plans regarding the removal of important features to storage or recording physical treatments undertaken as part of the stabilization or repair.

Because a mothballing project may extend over a long period of time, with many different people involved, clear records should be kept and a building file established. Copies of all important data, plans, photographs, and lists of consultants or contractors who have worked on the property should be added to the file as the job progresses. Recording actions taken on the building and identifying where elements that have been removed are stored will be helpful in the future.

The project coordinator should keep the building file updated and give duplicate copies

to the owner. A list of emergency numbers, including the number of the key holder, should be kept at the entrance to the building or on a security gate, in a transparent vinyl sleeve.

Preparing a condition assessment of the building

A condition assessment can provide the owner with an accurate overview of the current condition of the property. If the building is deteriorated or if there are significant interior architectural elements that will need special protection during the mothballing years, undertaking a condition assessment is highly recommended, but it need not be exhaustive.

A modified condition assessment, prepared by an architect or preservation specialist, and in some case a structural engineer, will help set priorities for repairs necessary to stabilize the property for both the short and long-term. It will evaluate the age and condition of the following major elements: foundations; structural systems; exterior materials; roofs and gutters; exterior porches and steps; interior finishes; staircases; plumbing, electrical, mechanical systems; special features such as chimneys; and site drainage.

To record existing conditions of the building and site, it will be necessary to clean debris from the building and to remove unwanted or overgrown vegetation to expose foundations. The interior should be emptied of its furnishing (unless provisions are made for mothballing these as well), all debris removed, and the interior swept with a broom. Building materials too deteriorated to repair, or which have come detached, such as moldings, balusters, and decorative plaster, and which can be used to guide later preservation work, should be tagged, labeled and saved.



Buildings seriously damaged by storms or deterioration may need to be braced before architectural evaluations can be made. Photo: John Milner Architects. Photo: NPS files

Photographs or a videotape of the exterior and all interior spaces of the resource will provide an invaluable record of "as is" conditions. If a videotape is made, oral commentary can be provided on the significance of each space and architectural feature. If 35mm photographic prints or slides are made, they should be numbered, dated, and appropriately identified. Photographs should be cross-referenced with the room numbers on the schematic plans. A systematic method for photographing should be developed; for example, photograph each wall in a room and then take a corner shot to get floor and ceiling portions in the picture. Photograph any unusual details as well as examples of each window and door type.

For historic buildings, the great advantage of a condition assessment is that architectural features, both on the exterior as well as the interior, can be rated on a scale of their importance to the integrity and significance of the building. Those features of the highest priority should receive preference when repairs or protection measures are outlined as part of the mothballing process. Potential problems with protecting these features should be identified so that



Loose or detached elements should be identified, tagged and stored, preferably on site. Photo: NPS files

appropriate interim solutions can be selected. For example, if a building has always been heated and if murals, decorative plaster walls, or examples of patterned wall paper are identified as highly significant, then special care should be taken to regulate the interior climate and to monitor it adequately during the mothballing years. This might require retaining electrical service to provide minimal heat in winter, fan exhaust in summer, and humidity controls for the interior.

Stabilization

Stabilization as part of a mothballing project involves correcting deficiencies to slow down the deterioration of the building while it is vacant. Weakened structural members that might fail altogether in the forthcoming years must be braced or reinforced; insects and other pests removed and discouraged from returning; and the building protected from moisture damage both by weatherizing the exterior envelope and by handling water run-off on the site. Even if a modified use or caretaker services can eventually be found for the building, the following steps should be addressed.

Structurally stabilizing the building

While bracing may have been required to make the building temporarily safe for inspection, the condition assessment may reveal areas of hidden structural damage. Roofs, foundations, walls, interior framing, porches and dormers all have structural components that may need added reinforcement.



Interior bracing which will last the duration of the mothballing will protect weakened structural members. Photo: John Milner Architects.

Structural stabilization by a qualified contractor should be done under the direction of a structural engineer or a preservation specialist to ensure that the added weight of the reinforcement can be sustained by the building and that the new members do not harm historic finishes. Any major vertical post added during the stabilization should be properly supported and, if necessary, taken to the ground and underpinned.

If the building is in a northern climate, then the roof framing must be able to hold substantial snow loads. Bracing the roof at the ridge and mid-points should be considered if sagging is apparent. Likewise, interior framing around stair openings or under long ceiling spans should be investigated. Underpinning or bracing structural piers weakened by poor drainage patterns may be a good precaution as well. Damage caused by insects, moisture, or from other causes should be repaired or reinforced and, if possible, the source of the damage removed. If features such as porches and dormers are so severely deteriorated that they must be removed, they should be documented, photographed, and portions salvaged for storage prior to removal.

If the building is in a southern or humid climate and termites or other insects are a particular problem, the foundation and floor framing should be inspected to ensure that there are no major structural weaknesses. This can usually be done by observation from

the crawl space or basement. For those structures where this is not possible, it may be advisable to lift selective floor boards to expose the floor framing. If there is evidence of pest damage, particularly termites, active colonies should be treated and the structural members reinforced or replaced, if necessary.

Controlling pests

Pests can be numerous and include squirrels, raccoons, bats, mice, rats, snakes, termites, moths, beetles, ants, bees and wasps, pigeons, and other birds. Termites, beetles, and carpenter ants destroy wood. Mice, too, gnaw wood as well as plaster, insulation, and electrical wires. Pigeon and bat droppings not only damage wood finishes but create a serious and sometimes deadly health hazard.

If the property is infested with animals or insects, it is important to get them out and to seal off their access to the building. If necessary, exterminate and remove any nests or hatching colonies. Chimney flues may be closed off with exterior grade plywood caps, properly ventilated, or protected with framed wire screens. Existing vents, grills, and louvers in attics and crawl spaces should be screened with bug mesh or heavy duty wire, depending on the type of pest being controlled. It may be advantageous to have damp or infected wood treated with insecticides (as permitted by each state) or preservatives, such as borate, to slow the rate of deterioration during the time that the building is not in use.

Securing the exterior envelope from moisture penetration

It is important to protect the exterior envelope from moisture penetration before securing the building. Leaks from deteriorated or damaged roofing, from around windows and doors, or through deteriorated materials, as well as ground moisture from improper site run-off or rising damp at foundations, can cause long-term damage to interior finishes and structural systems. Any serious deficiencies on the exterior, identified in the condition assessment, should be addressed.

To the greatest extent possible, these weatherization efforts should not harm historic materials. The project budget may not allow deteriorated features to be fully repaired or replaced in-kind. Non-historic or modern materials may be used to cover historic surfaces temporarily, but these treatments should not destroy valuable evidence necessary for future preservation work. Temporary modifications should be as visually compatible as possible with the historic building.



Regrading has protected this masonry foundation wall from excessive damp during its 10-year mothballing. Note the attic and basement vents, temporary stairs, and interpretive sign. Photo: NPS files.

Roofs are often the most vulnerable elements on the building exterior and yet in some ways they are the easiest element to stabilize for the long term, if done correctly. "Quick fix" solutions, such as tar patches on slate roofs, should be avoided as they will generally fail within a year or so and may accelerate damage by trapping moisture. They are difficult to undo later when more permanent repairs are undertaken. Use of a tarpaulin over a leaking roof should be thought of only as a very temporary emergency repair because it is often blown off by the wind in a subsequent storm.

If the existing historic roof needs moderate repairs to make it last an additional ten years, then these repairs should be undertaken as a first priority. Replacing cracked or missing shingles and tiles, securing loose flashing, and reanchoring gutters and downspouts can often be done by a local roofing contractor. If the roof is in poor condition, but the historic materials and configuration are important, a new temporary roof, such as a lightweight aluminum channel system over the existing, might be considered. If the roofing is so deteriorated that it must be replaced and a lightweight aluminum system is not affordable, various inexpensive options might be considered. These include covering the existing deteriorated roof with galvanized corrugated metal roofing panels, or 90 lb. rolled roofing, or a rubberized membrane (refer back to cover photo). These alternatives should leave as much of the historic sheathing and roofing in place as evidence for later preservation treatments.



Urban buildings often need additional protection from unwanted entry and graffiti. This commercial building uses painted plywood panels to cover its glass storefronts. The upper windows on the street sides have been painted to resemble 19th century sash. Photo: NPS files.

For masonry repairs, appropriate preservation approaches are essential. For example, if repointing deteriorated brick chimneys or walls is necessary to prevent serious moisture penetration while the building is mothballed, the mortar should match the historic mortar in composition, color, and tooling. The use of hard portland cement mortars or vapor-impermeable waterproof coatings are not appropriate solutions as they can cause extensive damage and are not reversible treatments.

For wood siding that is deteriorated, repairs necessary to keep out moisture should be made; repainting is generally warranted. Cracks around windows and doors can be beneficial in providing ventilation to the interior

and so should only be caulked if needed to keep out bugs and moisture. For very deteriorated wall surfaces on wooden frame structures, it may be necessary to sheathe in plywood panels, but care should be taken to minimize installation damage by planning the location of the nailing or screw patterns or by installing panels over a frame of battens. Generally, however, it is better to repair deteriorated features than to cover them over.

Foundation damage may occur if water does not drain away from the building. Run-off from gutters and downspouts should be directed far away from the foundation wall by using long flexible extender pipes equal in length to twice the depth of the basement or crawl space. If underground drains are susceptible to clogging, it is recommended that the downspouts be disconnected from the drain boot and attached to flexible piping. If gutters and downspouts are in bad condition, replace them with inexpensive aluminum units.

If there are no significant landscape or exposed archeological elements around the foundation, consideration should be given to regrading the site if there is a documented drainage problem. If building up the grade, use a fiber mesh membrane to separate the new soil from the old and slope the new soil 6 to 8 feet (200 cm-266 cm) away from the foundation making sure not to cover up the dampcourse layer or come into contact with skirting boards. To keep vegetation under control, put down a layer of 6 mil black polyethylene sheeting or fiber mesh matting covered with a 2"-4" (5-10 cm.) of washed gravel. If the building suffers a serious rising damp problem, it may be advisable to eliminate the plastic sheeting to avoid trapping ground moisture against foundations.

Mothballing

The actual mothballing effort involves controlling the long-term deterioration of the building while it is unoccupied as well as finding methods to protect it from sudden loss by fire or vandalism. This requires securing the building from unwanted entry, providing adequate ventilation to the interior, and shutting down or modifying existing utilities. Once the building is de-activated or secured, the long-term success will depend on periodic maintenance and surveillance monitoring.

Securing the building from vandals, break-ins, and natural disasters

Securing the building from sudden loss is a critical aspect of mothballing. Because historic buildings are irreplaceable, it is vital that vulnerable entry points are sealed. If the building is located where fire and security service is available then it is highly recommended that some form of monitoring or alarm devices be used.

To protect decorative features, such as mantels, lighting fixtures, copper downspouts, iron roof cresting, or stained glass windows from theft or vandalism, it may be advisable to temporarily remove them to a more secure location if they cannot be adequately protected within the structure.

Mothballed buildings are usually boarded up, particularly on the first floor and basement, to protect fragile glass windows from breaking and to reinforce entry points. Infill materials for closing door and window openings include plywood, corrugated panels, metal grates, chain fencing, metal grills, and cinder or cement blocks. The method of installation should not result in the destruction of the opening and all associated sash, doors, and frames should be protected or stored for future reuse.

Generally exterior doors are reinforced and provided with strong locks, but if weak historic doors would be damaged or disfigured by adding reinforcement or new locks, they may be removed temporarily and replaced with secure modern doors. Alternatively, security gates in an new metal frame can be installed within existing door openings, much like a storm door, leaving the historic door in place. If plywood panels are installed over door openings, they should be screwed in place, as opposed to nailed, to avoid crowbar damage each time the panel is removed. This also reduces pounding vibrations from hammers and eliminates new nail holes each time the panel is replaced.

For windows, the most common security feature is the closure of the openings; this may be achieved with wooden or pre-formed panels or, as needed, with metal sheets or concrete blocks. Plywood panels, properly installed to protect wooden frames and properly ventilated, are the preferred treatment from a preservation standpoint.

There are a number of ways to set insert plywood panels into



The first floor openings of this historic building have been filled with cinder blocks and the doors, window sash, and frames removed for safe keeping. The security metal door features heavy duty locks. Photo: NPS files.



This painted trompe l'oeil scene on plywood panels is a neighborhood-friendly device. Photo: NPS files.

windows openings to avoid damage to frame and sash. One common method is to bring the upper and lower sash of a double hung unit to the mid-point of the opening and then to install pre-cut plywood panels using long carriage bolts anchored into horizontal wooden bracing, or strong backs, on the inside face of the window. Another means is to build new wooden blocking frames set into deeply recessed openings, for example in an industrial mill or warehouse, and then to affix the plywood panel to the blocking frame. If sash must be removed prior to installing panels, they should be labeled and stored safely within the building.

Plywood panels are usually 1/2"-3/4" (1.25-1.875 cm.) thick and made of exterior grade stock, such as CDX, or marine grade plywood. They should be painted to protect them from delamination and to provide a neater appearance.

These panels may be painted to resemble operable windows or treated decoratively. With extra attention to detail, the plywood panels can be trimmed out with muntin strips to give a shadow line simulating multi-lite windows. This level of detail is a good indication that the building is protected and valued by the

community.

If the building has shutters simply close the shutters and secure them from the interior. If the building had shutters historically, but they are missing, it may be appropriate to install new shutters, even in a modern material, and secure them in the closed position. Louvered shutters will help with interior ventilation if the sash are propped open behind the shutters.

There is some benefit from keeping windows unboarded if security is not a problem. The building will appear to be occupied, and the natural air leakage around the windows will assist in ventilating the interior. The presence of natural light will also help when periodic inspections are made. Rigid polycarbonate clear storm glazing panels may be placed on the window exterior to protect against glass breakage. Because the sun's ultraviolet rays can cause fading of floor finishes and wall surfaces, filtering pull shades or inexpensive curtains may be options for reducing this type of deterioration for significant interiors. Some acrylic sheeting comes with built-in ultraviolet filters.



A view showing the exterior of the Brearley House, New Jersey, in its mothballed condition Photo: Michael Mills, Ford Farewell Mills Gatsch, Architects.

Securing the building from catastrophic destruction from fire, lightning, or arson will require additional security devices. Lightning rods properly grounded should be a first consideration if the building is in an area susceptible to lightning storms. A high security fence should also be installed if the property cannot be monitored closely. These interventions do not require a power source for operation. Since many buildings will not maintain electrical power, there are some devices available using battery packs, such as intrusion alarms, security lighting, and smoke detectors which through audible horn alarms can alert nearby neighbors. These battery packs must be replaced every 3 months to 2 years, depending on type and use. In combination with a cellular

phone, they can also provide some level of direct communication with police and fire departments.

If at all possible, new temporary electric service should be provided to the building. Generally a telephone line is needed as well. A hard wired security system for intrusion and a combination rate-of-rise and smoke detector can send an immediate signal for help directly to the fire department and security service. Depending on whether or not heat will be maintained in the building, the security system should be designed accordingly. Some systems cannot work below 32°F (0°C). Exterior lighting set on a timer, photo electric sensor, or a motion/infra-red detection device provides additional security.

Providing adequate ventilation to the interior

Once the exterior has been made weathertight and secure, it is essential to provide adequate air exchange throughout the building. Without adequate air exchange, humidity may rise to unsafe levels, and mold, rot, and insect infestation are likely to thrive. The needs of each historic resource must be individually evaluated because there are so many variables that affect the performance of each interior space once the building has been secured.

A mechanical engineer or a specialist in interior climates should be consulted, particularly for buildings with intact and significant interiors. In some circumstances, providing heat during the winter, even at a minimal 45°F (7°C), and utilizing forced-fan ventilation in summer will be recommended and will require retaining electrical service. For masonry buildings it is often helpful to keep the interior temperature above the spring dew point to avoid damaging condensation. In most buildings it is the need for summer ventilation that outweighs the winter requirements.

Many old buildings are inherently leaky due to loose-fitting windows and floorboards and the lack of insulation. The level of air exchange needed for each building, however, will vary according to geographic location, the building's construction, and its general size and configuration.

There are four critical climate zones when looking at the type and amount of interior ventilation needed for a closed up building: hot and dry (southwestern states); cold and damp (Pacific northwest and northeastern states); temperate and humid (Mid-Atlantic states, coastal areas); and hot and humid (southern states and the tropics).

Once closed up, a building interior will still be affected by the temperature and humidity of the exterior. Without proper ventilation, moisture from condensation may occur and cause damage by wetting plaster, peeling paint, staining woodwork, warping floors, and in some cases even causing freeze thaw damage to plaster. If moist conditions persist in a property, structural damage can result from rot or returning insects attracted to moist conditions. Poorly mothballed masonry buildings, particularly in damp and humid zones have been so damaged on the interior with just one year of unventilated closure that none of the interior finishes were salvageable when the buildings were rehabilitated.



This exhaust fan has tamper-proof housing. Photo: Michael Mills, Ford Farewell Mills Gatsch, Architects.



Portable monitors are used to record temperature and humidity conditions in historic buildings during mothballing. Photo: NPS files.

The absolute minimum air exchange for most mothballed buildings consists of one to four air exchanges every hour; one or two air exchanges per hour in winter and twice that amount in summer. Even this minimal exchange may foster mold and mildew in damp climates, and so monitoring the property during the stabilization period and after the building has been secured will provide useful information on the effectiveness of the ventilation solution.

There is no exact science for how much ventilation should be provided for each building. There are, however, some general rules of thumb. Buildings, such as adobe structures, located in hot and arid climates may need no additional ventilation if they have been well weatherized and no moisture is penetrating the interior. Also frame buildings with natural cracks and fissures for air infiltration may have a natural air exchange rate of 3 or 4 per hour, and so in arid as well as temperate climates may need no additional ventilation once secured. The most difficult buildings to adequately ventilate without resorting to extensive louvering and/or mechanical exhaust fan systems are masonry buildings in humid climates. Even with basement and attic vent grills, a masonry building may not have more than one air exchange an hour. This is generally unacceptable for summer conditions. For these buildings, almost every window opening will need to be fitted out with some type of passive, louvered ventilation.

Depending on the size, plan configuration, and ceiling heights of a building, it is often necessary to have louvered opening equivalent to 5%-10% of the square footage of each floor. For example, in a hot humid climate, a typical 20'x30' (6.1m x 9.1m) brick residence with 600 sq. ft. (55.5 sq. m) of floor space and a typical number of windows, may need 30-60 sq. ft. (2.75sq. m-5.5 sq. m) of louvered openings per floor. With each window measuring 3'x5' (.9m x 1.5 m) or 15 sq. ft. (1.3 sq. m), the equivalent of 2 to 4 windows per floor will need full window louvers.

Small pre-formed louvers set into a plywood panel or small slit-type registers at the base of inset panels generally cannot provide enough ventilation in most moist climates to offset condensation, but this approach is certainly better than no louvers at all. Louvers should be located to give cross ventilation, interior doors should be fixed ajar at least 4" (10cm) to allow air to circulate, and hatches to the attic should be left open.

Monitoring devices which can record internal temperature and humidity levels can be invaluable in determining if the internal climate is remaining stable. These units can be powered by portable battery packs or can be wired into electric service with data downloaded into laptop computers periodically. This can also give long-term information throughout the mothballing years. If it is determined that there are inadequate air exchanges to keep interior moisture levels under control, additional passive ventilation can be increased, or, if there is electric service, mechanical exhaust fans can be installed. One fan in a small to medium sized building can reduce the amount of louvering substantially.

If electric fans are used, study the environmental conditions of each property and determine if the fans should be controlled by thermostats or automatic timers. Humidistats, designed for enclosed climate control systems, generally are difficult to adapt for open mothballing conditions. How the system will draw in or exhaust air is also important. It may be determined that it is best to bring dry air in from the attic or upper

levels and force it out through lower basement windows. If the basement is damp, it may be best to zone it from the rest of the building and exhaust its air separately. Additionally, less humid day air is preferred over damper night air, and this can be controlled with a timer switch mounted to the fan.

The type of ventilation should not undermine the security of the building. The most secure installations use custom-made grills well anchored to the window frame, often set in plywood security panels. Some vents are formed using heavy millwork louvers set into existing window openings. For buildings where security is not a primary issue, where the interior is modest, and where there has been no heat for a long time, it may be possible to use lightweight galvanized metal grills in the window openings. A cost effective grill can be made from the expanded metal mesh lath used by plasterers and installed so that the mesh fins shed rainwater to the exterior.

Securing mechanical systems and utilities

At the outset, it is important to determine which utilities and services, such as electrical or telephone lines, are kept and which are cut off. As long as these services will not constitute a fire hazard, it is advisable to retain those which will help protect the property. Since the electrical needs will be limited in a vacant building, it is best to install a new temporary electric line and panel (100 amp) so that all the wiring is new and exposed. This will be much safer for the building, and allows easy access for reading the meter.

Most heating systems are shut down in long term mothballing. For furnaces fueled by oil, there are two choices for dealing with the tank. Either it must be filled to the top with oil to eliminate condensation or it should be drained. If it remains empty for more than a year, it will likely rust and not be reusable. Most tanks are drained if a newer type of system is envisioned when the building is put back into service. Gas systems with open flames should be turned off unless there is regular maintenance and frequent surveillance of the property. Gas lines are shut off by the utility company.

If a hot water radiator system is retained for low levels of heat, it generally must be modified to be a self-contained system and the water supply is capped at the meter. This recirculating system protects the property from extensive damage from burst pipes. Water is replaced with a water/glycol mix and the reserve tank must also be filled with this mixture. This keeps the modified system from freezing, if there is a power failure. If water service is cut off, pipes should be drained. Sewerage systems will require special care as sewer gas is explosive. Either the traps must be filled with glycol or the sewer line should be capped off at the building line.

Developing a maintenance and monitoring plan

While every effort may have been made to stabilize the property and to slow the deterioration of materials, natural disasters, storms, undetected leaks, and unwanted intrusion can still occur. A regular schedule for surveillance, maintenance, and monitoring should be established. The fire and police departments should be notified that the property will be vacant. A walk-through visit to familiarize these officials with the building's location, construction materials, and overall plan may be invaluable if they are called on in the future.

The optimum schedule for surveillance visits to the property will depend on the location of the property and the number of people who can assist with these activities. The more frequent the visits to check the property, the sooner that water leaks or break-ins will be

noticed. Also, the more frequently the building is entered, the better the air exchange. By keeping the site clear and the building in good repair, the community will know that the building has not been abandoned. The involvement of neighbors and community groups in caring for the property can ensure its protection from a variety of catastrophic circumstances.

The owner may utilize volunteers and service companies to undertake the work outlined in the maintenance chart. Service companies on a maintenance contract can provide yard, maintenance, and inspection services, and their reports or itemized bills reflecting work undertaken should be added to update the building file.

Sidebar

Mothballing Checklist

In reviewing mothballing plans, the following checklist may help to ensure that work items are not inadvertently omitted.

Moisture

- Is the roof watertight?
- Do the gutters retain their proper pitch and are they clean?
- Are downspout joints intact?
- Are drains unobstructed?
- Are windows and doors and their frames in good condition?
- Are masonry walls in good condition to seal out moisture?
- Is wood siding in good condition?
- Is site properly graded for water run-off?
- Is vegetation cleared from around the building foundation to avoid trapping moisture?

Pests

- Have nests/pests been removed from the building's interior and eaves?
- Are adequate screens in place to guard against pests?
- Has the building been inspected and treated for termites, carpenter ants, rodents, etc.?
- If toxic droppings from bats and pigeons are present, has a special company been brought in for its disposal?

Housekeeping

- Have the following been removed from the interior: trash, hazardous materials such as inflammable liquids, poisons, and paints and canned goods that could freeze and burst?
- Is the interior broom-clean?
- Have furnishings been removed to a safe location?
- If furnishings are remaining in the building, are they properly protected from dust, pests, ultraviolet light, and other potentially harmful problems?
- Have significant architectural elements that have become detached from the building been labeled and stored in a safe place?
- Is there a building file?

Security

- Have fire and police departments been notified that the building will be mothballed?
- Are smoke and fire detectors in working order?
- Are the exterior doors and windows securely fastened?
- Are plans in place to monitor the building on a regular basis?
- Are the keys to the building in a secure but accessible location?
- Are the grounds being kept from becoming overgrown?

Utilities

- Have utility companies disconnected/shut off or fully inspected water, gas, and electric lines?
- If the building will not remain heated, have water pipes been drained and glycol added?
- If the electricity is to be left on, is the wiring in safe condition?

Ventilation

- Have steps been taken to ensure proper ventilation of the building?
- Have interior doors been left open for ventilation purposes?
- Has the secured building been checked within the last 3 months for interior dampness or excessive humidity?

Maintenance Chart

1-3 months; periodic

- regular drive by surveillance
- check attic during storms if possible
- monthly walk arounds
- check entrances
- check window panes for breakage
- mowing as required
- check for graffiti or vandalism
- enter every 3 months to air out
- check for musty air
- check for moisture damage
- check battery packs and monitoring equipment
- check light bulbs
- check for evidence of pest intrusion

every 6 months; spring and fall

- site clean-up; pruning and trimming
- gutter and downspout check

- check crawlspace for pests
- clean out storm drains

every 12 months

- maintenance contract inspections for equipment/utilities
 - check roof for loose or missing shingles
 - termite and pest inspection/treatment
 - exterior materials spot repair and touch up painting
 - remove bird droppings or other stains from exterior
 - check and update building file
-

Conclusion

Providing temporary protection and stabilization for vacant historic buildings can arrest deterioration and buy the owner valuable time to raise money for preservation or to find a compatible use for the property. A well planned mothballing project involves documenting the history and condition of the building, stabilizing the structure to slow down its deterioration, and finally, mothballing the structure to secure it. The three highest priorities for a mothballed building are 1) to protect the building from sudden loss, 2) to weatherize and maintain the property to stop moisture penetration, and 3) to control the humidity levels inside once the building has been secured.

While issues regarding mothballing may seem simple, the variables and intricacies of possible solutions make the decision-making process very important. Each building must be individually evaluated prior to mothballing. In addition, a variety of professional services as well as volunteer assistance is needed for careful planning and repair, sensitively designed protection measures, follow-up security surveillance, and cyclical maintenance.

In planning for the future of the building, complete and systematic records must be kept and generous funds allocated for mothballing. This will ensure that the historic property will be in stable condition for its eventual preservation, rehabilitation, or restoration.

Further Reading

Cotton, J. Randall. "Mothballing Buildings." The Old-House Journal. July/August, 1993.

Fisher, Charles E. and Thomas A. Vitanza. "Temporary Window Vents in Unoccupied Historic Buildings." Preservation Tech Note (Windows, No. 10). Washington, DC: National Park Service, 1985.

Frazier Associates. "Mothballing Historic Buildings." Preserving Prince William, 2. County of Prince William, VA, 1990.

Michell, Eleanor. Emergency Repairs for Historic Buildings. London: Butterworth Architecture, 1988.

"Mothballing Vacant Buildings," An Anti-Arson Kit for Preservation and Neighborhood Action. Washington, DC: Federal Emergency Management Agency, 1982.

Solon, Thomas E. "Security Panels for the Foster-Armstrong House." Association for Preservation Technology Bulletin. Vol XVI no. 3 & 4, 1984. (note the design of the panels, but be aware that additional louvering may be needed on other projects).

Acknowledgements

The author, Sharon C. Park, Senior Historical Architect, Heritage Preservation Services Division, National Park Service, would like to acknowledge the assistance of the following individuals in the preparation and review of this publication. H. Ward Jandl served as the technical editor and assisted with producing this Preservation Brief. In addition the following persons have provided invaluable information and illustrations: Ernest A. Conrad, PE; Doug Hicks, NPS Williamsport Preservation Training Center; Thomas C. Taylor, Colonial Williamsburg; Karen Gordon, Seattle Urban Conservation Office; Kevin B. Stoops, Seattle Department of Parks and Recreation; Michael Mills, AIA; Christina Henry, architect, Mary Beth Hirsch, Ohio Historical Society. Thanks also to Heritage Preservation Services Division staff members Michael J. Auer, Anne E. Grimmer, Kay D. Weeks, Tim Buehner, and Jean Travers, and to the numerous staff members of the NPS Regional offices who submitted comments. All photographs and drawings are by the author unless otherwise noted.

Washington, D.C. September, 1993

Home page logo: Appropriately mothballed historic building. Photo: NPS files.

This publication has been prepared pursuant to the National Historic Preservation Act of 1966, as amended, which directs the Secretary of the Interior to develop and make available information concerning historic properties. Technical Preservation Services (TPS), Heritage Preservation Services Division, National Park Service prepares standards, guidelines, and other educational materials on responsible historic preservation treatments to a broad public.

[Questions](#)



LANDMARKS BOARD

CITY OF SPRINGFIELD
P.O. BOX 8368
SPRINGFIELD, MISSOURI 65801
417-864-1031

STAFF REPORT

WALNUT STREET URBAN CONSERVATION DISTRICT – WEST

DATE: August 1, 2012

PROPOSAL:

1. Demolish historic structure and redevelop site with a twenty-four (24) bed apartment.

BACKGROUND:

LOCATION: 1040 E. Walnut Street

APPLICANT: R&P Taylor Apartments, LLC

RECOMMENDATION:

The Landmarks Board will need to determine whether the structure has degenerated beyond feasible limits for rehabilitation or rehabilitation is impracticable and there is an economic hardship.

FINDINGS:

1. The house at 1040 E. Walnut St. is considered a contributing structure in the Walnut Street National Historic District and Walnut Street- West Urban Conservation District.
2. The Walnut Street Urban Conservation District – West ordinance provides standards when evaluating a Certificate of Economic Hardship for the demolition of a contributing structure.

STAFF CONTACT:

Daniel Neal
Senior Planner
864-1036

ATTACHMENT A
BACKGROUND REPORT
1040 E. Walnut Street

APPLICANT'S PROPOSAL:

The applicant has submitted a Certificate of Economic Hardship to demolish the existing historic structure and redevelop the site with a new twenty-four (24) bed apartment.

STAFF COMMENTS:

1. The Walnut Street Urban Conservation District – West ordinance Section 4.B. Subsections 2 and 3 provides the board with standards and requirements when evaluating a proposed demolition of a contributing structure. It states that the Board shall balance the interest of the public in preserving the structure, site, or portion thereof and the interest of the owner in its utilization.
2. The Walnut Street Urban Conservation District – West ordinance Section 4.B.2.b. requires the Landmarks Board to consider the following standards:
 - a. The visual and spatial relationship of the structure to its surroundings and to the rest of the Walnut Street Urban Conservation District – West.
 - b. The Board shall consult the Walnut Street Historic Survey, the Walnut Street Historic District National Register Nomination and/or the Walnut Street Preservation Plan in addition to those items contained in Section 4-2403.D.4. of the Zoning Ordinance.
 - c. The alternatives available to the demolition include:
 - 1) Donation of the subject structure or site to a public or benevolent agency.
 - 2) Donation of a part of the value of the subject structure or site to a public or benevolent agency, including the conveyance of the development rights and façade easements.
 - 3) The possibility of sale of the structure or site, or any part thereof, to a prospective purchaser capable of preserving such structure or site.
 - 4) The potential of such structure or site for renovation and its potential for continuing use.
3. As referenced in the UCD, Subsection 4-2403.D.4. of the Zoning Ordinance provides additional standards for the Landmarks board to follow:

- a. The degree to which the proposed removal would serve to destroy the integrity and continuity of the Historic Landmark or Historic District of which it is part.
 - b. The nature of the resource as a representative type or style of architecture, socio-economic development, historical association or other element of the original designation criteria applicable to such structure or site.
 - c. The condition of the resource from the standpoint of structural integrity and the extent of work necessary to stabilize the structure.
 - d. The ability of the subject structure or site to produce a reasonable economic return on investment to its owner, provided, however, that it is specifically intended that this factor shall not have exclusive control and effect, but shall be considered along with all other criteria contained in this section.
 - e. The post-demolition plans for the site and the relation of those plans to the surrounding area.
4. All proposed work is required to receive a building permit to be issued by Building Development Services. All other requirements of the Walnut Street UCD, Zoning Ordinance and Building Code shall apply.

ATTACHMENT B
DESIGN STANDARDS & GUIDELINES
1040 E. Walnut Street

PERTINENT SECRETARY OF THE INTERIOR'S STANDARDS (FOR REHABILITATION)

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

**CERTIFICATE OF ECONOMIC HARDSHIP REVIEW CRITERIA
(SUBSECTION 4-2404.B.)**

The Landmarks Board will review the application at a public hearing and may solicit expert testimony or require that the applicant for a Certificate of Economic Hardship make submissions concerning any or all of the following information before it makes a determination on the application.

1. Estimate of the cost of the proposed construction, alteration, demolition, or removal and an estimate of any additional cost that would be incurred to comply with the recommendations of the Landmarks Board for changes necessary for the issuance of a Certificate of Appropriateness.
2. A report from a licensed engineer or architect with experience in recognized historic property rehabilitation, as to the structural soundness of any structures on the property and their suitability for rehabilitation.
3. A report from a state-certified real estate appraiser as to the estimated market value of the property in its current condition, after completion of the proposed construction, alteration, demolition or removal, after any changes recommended by the Landmarks Board and, in the case of a proposed demolition, after renovation of the existing property for continued use.
4. In the case of a proposed demolition, an estimate from an architect, developer, real estate consultant, appraiser or other real estate professional, experienced in recognized historic property rehabilitation, as to the economic feasibility of rehabilitation or reuse of the existing structure on the property.
5. If the property is income-producing, the annual gross income from the property for the previous two (2) years, itemized operation and maintenance expenses for the previous

two (2) years, and depreciation deduction and annual cash flow before and after debt service, if any, during the same period.

6. All appraisals obtained within the previous two (2) years by the owner or applicant in connection with the purchase, financing, or ownership of the property.
7. Any listing of the property for sale or rent, price asked and offers received, if any, within the previous two (2) years.
8. Assessed value of the property according to the two (2) most recent assessments.
9. Real estate taxes for the previous two (2) years.
10. Form of ownership or operation of the property, whether sole proprietorship, for profit or not-for-profit corporation, limited partnership, joint venture, or other.
11. Amount paid for the property, date of purchase, and the party from whom purchased, including a description of the relationship, if any, between the owner of record or applicant and the person from whom the property was purchased, and any terms of financing between the seller and buyer.
12. Annual debt service, if any, for the previous two years.
13. Any consideration by the owner as to profitable adaptive uses for the property.
14. Replacement construction plans for the property in question. Post-demolition plans shall include, but are not limited to, drawings or sketches with sufficient detail to show the exterior appearance and architectural design of the proposed building or use, but does not require construction documents to be completed.
15. Financial proof of the ability to complete the replacement project, which may include but not be limited to a performance bond, a letter of credit, a trust for completion of improvements, or a letter of commitment from a financial institution.
16. Any other information considered necessary by the Landmarks Board to a determination as to whether the property does yield or may yield a reasonable return to the owners.

ORDINANCE REVIEW

In addition, General Ordinance No. 4619, which created the Walnut Street Urban Conservation district-West states:

In the event the Board concludes that the request, if granted, will have a detrimental effect upon the Urban Conservation District (UCD) or any adverse effect on an historical or architectural resource, then the Board shall deny the request for a certificate.

ATTACHMENT C
ARCHITECTURAL SIGNIFICANCE
1040 E. Walnut Street

ARCHITECTURAL SIGNIFICANCE:

The 1984 architectural survey that was completed on this house stated the following about the architectural elements of the house:

Hipped dormers on the west and front elevations. Broad projecting eaves on dormers with double-hung one-over-one light sash window. The eaves on the house itself are broadly projecting with cornice modillions and a plain frieze board and corner board. The frieze doubles as the window heads to the second story windows. The façade is two-bay with a one-story hipped porch across the simple cornice and entablature with round wooden porch columns with Tuscan capitals. Wooden balustrade with turned balusters. The porch structure is of wood. West elevation: a hipped-roof one-story three-sided oriel at the first-story level. All windows on the house are one-over-one light sash. There is a rear wing which has a concrete foundation. All details conform with the main house, leading one to believe it is original or built shortly after initial construction. The rear wing also has a hipped roof.

The National Register nomination identified this house with the following narrative:

Built c. 1905 in the catalogue-builder-foursquare style. Two-story frame house with hip roof and wide projecting eaves with board modillions beneath. The porch is the dominant feature of the façade, with simple round wood columns with Tuscan capitals. The house retains its original character.

**Application for Certificate of Economic Hardship
to the
Director of Planning and Development
for**

**1040 E Walnut
Springfield, Missouri, 65808**

Prepared for
R&P Taylor Apartments, LLC
PO Box 4386
Springfield , MO 65806

Prepared by
Bates & Associates Architects
433 W Walnut
Springfield , MO 65806



**Application for Certificate of Economic Hardship
to the
Director of Planning and Development**

Instructions to applicant(s)

You must complete this application and submit it to the Director's office at least 15 working days before a scheduled Landmarks Board meeting.

Not less than 10 days before hearing your application, the Landmarks Board will post signs on the property relevant to your application that indicate:

- a. the action you propose; and,
- b. the hearing time, date and place.

You must submit the items that apply to your case in the attached "Review Criteria" checklist. Just attach them to the checklist. For your convenience, the checklist has boxes that you can check as you gather each item. If an item does not apply to your case, write "NA" on the check box.

Applicant Statements

My(our) name(s) is (are) **Bates & Associates Architects, C.O. Steve Warlick**

The structure address is **1040 East Walnut, Springfield, Missouri 65806**

(Check only one of the boxes below. For the box you check, fill in the lines after either "a." or "b." according to the statement you wish to make. Providing photographs is helpful.)

☐ *Total degeneration*

- a. The structure has degenerated beyond feasible limits for rehabilitation because
N/A

or,

- b. The structure's rehabilitation is impracticable because
N/A

; and,

- c. I(we) have an economic hardship.

X Partial degeneration

- a. The structure's _____(specify parts, e.g., windows) have degenerated beyond feasible limits for rehabilitation because
N/A

- b. For the structure's **see attached Architect's Report** (specify parts, e.g., windows), rehabilitation is impracticable because

The major components of the building have degraded to the point where a majority of the elements of the building will have to be renovated or replaced in order to make the structure habitable for its intended purpose. The scope of these repairs is outlined in the attached architect's report. The major limiting factor of the rehabilitation is that the structure will lose three occupants as a result of renovation. This decreases the return on investment when compared to the cost of renovation from a redevelopment standpoint.

; and,

- c. I(we) have an economic hardship.

Applicant Signatures



Steven W. Warlick

Review Criteria

- ☐ Cost estimate of:

See Section B.1.1

- ☐ A report from a licensed engineer or architect with experience in recognized historic property rehabilitation on the structural soundness of any structures on the property and their suitability for rehabilitation.

See Section A & B

- ☐ A report from a state-certified real estate appraiser as to the property's estimated market value:

- a. in its current condition; **See Appendix B**
- b. after completing the construction, alteration, demolition, or removal you propose; **See Appendix C**
- c. after any changes the Landmarks Board recommends; and,
See Section B.2.1 and B.2.2
- d. in the case of a proposed demolition, after renovating the existing property for continued use.

See Section B.2.2

- ☐ In the case of a proposed demolition, an estimate from an architect, developer, real estate consultant, appraiser or other real estate professional, experienced in recognized historic property rehabilitation, on the economic feasibility of rehabilitation or reuse of the existing structure on the property.

See Section B

- ☐ If the property is income-producing, for the previous 2 years-

N/A - Did not own in the previous two years.

- ☐ All property appraisals within the previous 2 years

See Appendix B&C

- ☐ Any listing of the property for sale or rent, price asked and offers received, if any, within the previous 2 years.

Property was sold without listing

- ☐ Assessed value of the property according to the 2 most recent assessments-

See Appendix D

- ☐ Real estate taxes for the previous 2 years-

See Appendix E

- ☐ Form of ownership or operation of the property:
 - a. sole proprietorship;
 - b. for profit;
 - c. not-for-profit corporation;
 - d. limited partnership;
 - e. joint venture; or,
 - f. other **Single Member LLC, --R & P Taylor Apartments, LLC**

- ☐
 - a. Amount paid for the property **See Appendix G**
 - b. purchase date **June 8, 2012**; and,
 - c. seller's name **Connie K. Dameron** (describe the relationship, if any, between you and the seller, and your financing terms).

- ☐ Annual debt service, if any, for the previous 2 years
N/A - Did not own the property at the time.

- ☐ Describe any profitable, adaptive uses you have considered for the property:
See Section B.2 and Appendix G

- ☐ Describe any replacement-construction plans you have for the property. (Include, among other things, drawings or sketches with sufficient detail to show the exterior appearance and architectural design you propose.
See Section B.2 and Appendix G

- ☐ Financial proof of your ability to complete the replacement project:
 - a. performance bond;
 - b. letter of credit;
 - c. trust for completion of improvements; or,
 - d. letter of commitment from a financial institution.

See Appendix H

Table of Contents

A. Existing Condition Report

A.1 Hazardous Materials

A1.1 Exterior

A1.2 Interior

A.2 Code Compliance

A.2.1 Exterior

A.2.2 Interior

A.3 Demolition and General Repair

A.3.1 Exterior

A.3.2 Interior

B. Economic Feasibility

B.1 Rehabilitation

B.1.1 Rehabilitation Costs

B.1.2 Appraised Values

B.1.3 Income Assessment

B.2 Redevelopment

B.2.1 Proposed Development

B.2.2 Appraised Values

B.2.3 Income Assessment

C. Appendices

- Appendix A** Supporting Images
- Appendix B** Existing Condition Appraisal
- Appendix C** Appraisal of Rehabilitated Structure
- Appendix D** Assessed Values
- Appendix E** Real Estate Property Taxes
- Appendix F** Proposed Development
- Appendix G** Property Listing
- Appendix H** Closing Documents
- Appendix I** Proof of Financial Ability



www.batesarchitects.com
phone 417.865.2065
facsimile 417.865.8313
433 west walnut,
springfield missouri 65806

July 25, 2012

To:
City of Springfield Missouri
Landmarks Board
Busch Municipal Building
Second Floor
840 Booneville, MO 65802

CC:
R&P Taylor Apartments, LLC
PO Box 4386
Springfield , MO 65806

The following report was completed at the request of R&P Taylor Apartments for the structure located at 1040 E Walnut, Springfield, MO. The purpose of this report is to describe the existing condition and outline the scope of work required for rehabilitation of the structure in order to determine if rehabilitation is economically appropriate. The review showed that it does not appear to be economically feasible to rehabilitate the property to produce income. It is recommended that the building be demolished and the property be developed as described herein to both enhance the current street scape and generate revenue.

Sincerely,
Steve Warlick, AIA, NCARB, LEED AP

A handwritten signature in black ink, appearing to read 'Steve Warlick'.

07/25/2012

A. Existing Condition Report

The building located at 1040 E Walnut was visited by representatives of Bates & Associates on July 16th 2012. A non-destructive review of the building found areas of the building to be in disrepair (Fig 1.1). The paint on the exterior of the building was in decent condition. However, there are several areas where the paint is peeling and will need to be addressed (Fig 1.2). The exterior means of egress are not compliant with either the IBC or ADA requirements (Fig 1.3, 1.4). The interior of the building showed signs of degradation in the walls and floors and there was the presence of the smell of mold and tobacco smoke in the air. For the property to be restored to a habitable condition the building would have to be rehabilitated in the following areas: hazardous material abatement, code compliance, demolition and general repair.

A.1 Hazardous Materials

Based on the age of the building it is assumed that lead and asbestos will be found in the building. All of the work on the exterior of the building shall be performed in compliance with the Federal and State guidelines for lead and asbestos abatement by a contractor licensed to perform these services.

A.1.1 Exterior

A review of the exterior of the project found the paint on the exterior of the building including the windows, doors and siding to be peeling in isolated areas on all sides of the building. In most cases encapsulation is recommended. In the areas where the paint is peeling the paint shall be removed and the entire building will need to be repainted (Fig 1.2).

A.1.2 Interior

The interior materials of the building shall also be treated as if hazardous materials are present and shall be tested prior to repair. The hazardous materials to be tested for include lead, asbestos, and mold.

A.1.2.1 Mold

Due to the presence of the smell of mold and tobacco smoke in the air it is recommended that the lath and plaster be removed from the interior walls and ceilings. Once the demolition is complete a licensed professional shall inspect the building for mold. Any mold found in the wall cavity shall be abated prior to any new work taking place. New insulation shall be installed in the cavity to fill the wall cavity and the walls and ceilings shall be finished with new gypsum board.

The bathrooms in the building were found to be in various states of disrepair. Mold was found in the unoccupied units where the walls meet the tub/shower units (Fig 1.5). It is assumed that there is mold present behind the units and it is recommended that the showers be removed and any mold found be remediated. With the location and extent of the mold in the bathrooms it can be presumed that there is rotted substrates behind the units. It should be assumed that the substrate around and below the shower units will need to be replaced.

A.1.2.2 Asbestos

The duct work in the basement is insulated with asbestos (Fig 1.6, 1.7, 1.8). The insulation and duct work shall be removed and replaced with new duct work. All duct work that remains shall be cleaned to ensure that it is free of mold and other contaminants. Due to the age of the building the plaster on the walls and ceilings shall also be tested for asbestos prior to removal. If found, removal of the existing plaster shall be completed by a licensed asbestos abatement professional.

A.1.2.3 Lead

Due to the age of the building it is assumed that the windows are painted with lead paint. If they are found to be in a condition that is acceptable for salvage to meet the function required by the owner, the paint shall be removed as required for lead abatement, and the windows be repaired and repainted. Encapsulation is possible at a majority of the windows.

Flooring materials that are not original to the building shall be removed (Fig 1.9). This includes carpet, vct, and sheet vinyl flooring. The existing flooring under these finishes shall be tested for the presence of lead. If lead is found it shall be remediated. If no lead is present the floors shall be treated for mold or bacterial growth and finished as required by the owner.

While the framing of the walls is exposed the plumbing system shall be inspected for the presence of lead and any elements found shall be replaced.

A.2 Code Compliance

A general review of the building found areas to be in conflict with the code in areas that include exits, accessibility, and head clearances.

A.2.1 Exterior

Building Elements that are in conflict with the code on the north side (Walnut Street side) of the building shall not be addressed in accordance with Chapter 11 of the IEBC. Currently there is not an accessible entrance to the building and a ramp will have to be constructed on the south side of the building. This ramp will be constructed in a manner compliant with all current codes and will enter on the south side of the building. This unit will also be converted into an accessible unit. There is bay window on the west side of the building that is supported by two precast concrete piers that do not appear to be anchored properly. This section of the building will have to be temporarily shored and the foundations and columns will have to be replaced. There is direct access to the second floor west unit. This access is provided by an exterior stair that connects to an interior stair. There is a canopy structure over the exterior landing of this staircase. This canopy structure reduces the head height clearance below an acceptable level and will need to be removed and replaced with a new hand/guardrail and awning (Fig 1.10).

A.2.2 Interior

The current floor plan does not provide any accessible units. The staircase inside the building does not provide adequate head room. This is the primary exit from the second floor and would require a substantial renovation to the upper level to provide the code required head room. The current head height provided is approx. 5'-8" (Fig 1.11).

A.2.2.1 First Floor Unit

The unit on the main level of the building will be converted into an accessible unit. This will require a revision to the majority of the floor plan in this unit. The work shall include removing or modifying the existing elements including: the casework, hall widths, and bathroom. The kitchen casework will need to be removed and new ADA compliant casework will need to be installed. In addition the bathroom will need to be removed in its entirety to allow for an ADA compliant bathroom to be provided. In addition to these areas there were components of the electrical system that were found to be hazardous conditions (Fig 1.12). These conditions will need updating and be brought up to the current code as a part of this renovation.

A.2.2.2 Second Floor East Unit

This unit was occupied at the time of inspection making it difficult to properly assess the space. However, after a review of the available documents it does not appear to be in conflict with the code.

A.2.2.3 Second Floor West Unit

There are no major code issues associated with this unit. However, the layout of the Kitchen is undesirable and it is recommended that this be revised as a part of the renovation.

A.3 Demolition and General Repair

The site visit found the building to be in varying states of disrepair. The visual inspection of the building did not find any systemic problems but did show localized damage around the building.

A.3.1 Exterior

The paint on the building was found to be cracked and peeling in many areas (Fig 1.2). It is recommended that the paint that is peeling be scraped and stripped in accordance with the hazardous material section of this document and that the entire building be repainted. There is deterioration of the roofing shingles and it is recommended that the roofing and gutters be replaced. The siding on the north façade of the building where the roof over the porch ties into the building is deteriorating (Fig 1.13). This is most likely the result of failed or improper flashing. The roof and siding at this area will need to be removed and any water damage will need to be repaired. Proper flashing will need to be installed and the siding replaced.

A.3.2 Interior

Due to the strong smell of tobacco smoke and mold the lath and plaster shall be removed and replaced with new gypsum board. The structure in the first floor east unit is sagging to the center and this will need to be addressed during the renovation. The plumbing facilities were found to be in poor condition and will need to be replaced. The cabinets within the building were found to be in an unsanitary and unacceptable condition and will need to be removed and replaced. The door hardware did not function properly and will need to be replaced.

Additional structural reinforcement of the building was added at some time in the past. The reinforcing appears to be temporary in nature and it is recommended that the existing structural system be revised to carry the existing loads without the use of temporary structural elements (Fig 1.14, 1.15).

B. Economic Feasibility

B.1 Rehabilitation

B.1.1 Rehabilitation Costs

In order to determine the economic feasibility Bates & Associates met with Morelock-Ross Builders, Inc. to review the scope and estimate the cost of renovation based on recently completed projects. Bates & Associates and Morelock-Ross both have experience in renovation of historic structures and new construction similar to what is proposed for this development. Based on comparable projects recently completed there are two components that must be combined in order to develop a cost for the rehabilitation of this building. The first cost is the renovation that includes the scope above excluding the remediation of hazardous materials. The structure is 2,788 sqft and the cost for general renovation and repair is estimated at \$250,920.00 based on a cost of \$90.00 per square foot. In addition to this, it is estimated that there would be another \$139,400.00 in hazardous material abatement based on \$50.00 per square foot. This puts the total cost of the rehabilitation at \$390,320.00. This does not include the cost to purchase this building (*The purchase of this building is currently being negotiated and the price is not currently known*).

B.1.2 Appraised Values (Re: Appendix A & B)

The current appraisal of the property is \$119,000.00. An additional appraisal was done based on the above described scope of work and the revised appraisal valued the building at \$142,000.00.

B.1.3 Income Assessment

After the rehabilitation the unit will have three units. There will be one unit with a single bedroom and the other two units have two bedrooms each. Based on comparable rentals in this market at \$500.00 per month per unit the building will generate \$30,000 of gross revenue per year. Based on the return of the investment required to renovate the facility it is not economically feasible to renovate this facility.

B.2 Redevelopment (Re: Appendix G)

B.2.1 Proposed Development

It is proposed to demolish this building and build a new 3 story building that is 18,978 sqft with 48 beds. This development would require the redevelopment of the lot located to the East, 1046 E Walnut. For the purpose of comparison in this application one 24 bed unit will be viewed as a replacement for the existing building located at 1040 E Walnut. However, it is also understood that due to parking requirements and other factors both sites will need to be developed as one site.

The proposed 24 bed 3 story structure would be designed to complement the historic nature of Walnut Street in form, detailing and materiality. The building would be 3,163 sqft per level for a total of 9,489 sqft. After reviewing recently completed multi-family projects units similar to what is proposed it is determined that the structure can be built for \$86.00 per square foot. The estimated cost of the new facility is \$816,054, or \$1,632,108.00 for the total development.

The proposed development does not represent the final design. (See Appendix G) It is understood that the design will be reviewed by the Landmarks Board and provisions are included to complete the design to incorporate the comments of the Landmarks Board.

B.2.2 Appraised Values

Due to the change in commercial property appraisals it is not possible to provide an appraisal of the proposed plan. The value is based on the ability of the property to generate revenue.

B.2.3 Income Assessment

Using the same rental value of \$500.00 per bed the proposed 24 bed development would generate \$144,000.00 in gross revenue per year. No appraisal possible.

Appendix A

Supporting Images



FIGURE 1.1



FIGURE 1.2

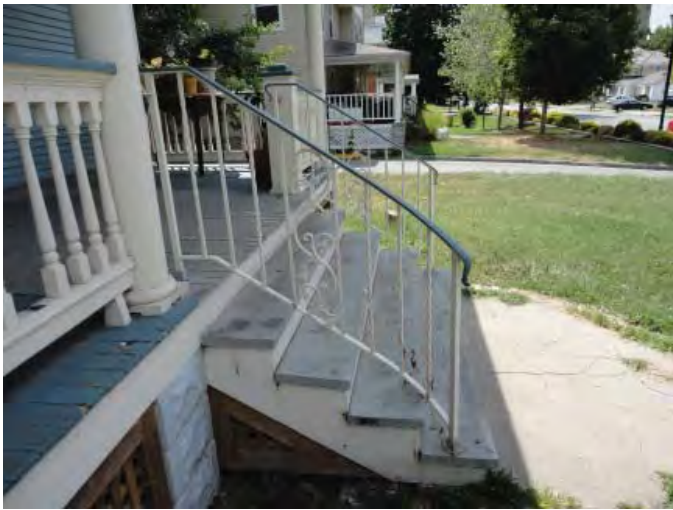


FIGURE 1.3



FIGURE 1.4



FIGURE 1.5



FIGURE 1.6



FIGURE 1.7



FIGURE 1.8



FIGURE 1.9



FIGURE 1.10

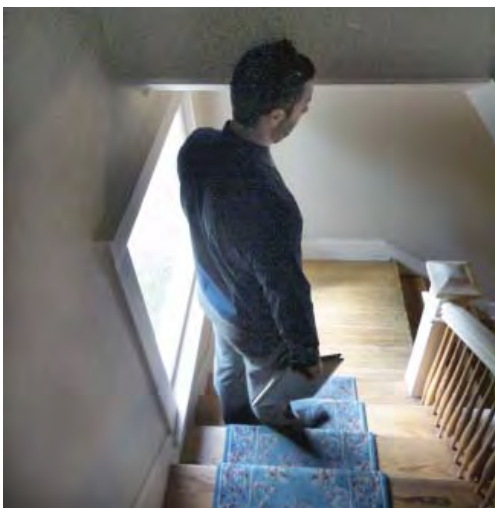


FIGURE 1.11

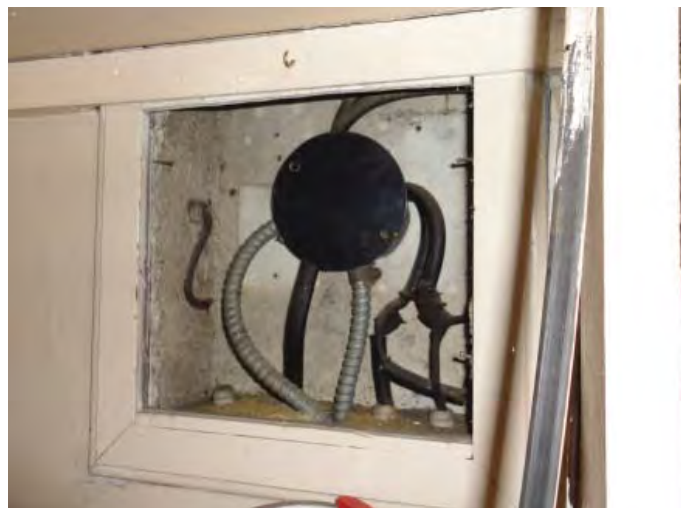


FIGURE 1.12



FIGURE 1.13



FIGURE 1.14



FIGURE 1.15



FIGURE 1.16

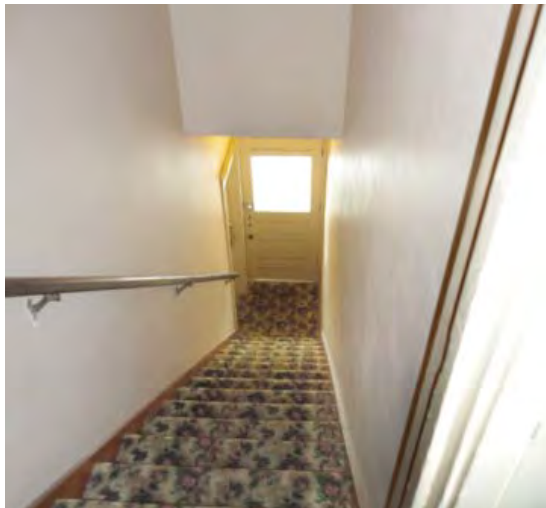


FIGURE 1.17

Appendix B
Existing Condition Appraisal



APPRAISAL OF REAL PROPERTY

LOCATED AT:

1040 E Walnut St
Smiths ADD E ADD Lot 13
Springfield, MO 65806

FOR:

In Care of R&P Taylor Apartments, LLC
PO Box 4386
Springfield, MO 65808

AS OF:

07/18/2012

BY:

Kimberly A. Traynor
BattleCreek Appraisal Services
www.battlecreekappraisals.com
417-234-0235
Fax: 1-866-704-8091 toll free

Borrower/Client	N/A				File No. 172012	
Property Address	1040 E Walnut St					
City	Springfield	County	Greene	State	MO	Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC					

TABLE OF CONTENTS

Cover Page	1
Letter of Transmittal	2
Small Income	3
Supplemental Addendum	10
Building Sketch (Page - 1)	11
Building Sketch (Page - 2)	12
Subject Photos	13
Interior Photos	14
Interior Photos	15
Interior Photos	16
Interior Photos	17
Interior Photos	18
Comparable Photos 1-3	19
Additional Comparables 4-6	20
Comparable Photos 4-6	21
Rentals Photos 1-3	22
Operating Income Statement	23
Location Map	25
Flood Map	26

Kimberly A. Traynor
BattleCreek Appraisal Services
5311 S. Cloverdale Ln.
Battlefield, Mo. 65619

07/24/2012

In Care of R&P Taylor Apartments, LLC
PO Box 4386
Springfield, MO 65808

Re: Property: 1040 E Walnut St
Springfield, MO 65806
Borrower: N/A
File No.: 172012

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Kimberly A. Traynor
BattleCreek Appraisal Services

Small Residential Income Property Appraisal Report

File # 172012

SUBJECT

CONTRACT

NEIGHBORHOOD

SITE

IMPROVEMENTS

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	1040 E Walnut St	City	Springfield	State	MO	Zip Code	65806
Borrower	N/A	Owner of Public Record	R&P Taylor Apts LLC	County	Greene		
Legal Description	Smiths ADD E ADD Lot 13						
Assessor's Parcel #	88-1324112012	Tax Year	2011	R.E. Taxes \$	1,134		
Neighborhood Name	Smiths Add/NE Spfd	Map Reference	SNE	Census Tract	29077-0009.00		
Occupant	☐ Owner	☐ Tenant	☒ Vacant	Special Assessments \$	0	☐ PUD	HOA \$ 0 ☐ per year ☐ per month
Property Rights Appraised	☒ Fee Simple ☐ Leasehold ☐ Other (describe)						
Assignment Type	☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe) Market Value						
Lender/Client	In Care of R&P Taylor Apartments, LLC Address PO Box 4386, Springfield, MO 65808						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☐ Yes ☒ No							
Report data source(s) used, offering price(s), and date(s). There is a for sale sign in the yard, however it is not publicly listed with Springfield MLS.							

I ☐ did ☒ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. The subject is not under contract.

Contract Price \$	Date of Contract	Is the property seller the owner of public record?	☐ Yes ☐ No	Data Source(s)
-------------------	------------------	--	--	----------------

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No

If Yes, report the total dollar amount and describe the items to be paid.

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		2-4 Unit Housing Trends		2-4 Unit Housing		Present Land Use %	
Location	☒ Urban ☐ Suburban ☐ Rural	Property Values	☐ Increasing ☒ Stable ☐ Declining	PRICE	AGE	One-Unit	68 %
Built-Up	☒ Over 75% ☐ 25-75% ☐ Under 25%	Demand/Supply	☐ Shortage ☐ In Balance ☒ Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %
Growth	☐ Rapid ☐ Stable ☒ Slow	Marketing Time	☐ Under 3 mths ☐ 3-6 mths ☒ Over 6 mths	11	Low 4	Multi-Family	5 %
Neighborhood Boundaries	The subject is bound to the North by Chestnut Expressway, to the West by Jefferson Ave, to the East by Campbell Ave, and to the South by Grand ST.			303	High 150	Commercial	15 %
				110	Pred. 55	Other	2 %
Neighborhood Description	This area is convenient to schools, shopping and employment. The area is comprised of ranch style houses, with some 1.5 story and multi-levels mixed in. In general, houses in the area are average in quality of construction. Houses in the area appear to be well maintained. Demand is considered to be. The economy remains stable.						

Market Conditions (including support for the above conclusions) See attached addenda.

Dimensions	51x221 m/l per assessor	Area	11,271 Sq.Ft.	Shape	Rectangular	View	N;Res;Commercial
Specific Zoning Classification	R-HD	Zoning Description	Residential High Density				
Zoning Compliance	☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe							

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	☒	☐	Water	☒	Street ASPHLT/BLKTOP	☒	☐
Gas	☒	☐	Sanitary Sewer	☒	Alley Asphlt/BlkTOP	☒	☐
FEMA Special Flood Hazard Area	☐ Yes ☒ No	FEMA Flood Zone	X	FEMA Map #	29077C0334E	FEMA Map Date	12/17/2010
Are the utilities and/or off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe							
See attached addenda.							

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units	☐ Two ☒ Three ☐ Four	☐ Concrete Slab	☐ Crawl Space	Foundation Walls	CON BLK/ADQ	Floors	HW/VNYL/TL/AD				
	☐ Accessory Unit (describe below)	☒ Full Basement	☐ Partial Basement	Exterior Walls	WOOD/Fair-Adq	Walls	DW/PNL/ADQ				
# of Stories	2	# of bldgs.	1	Basement Area	1,372 sq.ft.	Roof Surface	COMPST SHG/ADQ	Trim/Finish	Wood/paint/Good		
Type	☒ Det. ☐ Att. ☐ S-Det./End Unit	Basement Finish	0 %	Gutters & Downspouts	PrtlALUM/ADQ	Bath Floor	Vnl/ADQ				
	☒ Existing ☐ Proposed ☐ Under Const.	☒ Outside Entry/Exit	☐ Sump Pump	Window Type	DH/Wd/ADQ	Bath Wainscot	Marble/ADQ				
Design (Style)	Triplex 2 story	Evidence of	☐ Infestation	Storm Sash/Insulated	Storm/ADQ	Car Storage					
Year Built	1888	☐ Dampness	☒ Settlement	Screens	Prtl/ADQ	☐ None					
Effective Age (Yrs)	80	Heating/Cooling		Amenities		☒ Driveway	# of Cars	4-5			
Attic	☐ None	☒ FWA	☐ HWBB ☐ Radiant	☒ Fireplace(s) #	1	☐ Woodstove(s) #	0	Driveway Surface	Asphalt		
	☐ Drop Stair	☐ Stairs	☐ Other	Fuel	Gas	☒ Patio/Deck Mlti	☒ Fence	None	☐ Garage	# of Cars	0
	☐ Floor	☒ Scuttle	Cooling	☐ Central Air Conditioning	☒ Pool	None	☒ Porch	Covered	☐ Carport	# of Cars	0
	☐ Finished	☐ Heated	☒ Individual	☐ Other	☐ Other				☐ Att.	☐ Det.	☐ Built-in
# of Appliances	Refrigerator 0	Range/Oven 3	Dishwasher	Disposal 1	Microwave	Washer/Dryer	Other (describe)				
Unit # 1 contains:	5	Rooms	2	Bedrooms	1	Bath(s)	1,372	Square Feet of Gross Living Area			
Unit # 2 contains:	4	Rooms	2	Bedrooms	1	Bath(s)	816	Square Feet of Gross Living Area			
Unit # 3 contains:	3	Rooms	1	Bedrooms	1	Bath(s)	600	Square Feet of Gross Living Area			
Unit # 4 contains:		Rooms		Bedrooms		Bath(s)		Square Feet of Gross Living Area			
Additional features (special energy efficient items, etc.). See attached addenda.											
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject appears to have some deferred maintenance and is dated. Some settlement was noted in the floors, with cracking over doors and on the walls. Floor plan is functional. No external adequacies noted. The estimated exposure time for the subject property is 90 to 365 days.											

Small Residential Income Property Appraisal Report

File # 172012

IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?
☒ Yes ☐ No If Yes, describe.
See attached addenda.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?
☒ Yes ☐ No If No, describe. The subject is a triplex and the majority of homes in the area are single family, town houses, or duplexes with some commercial mix in. The subject is located within the historical district of downtown Springfield.

Is the property subject to rent control?
☐ Yes ☒ No If Yes, describe

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3			
Address	1040 E Walnut St Springfield, MO 65806	852 S South Ave Springfield, MO 65804			433 S Main Ave Springfield, MO 65806			1111-1115 E Cherokee St Springfield, MO 65809			
Proximity to Subject		0.91 miles SW			1.03 miles W			1.95 miles S			
Current Monthly Rent	\$ 685			\$ 1,890			\$ 4,125			\$ 2,200	
Rent/Gross Bldg. Area	\$ 0.25 sq.ft.			\$ 0.81 sq.ft.			\$ 1.20 sq.ft.			\$ 0.79 sq.ft.	
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No			
Data Source(s)	Insp/Assr	MLS#1113084/Assr			MLS#1204819			MLS#1106988			
Date of Lease(s)	Month to Month	Month to Month			Month to Month			Month to Month			
Location	Urban/Avg	Urban/Avg			Urban/Avg			Urban/Avg			
Actual Age	124	107			103			61			
Condition	Fair-Avg	Average			Average			Average-Good			
Gross Building Area	2,788	2,325			3,440			2,796			
Unit Breakdown	Rm Count	Size Sq. Ft.	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent
	Tot Br Ba	2,788	Tot Br Ba	2,325	1,890	Tot Br Ba	3,440	4,125	Tot Br Ba	2,796	2,200
Unit # 1	5 2 1	1,372	5 3 1	1,550	\$ 900	8 0 3	1,550	\$ 1,775	4 2 1	699	\$ 550
Unit # 2	4 2 1	816	4 2 1	465	\$ 595	3 1 1	471	\$ 650	4 2 1	699	\$ 550
Unit # 3	3 1 1	600	3 1 1	310	\$ 395	3 1 1	472	\$ 550	4 2 1	699	\$ 550
Unit # 4					\$	6 2 2	947	\$ 1,150	4 2 1	699	\$ 550
Utilities Included	Tnt Pays/MstrMeter	Landlord Pays/MstrMeter			Tnt Pays/MstrMeter			Tnt Pays/Sep Metr			
Garage/Parking	Parking Lot	Parking Lot			Parking Lot/Street Parking			Driveway			
W/D Hook Ups	None	None			None			Yes			
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) Rental #2 is a 7 plex in close proximity to the subject. The individual square footage is combined and the square footage is estimated per unit, however the total square footage is accurate per Greene County Assessor. All rentals have been updated. Rental #3 has been substantially updated. See attached addenda.											

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Leases			Actual Rents			Opinion of Market Rent		
Unit #	Lease Date		Per Unit		Total Rents	Per Unit		Total Rents
	Begin Date	End Date	Unfurnished	Furnished	Unfurnished	Furnished		
1	Month	Month	\$	\$	\$	\$ 595	\$	\$ 595
2	Month	Month		685	685	595		595
3	Month	Month				395		395
4								
Comment on lease data Of the three units, Unit			Total Actual Monthly Rent		\$ 685	Total Gross Monthly Rent		\$ 1,585
#2 is occupied, the remaining two are			Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$
vacant.			Total Actual Monthly Income		\$ 685	Total Estimated Monthly Income		\$ 1,585
Utilities included in estimated rents ☐ Electric ☐ Water ☐ Sewer ☐ Gas ☐ Oil ☐ Trash collection ☐ Cable ☒ Other Tenant Pays								
Comments on actual or estimated rents and other monthly income (including personal property) Estimated rents for subject appear to be in line with other units in the area that are similar in size, quality and amenities. Rental rates in this area are considered stable at the present time. Supply and demand appear to be in balance.								

PRIOR SALE HISTORY

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) MLS/Assr

My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) MLS/Assr

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	06/08/2012	None within 1 Years	None within 1 Years	None within 1 Years
Price of Prior Sale/Transfer	Undisclosed/Private Sale	N/A	N/A	N/A
Data Source(s)	MLS/Assr	MLS/Assr	MLS/Assr	MLS/Assr
Effective Date of Data Source(s)	07/18/2012	06/22/2012	02/29/2012	03/30/2012
Analysis of prior sale or transfer history of the subject property and comparable sales The subject had a recent transfer that was a private sale with the sale price not available to the appraiser. No sale or transfer history for the subject or comparables other than shown above per MLS and/or assessors office.				

Small Residential Income Property Appraisal Report

File # 172012

SALES COMPARISON APPROACH	There are 14 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 105,000 to \$ 375,000 .																	
	There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 100,000 to \$ 240,000 .																	
	FEATURE			SUBJECT			COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3					
	Address 1040 E Walnut St Springfield, MO 65806			749 S South St Springfield, MO 65802			1045 W Mt Vernon St Springfield, MO 65806			1516 N Jefferson Ave Springfield, MO 65803								
	Proximity to Subject			0.86 miles SW			1.45 miles W			1.51 miles NW								
	Sale Price			\$			\$ 107,500			\$ 110,000			\$ 240,000					
	Sale Price/Gross Bldg. Area			\$ sq.ft.			\$ 61.92 sq.ft.			\$ 29.67 sq.ft.			\$ 44.74 sq.ft.					
	Gross Monthly Rent			\$ 1,585			\$ 900			\$ 2,400			\$ 2,760					
	Gross Rent Multiplier						119.44			45.83			86.96					
	Price per Unit			\$			\$ 53,750			\$ 18,333			\$ 48,000					
	Price per Room			\$			\$ 11,944			\$ 6,111			\$ 12,632					
	Price per Bedroom			\$			\$ 26,875			\$ 18,333			\$ 26,667					
	Rent Control			☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No					
	Data Source(s)						MLS#1201470			MLS#1104324			MLS#1012808					
	Verification Source(s)						Rltr/Assr/SDI			Rltr/Assr			Rltr/Assr					
	VALUE ADJUSTMENTS			DESCRIPTION			DESCRIPTION			+ (-) Adjustment			DESCRIPTION			+ (-) Adjustment		
	Sale or Financing Concessions						Conventional None noted						Conventional None noted					
	Date of Sale/Time						06/22/2012						02/29/2012					
	Location			Urban/Avg			Urban/Inf			+10,000			Urban/Inf			+10,000		
	Leasehold/Fee Simple			Fee Simple			Fee Simple						Fee Simple					
	Site			11,271 sf m/l			12168 sf m/l						5009 sf m/l			+2,500		
	View			N;Res;Comm			N;Res						N;Res					
	Design (Style)			Triplex 2 story			Duplex/2Story						SixPlex/2Story					
	Quality of Construction			Wd/Fair-Avg			PS/Good			-15,000			PS/Good			-5,000		
	Actual Age			124			112 (updated)						117 (updated)					
	Condition			Fair-Avg			Average			-10,000			Average			-10,000		
	Gross Building Area			2,788			1,736			+26,300			3,708			-23,000		
	Unit Breakdown			Total Bdrms Baths			Total Bdrms Baths						Total Bdrms Baths					
	Unit # 1			5 2 1			5 3 2			-1,000			6 2 2			-1,000		
	Unit # 2			4 2 1			4 1 1						6 2 2			-1,000		
	Unit # 3			3 1 1						+1,000			3 1 1					
	Unit # 4												3 1 1			-1,000		
	Basement Description			1,372 sf bsmt			290 sf bsmt			+5,410			0 sf bsmt			+6,860		
	Basement Finished Rooms			0 sf finish			0 sf finish						0 sf finish					
	Functional Utility			Average			Average						Average					
	Heating/Cooling			FA/None			FA/CA			-2,000			FA/CA			-2,000		
	Energy Efficient Items			Standard			Standard						Standard					
	Parking On/Off Site			Parking Lot			Driveway						Street Parking			+2,500		
	Porch/Patio/Deck			C.Pch/C.Dk/Stoop			C.Pch/Patio			+1,000			2Stoops			+3,500		
	Amenities			Appl			Appl						Appl					
	Amenities			Foyer/1/2Bath			None			+1,500			None			+1,500		
	Net Adjustment (Total)						☒ + ☐ -			\$ 17,210			☐ + ☒ -			\$ -16,140		
	Adjusted Sale Price of Comparables						Net Adj. 16.0 % Gross Adj. 68.1 %			\$ 124,710			Net Adj. 14.7 % Gross Adj. 63.5 %			\$ 93,860		
	Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)			\$ 62,355						\$ 15,643						\$ 29,042		
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)			\$ 13,857						\$ 5,214						\$ 7,643			
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)			\$ 31,178						\$ 15,643						\$ 16,134			
Value per Unit			\$ 39,700 X 3			Units = \$ 119,100			Value per GBA \$ 43.93 X 2,788			GBA = \$ 122,477						
Value per Rm.			\$ 9,917 X 12			Rooms = \$ 119,004			Value per Bdrms. \$ 23,800 X 5			Bdrms. = \$ 119,000						
Summary of Sales Comparison Approach including reconciliation of the above indicators of value.													Quality of construction and condition adjustments were determined by personal inspection or by obtaining information from the appraiser of Realtor involved in each sale. Items taken into consideration are roof pitch, roofing material, exterior siding, windows, doors, ceiling heights, ceiling treatments, crown moldings, floor coverings and cabinets. Various style houses were used, however this does not appear to effect market value in this area. No adjustment appeared necessary. Various bedroom counts were used, however square footage appears to be the driving factor for market value in the subjects area. No adjustment appeared necessary. Gross adjustments were exceeded in this report due to square footage, quality and condition adjustments. This could not be avoided and is common in the area. See attached addenda.					
Indicated Value by Sales Comparison Approach \$ 119,000																		
INCOME	Total gross monthly rent \$ 1,585 X gross rent multiplier (GRM) 77 = \$ 122,045 Indicated value by the Income Approach																	
	Comments on income approach including reconciliation of the GRM Local area GRM's range from 45 to 120.																	
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 119,000 Income Approach \$ 122,045 Cost Approach (if developed) \$ 0																	
	Estimated indicated value is determined by using the Gross Adjustment of sale price for each comparable as a measure of the relative quality of the comp. A lower adjustment indicates a better comp, and vice versa. The ratio of gross dollar adjustment to sale price for each of the comps is used to calculate the weight each comp should have in a weighted average calculation. This weighted average is used as the indicated value of the subject. See attached addenda.																	
	This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: See attached addenda.																	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 119,000 , as of 07/18/2012 , which is the date of inspection and the effective date of this appraisal.																		

Small Residential Income Property Appraisal Report

File # 172012

ADDITIONAL COMMENTS

This report may contain comments, conditions and/or certifications added by the signing appraiser and/or BattleCreek Appraisal Services including, but not limited to, this Supplemental Addendum. These items shall supersede and take precedence over all other language, requirements, or conditions contained in any preprinted and/or third-party forms or documents included in, or incorporated by reference into, the appraisal report. BattleCreek Appraisal Services expressly retains all right, title, and interest in all patents, trademarks, trade names, trade secrets, software, data, conclusions, opinions, valuations, or other information included in, arising out of, or in any way related to this appraisal or the the provision of appraisal services to the named client and/or Intended User. The report and information supplied by the staff and/or agents of BattleCreek Appraisal Services is a culmination of intellectual education, professional experience, personal investigation, and know-how, which shall at all times remain the property of BattleCreek Appraisal Services. No person shall be entitled to break down, strip out, mine, or disseminate any component or part of this report, including, but not limited to, any conclusions, valuations, opinions, or other data compilations herein. The intended user of the appraisal report is the Lender/Client. The intended use is to evaluate the property that is the subject of this appraisal for feasibility of renovation, subject to the stated Scope of Work, purpose of the appraisal, reporting, requirements of this appraisal report form, and Definition of Market Value. No additional intended users are identified by the appraiser. The client agrees that pertinent information that might be useful in the appraisal process will be included in the appraiser's database and may be used in future appraisal reports, shared with other Appraisers and the Sold Data Appraisal Bank. (ie, square footage, room count, condition, quality of construction, etc.) Download of the attached appraisal file referenced below constitutes acceptance, acting in replacement of formal written signature, of the responsibility for payment in full as invoiced to be made to BattleCreek Appraisal Services, 5311 S. Cloverdale Ln., Battlefield, MO 65619, regardless to status of loan, as well as any/all debt incurred in the debt collection process as well as legal fees and expenses, if required.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW	OPINION OF SITE VALUE =\$		
Source of cost data	DWELLING	Sq.Ft. @ \$	 =\$
Quality rating from cost service	Effective date of cost data	Sq.Ft. @ \$	 =\$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	 =\$		
	Garage/Carport	Sq.Ft. @ \$	 =\$
	Total Estimate of Cost-New		 =\$
	Less Physical	Functional	External
	Depreciation		 =\$()
	Depreciated Cost of Improvements		 =\$
	"As-is" Value of Site Improvements		 =\$
Estimated Remaining Economic Life (HUD and VA only)	Years	INDICATED VALUE BY COST APPROACH =\$ 0	

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases	Total number of units	Total number of units sold
Total number of units rented	Total number of units for sale	Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

Small Residential Income Property Appraisal Report

File # 172012

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 each acting in what he or she considers his or her own best interest; (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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

File # 172012

APPRAISER’S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market’s reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report File # 172012

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Kimberly A. Taylor
Name Kimberly A. Taylor
Company Name BattleCreek Appraisal Services
Company Address 5311 S. Cloverdale Ln., Battlefield, MO 65619
Telephone Number (417) 234-0235
Email Address kkellerappraisal@aol.com
Date of Signature and Report July 24, 2012
Effective Date of Appraisal 07/18/2012
State Certification # 2006000600
or State License # _____
or Other (describe) _____ State # _____
State MO
Expiration Date of Certification or License 06/30/2014

ADDRESS OF PROPERTY APPRAISED
1040 E Walnut St
Springfield, MO 65806

APPRAISED VALUE OF SUBJECT PROPERTY \$ 119,000

LENDER/CLIENT

Name _____
Company Name In Care of R&P Taylor Apartments, LLC
Company Address PO Box 4386, Springfield, MO 65808
Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Supplemental Addendum

File No. 172012

Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				

The subject has three units and Unit #2 is occupied. Unit #1 & #3 are vacant.

• **Small Income : Neighborhood Market Conditions**

Mixed financing is noted for this area. The predominant method of financing is conventional. Some government backed financing is noted and cash sales are also noted. Seller concessions are occasionally paid. While there is a demand for housing in the area, there does appear to be an oversupply. Houses that have been well maintained and competitively priced sell within a reasonable amount of time. Estimated exposure time for the subject is approximately 90-180 days. The economy remains stable. The unemployment rate is below 8% at this time.

• **Small Income : Site - Adverse Site Conditions or External Factors**

Extraordinary assumption, the appraiser presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such market conditions or trends, or the integrity of data used in an analysis. All of the site could not be inspected. Opinion of value is based on there being no enviornmental hazards on the property. None were noted at the time of inspection.

• **Small Income : Improvements - Additional Features**

Subject has wood siding exterior with a shared covered entry porch, covered deck and brick stoop. Unit 1: Consists of the entire first excluding a shared foyer area and has 1 kitchen with eat-in dining area, living room, family room, two bedrooms and a shared bath. The ceiling heights are 9' high with crown moldings typically. The living room has a fireplace that has been closed and does not appear to be useable. Kitchen has a closet pantry. Unit 2: 1 living room, 2 bedrooms, 1 bath. Unit 3: 1 living room, 1 bedroom, 1 kitchen, 1 bath. The subject has a full unfinished mechanical basement.

• **Small Income :**

Some settlement was noted throughout the home, and a structural inspection is recommended. Extraordinary assumption, the appraiser presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such market conditions or trends, or the integrity of data used in an analysis. All of the site could not be inspected. Opinion of value is based on there being no enviornmental hazards on the property. None were noted at the time of inspection.

• **Small Income : Comparable Rentals - Analysis of Rental Data**

All rentals are multifamily units including a triplex, seven plex, and two identical duplexes that are located within similar neighborhoods as subject. All are similar in distance to support facilities. Rentals used were the best available at the time of the appraisal. Rentals range from \$2325 to \$3440.

• **Small Income : Sales Comparison - Summary**

This does not appear to hinder marketability. Comparable #1 is in a competing neighborhood that exceeded the one mile guidelines, however no location adjustment appeared necessary. Site adjustments were not warranted due to all appearing similar in market value.

The initial search started via Springfield MLS within a one mile radius of the subject for homes of similar age, style, quality, square footage, etc. and found little to no activity. The appraiser had no choice but to broaden the search in distance, time, square footage, age, quality, condition, etc. in an effort to find other comparables. The final search ended by searching all of Springfield for the best comparables available.

• **Small Income : Reconciliation - Comments**

In appraising the subject property the Cost Approach was considered but not completed due to the age of the subject. The cost approach is not considered to be reliable on homes of this age. Sales comparison \$119,000, and the Income Approach was concluded N/A due to insufficient rental/sale data available. The market approach was considered the most reliable due to quality and quantity of sales data, therefore concluding \$119,000. Estimated exposure time: 3-12 months. The digital pictures that have been furnished with this report have not been altered.

• **Small Income : Reconciliation - Conditions of the Appraisal**

This appraisal has been prepared in conformity with the code of ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation. The purpose of this appraisal is to offer an estimate of market value for the subject. The intended use of this appraisal is to assist the client named in the report or its successor or assigns in evaluating the subject property to determine current market value. This is a federally related transaction and no one provided significant professional assistance to the person signing this report.

The appraiser has no current or prospective interest in the subject property or parties involved, and no services regarding the subject property were performed by the appraiser within the previous three years.

Subject Photo Page

Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				

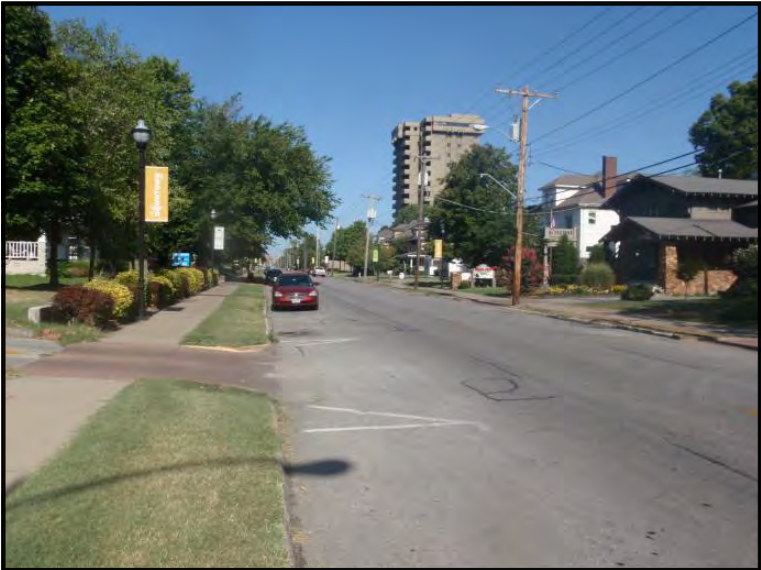


Subject Front

1040 E Walnut St
Sales Price
Gross Building Area 2,788
Age 124



Subject Rear



Subject Street

Subject Photos

Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Opposite View Of Street



Right Side



Left Side



Parking Lot



Unit #1 Living Room



Unit #1 Kitchen

Subject Photos

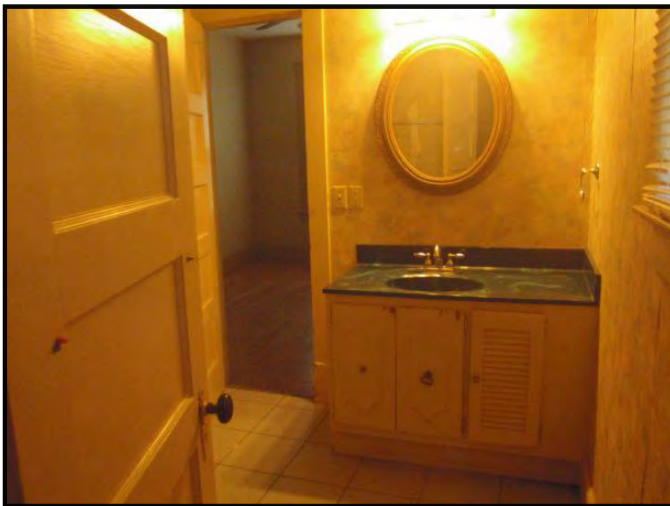
Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #1 Family Room



Unit #1 Bedroom #1



Unit #1 Shared Bath



Unit #1 Bedroom #2



Settlement Cracks



1/2 Bath in Foyer

Interior Photos

Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Shared Foyer Area



Water Leaks



Basement



Basement



Basement



Unit #3 Living Room

Subject Photos

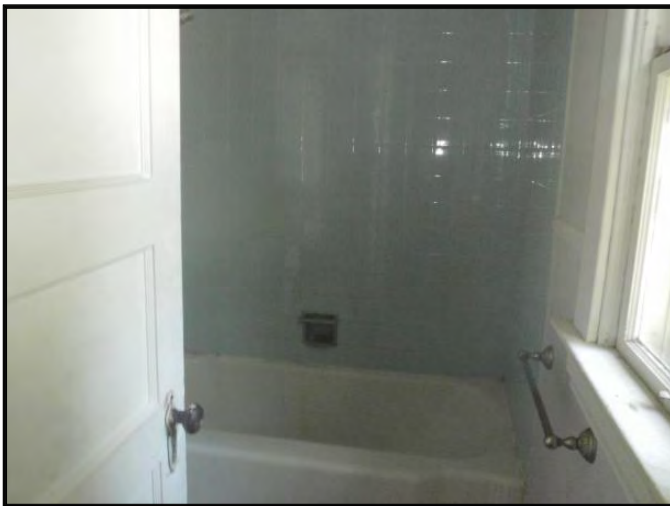
Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



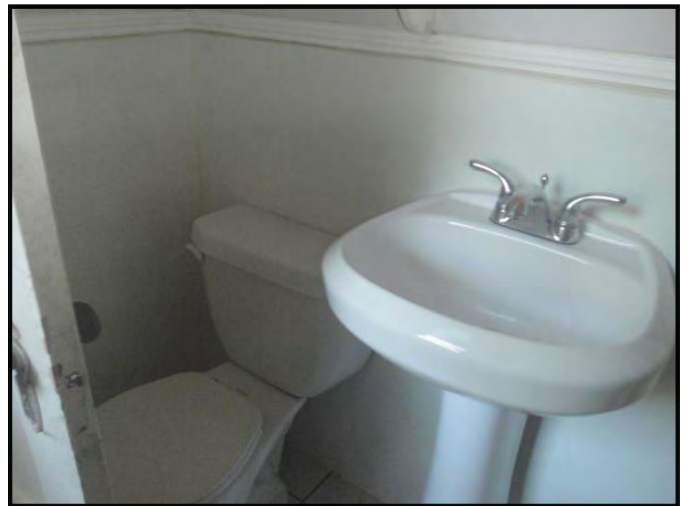
Unit #3 Bedroom #1



Unit #3 Kitchen



Unit #3 Bath



Unit #3 Bath (Another View)



Hall



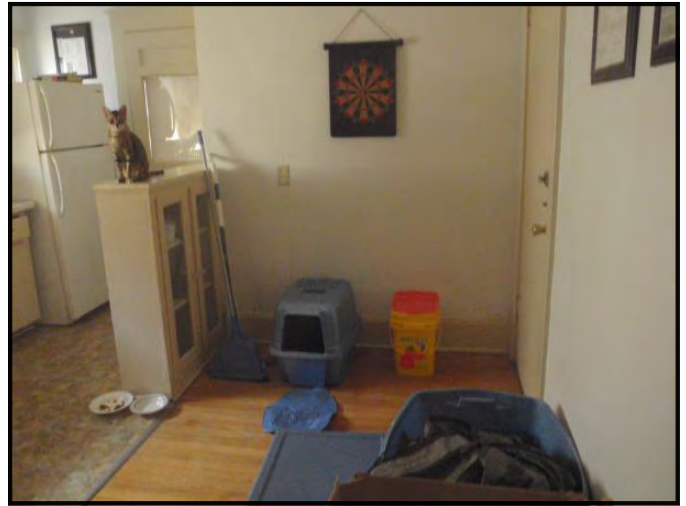
Unit #2 Bedroom #1

Subject Photos

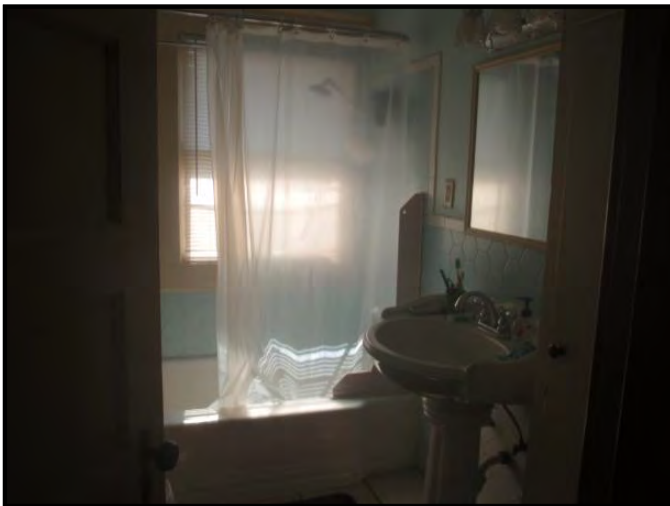
Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



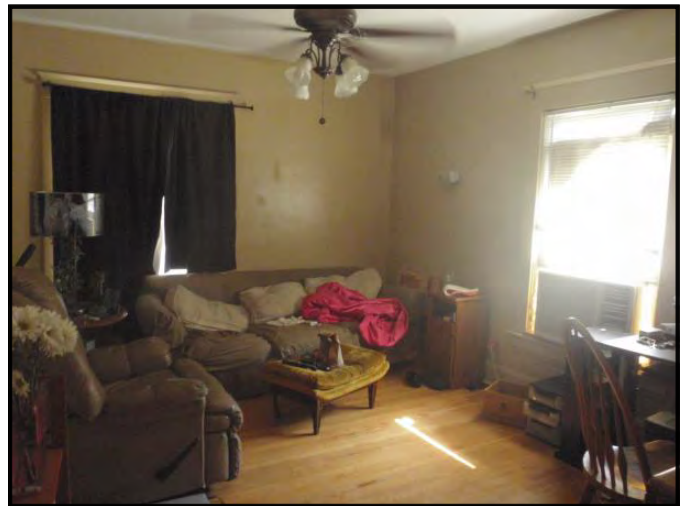
Unit #2 Kitchen



Unit #2 Dining Area



Unit #2 Bath



Unit #2 Living Room



Unit #2 Bedroom

Comparable Photo Page

Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Comparable 1

749 S South St
Sales Price 107,500
Gross Building Area 1,736
Age 112 (updated)



Comparable 2

1045 W Mt Vernon St
Sales Price 110,000
Gross Building Area 3,708
Age 117 (updated)



Comparable 3

1516 N Jefferson Ave
Sales Price 240,000
Gross Building Area 5,364
Age 82 (updated)

Small Residential Income Property Appraisal Report

File # 172012

SALES COMPARISON APPROACH	FEATURE	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6						
	Address		1040 E Walnut St Springfield, MO 65806			433 S Main Ave Springfield, MO 65806											
	Proximity to Subject					1.03 miles W											
	Sale Price		\$			\$ 159,900			\$			\$					
	Sale Price/Gross Bldg. Area		\$ sq.ft.			\$ 46.48 sq.ft.			\$ sq.ft.			\$ sq.ft.					
	Gross Monthly Rent		\$ 1,585			\$ 3,600			\$			\$					
	Gross Rent Multiplier					44.42											
	Price per Unit		\$			\$ 22,843			\$			\$					
	Price per Room		\$			\$ 7,995			\$			\$					
	Price per Bedroom		\$			\$ 39,975			\$			\$					
	Rent Control		☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☐ No			☐ Yes ☐ No					
	Data Source(s)					MLS#1204819											
	Verification Source(s)					Rltr/Assr											
	VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			+ (-) Adjustment			DESCRIPTION			+ (-) Adjustment		
	Sale or Financing					Active Listing											
	Concessions					LP/SP Ratio			-11,200								
	Date of Sale/Time					04/09/2012 LD											
	Location		Urban/Avg			Urban/Avg											
	Leasehold/Fee Simple		Fee Simple			Fee Simple											
	Site		11,271 sf m/l			12545 sf m/l											
	View		N;Res;Comm			N;Res;Comm											
	Design (Style)		Triplex 2 story			7Plex/2Story											
	Quality of Construction		Wd/Fair-Avg			PS/Avg			-10,000								
	Actual Age		124			103 (updated)											
	Condition		Fair-Avg			Average			-5,000								
	Gross Building Area		2,788			3,440			-16,300								
	Unit Breakdown		Total	Bdrms	Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
	Unit # 1		5	2	1	8	0	3	-2,000								
	Unit # 2		4	2	1	3	1	1									
	Unit # 3		3	1	1	3	1	1									
	Unit # 4					6	2	2	-2,000								
	Basement Description		1,372 sf bsmt			0sf bsmt			+6,860								
	Basement Finished Rooms		0 sf finish			0 sf finish											
	Functional Utility		Average			Average											
	Heating/Cooling		FA/None			FA/None											
Energy Efficient Items		Standard			Standard												
Parking On/Off Site		Parking Lot			Prkng Lot/3GCrprrt			-1,500									
Porch/Patio/Deck		C.Pch/C.Dk/Stoop			C.Pch/Patio			+1,000									
Amenities		Appl			Appliances												
Amenities		Foyer/1/2Bath			None			+1,500									
Net Adjustment (Total)					☐ + ☒ -			\$ -38,640			☐ + ☐ -			\$			
Adjusted Sale Price of Comparables					Net Adj. 24.2 %						Net Adj. %						
					Gross Adj. 35.9 %			\$ 121,260			Gross Adj. %			\$			
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$			17,323						\$						
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$			6,063						\$						
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$			30,315						\$						
SALE HISTORY	Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).																
	ITEM	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6						
	Date of Prior Sale/Transfer	06/08/2012			None within 1 Years												
	Price of Prior Sale/Transfer	Undisclosed/Private Sale			N/A												
	Data Source(s)	MLS/Assr			MLS/Assr												
	Effective Date of Data Source(s)			07/18/2012			07/18/2012										
	Analysis of prior sale or transfer history of the subject property and comparable sales No sale or transfer history for the subject or comparables other than shown above per MLS and/or assessors office.																
ANALYSIS / COMMENTS	Analysis/Comments Quality of construction and condition adjustments were determined by personal inspection or by obtaining information from the appraiser of Realtor involved in each sale. Items taken into consideration are roof pitch, roofing material, exterior siding, windows, doors, ceiling heights, ceiling treatments, crown moldings, floor coverings and cabinets. Comparables are over 6 months old, however due to the stability of the market no time adjustments appeared necessary. Typical list to sale price percentages in the subject's area are at 93%. An adjustment was made to reflect typical market activity.																

Comparable Photo Page

Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Comparable 4

433 S Main Ave
Sales Price 159,900
Gross Building Area 3,440
Age 103 (updated)

Comparable 5

Sales Price
Gross Building Area
Age

Comparable 6

Sales Price
Gross Building Area
Age

Rental Photo Page

Borrower/Client	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Rental 1

852 S South Ave
Proximity to Subject 0.91 miles SW
Gross Building Area 2,325
Age 107



Rental 2

433 S Main Ave
Proximity to Subject 1.03 miles W
Gross Building Area 3,440
Age 103



Rental 3

1111-1115 E Cherokee St
Proximity to Subject 1.95 miles S
Gross Building Area 2,796
Age 61

Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

Property Address		1040 E Walnut St Street		Springfield City	MO State	65806 Zip Code	
General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.							
	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1	Yes ☐ No ☒		\$	\$ 595	Electricity	☐	☐
Unit No. 2	Yes ☒ No ☐		\$ 685	\$ 595	Gas	☐	☐
Unit No. 3	Yes ☐ No ☒		\$	\$ 395	Fuel Oil	☐	☐
Unit No. 4	Yes ☐ No ☐		\$	\$	Fuel (Other)	☐	☐
Total			\$ 685	\$ 1,585	Water/Sewer	☐	☐
					Trash Removal	☐	☐

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (*for new properties the applicant's projected income and expenses must be provided*). This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (*e.g. Applicant/Appraiser 288/300*). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (*Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item*) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (<i>Do not include income for owner-occupied units</i>)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (<i>from unit(s) to be rented</i>) (Market)	\$ 19,020	\$
Other Income (<i>include sources</i>)	+	+
Total	\$ 19,020	\$
Less Vacancy/Rent Loss	- (%)	- (%)
Effective Gross Income	\$ 19,020	\$
Expenses (<i>Do not include expenses for owner-occupied units</i>)		
Electricity		
Gas		
Fuel Oil		
Fuel (Type -)		
Water/Sewer		
Trash Removal		
Pest Control		
Other Taxes or Licenses		
Casual Labor	200	
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating	500	
This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.		
General Repairs/Maintenance	250	
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses		
These are the customer expenses that a professional management company would charge to manage the property.		
Supplies	200	
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	520	
Miscellaneous		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
Total Operating Expenses	\$ 1,670	\$

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner’s operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year - such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 350	ea. ÷ 10 Yrs. x 3	Units = \$ 105	\$
Refrigerators	@ \$	ea. ÷ Yrs. x	Units = \$	\$
Dishwashers	@ \$	ea. ÷ Yrs. x	Units = \$	\$
A/C Units	@ \$	ea. ÷ Yrs. x	Units = \$	\$
C. Washer/Dryers	@ \$	ea. ÷ Yrs. x	Units = \$	\$
HW Heaters	@ \$ 150	ea. ÷ 10 Yrs. x 1	Units = \$ 15	\$
Furnace(s)	@ \$ 1,000	ea. ÷ 10 Yrs. x 1	Units = \$ 100	\$
(Other)	@ \$	ea. ÷ Yrs. x	Units = \$	\$
Roof	@ \$ 4,500	÷ 15 Yrs. x One Bldg. =	\$ 300	\$
Carpeting (Wall to Wall)				
		Remaining Life		
(Units)	Total Sq. Yds. @ \$	Per Sq. Yd. ÷ Yrs. =	\$	\$
(Public Areas)	Total Sq. Yds. @ \$	Per Sq. Yd. ÷ Yrs. =	\$	\$
Total Replacement Reserves. (Enter on Pg. 1)			\$ 520	\$

Operating Income Reconciliation

\$ 19,020	-	\$ 1,670	=	\$ 17,350	÷ 12 =	\$ 1,446
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ \$ 1,446	-	\$	=	\$		
Monthly Operating Income		Monthly Housing Expense		Net Cash Flow		

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

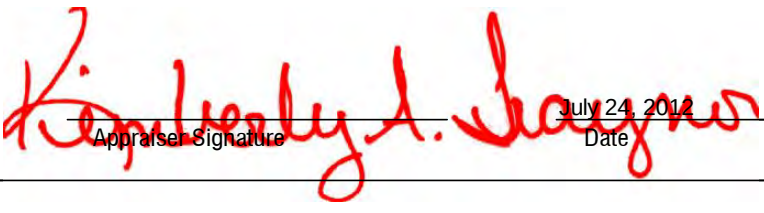
Underwriter’s instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the **subject property** to the borrower’s stable monthly income.

Underwriter’s instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower’s **primary residence** to the borrower’s stable monthly income.

Appraiser’s Comments (Including sources for data and rationale for the projections)
Data recited is based on interviews with property managers, Realtors, Appraisers, analysis of current market trends and assessors records.

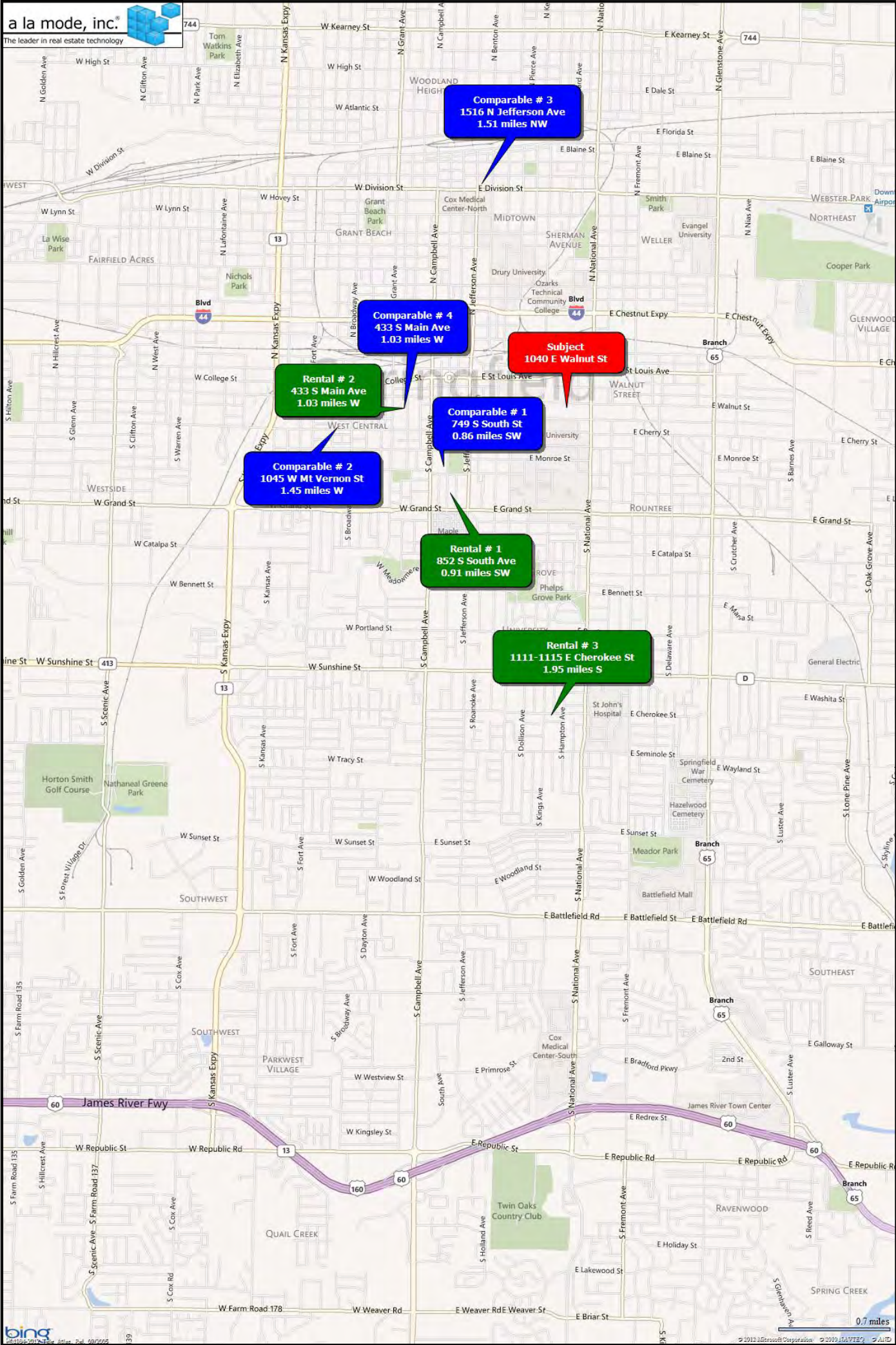
Kimberly A. Traynor		July 24, 2012
Appraiser Name		Date

Underwriter’s Comments and Rationale for Adjustments

Underwriter Name	Underwriter Signature	Date
Freddie Mac Form 998 Aug 88	Page 2 of 2	Fannie Mae Form 216 Aug 88

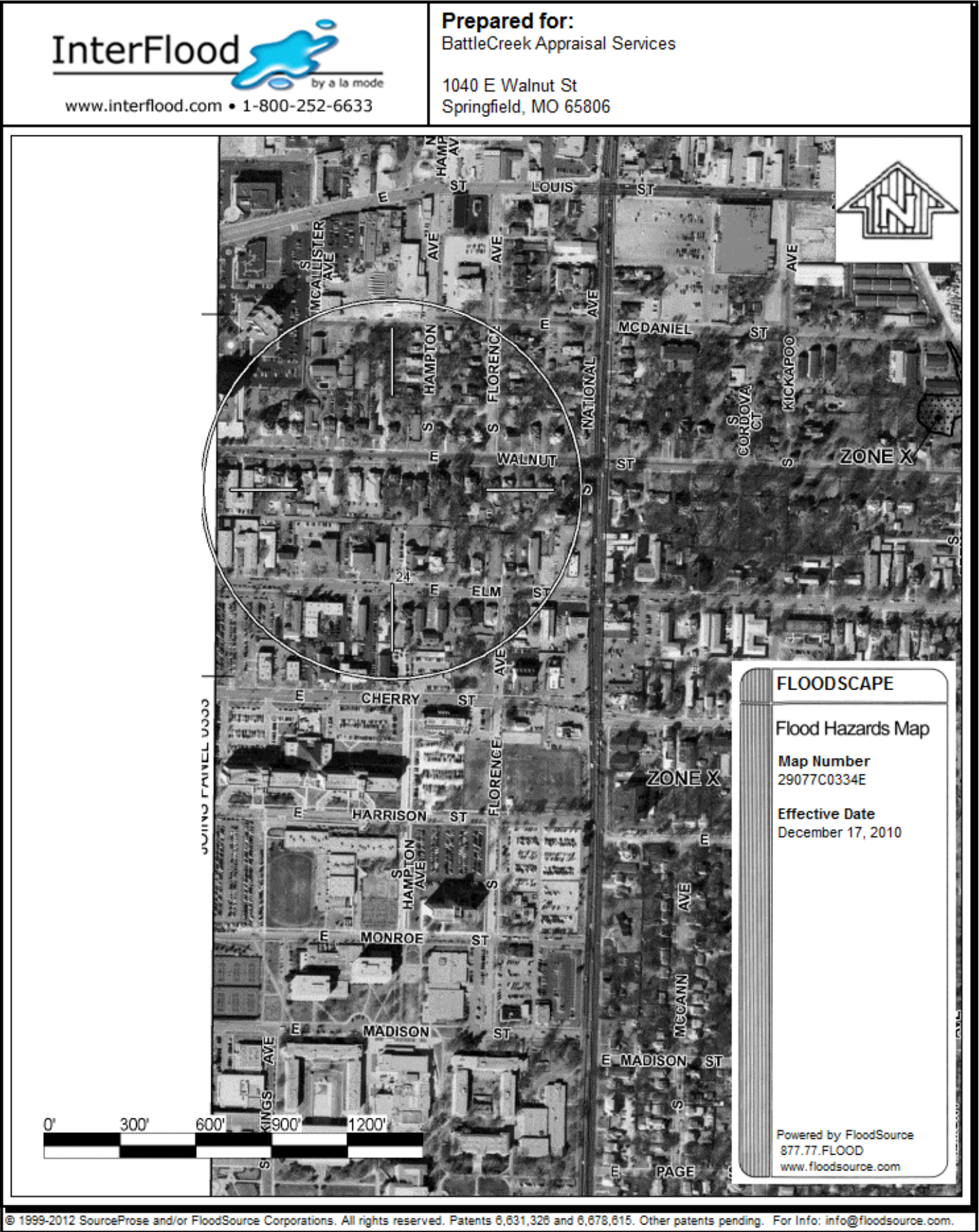
Location Map

Borrower/Client	N/A			
Property Address	1040 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC			



Flood Map

Borrower/Client	N/A			
Property Address	1040 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC			



Appendix C

Appraisal of Rehabilitated Structure



APPRAISAL OF REAL PROPERTY

LOCATED AT:

1040 E Walnut St
Smiths ADD E ADD Lot 13
Springfield, MO 65806

FOR:

In Care of R&P Taylor Apartments, LLC
PO Box 4386
Springfield, MO 65808

AS OF:

07/18/2012

BY:

Kimberly A. Traynor
BattleCreek Appraisal Services
www.battlecreekappraisals.com
417-234-0235
Fax: 1-866-704-8091 toll free

Borrower	N/A				File No. 173012	
Property Address	1040 E Walnut St					
City	Springfield	County	Greene	State	MO	Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC					

TABLE OF CONTENTS

Cover Page 1

Letter of Transmittal 2

Small Income 3

Supplemental Addendum 10

Building Sketch (Page - 1) 11

Building Sketch (Page - 2) 12

Subject Photos 13

Interior Photos 14

Interior Photos 15

Interior Photos 16

Interior Photos 17

Interior Photos 18

Comparable Photos 1-3 19

Additional Comparables 4-6 20

Comparable Photos 4-6 21

Rentals Photos 1-3 22

Operating Income Statement 23

Location Map 25

Flood Map 26

Kimberly A. Traynor
BattleCreek Appraisal Services
5311 S. Cloverdale Ln.
Battlefield, Mo. 65619

07/24/2012

In Care of R&P Taylor Apartments, LLC
PO Box 4386
Springfield, MO 65808

Re: Property: 1040 E Walnut St
Springfield, MO 65806
Borrower: N/A
File No.: 173012

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Kimberly A. Traynor
BattleCreek Appraisal Services

Small Residential Income Property Appraisal Report

File # 173012

IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe.
See attached addenda.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe. The subject is a triplex and the majority of homes in the area are single family, town houses, or duplexes with some commercial mix in. The subject is located within the historical district of downtown Springfield.

Is the property subject to rent control? ☐ Yes ☒ No If Yes, describe

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3			
Address	1040 E Walnut St Springfield, MO 65806	852 S South Ave Springfield, MO 65804			433 S Main Ave Springfield, MO 65806			1111-1115 E Cherokee St Springfield, MO 65809			
Proximity to Subject		0.91 miles SW			1.03 miles W			1.95 miles S			
Current Monthly Rent	\$ 685			\$ 1,890			\$ 4,125			\$ 2,200	
Rent/Gross Bldg. Area	\$ 0.25 sq.ft.			\$ 0.81 sq.ft.			\$ 1.20 sq.ft.			\$ 0.79 sq.ft.	
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No			
Data Source(s)	Insp/Assr	MLS#1113084/Assr			MLS#1204819			MLS#1106988			
Date of Lease(s)	Month to Month	Month to Month			Month to Month			Month to Month			
Location	Urban/Avg	Urban/Avg			Urban/Avg			Urban/Avg			
Actual Age	124 (updated)	107			103			61			
Condition	Average-Good	Average			Average			Average-Good			
Gross Building Area	2,788	2,325			3,440			2,796			
Unit Breakdown	Rm Count	Size Sq. Ft.	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent
	Tot Br Ba	2,788	Tot Br Ba	2,325	1,890	Tot Br Ba	3,440	4,125	Tot Br Ba	2,796	2,200
Unit # 1	5 2 1	1,372	5 3 1	1,550	\$ 900	8 0 3	1,550	\$ 1,775	4 2 1	699	\$ 550
Unit # 2	4 2 1	816	4 2 1	465	\$ 595	3 1 1	471	\$ 650	4 2 1	699	\$ 550
Unit # 3	3 1 1	600	3 1 1	310	\$ 395	3 1 1	472	\$ 550	4 2 1	699	\$ 550
Unit # 4					\$	6 2 2	947	\$ 1,150	4 2 1	699	\$ 550
Utilities Included	Tnt Pays/MstrMeter	Landlord Pays/MstrMeter			Tnt Pays/MstrMeter			Tnt Pays/Sep Metr			
Garage/Parking	Parking Lot	Parking Lot			Parking Lot/Street Parking			Driveway			
W/D Hook Ups	None	None			None			Yes			
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) Rental #2 is a 7 plex in close proximity to the subject. The individual square footage is combined and the square footage is estimated per unit, however the total square footage is accurate per Greene County Assessor. All rentals have been updated. Rental #3 has been substantially updated. See attached addenda.											

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Leases			Actual Rents			Opinion of Market Rent		
Unit #	Lease Date		Per Unit		Total Rents	Per Unit		Total Rents
	Begin Date	End Date	Unfurnished	Furnished	Unfurnished	Furnished		
1	Month	Month	\$	\$	\$	\$ 900	\$	\$ 900
2	Month	Month		685	685	700		700
3	Month	Month				550		550
4								
Comment on lease data Of the three units, Unit			Total Actual Monthly Rent		\$ 685	Total Gross Monthly Rent		\$ 2,150
#2 is occupied, the remaining two are			Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$
vacant.			Total Actual Monthly Income		\$ 685	Total Estimated Monthly Income		\$ 2,150
Utilities included in estimated rents ☐ Electric ☐ Water ☐ Sewer ☐ Gas ☐ Oil ☐ Trash collection ☐ Cable ☒ Other Tenant Pays								
Comments on actual or estimated rents and other monthly income (including personal property) Estimated rents for subject appear to be in line with other units in the area that are similar in size, quality and amenities. Rental rates in this area are considered stable at the present time. Supply and demand appear to be in balance.								

PRIOR SALE HISTORY

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) MLS/Assr

My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) MLS/Assr

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	06/08/2012	None within 1 Years	None within 1 Years	None within 1 Years
Price of Prior Sale/Transfer	Undisclosed/Private Sale	N/A	N/A	N/A
Data Source(s)	MLS/Assr	MLS/Assr	MLS/Assr	MLS/Assr
Effective Date of Data Source(s)	07/18/2012	06/22/2012	02/29/2012	03/30/2012
Analysis of prior sale or transfer history of the subject property and comparable sales The subject had a recent transfer that was a private sale with the sale price not available to the appraiser. No sale or transfer history for the subject or comparables other than shown above per MLS and/or assessors office.				

Small Residential Income Property Appraisal Report

File # 173012

SALES COMPARISON APPROACH	There are 14 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 105,000 to \$ 375,000 .													
	There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 100,000 to \$ 240,000 .													
	FEATURE		SUBJECT			COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
	Address 1040 E Walnut St Springfield, MO 65806		749 S South St Springfield, MO 65802			1045 W Mt Vernon St Springfield, MO 65806			1516 N Jefferson Ave Springfield, MO 65803					
	Proximity to Subject		0.86 miles SW			1.45 miles W			1.51 miles NW					
	Sale Price		\$ 107,500			\$ 110,000			\$ 240,000					
	Sale Price/Gross Bldg. Area		\$ 61.92 sq.ft.			\$ 29.67 sq.ft.			\$ 44.74 sq.ft.					
	Gross Monthly Rent		\$ 900			\$ 2,400			\$ 2,760					
	Gross Rent Multiplier		119.44			45.83			86.96					
	Price per Unit		\$ 53,750			\$ 18,333			\$ 48,000					
	Price per Room		\$ 11,944			\$ 6,111			\$ 12,632					
	Price per Bedroom		\$ 26,875			\$ 18,333			\$ 26,667					
	Rent Control		☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No					
	Data Source(s)		MLS#1201470			MLS#1104324			MLS#1012808					
	Verification Source(s)		Rltr/Assr/SDI			Rltr/Assr			Rltr/Assr					
	VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			DESCRIPTION			DESCRIPTION		
	Sale or Financing Concessions		Conventional None noted			Conventional None noted			Conventional Sllr Pd \$2250			-2,250		
	Date of Sale/Time		06/22/2012			02/29/2012			03/30/2012					
	Location		Urban/Avg			Urban/Inf +10,000			Urban/Inf +10,000			Urban/Avg		
	Leasehold/Fee Simple		Fee Simple			Fee Simple			Fee Simple			Fee Simple		
	Site		11,271 Sq.Ft.			12168 sf m/l			5009 sf m/l +2,500			17302 sf m/l -1,500		
	View		N;Res;Commercial			N;Res			N;Res			N;Res;Comm		
	Design (Style)		Triplex 2 story			Duplex/2Story			SixPlex/2Story			5Plex/2Story		
	Quality of Construction		Wd/Good			PS/Good			PS/Good			Brick/Sup -10,000		
	Actual Age		124 (updated)			112 (updated)			117 (updated)			82 (updated)		
	Condition		Average-Good			Average +5,000			Average +5,000			Average-Good		
	Gross Building Area		2,788			1,736 +24,325			3,708 -24,975			5,364 -66,375		
	Unit Breakdown		Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths
	Unit # 1		5	2	1	5	3	2	6	2	2	3	1	1
	Unit # 2		4	2	1	4	1	1	6	2	2	4	2	1
	Unit # 3		3	1	1				3	1	1	4	2	1
	Unit # 4								3	1	1	8	4	2
	Basement Description		1,372 Sq.Ft.			290 sf bsmt +5,410			0 sf bsmt +6,860			0 sf bsmt +6,860		
Basement Finished Rooms		0 sf finish			0 sf finish			0 sf finish			0 sf finish			
Functional Utility		Average			Average			Average			Average			
Heating/Cooling		FA/CA			FA/CA			FA/CA			FA/None +2,000			
Energy Efficient Items		Standard			Standard			Standard			Standard			
Parking On/Off Site		Parking Lot			Driveway			Street Parking +2,500			4-Car Carport -2,000			
Porch/Patio/Deck		C.Pch/C.Dk/Stoop			C.Pch/Patio +1,000			2Stoops +3,500			C.Pch/C.Dk/Dk -1,000			
Amenities		Appl/FP1			Appl +1,000			Appl +1,000			Appl +1,000			
Amenities		Foyer/1/2Bath			None +1,500			None +1,500			None +1,500			
Net Adjustment (Total)					☒ + ☐ - \$ 48,235			☒ + ☐ - \$ 4,885			☐ + ☒ - \$ -73,765			
Adjusted Sale Price of Comparables		Net Adj. 44.9 % Gross Adj. 46.7 %			\$ 155,735			Net Adj. 4.4 % Gross Adj. 55.3 %			\$ 114,885			
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$ 77,868			\$ 19,148			\$ 33,247						
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 17,304			\$ 6,383			\$ 8,749						
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$ 38,934			\$ 19,148			\$ 18,471						
Value per Unit \$ 47,334 X 3 Units = \$ 142,002		Value per GBA \$ 52.41 X 2,788 GBA = \$ 146,119												
Value per Rm. \$ 11,834 X 12 Rooms = \$ 142,008		Value per Bdrms. \$ 28,400 X 5 Bdrms. = \$ 142,000												
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. Quality of construction and condition adjustments were determined by personal inspection or by obtaining information from the appraiser of Realtor involved in each sale. Items taken into consideration are roof pitch, roofing material, exterior siding, windows, doors, ceiling heights, ceiling treatments, crown moldings, floor coverings and cabinets. Various style houses were used, however this does not appear to effect market value in this area. No adjustment appeared necessary. Various bedroom counts were used, however square footage appears to be the driving factor for market value in the subjects area. No adjustment appeared necessary. Gross adjustments were exceeded in this report due to square footage and condition adjustments. This could not be avoided and is common in the area. See attached addenda.														
Indicated Value by Sales Comparison Approach \$ 142,000														
INCOME	Total gross monthly rent \$ 2,150 X gross rent multiplier (GRM) 77 = \$ 165,550 Indicated value by the Income Approach													
	Comments on income approach including reconciliation of the GRM Local area GRM's range from 45 to 120.													
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 142,000 Income Approach \$ 165,550 Cost Approach (if developed) \$ 0													
	Estimated indicated value is determined by using the Gross Adjustment of sale price for each comparable as a measure of the relative quality of the comp. A lower adjustment indicates a better comp, and vice versa. The ratio of gross dollar adjustment to sale price for each of the comps is used to calculate the weight each comp should have in a weighted average calculation. This weighted average is used as the indicated value of the subject. See attached addenda.													
	This appraisal is made ☐ "as is", ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☒ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: See attached addenda.													
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 142,000 , as of 07/18/2012 , which is the date of inspection and the effective date of this appraisal.														

Small Residential Income Property Appraisal Report

File # 173012

ADDITIONAL COMMENTS

This report may contain comments, conditions and/or certifications added by the signing appraiser and/or BattleCreek Appraisal Services including, but not limited to, this Supplemental Addendum. These items shall supersede and take precedence over all other language, requirements, or conditions contained in any preprinted and/or third-party forms or documents included in, or incorporated by reference into, the appraisal report. BattleCreek Appraisal Services expressly retains all right, title, and interest in all patents, trademarks, trade names, trade secrets, software, data, conclusions, opinions, valuations, or other information included in, arising out of, or in any way related to this appraisal or the the provision of appraisal services to the named client and/or Intended User. The report and information supplied by the staff and/or agents of BattleCreek Appraisal Services is a culmination of intellectual education, professional experience, personal investigation, and know-how, which shall at all times remain the property of BattleCreek Appraisal Services. No person shall be entitled to break down, strip out, mine, or disseminate any component or part of this report, including, but not limited to, any conclusions, valuations, opinions, or other data compilations herein. The intended user of the appraisal report is the Lender/Client. The intended use is to evaluate the property that is the subject of this appraisal for feasibility of renovation, subject to the stated Scope of Work, purpose of the appraisal, reporting, requirements of this appraisal report form, and Definition of Market Value. No additional intended users are identified by the appraiser. The client agrees that pertinent information that might be useful in the appraisal process will be included in the appraiser's database and may be used in future appraisal reports, shared with other Appraisers and the Sold Data Appraisal Bank. (ie, square footage, room count, condition, quality of construction, etc.) Download of the attached appraisal file referenced below constitutes acceptance, acting in replacement of formal written signature, of the responsibility for payment in full as invoiced to be made to BattleCreek Appraisal Services, 5311 S. Cloverdale Ln., Battlefield, MO 65619, regardless to status of loan, as well as any/all debt incurred in the debt collection process as well as legal fees and expenses, if required.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW	OPINION OF SITE VALUE= \$		
Source of cost data	DWELLING	Sq.Ft. @ \$	= \$
Quality rating from cost service	Effective date of cost data	Sq.Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	= \$		
	Garage/Carport	Sq.Ft. @ \$	= \$
	Total Estimate of Cost-New		= \$
	Less Physical	Functional	External
	Depreciation		= \$()
	Depreciated Cost of Improvements		= \$
	"As-is" Value of Site Improvements		= \$
Estimated Remaining Economic Life (HUD and VA only)	Years	INDICATED VALUE BY COST APPROACH= \$ 0	

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases

Total number of units

Total number of units sold

Total number of units rented

Total number of units for sale

Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

Small Residential Income Property Appraisal Report

File # 173012

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 each acting in what he or she considers his or her own best interest; (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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

File # 173012

APPRAISER’S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market’s reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report File # 173012

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Kimberly A. Taylor
Name Kimberly A. Taylor
Company Name BattleCreek Appraisal Services
Company Address 5311 S. Cloverdale Ln., Battlefield, MO 65619
Telephone Number (417) 234-0235
Email Address kkellerappraisal@aol.com
Date of Signature and Report July 24, 2012
Effective Date of Appraisal 07/18/2012
State Certification # 2006000600
or State License # _____
or Other (describe) _____ State # _____
State MO
Expiration Date of Certification or License 06/30/2014

ADDRESS OF PROPERTY APPRAISED
1040 E Walnut St
Springfield, MO 65806

APPRAISED VALUE OF SUBJECT PROPERTY \$ 142,000

LENDER/CLIENT

Name _____
Company Name In Care of R&P Taylor Apartments, LLC
Company Address PO Box 4386, Springfield, MO 65808
Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Supplemental Addendum

File No. 173012

Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				

The subject has three units and Unit #2 is occupied. Unit #1 & #3 are vacant.

• **Small Income : Neighborhood Market Conditions**

Mixed financing is noted for this area. The predominant method of financing is conventional. Some government backed financing is noted and cash sales are also noted. Seller concessions are occasionally paid. While there is a demand for housing in the area, there does appear to be an oversupply. Houses that have been well maintained and competitively priced sell within a reasonable amount of time. Estimated exposure time for the subject is approximately 90-180 days. The economy remains stable. The unemployment rate is below 8% at this time.

• **Small Income : Site - Adverse Site Conditions or External Factors**

Extraordinary assumption, the appraiser presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such market conditions or trends, or the integrity of data used in an analysis. All of the site could not be inspected. Opinion of value is based on there being no enviornmental hazards on the property. None were noted at the time of inspection.

• **Small Income : Improvements - Additional Features**

Subject has wood siding exterior with a shared covered entry porch, covered deck and brick stoop. Unit 1: Consists of the entire first excluding a shared foyer area and has 1 kitchen with eat-in dining area, living room, family room, two bedrooms and a shared bath. The ceiling heights are 9' high with crown moldings typically. The living room has a fireplace. Kitchen has a closet pantry. Unit 2: 1 living room, 2 bedrooms, 1 bath. Unit 3: 1 living room, 1 bedroom, 1 kitchen, 1 bath. The subject has a full unfinished mechanical basement.

• **Small Income : Improvements - Condition of the Property**

The interior would be stripped down to the studs with the existing hardwood floors remaining and restored. The electrical and plumbing would be completely redone, the drywall would be new, the trim would be restored or replaced, new porcelain tile flooring where there is not hardwood, all kitchens and baths would be completely remodeled and updated including cabinets, appliances, counter tops, etc. All light fixtures to be replaced. The quality of materials to be used would be defined as builder grade or slightly better quality. All settlement in the floors to be repaired. Floor plan is functional. No external adequacies noted. The estimated exposure time for the subject property is 90 to 365 days.

• **Small Income :**

Extraordinary assumption, the appraiser presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such market conditions or trends, or the integrity of data used in an analysis. All of the site could not be inspected. Opinion of value is based on there being no enviornmental hazards on the property. None were noted at the time of inspection.

• **Small Income : Comparable Rentals - Analysis of Rental Data**

All rentals are multifamily units including a triplex, seven plex, and two identical duplexes that are located within similar neighborhoods as subject. All are similar in distance to support facilities. Rentals used were the best available at the time of the appraisal. Rentals range from \$2325 to \$3440.

• **Small Income : Sales Comparison - Summary**

This does not appear to hinder marketability. Comparable #1 is in a competing neighborhood that exceeded the one mile guidelines, however no location adjustment appeared necessary. Site adjustments were not warranted due to all appearing similar in market value.

The initial search started via Springfield MLS within a one mile radius of the subject for homes of similar age, style, quality, square footage, etc. and found little to no activity. The appraiser had no choice but to broaden the search in distance, time, square footage, age, quality, condition, etc. in an effort to find other comparables. The final search ended by searching all of Springfield for the best comparables available.

• **Small Income : Reconciliation - Comments**

In appraising the subject property the Cost Approach was considered but not completed due to the age of the subject. The cost approach is not considered to be reliable on homes of this age. Sales comparison \$142,000, and the Income Approach was concluded N/A due to insufficient rental/sale data available. The market approach was considered the most reliable due to quality and quantity of sales data, therefore concluding \$142,000. Estimated exposure time: 3-12 months. The digital pictures that have been furnished with this report have not been altered.

• **Small Income : Reconciliation - Conditions of the Appraisal**

The market value found within this report is based on the hypothetical condition that the subject has been completely restored, renovated and updated: including but not limited to the following: restoring the exterior to meet the historical district guidelines: including a new roof, new gutter, new windows, repair and replace any damaged wood siding, peel all exterior paint and repaint. The interior would be stripped down to the studs with the existing hardwood floors remaining and restored. The electrical and plumbing would be completely redone, the drywall would be new, the trim would be restored or replaced, new porcelain tile flooring where there is not hardwood, all kitchens and baths would be completely remodeled and updated including cabinets, appliances, counter tops, etc. All light fixtures to be replaced. The quality of materials to be used would be defined as builder grade or slightly better quality. All settlement in the floors to be repaired. If the repairs and renovations are not completed the market value will change.

This appraisal has been prepared in conformity with the code of ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation. The purpose of this appraisal is to offer an estimate of market value for the subject. The intended use of this appraisal is to assist the client named in the report or its successor or assigns in evaluating the subject property to determine current market value after updating. This is a federally related transaction and no one provided significant professional assistance to the person signing this report.

The appraiser has no current or prospective interest in the subject property or parties involved, and no services regarding the subject property were performed by the appraiser within the previous three years.

Subject Photo Page

Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				

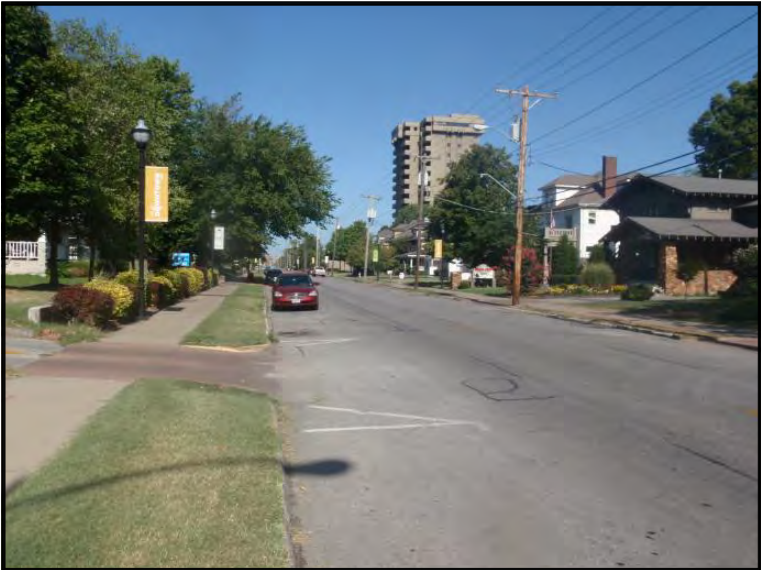


Subject Front

1040 E Walnut St
Sales Price
Gross Building Area 2,788
Age 124 (updated)



Subject Rear



Subject Street

Subject Photos

Borrower	N/A			
Property Address	1040 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC			



Opposite View Of Street



Right Side



Left Side



Parking Lot



Unit #1 Living Room



Unit #1 Kitchen

Subject Photos

Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #1 Family Room



Unit #1 Bedroom #1



Unit #1 Shared Bath



Unit #1 Bedroom #2



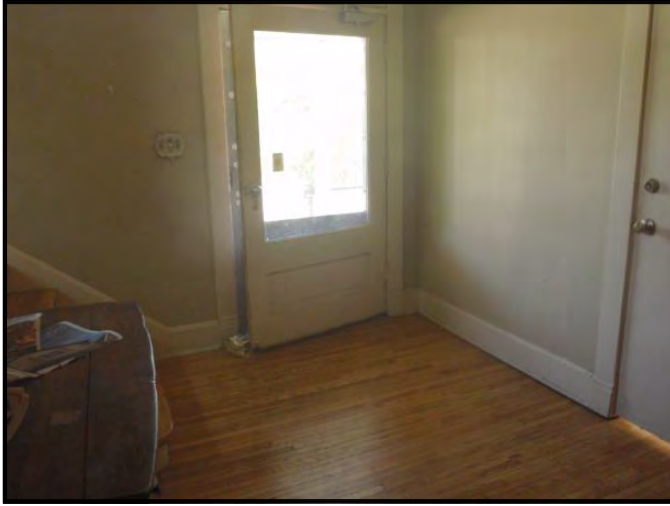
Settlement Cracks



1/2 Bath in Foyer

Interior Photos

Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Shared Foyer Area



Water Leaks



Basement



Basement



Basement



Unit #3 Living Room

Subject Photos

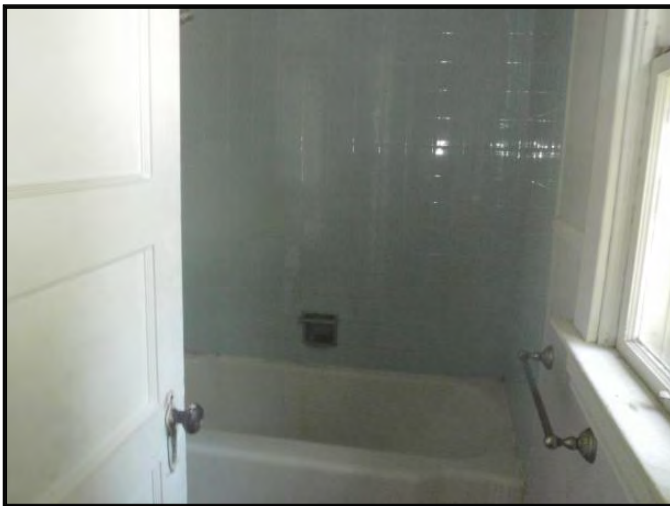
Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



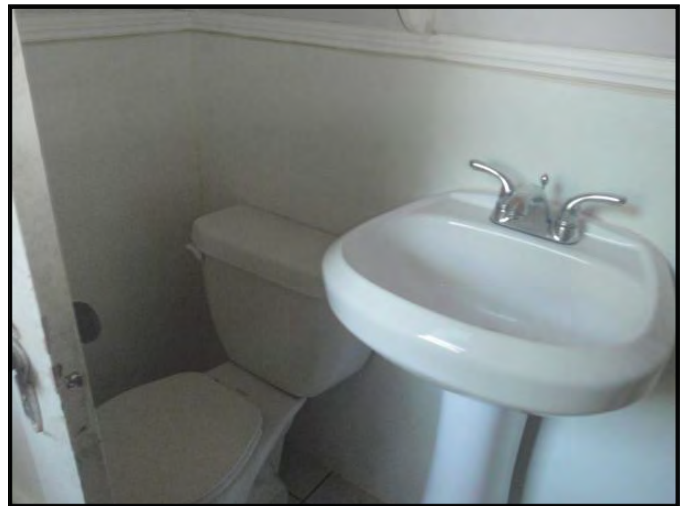
Unit #3 Bedroom #1



Unit #3 Kitchen



Unit #3 Bath



Unit #3 Bath (Another View)



Hall



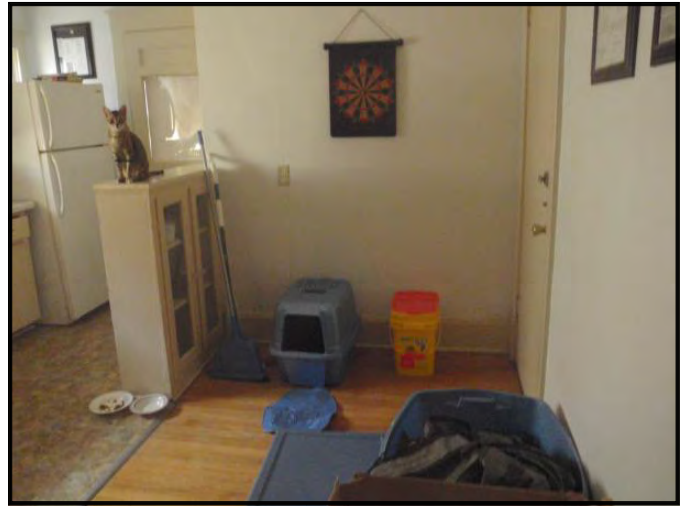
Unit #2 Bedroom #1

Subject Photos

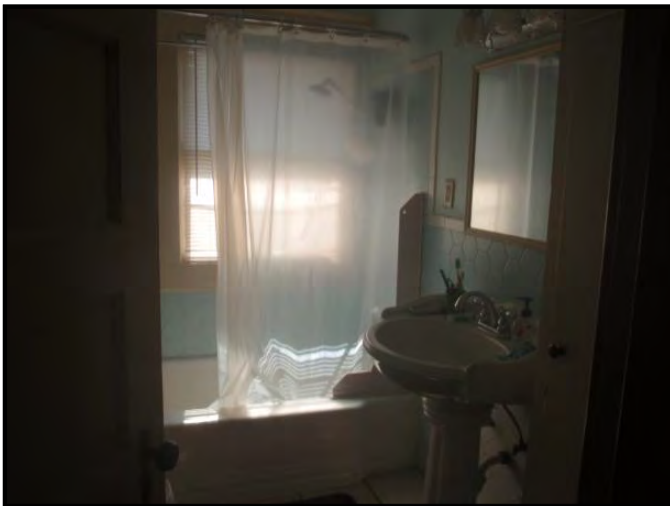
Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



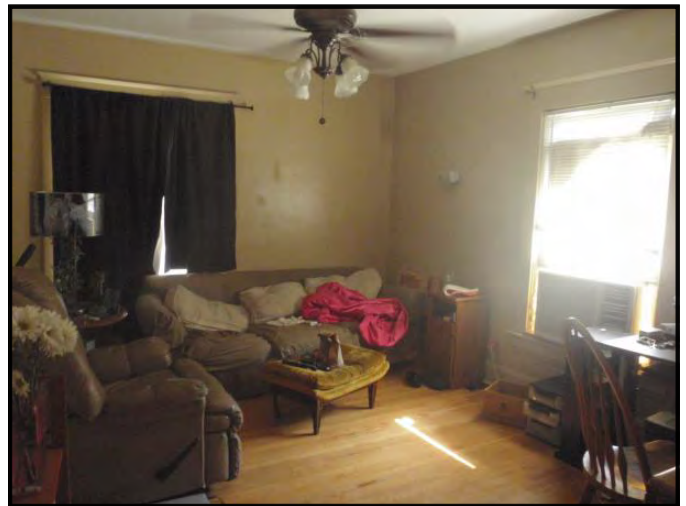
Unit #2 Kitchen



Unit #2 Dining Area



Unit #2 Bath



Unit #2 Living Room



Unit #2 Bedroom

Comparable Photo Page

Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Comparable 1

749 S South St
Sales Price 107,500
Gross Building Area 1,736
Age 112 (updated)



Comparable 2

1045 W Mt Vernon St
Sales Price 110,000
Gross Building Area 3,708
Age 117 (updated)



Comparable 3

1516 N Jefferson Ave
Sales Price 240,000
Gross Building Area 5,364
Age 82 (updated)

Small Residential Income Property Appraisal Report

File # 173012

SALES COMPARISON APPROACH	FEATURE	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6						
	Address 1040 E Walnut St Springfield, MO 65806					433 S Main Ave Springfield, MO 65806											
	Proximity to Subject					1.03 miles W											
	Sale Price		\$						\$ 159,900								
	Sale Price/Gross Bldg. Area		\$ sq.ft.			\$ 46.48 sq.ft.			\$ sq.ft.			\$ sq.ft.					
	Gross Monthly Rent		\$ 2,150			\$ 3,600			\$			\$					
	Gross Rent Multiplier					44.42											
	Price per Unit		\$			\$ 22,843			\$			\$					
	Price per Room		\$			\$ 7,995			\$			\$					
	Price per Bedroom		\$			\$ 39,975			\$			\$					
	Rent Control		☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☐ No			☐ Yes ☐ No					
	Data Source(s)					MLS#1204819											
	Verification Source(s)					Rltr/Assr											
	VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			+ (-) Adjustment			DESCRIPTION			+ (-) Adjustment		
	Sale or Financing					Active Listing											
	Concessions					LP/SP Ratio			-11,200								
	Date of Sale/Time					04/09/2012 LD											
	Location		Urban/Avg			Urban/Avg											
	Leasehold/Fee Simple		Fee Simple			Fee Simple											
	Site		11,271 Sq.Ft.			12545 sf m/l											
	View		N;Res;Commercial			N;Res;Comm											
	Design (Style)		Triplex 2 story			7Plex/2Story											
	Quality of Construction		Wd/Good			PS/Good											
	Actual Age		124 (updated)			103 (updated)											
	Condition		Average-Good			Average			+5,000								
Gross Building Area		2,788			3,440			-18,275									
Unit Breakdown		Total	Bdrms	Baths	Total	Bdrms	Baths				Total	Bdrms	Baths				
Unit # 1		5	2	1	8	0	3	-2,000									
Unit # 2		4	2	1	3	1	1										
Unit # 3		3	1	1	3	1	1										
Unit # 4					6	2	2	-2,000									
Basement Description		1,372 Sq.Ft.			0sf bsmt			+6,860									
Basement Finished Rooms		0 sf finish			0 sf finish												
Functional Utility		Average			Average												
Heating/Cooling		FA/CA			FA/None			+2,000									
Energy Efficient Items		Standard			Standard												
Parking On/Off Site		Parking Lot			Prkng Lot/3GCrprrt			-1,500									
Porch/Patio/Deck		C.Pch/C.Dk/Stoop			C.Pch/Patio			+1,000									
Amenities		Appl/FP1			Appliances			+1,000									
Amenities		Foyer/1/2Bath			None			+1,500									
Net Adjustment (Total)					☐ + ☒ -			\$ -17,615			☐ + ☐ -			\$			
Adjusted Sale Price of Comparables					Net Adj. 11.0 %						Net Adj. %						
					Gross Adj. 32.7 %			\$ 142,285			Gross Adj. %			\$			
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$			20,326						\$						
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$			7,114						\$						
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$			35,571						\$						
SALE HISTORY	Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).																
	ITEM	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6						
	Date of Prior Sale/Transfer	06/08/2012			None within 1 Years												
	Price of Prior Sale/Transfer	Undisclosed/Private Sale			N/A												
	Data Source(s)	MLS/Assr			MLS/Assr												
	Effective Date of Data Source(s)	07/18/2012			07/18/2012												
	Analysis of prior sale or transfer history of the subject property and comparable sales No sale or transfer history for the subject or comparables other than shown above per MLS and/or assessors office.																
ANALYSIS / COMMENTS	Analysis/Comments Quality of construction and condition adjustments were determined by personal inspection or by obtaining information from the appraiser of Realtor involved in each sale. Items taken into consideration are roof pitch, roofing material, exterior siding, windows, doors, ceiling heights, ceiling treatments, crown moldings, floor coverings and cabinets. Comparables are over 6 months old, however due to the stability of the market no time adjustments appeared necessary. Typical list to sale price percentages in the subject's area are at 93%. An adjustment was made to reflect typical market activity.																

Comparable Photo Page

Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Comparable 4

433 S Main Ave
Sales Price 159,900
Gross Building Area 3,440
Age 103 (updated)

Comparable 5

Sales Price
Gross Building Area
Age

Comparable 6

Sales Price
Gross Building Area
Age

Rental Photo Page

Borrower	N/A				
Property Address	1040 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC				



Rental 1

852 S South Ave
Proximity to Subject 0.91 miles SW
Gross Building Area 2,325
Age 107



Rental 2

433 S Main Ave
Proximity to Subject 1.03 miles W
Gross Building Area 3,440
Age 103



Rental 3

1111-1115 E Cherokee St
Proximity to Subject 1.95 miles S
Gross Building Area 2,796
Age 61

Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

Property Address		1040 E Walnut St Street		Springfield City	MO State	65806 Zip Code	
General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.							
	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1	Yes ☐ No ☒		\$	\$ 900	Electricity	☐	☒
Unit No. 2	Yes ☒ No ☐		\$ 685	\$ 700	Gas	☐	☒
Unit No. 3	Yes ☐ No ☒		\$	\$ 550	Fuel Oil	☐	☐
Unit No. 4	Yes ☐ No ☐		\$	\$	Fuel (Other)	☐	☐
Total			\$ 685	\$ 2,150	Water/Sewer	☐	☒
					Trash Removal	☐	☒

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (*for new properties the applicant's projected income and expenses must be provided*). This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (*e.g. Applicant/Appraiser 288/300*). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (*Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item*) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (<i>Do not include income for owner-occupied units</i>)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (<i>from unit(s) to be rented</i>) (Market)	\$ 25,800	\$
Other Income (<i>include sources</i>)	+	+
Total	\$ 25,800	\$
Less Vacancy/Rent Loss	- (%)	- (%)
Effective Gross Income	\$ 25,800	\$
Expenses (<i>Do not include expenses for owner-occupied units</i>)		
Electricity		
Gas		
Fuel Oil		
Fuel (Type -)		
Water/Sewer		
Trash Removal		
Pest Control		
Other Taxes or Licenses		
Casual Labor	200	
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating	500	
This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.		
General Repairs/Maintenance	250	
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses		
These are the customer expenses that a professional management company would charge to manage the property.		
Supplies	200	
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	725	
Miscellaneous		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
Total Operating Expenses	\$ 1,875	\$

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner’s operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year - such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 350	ea. ÷ 10 Yrs. x 3	Units = \$ 105	\$
Refrigerators	@ \$	ea. ÷ Yrs. x	Units = \$	\$
Dishwashers	@ \$ 350	ea. ÷ 10 Yrs. x 3	Units = \$ 105	\$
A/C Units	@ \$ 1,000	ea. ÷ 10 Yrs. x 1	Units = \$ 100	\$
C. Washer/Dryers	@ \$	ea. ÷ Yrs. x	Units = \$	\$
HW Heaters	@ \$ 150	ea. ÷ 10 Yrs. x 1	Units = \$ 15	\$
Furnace(s)	@ \$ 1,000	ea. ÷ 10 Yrs. x 1	Units = \$ 100	\$
(Other)	@ \$	ea. ÷ Yrs. x	Units = \$	\$
Roof	@ \$ 4,500	÷ 15 Yrs. x One Bldg. =	\$ 300	\$
Carpeting (Wall to Wall)				
		Remaining Life		
(Units)	Total Sq. Yds. @ \$	Per Sq. Yd. ÷ Yrs. =	\$	\$
(Public Areas)	Total Sq. Yds. @ \$	Per Sq. Yd. ÷ Yrs. =	\$	\$
Total Replacement Reserves. (Enter on Pg. 1)			\$ 725	\$

Operating Income Reconciliation

\$ 25,800	-	\$ 1,875	=	\$ 23,925	÷ 12 =	\$ 1,994
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ \$ 1,994	-	\$	=	\$		
Monthly Operating Income		Monthly Housing Expense		Net Cash Flow		

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

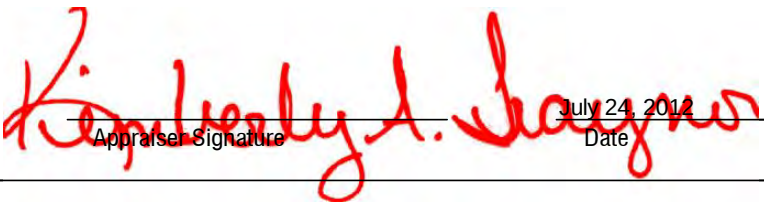
Underwriter’s instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the **subject property** to the borrower’s stable monthly income.

Underwriter’s instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower’s **primary residence** to the borrower’s stable monthly income.

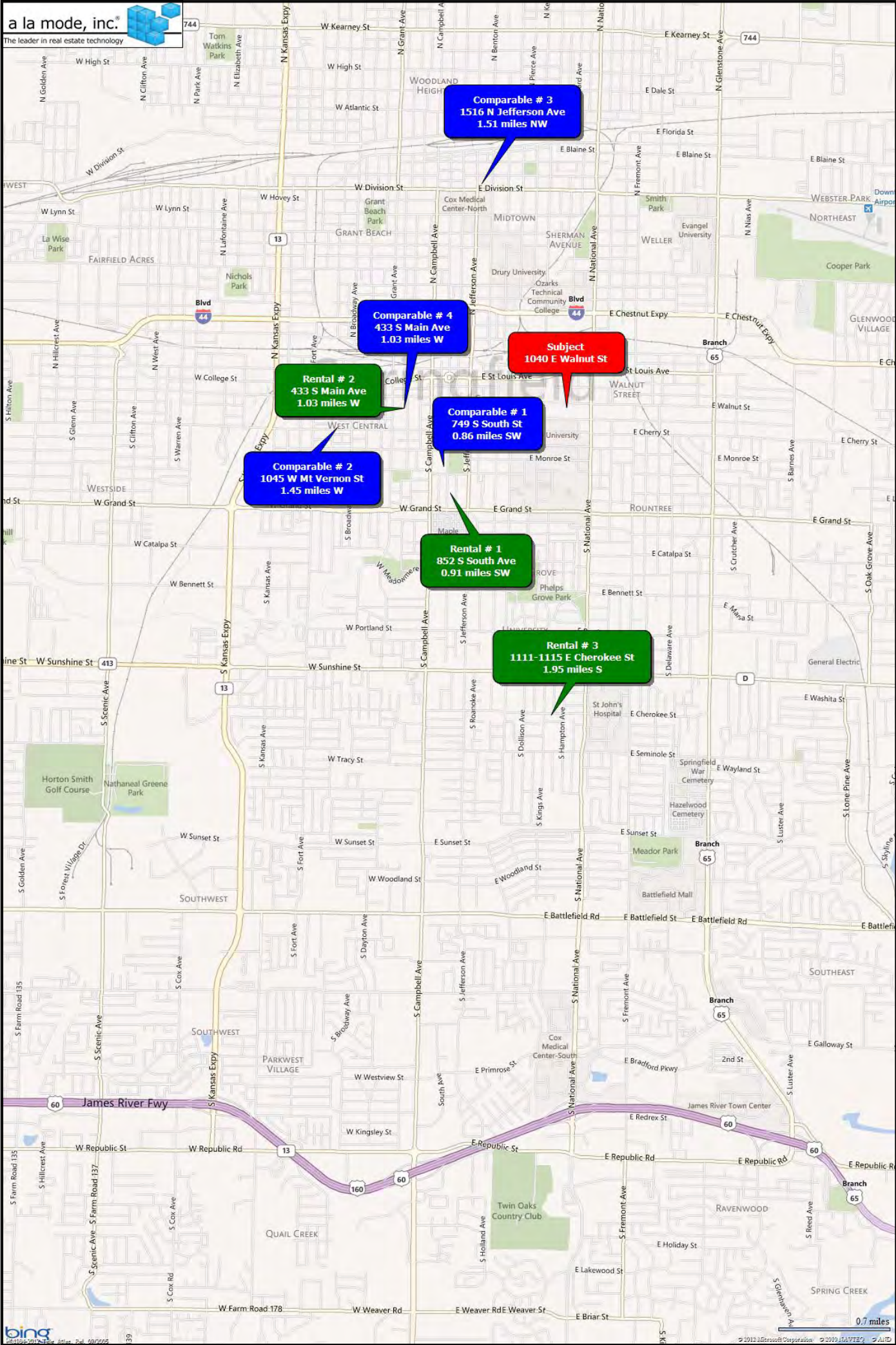
Appraiser’s Comments (Including sources for data and rationale for the projections)
Data recited is based on interviews with property managers, Realtors, Appraisers, analysis of current market trends and assessors records.

Kimberly A. Traynor		July 24, 2012
Appraiser Name		Date
Underwriter’s Comments and Rationale for Adjustments		

Underwriter Name	Underwriter Signature	Date
Freddie Mac Form 998 Aug 88	Page 2 of 2	Fannie Mae Form 216 Aug 88

Location Map

Borrower	N/A			
Property Address	1040 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65806
Lender	In Care of R&P Taylor Apartments, LLC			



Appendix D

Assessed Values

2012

Current Land:	\$3,500
Current Building:	\$19,150
Current Total:	\$22,650

2011

Current Land:	\$3,500
Current Building:	\$19,150
Current Total:	\$22,650

2010

Current Land:	\$3,800
Current Building:	\$19,150
Current Total:	\$22,950

Appendix E
Real Estate Property Taxes



Tax Year 2010
Greene County, Missouri
Real Estate Tax Receipt

88-13-24-112-012

This is an official receipt.



Greene County Real Estate Tax Receipt

Tax Year **2010**

DAMERON, CONNIE K
1257 S POST OAK CT
SPRINGFIELD, MO 65809

Date Posted 11-17-10
Receipt Number 302600
Transaction 10201418
Payment Amount 1146.28
Date Received 11-17-10
Account Number 88-13-24-112-012

Where Your Taxes Go

Springfield R12 school district	712.93	Road	26.00
Tax Increment Finance	163.35	County General Revenue	26.00
City of Springfield	118.39	County Senior Citizens' Services	9.68
Library	47.47	County Developmental Disability Programs	9.09
Vocational College Tax	27.47	State of Missouri	5.90

Location Address:1040 E WALNUT ST

The account is **PAID IN FULL** for tax year 2010 for the following described property:
SMITHS ADD E ADD LOT 13



10201418-302600



Tax Year 2011
Greene County, Missouri
Real Estate Tax Receipt

88-13-24-112-012

This is an official receipt.



Greene County Real Estate Tax Receipt

Tax Year **2011**

DAMERON, CONNIE K
1257 S POST OAK CT
SPRINGFIELD, MO 65809

Date Posted 12-31-11
Receipt Number 380850
Transaction 11400432
Payment Amount 1134.11
Date Received 01-09-12
Account Number 88-13-24-112-012

Where Your Taxes Go

Springfield R12 school district	715.74	Road	25.72
Tax Increment Finance	148.72	County General Revenue	25.72
City of Springfield	118.26	County Senior Citizens' Services	9.70
Library	47.59	County Developmental Disability Programs	9.11
Vocational College Tax	27.65	State of Missouri	5.90

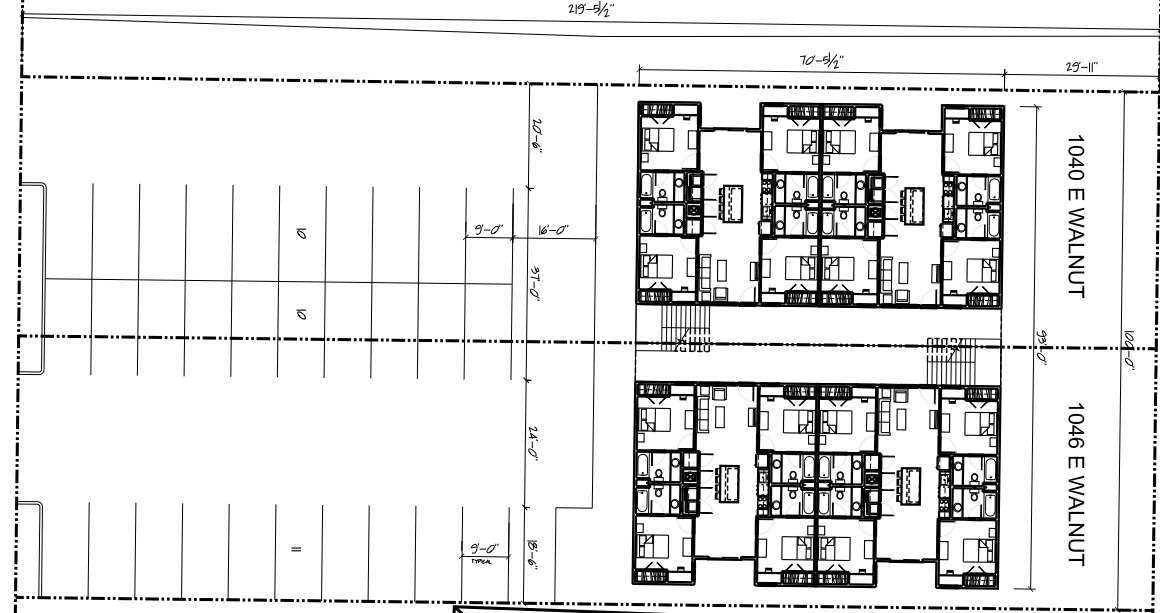
Location Address:1040 E WALNUT ST

The account is **PAID IN FULL** for tax year 2011 for the following described property:
SMITHS ADD E ADD LOT 13



11400432-380850

Appendix F
Proposed Development



ACCESS ALLEY





Appendix G

Closing Documents



A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT		B. TYPE OF LOAN: 1. ☐ FHA 2. ☐ FmHA 3. ☐ CONV. UNINS. 4. ☐ VA 5. ☐ CONV. INS. 6. FILE NUMBER: 1205322 7. LOAN NUMBER: 8. MORTGAGE INS CASE NUMBER:				
C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals. 1.0 3/98 (1205322.PFD/1205322/17)						
D. NAME AND ADDRESS OF BORROWER: R & P TAYLOR APARTMENTS LLC		E. NAME AND ADDRESS OF SELLER: CONNIE K. DAMERON		F. NAME AND ADDRESS OF LENDER:		
G. PROPERTY LOCATION: 1040 E. WALNUT STREET SPRINGFIELD, MO GREENE County, Missouri LOT 13 AD E SMITH'S ADDITION		H. SETTLEMENT AGENT: 43-0799985 Hogan Land Title PLACE OF SETTLEMENT 1605 E Sunshine Springfield, MO 65804			I. SETTLEMENT DATE: June 8, 2012	
J. SUMMARY OF BORROWER'S TRANSACTION				K. SUMMARY OF SELLER'S TRANSACTION		
100. GROSS AMOUNT DUE FROM BORROWER:				400. GROSS AMOUNT DUE TO SELLER:		
101. Contract Sales Price 140,000.00				401. Contract Sales Price		
102. Personal Property				402. Personal Property		
103. Settlement Charges to Borrower (Line 1400) 6,371.00				403.		
104.				404.		
105.				405.		
Adjustments For Items Paid By Seller in advance				Adjustments For Items Paid By Seller in advance		
106. City/Town Taxes to				406. City/Town Taxes to		
107. County Taxes to				407. County Taxes to		
108. Assessments to				408. Assessments to		
109.				409.		
110.				410.		
111.				411.		
112.				412.		
120. GROSS AMOUNT DUE FROM BORROWER 146,371.00				420. GROSS AMOUNT DUE TO SELLER		
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:				500. REDUCTIONS IN AMOUNT DUE TO SELLER:		
201. Deposit or earnest money 1,000.00				501. Excess Deposit (See Instructions)		
202. Principal Amount of New Loan(s)				502. Settlement Charges to Seller (Line 1400)		
203. Existing loan(s) taken subject to				503. Existing loan(s) taken subject to		
204.				504.		
205.				505.		
206.				506.		
207.				507.		
208.				508.		
209.				509.		
Adjustments For Items Unpaid By Seller				Adjustments For Items Unpaid By Seller		
210. City/Town Taxes to				510. City/Town Taxes to		
211. County Taxes 01/01/12 to 06/09/12 495.79				511. County Taxes to		
212. Assessments to				512. Assessments to		
213.				513.		
214.				514.		
215.				515.		
216.				516.		
217.				517.		
218.				518.		
219.				519.		
220. TOTAL PAID BY/FOR BORROWER 1,495.79				520. TOTAL REDUCTION AMOUNT DUE SELLER		
300. CASH AT SETTLEMENT FROM/TO BORROWER:				600. CASH AT SETTLEMENT TO/FROM SELLER:		
301. Gross Amount Due From Borrower (Line 120) 146,371.00				601. Gross Amount Due To Seller (Line 420)		
302. Less Amount Paid By/For Borrower (Line 220) (1,495.79)				602. Less Reductions Due Seller (Line 520)		
303. CASH (X FROM) (TO) BORROWER 144,875.21				603. CASH (X TO) (FROM) SELLER		

By signing page 2 of this statement, the signatories acknowledge receipt of a completed copy of page 1 of this two page statement.

L. SETTLEMENT CHARGES						
700. TOTAL COMMISSION Based on Price			\$	140,000.00 @ 4.0000 %	5,600.00	
Division of Commission (line 700) as Follows:						
701. \$ 5,600.00 to MURNEY ASSOCIATES						PAID FROM BORROWER'S FUNDS AT SETTLEMENT
702. \$ to						PAID FROM SELLER'S FUNDS AT SETTLEMENT
703. Commission Paid at Settlement						
704. to					5,600.00	
800. ITEMS PAYABLE IN CONNECTION WITH LOAN						
801. Loan Origination Fee % to						
802. Loan Discount % to						
803. Appraisal Fee to						
804. Credit Report to						
805. Underwriting Fee to						
806. Yield Spread Premium to						
807. Flood Certification to				POC \$		
808. Tax Service Fee						
809. Lenders Inspection Fee						
810. Document Preparation Fee						
811. Courier Fee to Lender						
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE						
901. Interest From to @ \$ /day (days %)						
902. MIP Totlns. for LifeOfLoan for months to						
903. Hazard Insurance Premium for 1.0 years to						
904.						
905.						
1000. RESERVES DEPOSITED WITH LENDER						
1001. Hazard Insurance months @ \$ per month						
1002. Mortgage Insurance months @ \$ per month						
1003. City/Town Taxes months @ \$ per month						
1004. County Taxes months @ \$ per month						
1005. Assessments months @ \$ per month						
1006. months @ \$ per month						
1007. months @ \$ per month						
1008. Aggregate Adjustment months @ \$ per month						
1100. TITLE CHARGES						
1101. Settlement or Closing Fee to Hogan Land Title					250.00	250.00
1102. Abstract or Title Search to Hogan Land Title						175.00
1103. Title Examination to						
1104. Courier Fees to Hogan Land Title						
1105. Document Preparation to				PAYOFF		20.00
1106. Insured Closing Protection Fee to First American Title Insurance Company					0.00	0.00
1107. Attorney's Fees to						
(includes above item numbers:)						
1108. Title Insurance to Hogan Land Title					486.00	
(includes above item numbers:)						
1109. Lender's Coverage \$						
1110. Owner's Coverage \$ 140,000.00 162.00						
1111. Title Service Charge Hogan Land Title						
1112. E-Recording Fee to Hogan Land Title					5.00	
1113. Express Delivery						
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES						
1201. Recording Fees: Deed \$ 30.00; Mortgage \$; Releases \$					30.00	
1202. City/County Tax/Stamps: Deed ; Mortgage						
1203. State Tax/Stamps: Deed ; Mortgage						
1204. Record Assignment RECORDER OF DEEDS						
1205.						
1300. ADDITIONAL SETTLEMENT CHARGES						
1301. Survey to						
1302. Pest Inspection to						
1303. Home Warranty						
1304. Home Owners Association Dues						
1305.						
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)					6,371.00	445.00

Certified to be a true copy.

ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

Borrower: R & P TAYLOR APARTMENTS LLC

Seller: CONNIE K. DAMERON

Settlement Agent: Hogan Land Title
(417)882-3000

Place of Settlement: 1605 E Sunshine
Springfield, MO 65804

Settlement Date: June 8, 2012

Property Location: 1040 E. WALNUT STREET
SPRINGFIELD, MO
GREENE County, Missouri
LOT 13 AD E SMITH'S ADDITION

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

R & P TAYLOR APARTMENTS LLC

BY: [Signature]
MEMBER

[Signature]
CONNIE K. DAMERON

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

[Signature]
Hogan Land Title
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

General Warranty Deed

THIS DEED, Made and entered into this 8 day of June, 2012, by and between

Grantor: **CONNIE K. DAMERON** , a single person

of the County of GREENE, State of MISSOURI, party or parties of the first part, and

Grantee: **R & P TAYLOR APARTMENTS LLC**

of the County of GREENE, MISSOURI, party or parties of the second part,

Grantee's mailing address: 1257 S Post Oak Ct Spbals mo 65809

WITNESSETH, that the said party or parties of the first part, for and in consideration of the sum of Ten Dollars and other good and valuable considerations paid by the said party or parties of the second part, the receipt of which is hereby acknowledged, does or do by these presents GRANT, BARGAIN AND SELL, CONVEY AND CONFIRM unto the said party or parties of the second part, the following described Real Estate, situated in the County of GREENE and State of Missouri, to-wit:

ALL OF LOT THIRTEEN (13), AD. E. SMITH'S ADDITION, TO THE CITY OF SPRINGFIELD, GREENE COUNTY, MISSOURI.

SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND COVENANTS OF RECORD, IF ANY.
TO HAVE AND TO HOLD THE SAME, Together with all rights and appurtenances to the same, belonging unto the said party or parties forever.

IN WITNESS WHEREOF, the said party or parties of the first part has or have hereunto set their hand or hands the day and year first above written.

The said party or parties of the first part covenanting that said party or parties and the heirs, executors, administrators and assigns of such party or parties, shall and will WARRANT AND DEFEND the title to the premises unto the said party or parties of the second part, and to the heirs and assigns of such party or parties forever, against the lawful claims of all person whomsoever, excepting however, the general taxes for the current calendar year, and thereafter, and special taxes becoming a lien after the date of this deed, and restrictions, easements and building set back lines of record if any, and zoning laws.



CONNIE K. DAMERON

STATE OF MISSOURI,

)

)

SS.

County of GREENE

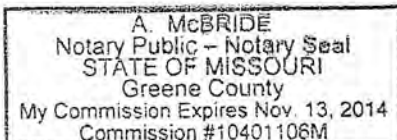
)

On this 8 day of June, 2012, before me personally appeared CONNIE K. DAMERON, * to me known to be the person(s) described in and who executed the forgoing 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 my official seal, at my office in SPRINGFIELD, MO the day and year first above written.

* a single person



1205322



Notary Public

Notice of Unprotected Closing or Settlement

To: R & P TAYLOR APARTMENTS, LLC

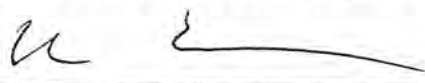
A Closing protection letter protects a buyer, lender, or seller against losses because of the following acts of the title insurer's named issuing title agency or agent:

- a) Acts of theft of settlement funds or fraud with regard to settlement funds; and
- b) Failure to comply with written closing instructions by the proposed insured when agreed to by the title agency or title agent relating to title insurance coverage.

Under section 381.058.3, RSMo., a title insurer had the authority to issue closing protection letters ONLY for transactions in which it is issuing a title insurance policy and its issuing agent or agency is performing closing or settlement services.

Waiver

This is to certify that the foregoing Disclosure of Closing and Settlement Risk has been explained to me, and that I understand that no title insurer is providing any protection to me for closing and settlement funds received by it, or its policy issuing agency or agent.

By: X 

By: _____

STATE OF MISSOURI

Commitment Number:

)
) SS.
)

1205322

COUNTY of GREENE

AFFIDAVIT IN LIEU OF SURVEY

Date: 6/8/2012

The Undersigned being first duly sworn, deposes and says:

1. That I/we, being the owner(s) of record of the property described in the above numbered title Commitment or Policy, did not receive any survey at the time I/we purchased the property nor have I/we subsequently obtained a survey, or if I/we did receive a survey I/we are now unable to locate it. Also I/we have been advised by my/our lender that they do not have a survey in their files.

2. The property is residential in character and does not contain more than four family units.

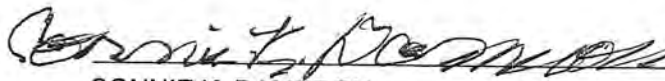
3. To the best of my/our knowledge, I/we certify there are no present violations of any enforceable covenants conditions or restrictions or plat building lines.

4. To the best of my/our knowledge, I/we certify that the improvements (house, garage, outbuildings, etc) on the subject property are within the boundary lines and setback lines if any, of said property, and that there are no encroachments by improvements on adjoining property onto subject property, that there are also no encroachments of existing improvements on said property onto any easements located on said property, and that I/we know of no assertions being made by any adjoining property owner nor by me/us against them as to the location of the boundary lines or disputes as to the occupancy of any portion of our property or their property except:

5. I/we are the only occupant(s) of the property except:

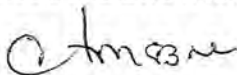
6. There are no walkways or driveways located on the property that are used in common by adjoining owners except:

This affidavit is given to FIRST AMERICAN TITLE INSURANCE COMPANY and HOGAN LAND TITLE COMPANY its agent as an inducement to issue its Loan Policy over questions of survey, encroachments, and easements.

 (Seal)
CONNIE K. DAMERON

_____(Seal)

Subscribed and Sworn to before me this 8th day of June, 20 12.



A. McBRIDE
Notary Public - Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires Nov. 13, 2014

AFFIDAVIT BY OWNER AND/OR MORTGAGOR

STATE OF MISSOURI)
COUNTY OF *GREENE*)

The undersigned, in consideration of FIRST AMERICAN TITLE INSURANCE CO. issuing its Policy(s) of title insurance insuring an interest in or title to the real estate described herein, and being first duly sworn on oath, deposes and states as follows:

- 1 That the undersigned is the Owner(s) of the real estate referred to herein, which is described as follows:
ALL OF LOT THIRTEEN (13), AD. E. SMITH'S ADDITION, TO THE CITY OF SPRINGFIELD, GREENE COUNTY, MISSOURI.
- 2 That there are no pending or levied assessments on the real estate, including but not limited to those for trees, sidewalks, streets, sewers and water lines; nor any unpaid sewer connect charges.
- 3 That there are no pending easements, party walls, agreements, or rights-of-way, which encumber the real estate.
- 4 That there are not any unpaid bills or claims for labor, services, or materials; nor any improvement or repair contracts, home improvement loans, unrecorded mortgages, chattel mortgages, conditional bills of sale, retention of title agreements, security agreements, agreements not to sell or encumber, financing statements, or personal property leases; which affect the real estate or which affect any fixtures, appliances, or equipment now installed in or on the real estate.
- 5 That the improvements on the real estate were completed more than two (2) years ago, and that there has not been any new construction or repair work performed on the real estate for at least two (2) years; except as follows:
- 6 That the undersigned does not have any knowledge of any facts by reason of which title or possession of the real estate might be questioned or disputed, and does not have any knowledge of any rights of possession by any other party under any tenancy, lease, or other agreement, written or oral; except as follows:

Connie K. Dameron
CONNIE K. DAMERON

Affiant

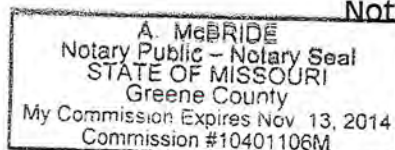
Affiant

Subscribed and sworn to before this 8th day of June, 2012.

A. McBride

Notary Public

My commission expires :





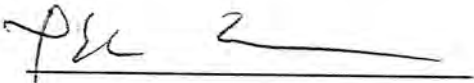
LEGAL DESCRIPTION AGREEMENT

1. The undersigned parties herein state the legal description for Commitment #1205322 was provided by CONTRACT

If no legal description was provided by the undersigned, it is understood that the legal description for which this company relied upon for its title search may have been based upon a street address (or other information) only. You should therefore carefully examine the legal description and verify that it is correct.

2. The undersigned agree that they have reviewed the legal description and acknowledge that it is correct and is the exact property identified in the real estate contract.

3. The undersigned agree that if an error in the legal description is discovered after this transaction is complete, all parties will take any necessary actions to correct such errors. This includes re-signing and/or executing any Deeds, Affidavits or Agreements to correct the legal description.



Buyer



Seller

Buyer

Seller

Phone Number

Address

Phone Number

Appendix H
Proof of Financial Ability

Empire Bank



July 25, 2012

To Whom It May Concern:

Empire Bank has a Money Market Account in the name of Richard L Taylor Trust with Prinda Anne Taylor as Trustee in the amount of \$1,862,235.43.

Sincerely,

Mary Lou Byrd

Customer Service Representative

Hammons Tower Branch

417-841-4215 phone

417-869-8611 fax

mary_byrd@empirebank.com

Empire Bank



July 25, 2012

To Whom It May Concern:

Empire Bank has a Money Market Account in the name of Richard L Taylor Trust with Prinda Anne Taylor as Trustee in the amount of \$1,862,235.43.

Sincerely,

Mary Lou Byrd

Customer Service Representative

Hammons Tower Branch

417-841-4215 phone

417-869-8611 fax

mary_byrd@empirebank.com



LANDMARKS BOARD

CITY OF SPRINGFIELD
P.O. BOX 8368
SPRINGFIELD, MISSOURI 65801
417-864-1031

STAFF REPORT

WALNUT STREET URBAN CONSERVATION DISTRICT – WEST

DATE: August 1, 2012

PROPOSAL:

1. Demolish historic structure and redevelop site with a twenty-four (24) bed apartment.

BACKGROUND:

LOCATION: 1046 E. Walnut Street

APPLICANT: R&P Taylor Apartments, LLC

RECOMMENDATION:

The Landmarks Board will need to determine whether the structure has degenerated beyond feasible limits for rehabilitation or rehabilitation is impracticable and there is an economic hardship.

FINDINGS:

1. The house at 1046 E. Walnut St. is considered a contributing structure in the Walnut Street National Historic District and Walnut Street- West Urban Conservation District.
2. The Walnut Street Urban Conservation District – West ordinance gives specific criteria when evaluating a Certificate of Economic Hardship for the demolition of a contributing structure.

STAFF CONTACT:

Daniel Neal
Senior Planner
864-1036

ATTACHMENT A
BACKGROUND REPORT
1046 E. Walnut Street

STAFF COMMENTS:

1. The Walnut Street Urban Conservation District – West ordinance Section 4.B. Subsections 2 and 3 provides the board with standards and requirements when evaluating a proposed demolition of a contributing structure. It states that the Board shall balance the interest of the public in preserving the structure, site, or portion thereof and the interest of the owner in its utilization.
2. The Walnut Street Urban Conservation District – West ordinance Section 4.B.2.b. requires the Landmarks Board to consider the following standards:
 - a. The visual and spatial relationship of the structure to its surroundings and to the rest of the Walnut Street Urban Conservation District – West.
 - b. The Board shall consult the Walnut Street Historic Survey, the Walnut Street Historic District National Register Nomination and/or the Walnut Street Preservation Plan in addition to those items contained in Section 4-2403.D.4. of the Zoning Ordinance.
 - c. The alternatives available to the demolition include:
 - 1) Donation of the subject structure or site to a public or benevolent agency.
 - 2) Donation of a part of the value of the subject structure or site to a public or benevolent agency, including the conveyance of the development rights and façade easements.
 - 3) The possibility of sale of the structure or site, or any part thereof, to a prospective purchaser capable of preserving such structure or site.
 - 4) The potential of such structure or site for renovation and its potential for continuing use.
3. As referenced in the UCD, Subsection 4-2403.D.4. of the Zoning Ordinance provides additional standards for the Landmarks board to follow:
 - a. The degree to which the proposed removal would serve to destroy the integrity and continuity of the Historic Landmark or Historic District of which it is part.
 - b. The nature of the resource as a representative type or style of architecture, socio-economic development, historical association or other element of the original designation criteria applicable to such structure or site.

- c. The condition of the resource from the standpoint of structural integrity and the extent of work necessary to stabilize the structure.
 - d. The ability of the subject structure or site to produce a reasonable economic return on investment to its owner, provided, however, that it is specifically intended that this factor shall not have exclusive control and effect, but shall be considered along with all other criteria contained in this section.
 - e. The post-demolition plans for the site and the relation of those plans to the surrounding area.
4. All proposed work is required to receive a building permit to be issued by Building Development Services. All other requirements of the Walnut Street UCD, Zoning Ordinance and Building Code shall apply.

ATTACHMENT B
DESIGN STANDARDS & GUIDELINES
1046 E. Walnut Street

PERTINENT SECRETARY OF THE INTERIOR'S STANDARDS (FOR REHABILITATION)

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

**CERTIFICATE OF ECONOMIC HARDSHIP REVIEW CRITERIA
(SUBSECTION 4-2404.B.)**

The Landmarks Board will review the application at a public hearing and may solicit expert testimony or require that the applicant for a Certificate of Economic Hardship make submissions concerning any or all of the following information before it makes a determination on the application.

1. Estimate of the cost of the proposed construction, alteration, demolition, or removal and an estimate of any additional cost that would be incurred to comply with the recommendations of the Landmarks Board for changes necessary for the issuance of a Certificate of Appropriateness.
2. A report from a licensed engineer or architect with experience in recognized historic property rehabilitation, as to the structural soundness of any structures on the property and their suitability for rehabilitation.
3. A report from a state-certified real estate appraiser as to the estimated market value of the property in its current condition, after completion of the proposed construction, alteration, demolition or removal, after any changes recommended by the Landmarks Board and, in the case of a proposed demolition, after renovation of the existing property for continued use.
4. In the case of a proposed demolition, an estimate from an architect, developer, real estate consultant, appraiser or other real estate professional, experienced in recognized historic property rehabilitation, as to the economic feasibility of rehabilitation or reuse of the existing structure on the property.
5. If the property is income-producing, the annual gross income from the property for the previous two (2) years, itemized operation and maintenance expenses for the previous two (2) years, and depreciation deduction and annual cash flow before and after debt service, if any, during the same period.

6. All appraisals obtained within the previous two (2) years by the owner or applicant in connection with the purchase, financing, or ownership of the property.
7. Any listing of the property for sale or rent, price asked and offers received, if any, within the previous two (2) years.
8. Assessed value of the property according to the two (2) most recent assessments.
9. Real estate taxes for the previous two (2) years.
10. Form of ownership or operation of the property, whether sole proprietorship, for profit or not-for-profit corporation, limited partnership, joint venture, or other.
11. Amount paid for the property, date of purchase, and the party from whom purchased, including a description of the relationship, if any, between the owner of record or applicant and the person from whom the property was purchased, and any terms of financing between the seller and buyer.
12. Annual debt service, if any, for the previous two years.
13. Any consideration by the owner as to profitable adaptive uses for the property.
14. Replacement construction plans for the property in question. Post-demolition plans shall include, but are not limited to, drawings or sketches with sufficient detail to show the exterior appearance and architectural design of the proposed building or use, but does not require construction documents to be completed.
15. Financial proof of the ability to complete the replacement project, which may include but not be limited to a performance bond, a letter of credit, a trust for completion of improvements, or a letter of commitment from a financial institution.
16. Any other information considered necessary by the Landmarks Board to a determination as to whether the property does yield or may yield a reasonable return to the owners.

ORDINANCE REVIEW

In addition, General Ordinance No. 4619, which created the Walnut Street Urban Conservation district-West states:

In the event the Board concludes that the request, if granted, will have a detrimental effect upon the Urban Conservation District (UCD) or any adverse effect on an historical or architectural resource, then the Board shall deny the request for a certificate.

ATTACHMENT C
ARCHITECTURAL SIGNIFICANCE
1046 E. Walnut Street

ARCHITECTURAL SIGNIFICANCE:

The architectural survey that was completed on this house stated the following about the architectural elements of the house:

Hip dormers on the west and front elevations with broad projecting eaves. Doubled windows with one over one sash in double hung windows. The eaves on the house itself also project noticeably with simple frieze board which doubles as the window heads to the second story window openings. All windows are one over one sash with a narrow simple applied moulding to the window head at the first story window openings. Three bay façade with center bay entrance. The doorway is flanked by sidelights and a transom. The front elevation is dominated by a one-story hipped roof porch across the entire front. The cornice and entablature are unadorned on the porch-underneath are round wood columns with Tuscan capitals resting on piers of rough faced cast stone. The balustrade is of wood with turned balusters. The structure of the porch itself and the steps leading to it are wood. At the street is a cast stone hitching post which is square and tapering.

**Application for Certificate of Economic Hardship
to the
Director of Planning and Development
for**

**1046 E Walnut
Springfield, Missouri, 65808**

Prepared for
R&P Taylor Apartments, LLC
PO Box 4386
Springfield , MO 65806

Prepared by
Bates & Associates Architects
433 W Walnut
Springfield , MO 65806



**Application for Certificate of Economic Hardship
to the
Director of Planning and Development**

Instructions to applicant(s)

You must complete this application and submit it to the Director's office at least 15 working days before a scheduled Landmarks Board meeting.

Not less than 10 days before hearing your application, the Landmarks Board will post signs on the property relevant to your application that indicate:

- a. the action you propose; and,
- b. the hearing time, date and place.

You must submit the items that apply to your case in the attached "Review Criteria" checklist. Just attach them to the checklist. For your convenience, the checklist has boxes that you can check as you gather each item. If an item does not apply to your case, write "NA" on the check box.

Applicant Statements

My(our) name(s) is (are) **Bates & Associates Architects, C.O. Steve Warlick**

The structure address is **1046 E Walnut, Springfield, MO 65806**

(Check only one of the boxes below. For the box you check, fill in the lines after either "a." or "b." according to the statement you wish to make. Providing photographs is helpful.)

***X** Total degeneration*

- a. The structure has degenerated beyond feasible limits for rehabilitation because
N/A

; or,

- b. The structure's rehabilitation is impracticable because:

The major components of the building have degraded to the point where a majority of the elements of the building will have to be renovated or replaced in order to make the structure habitable for its intended purpose. The scope of these repairs is outlined in the attached architect's report. The major limiting factor of the rehabilitation is that the structure will lose three occupants as a result of renovation. This decreases the return on investment when compared to the cost of renovation from a redevelopment standpoint.

and,

- c. I(we) have an economic hardship.

☐ *Partial degeneration*

- a. The structure's _____(specify parts, e.g., windows)
have degenerated beyond feasible limits for rehabilitation because

N/A

- b. For the structure's _____(specify parts, e.g.,
windows), rehabilitation is impracticable because

N/A

; and,

- c. I(we) have an economic hardship.

Applicant Signatures



Steven W. Warlick

Review Criteria

- ☐ Cost estimate of:

See Section B.1.1

- ☐ A report from a licensed engineer or architect with experience in recognized historic property rehabilitation on the structural soundness of any structures on the property and their suitability for rehabilitation.

See Section A & B

- ☐ A report from a state-certified real estate appraiser as to the property's estimated market value:

- a. in its current condition; **See Appendix B**
- b. after completing the construction, alteration, demolition, or removal you propose; **See Appendix C**
- c. after any changes the Landmarks Board recommends; and,
See Section B.2.1 and B.2.2
- d. in the case of a proposed demolition, after renovating the existing property for continued use.

See Section B.2.2

- ☐ In the case of a proposed demolition, an estimate from an architect, developer, real estate consultant, appraiser or other real estate professional, experienced in recognized historic property rehabilitation, on the economic feasibility of rehabilitation or reuse of the existing structure on the property.

See Section B

- ☐ If the property is income-producing, for the previous 2 years:

See Appendix D

- ☐ All property appraisals within the previous 2 years.

See Appendix B&C

- ☐ Any listing of the property for sale or rent, price asked and offers received, if any, within the previous 2 years.

See Appendix H

- ☐ Assessed value of the property according to the 2 most recent assessments.

See Appendix E

- ☐ Real estate taxes for the previous 2 years.

See Appendix F

- ☐ Form of ownership or operation of the property:

- a. sole proprietorship;
- b. for profit;
- c. not-for-profit corporation;
- d. limited partnership;
- e. joint venture; or,
- f. other **Single Member LLC, -- R&P Taylor Apartments, LLC**

☐

- a. Amount paid for the property **Not Disclosed**;
- b. purchase date **1980**; and,
- c. seller's name **Unknown at this point**

- ☐ Annual debt service, if any, for the previous 2 years.

N/A

- ☐ Describe any profitable, adaptive uses you have considered for the property:

See Section B.2 and Appendix G

- ☐ Describe any replacement-construction plans you have for the property. (Include, among other things, drawings or sketches with sufficient detail to show the exterior appearance and architectural design you propose.

See Section B.2 and Appendix G

- ☐ Financial proof of your ability to complete the replacement project:

- a. performance bond;
- b. letter of credit;
- c. trust for completion of improvements; or,
- d. letter of commitment from a financial institution.

See Appendix I

Table of Contents

A. Existing Condition Report

A.1 Hazardous Materials

A1.1 Exterior

A1.2 Interior

A.2 Code Compliance

A.2.1 Exterior

A.2.2 Interior

A.3 Demolition and General Repair

A.3.1 Exterior

A.3.2 Interior

B. Economic Feasibility

B.1 Rehabilitation

B.1.1 Rehabilitation Costs

B.1.2 Appraised Values

B.1.3 Income Assessment

B.2 Redevelopment

B.2.1 Proposed Development

B.2.2 Appraised Values

B.2.3 Income Assessment

C. Appendices

<u>Appendix A</u>	Supporting Images
<u>Appendix B</u>	Existing Condition Appraisal
<u>Appendix C</u>	Appraisal of Rehabilitated Structure
<u>Appendix D</u>	Property Income Information
<u>Appendix E</u>	Assessed Values
<u>Appendix F</u>	Real Estate Property Taxes
<u>Appendix G</u>	Proposed Development
<u>Appendix H</u>	Property Listing
<u>Appendix I</u>	Proof of Financial Ability



www.batesarchitects.com
phone 417.865.2065
facsimile 417.865.8313
433 west walnut,
springfield missouri 65806

July 25, 2012

To:
City of Springfield Missouri
Landmarks Board
Busch Municipal Building
Second Floor
840 Booneville, MO 65802

CC:
R&P Taylor Apartments, LLC
PO Box 4386
Springfield , MO 65806

The following report was completed at the request of R&P Taylor Apartments for the structure located at 1046 E Walnut, Springfield, MO. The purpose of this report is to describe the existing condition and outline the scope of work required for rehabilitation of the structure in order to determine if rehabilitation is economically appropriate. The review showed that it does not appear to be economically feasible to rehabilitate the property to produce income. It is recommended that the building be demolished and the property be developed as described herein to both enhance the current street scape and generate revenue.

Sincerely,
Steve Warlick, AIA, NCARB, LEED AP

A handwritten signature in black ink, appearing to read 'Steve Warlick'.

07/25/2012

A. Existing Condition Report

The building located at 1046 E Walnut was visited by representatives of Bates & Associates on July 16th 2012. A general and non-destructive inspection of the building found it to be in a state of degradation and disrepair (Fig. 1.1, 1.2). The paint on the exterior of the building is in poor condition with a majority of the paint peeling and flaking off the walls (Fig. 1.3). The exterior means of egress are not compliant with either the IBC or ADA requirements (Fig. 1.4, 1.5). The interior of the building displayed signs of damage on all walls and floors. There is a very strong smell of smoke, urine, and mold throughout the building. The mold smell suggests that it is pervasive and extensive. For the property to be restored to a habitable condition the building will have to be rehabilitated in the following areas: hazardous material abatement, code compliance, demolition and general repair.

A.1 Hazardous Materials

Based on the age of the building it is assumed that lead and asbestos will be found throughout the building. All of the work performed on the building shall be carried out in compliance with the Federal and State guidelines for lead and asbestos abatement by a contractor licensed to perform these services.

A1.1 Exterior

A review of the exterior of the project found the paint on the exterior of the building (including the windows, doors, and siding) to be peeling and flaking off on most surfaces (Fig. 1.3). Encapsulation is not possible in most of these areas. The paint will need to be removed and the surfaces repainted.

A1.2 Interior

The interior finishes of the building will also need to be treated as if hazardous materials are present and shall be tested prior to repair. The hazardous materials to be tested for include lead, asbestos, and mold. In addition to these hazardous materials rodent activity was seen on the second floor and in the attic and actions will need to be taken to remove and repair any damage associated with their presence in the building.

A.1.2.1 Mold

The smell of mold present in the air leads to the need for the lath and plaster be removed from the interior walls and ceilings (Fig. 1.6). Once the lath and plaster is removed a licensed professional shall inspect the building for mold. Any mold found in the wall cavity shall be abated prior to any new work taking place. New insulation shall be installed after demolition and mold abatement. The walls and ceilings will need to be finished with gypsum board.

The bathrooms of the building were found to be in disrepair and mold visibly present at the tub and shower units (Fig. 1.7, 1.8). It is assumed that there is mold present behind and below the units and it is recommended that the showers be removed and the mold be remediated. With the location and extent of the mold in the bathrooms it can be presumed that there is rotten substrate behind and below the units. It should be assumed that the substrate around and below the shower units will need to be replaced and/or remediated for mold.

A.1.2.2 Asbestos

The duct work in the basement is insulated with asbestos (Fig. 1.9). The insulation and duct work shall be removed and replaced with new duct work. All remaining duct work shall be cleaned to ensure that it is free of mold and other contaminants.

Due to the age of the building the plaster on the walls and ceilings shall also be tested for asbestos prior to removal. If asbestos is found to be present, removal of the existing plaster shall be completed by a licensed asbestos abatement professional.

A.1.2.3 Lead

Areas of lead contamination were found throughout the building. The exposed plumbing in the basement was identified as lead piping. The lead elements of the plumbing system shall be removed and replaced with materials compliant with the current building codes. During renovation the plumbing system will need to be inspected while the framing of the walls is exposed for the presence of lead. Any lead elements found as a result of this inspection shall be replaced.

If the windows are found to be in a condition that is acceptable for salvage and meet the function required by the owner, the windows will need to be stripped of paint in a manner compliant with the hazardous material section of this document after which the windows will need to be repaired and re-painted. Encapsulation is not recommended at these locations due to presence of multiple levels of paint (Fig. 1.10).

Flooring materials that are not original to the building will need to be removed (Fig. 1.11). This includes all carpet, vct, and sheet vinyl flooring. The original flooring found under these finishes will need to be tested for the presence of lead. If the presence of lead is found it shall be remediated. If no lead is present, the floors shall be treated for mold and/or bacterial growth and remediated if found.

A.2 Code Compliance

A general review of the building found areas to be in conflict including exits, accessibility, and height clearances.

A.2.1 Exterior

Building elements in conflict with the code on the north side of the building (Walnut Street side) shall not be addressed in accordance with Chapter 11 of the IEBC. However, the south side of the building has multiple issues that must be addressed. The building has no accessible entrance and a ramp will have to be constructed on the south side of the building. This ramp will be compliant with all current codes. This ramp will lead to an entrance into the west unit on the south side of the building. This unit (the west unit) will be converted into an accessible unit.

On the second level of the building there is an area that is supported by (2) 4x4 posts sitting on existing masonry columns. The connections to these columns are not structurally adequate. The building will have to be temporarily shored and the foundations and columns will need to be replaced (Fig. 1.12).

A second means of egress will be required based upon the 2012 IBC. The stair on the south side of the building will have to be changed to provide a handrail in accordance with the current building codes (Fig. 1.5). Based on the IEBC the height of the guardrail at this stair will not need to be addressed.

The electrical service located on the south side of the building has created a dangerous condition where it connects to the building and will need to be relocated as a part of the work (Fig. 1.13).

A.2.2 Interior

Issues with code compliance on the interior of the building include accessibility and height clearance. The existing building does not include any accessible units. The stairs do not have adequate head room clearance under code or for safety. This is the primary exit from the second floor and will require a substantial renovation to provide the code required clearance. The current clearance provided is approximately 5'-4" (Fig. 1.14). However, this stair will not be modified as a part of this project per Chapter 11 of the IEBC.

A.2.2.1 First Floor West Unit

The west unit on the main level of the building will be converted into an accessible unit. This will require changes to the majority of the floor plan of the unit. The work shall include removing and/or modifying the existing elements including: casework, hall widths, and the bathroom. The kitchen casework will need to be removed and new ADA compliant casework will need to be installed. In

addition, the existing bathroom will need to be removed in its entirety to allow for an ADA compliant bathroom to be provided (Fig. 1.15).

A.2.2.2 First Floor East Unit

The location of the kitchen in the east unit on the main level does not have adequate access. The approximate head room in the connecting hall is 6'-0" (Fig. 1.16). This will require either a variance from the code official or a change in the floor plan to allow for access with adequate ceiling heights. If a type B unit is required this unit will need to be completely gutted with changes to the floor plan for the entire unit.

A.2.2.3 Second Floor East Unit

There are no major code issues associated with this unit. The flooring of the current kitchen has noticeable deflection and the structure below shall be inspected while the ceiling framing is exposed from below to inspect and look for structural problems or damage.

A.2.2.4 Second Floor West Unit

The layout of this unit consists of a bedroom, living area, kitchen, and one bedroom on the main level of the unit with the connected attic space consisting of three bedrooms, a bathroom, a living area and a closet. The insufficient height clearance for head room in all of the areas in the attic will not allow the attic to be occupied after renovation (Fig. 1.17, 1.18). This will result in a reduction of the occupancy of the unit being reduced from four bedrooms to one bedroom. The attic level will be inspected for mold and rodent damage and any damage found shall be repaired or remediated. The staircase to the attic protrudes into the second floor hallway reducing the width of the hallway (Fig. 1.19). This condition is not code compliant and poses a serious tripping hazard. This stairway will need to be removed and the staircase walled off to close off access of the attic from the unit as a result of the stairs and the uninhabitable attic space.

A.3 Demolition and General Repair

Most elements of the building have been found to be damaged or in disrepair. Water damage is pervasive throughout the building and the items easily visible indicate that further water damage will be found in areas inaccessible by a non-destructive inspection.

A.3.1 Exterior

A review of the building found the exterior of the building to be in general disrepair. The soffit material is damaged in several areas and will need to be removed in its entirety to be replaced with material matching the existing material (Fig. 1.20). Once the soffit is removed the structural elements exposed should be inspected for further damage. It should be anticipated that structural damage will be present and will need correction. The roof, fascia, gutters, and downspouts were found to be in a state of disrepair and shall be replaced to match the historical condition in profile and materiality (Fig. 1.21, 1.22, 1.23). The siding on the south and east elevations show substantial damage and will need to be replaced in some areas (Fig. 1.25). Since this investigation was a non-destructive investigation it is not known whether the condition of the structure is acceptable behind the siding.

There is substantial damage to the dormers on the north and west sides of the building and these will need to be removed and replaced (Fig. 1.21, 1.22). This conclusion is based on the condition of the siding at the roof. It is assumed that there has been substantial damage to the structural members at these locations behind the siding and roofing.

The railings at the stairs on the north side of the building (Walnut Street side) do not appear to be historically accurate and will need to be replaced (Fig. 1.26). The decking material of the front porch is in poor condition and will need to be replaced (Fig. 1.2). The decorative column on the east corner of the front porch is irreparably damaged and will need to be replaced (Fig. 1.27). The guardrail of the front porch shall be stripped of paint in accordance with the hazardous material section of this document. Balusters found to be in poor condition after paint is removed will need to be replaced.

The windows on all sides of the structure were found to be in poor condition and are covered in multiple layers of paint (Fig. 1.10). The windows shall be stripped of paint in accordance with the hazardous materials section of this document. Following paint stripping the windows will need to be repaired and repainted. While salvaging windows may be possible, all of the windows and frames are deteriorating and it is recommended that they be replaced with windows containing insulated glazing.

There is a detached structure on the site that is structurally unstable posing a danger to people and property and will need to be demolished. It is recommended that the parking lot be repaved and re-stripped.

A.3.2 Interior

The wall finishes are in poor condition throughout the building and will need to be removed and replaced with new gypsum board (Fig. 1.28). The structural support of the east unit on the first floor is sagging and the amount of deflection indicates a structural problem (Fig. 1.11). New structural reinforcement or replacement in this area will be needed as a part of the renovation. The plumbing facilities were found to be in poor condition and will need to be removed and replaced. The cabinets within the building were found to be unsanitary and in an unacceptable condition and will need to be removed and replaced (Fig. 1.15). The existing door hardware does not function properly and will need to be removed and replaced.

B. Economic Feasibility

B.1 Rehabilitation

B.1.1 Rehabilitation Costs

In order to determine the economic feasibility Bates & Associates met with Morelock-Ross Builders, Inc. to review the scope and estimate the cost of renovation based on recently completed projects. Bates & Associates and Morelock-Ross both have experience in renovation of historic structures and new construction similar to what is proposed for this development. Based on comparable projects recently completed there are two components that must be combined in order to develop a cost for the rehabilitation of this building. The first cost is the renovation that includes the scope above excluding the remediation of hazardous materials. The structure is 2,750 sqft and the cost for general renovation and repair is estimated at \$385,000.00 based on a cost of \$140.00 per square foot. In addition to this, it is estimated that there would be another \$165,000.00 in hazardous material abatement based on \$60.00 per square foot. This puts the total cost of the rehabilitation at \$550,000.00. This does not include the cost to purchase this building (*The purchase of this building is currently being negotiated and the price is not currently known*).

B.1.2 Appraised Values (Re: Appendix A & B)

The current appraisal of the property is \$120,000.00. An additional appraisal was done based on the above described scope of work and the revised appraisal valued the building at \$145,000.00.

B.1.3 Income Assessment

After the rehabilitation the unit will have four units with one bedroom each. Based on comparable rentals in this market at \$500.00 per month per unit the building will generate \$24,000 of gross revenue per year. Based on the return of the investment required to renovate the facility it is not economically feasible to renovate this facility.

B.2 Redevelopment (Re: Appendix G)

B.2.1 Proposed Development

It is proposed to demolish this building and build a new 3 story building that is 18,978 sqft with 48 beds. This development would require the redevelopment of the lot located to the West, 1040 E Walnut. For the purpose of comparison in this application one 24 bed unit will be viewed as a replacement for the existing building located at 1046 E Walnut. However, it is also understood that due to parking requirements and other factors both sites will need to be developed as one site.

The proposed 24 bed 3 story structure would be designed to complement the historic nature of Walnut Street in form, detailing and materiality. The building would 3,163 sqft per level for a total of 9,489 sqft. After reviewing recently completed multi-family projects units similar to what is proposed it is determined that the structure can be built for \$86.00 per square foot. The estimated cost of the new facility is \$816,054, or \$1,632,108.00 for the total development.

The proposed development does not represent the final design. (See Appendix G) It is understood that the design will be reviewed by the Landmarks Board and provisions are included to complete the design to incorporate the comments of the Landmarks Board.

B.2.2 Appraised Values

Due to the change in commercial property appraisals it is not possible to provide an appraisal of the proposed plan. The value is based on the ability of the property to generate revenue.

B.2.3 Income Assessment

Using the same rental value of \$500.00 per bed the proposed 24 bed development would generate \$144,000.00 in gross revenue per year.

Appendix A
Supporting Images



FIGURE 1.1



FIGURE 1.2



FIGURE 1.3



FIGURE 1.4



FIGURE 1.5



FIGURE 1.6



FIGURE 1.7



FIGURE 1.8



FIGURE 1.9



FIGURE 1.10



FIGURE 1.11



FIGURE 1.12



FIGURE 1.13

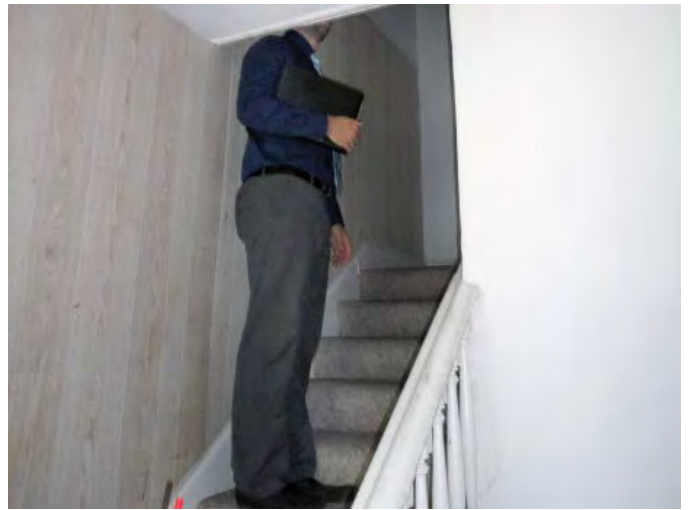


FIGURE 1.14



FIGURE 1.15

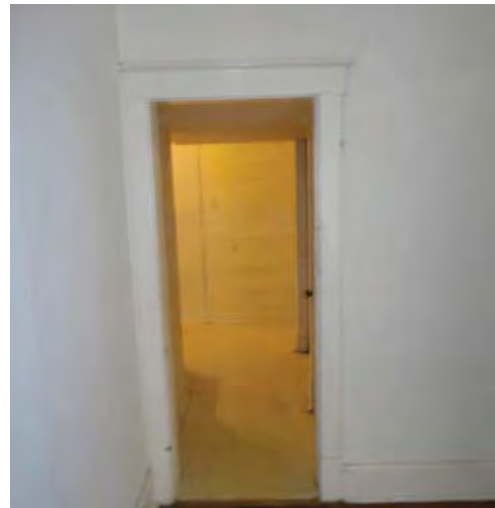


FIGURE 1.16



FIGURE 1.17

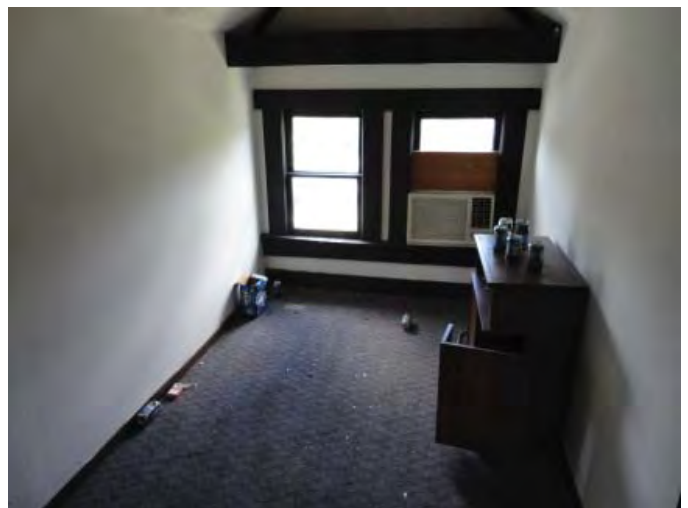


FIGURE 1.18

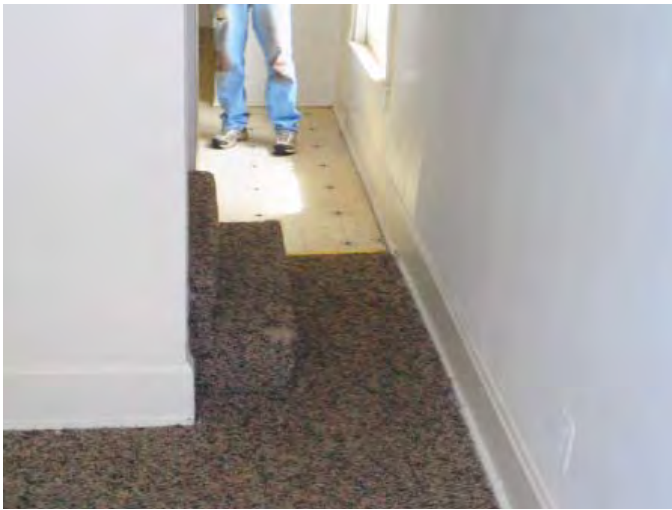


FIGURE 1.19



FIGURE 1.20



FIGURE 1.21



FIGURE 1.22



FIGURE 1.23



FIGURE 1.24



FIGURE 1.25



FIGURE 1.26



FIGURE 1.27



FIGURE 1.28

Appendix B
Existing Condition Appraisal



APPRAISAL OF REAL PROPERTY

LOCATED AT:

1046 E Walnut St
Smiths' AD E ADD Lot 12
Springfield, MO 65803

FOR:

In Care of R&P Taylor Apartments, LLC
PO Box 4386
Springfield, MO 65808

AS OF:

07/18/2012

BY:

Kimberly A. Traynor
BattleCreek Appraisal Services
www.battlecreekappraisals.com
417-234-0235
Fax: 1-866-704-8091 toll free

Borrower/Client	N/A					File No.	174012			
Property Address	1046 E Walnut St									
City	Springfield			County	Greene		State	MO	Zip Code	65803
Lender	In Care of R&P Taylor Apartments, LLC									

TABLE OF CONTENTS

Cover Page	1
Letter of Transmittal	2
Small Income	3
General Text Addendum	10
Building Sketch (Page - 1)	11
Building Sketch (Page - 2)	12
Building Sketch (Page - 3)	13
Subject Photos	14
Interior Photos	15
Interior Photos	16
Interior Photos	17
Interior Photos	18
Interior Photos	19
Interior Photos	20
Interior Photos	21
Interior Photos	22
Comparable Photos 1-3	23
Additional Comparables 4-6	24
Comparable Photos 4-6	25
Rentals Photos 1-3	26
Location Map	27
Flood Map	28
Operating Income Statement	29

Kimberly A. Traynor
BattleCreek Appraisal Services
5311 S. Cloverdale Ln.
Battlefield, Mo. 65619

07/24/2012

In Care of R&P Taylor Apartments, LLC
PO Box 4386
Springfield, MO 65808

Re: Property: 1046 E Walnut St
Springfield, MO 65803
Borrower: N/A
File No.: 174012

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Kimberly A. Traynor
BattleCreek Appraisal Services

Small Residential Income Property Appraisal Report

File # 174012

SUBJECT

CONTRACT

NEIGHBORHOOD

SITE

IMPROVEMENTS

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	1046 E Walnut St	City	Springfield	State	MO	Zip Code	65803
Borrower	N/A	Owner of Public Record	C/O R&P Taylor Apts LLC	County	Greene		
Legal Description	Smiths' AD E ADD Lot 12						
Assessor's Parcel #	88-1324112011	Tax Year	2011	R.E. Taxes \$	1,082		
Neighborhood Name	NE Spfd	Map Reference	SNE	Census Tract	29077-0009.00		
Occupant	☐ Owner	☐ Tenant	☒ Vacant	Special Assessments \$	0	☐ PUD	HOA \$ 0 ☐ per year ☐ per month
Property Rights Appraised	☒ Fee Simple ☐ Leasehold ☐ Other (describe)						
Assignment Type	☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe) Market Value						
Lender/Client	In Care of R&P Taylor Apartments, LLC Address PO Box 4386, Springfield, MO 65808						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☒ Yes ☐ No							
Report data source(s) used, offering price(s), and date(s). See attached addenda.							

I ☐ did ☒ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. The appraiser was not provided with a contract for review.

Contract Price \$	Date of Contract	Is the property seller the owner of public record?	☐ Yes ☐ No	Data Source(s)
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Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No

If Yes, report the total dollar amount and describe the items to be paid.

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		2-4 Unit Housing Trends		2-4 Unit Housing		Present Land Use %	
Location	☒ Urban ☐ Suburban ☐ Rural	Property Values	☐ Increasing ☒ Stable ☐ Declining	PRICE	AGE	One-Unit	68 %
Built-Up	☒ Over 75% ☐ 25-75% ☐ Under 25%	Demand/Supply	☐ Shortage ☐ In Balance ☒ Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %
Growth	☐ Rapid ☐ Stable ☒ Slow	Marketing Time	☐ Under 3 mths ☐ 3-6 mths ☒ Over 6 mths	11	Low 4	Multi-Family	5 %
Neighborhood Boundaries	The subject is bound to the North by Chestnut Expressway, to the West by Jefferson Ave, to the East by Campbell Ave, and to the South by Grand ST.			303	High 150	Commercial	15 %
				110	Pred. 55	Other	2 %
Neighborhood Description	This area is convenient to schools, shopping and employment. The area is comprised of ranch style houses, with some 1.5 story and multi-levels mixed in. In general, houses in the area are average in quality of construction. Houses in the area appear to be well maintained. Demand is considered to be. The economy remains stable.						
Market Conditions (including support for the above conclusions) Mixed financing is noted for this area. The predominant method of financing is conventional. Some government backed financing is noted and cash sales are also noted. Seller concessions are occasionally paid. While there is a demand for housing in the area, there does appear to be an oversupply. See attached addenda.							

Dimensions	51x221 m/l per assessor	Area	11,271 Sq.Ft.	Shape	Rectangular	View	N;Res;Commercial
Specific Zoning Classification	R-HD	Zoning Description	Residential High Density				
Zoning Compliance	☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe							

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	☒	☐	Water	☒	Street ASPHLT/BLKTOP	☒	☐
Gas	☒	☐	Sanitary Sewer	☒	Alley Asphlt/BlkTOP	☒	☐
FEMA Special Flood Hazard Area	☐ Yes ☒ No	FEMA Flood Zone	X	FEMA Map #	29077C0334E	FEMA Map Date	12/17/2010
Are the utilities and/or off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe							
See attached addenda.							

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units	☐ Two ☐ Three ☒ Four	☐ Concrete Slab	☐ Crawl Space	Foundation Walls	CON BLK/ADQ	Floors	HW/VNL/TL/Fr-Ad				
	☐ Accessory Unit (describe below)	☒ Full Basement	☐ Partial Basement	Exterior Walls	WD SID/Fair-Adq	Walls	DW/PNL/Fr-AD				
# of Stories	3 # of bldgs. 1	Basement Area	1,403 sq.ft.	Roof Surface	COMPST SHG/Fair	Trim/Finish	Wood/paint/Good				
Type	☒ Det. ☐ Att. ☐ S-Det./End Unit	Basement Finish	0 %	Gutters & Downspouts	GALVZ STEL/ADQ p	Bath Floor	Vnl/ADQ				
	☒ Existing ☐ Proposed ☐ Under Const.	☒ Outside Entry/Exit	☒ Sump Pump	Window Type	Dh/wd/Fair-ADQ	Bath Wainscot	Marble/ADQ				
Design (Style)	4plex/3St	Evidence of	☐ Infestation	Storm Sash/Insulated	Storms/ADQ	Car Storage					
Year Built	1903	☒ Dampness	☒ Settlement	Screens	Yes prt/ADQ	☐ None					
Effective Age (Yrs)	80	Heating/Cooling		Amenities		☒ Driveway	# of Cars	4			
Attic	☐ None	☒ FWA	☐ HWBB ☐ Radiant	☒ Fireplace(s) #	1 ☐ Woodstove(s) #	0	Driveway Surface	Asphalt/ADQ			
	☐ Drop Stair	☐ Stairs	☐ Other	Fuel	Gas	☒ Patio/Deck Mlti	☒ Fence	None	☐ Garage	# of Cars	0
	☐ Floor	☒ Scuttle	Cooling	☐ Central Air Conditioning	☒ Pool	None	☒ Porch	Covered	☐ Carport	# of Cars	0
	☐ Finished	☐ Heated	☒ Individual	☐ Other	☐ Other		☐ Att.	☐ Det.	☐ Built-in		
# of Appliances	Refrigerator	Range/Oven	2	Dishwasher	0	Disposal	0	Microwave	Washer/Dryer	Other (describe)	
Unit # 1 contains:	4	Rooms	1	Bedrooms	1	Bath(s)	751	Square Feet of Gross Living Area			
Unit # 2 contains:	3	Rooms	0	Bedrooms	1	Bath(s)	484	Square Feet of Gross Living Area			
Unit # 3 contains:	3	Rooms	1	Bedrooms	1	Bath(s)	624	Square Feet of Gross Living Area			
Unit # 4 contains:	4	Rooms	1	Bedrooms	1.5	Bath(s)	883	Square Feet of Gross Living Area			
Additional features (special energy efficient items, etc.). See attached addenda.											
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject appears to have some deferred maintenance and is dated. The covered front porch is sagging, and the joists appear to have some rot. The soffit and fascia is rotted and falling out. Peeling paint on the exterior throughout. Many of the windows have been boarded up. See attached addenda.											

Freddie Mac Form 72 March 2005

Page 1 of 7

Fannie Mae Form 1025 March 2005

Form 1025 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

Small Residential Income Property Appraisal Report

File # 174012

IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☒ Yes ☐ No If Yes, describe.

The subject appears to have settled on all floors, with several of the joists showing signs of rot and possible termite damage. There were also signs of mold. See Attached Addenda

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe. The subject is a fourplex and the majority of homes in the area are single family, town houses, or duplexes with some commercial mix in. The subject is located within the historical district of downtown Springfield.

Is the property subject to rent control? ☐ Yes ☒ No If Yes, describe

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3			
Address	1046 E Walnut St Springfield, MO 65803	852 S South Ave Springfield, MO 65804			433 S Main Ave Springfield, MO 65806			1111-1115 E Cherokee St Springfield, MO 65809			
Proximity to Subject		0.92 miles SW			1.04 miles W			1.96 miles S			
Current Monthly Rent	\$ 0	\$ 1,890			\$ 4,125			\$ 2,200			
Rent/Gross Bldg. Area	\$ sq.ft.	\$ 0.81 sq.ft.			\$ 1.20 sq.ft.			\$ 0.79 sq.ft.			
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No			
Data Source(s)	Insp/Assr	MLS#1113084/Assr			MLS#1204819			MLS#1106988			
Date of Lease(s)	N/A	Month to Month			Month to Month			Month to Month			
Location	Urban/Avg	Urban/Avg			Urban/Avg			Urban/Avg			
Actual Age	109	107			103			61			
Condition	Fair-Avg	Average			Average			Average-Good			
Gross Building Area	2,742	2,325			3,440			2,796			
Unit Breakdown	Rm Count	Size Sq. Ft.	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent
	Tot Br Ba	2,742	Tot Br Ba	2,325	1,890	Tot Br Ba	3,440	4,125	Tot Br Ba	2,796	2,200
Unit # 1	4 1 1	751	5 3 1	1,550	\$ 900	8 0 3	1,550	\$ 1,775	4 2 1	699	\$ 550
Unit # 2	3 0 1	484	4 2 1	465	\$ 595	3 1 1	471	\$ 650	4 2 1	699	\$ 550
Unit # 3	3 1 1	624	3 1 1	310	\$ 395	3 1 1	472	\$ 550	4 2 1	699	\$ 550
Unit # 4	4 1 1.5	883			\$	6 2 2	947	\$ 1,150	4 2 1	699	\$ 550
Utilities Included	Tnt Pays/MstrMeter	Landlord Pays/MstrMeter				Tnt Pays/MstrMeter		Tnt Pays/Sep Metr			
Garage/Parking	Parking Lot	Parking Lot				Parking Lot/Street Parking		Driveway			
W/D Hook Ups	None	None				None		Yes			
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) Rental #2 is a 7 plex in close proximity to the subject. The individual square footage is combined and the square footage is estimated per unit, however the total square footage is accurate per Greene County Assessor. All rentals have been updated. Rental #3 has been substantially updated. See attached addenda.											

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Leases			Actual Rents			Opinion of Market Rent		
Unit #	Begin Date	End Date	Unfurnished	Furnished	Total Rents	Unfurnished	Furnished	Total Rents
1	Month	Month	\$	\$	\$	\$ 310	\$	\$ 310
2	Month	Month				275		275
3	Month	Month				310		310
4	Month	Month				325		325
Comment on lease data	All units are vacant.		Total Actual Monthly Rent		\$	Total Gross Monthly Rent		\$ 1,220
			Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$
			Total Actual Monthly Income		\$	Total Estimated Monthly Income		\$ 1,220

Utilities included in estimated rents ☐ Electric ☐ Water ☐ Sewer ☐ Gas ☐ Oil ☐ Trash collection ☐ Cable ☒ Other Tenant Pays

Comments on actual or estimated rents and other monthly income (including personal property) Estimated rents for subject appear to be in line with other units in the area that are similar in size, quality and amenities. Rental rates in this area are considered stable at the present time. Supply and demand appear to be in balance.

PRIOR SALE HISTORY

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) MLS/Assr

My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) MLS/Assr

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	None within 3 Years	None within 1 Years	None within 1 Years	None within 1 Years
Price of Prior Sale/Transfer	N/A	N/A	N/A	N/A
Data Source(s)	MLS/Assr	MLS/Assr	MLS/Assr	MLS/Assr
Effective Date of Data Source(s)	07/18/2012	06/22/2012	02/29/2012	03/30/2012

Analysis of prior sale or transfer history of the subject property and comparable sales No sale or transfer history for the subject or comparables other than shown above per MLS and/or assessors office.

Small Residential Income Property Appraisal Report

File # 174012

SALES COMPARISON APPROACH	There are 14 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 105,000 to \$ 375,000 .																			
	There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 100,000 to \$ 240,000 .																			
	FEATURE				SUBJECT				COMPARABLE SALE # 1				COMPARABLE SALE # 2				COMPARABLE SALE # 3			
	Address 1046 E Walnut St Springfield, MO 65803				749 S South St Springfield, MO 65802				1045 W Mt Vernon St Springfield, MO 65806				1516 N Jefferson Ave Springfield, MO 65803							
	Proximity to Subject				0.87 miles SW				1.46 miles W				1.52 miles NW							
	Sale Price				\$ 107,500				\$ 110,000				\$ 240,000							
	Sale Price/Gross Bldg. Area				\$ 61.92 sq.ft.				\$ 29.67 sq.ft.				\$ 44.74 sq.ft.							
	Gross Monthly Rent				\$ 900				\$ 2,400				\$ 2,760							
	Gross Rent Multiplier				119.44				45.83				86.96							
	Price per Unit				\$ 53,750				\$ 18,333				\$ 48,000							
	Price per Room				\$ 11,944				\$ 6,111				\$ 12,632							
	Price per Bedroom				\$ 26,875				\$ 18,333				\$ 26,667							
	Rent Control				☐ Yes ☒ No				☐ Yes ☒ No				☐ Yes ☒ No							
	Data Source(s)				MLS#1201470				MLS#1104324				MLS#1012808							
	Verification Source(s)				Rltr/Assr/SDI				Rltr/Assr				Rltr/Assr							
	VALUE ADJUSTMENTS				DESCRIPTION				DESCRIPTION				DESCRIPTION							
	Sale or Financing				Conventional				Conventional				Conventional							
	Concessions				None noted				None noted				Sllr Pd \$2250							
	Date of Sale/Time				06/22/2012				02/29/2012				03/30/2012							
	Location				Urban/Avg				Urban/Inf				Urban/Avg							
	Leasehold/Fee Simple				Fee Simple				Fee Simple				Fee Simple							
	Site				11,271 Sq.Ft.				12168 sf				5009 sf							
	View				N;Res;Commercial				N;Res;				N;Res;Comm							
	Design (Style)				4plex/3St				Duplex/2Story				SixPlex/2Story							
	Quality of Construction				Wd/Fair-Avg				PS/Good				PS/Good							
	Actual Age				109				112 (updated)				117 (updated)							
	Condition				Fair-Avg				Average				Average							
	Gross Building Area				2,742				1,736				3,708							
Unit Breakdown				Total Bdrms Baths				Total Bdrms Baths				Total Bdrms Baths								
Unit # 1				4 1 1				5 3 2				6 2 2								
Unit # 2				3 0 1				4 1 1				6 2 2								
Unit # 3				3 1 1								3 1 1								
Unit # 4				4 1 1.5								3 1 1								
Basement Description				1,403 Sq.Ft.				290sf0sf				0sf bsmt								
Basement Finished Rooms				0				0 sf finish				0 sf finish								
Functional Utility				Average				Average				Average								
Heating/Cooling				FA/None				FA/CA				FA/CA								
Energy Efficient Items				Standard				Standard				Standard								
Parking On/Off Site				Parking Lot				Driveway				Street Parking								
Porch/Patio/Deck				CP/ScPt/cdk/Encp				C.Pch/Patio				2Stoops								
Amenities				Appl				Appl				Appl								
Amenities				Foyer				None				None								
Net Adjustment (Total)								☒ + ☐ -				☐ + ☒ -								
Adjusted Sale Price of Comparables				Net Adj. 13.2 %				Net Adj. 18.3 %				Net Adj. 40.1 %								
				Gross Adj. 74.6 %				Gross Adj. 69.2 %				Gross Adj. 48.9 %								
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)				\$ 60,858				\$ 14,978				\$ 28,743								
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)				\$ 13,524				\$ 4,993				\$ 7,564								
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)				\$ 30,429				\$ 14,978				\$ 15,968								
Value per Unit				\$ 39,700 X 4 Units = \$ 158,800				Value per GBA \$ 43.93 X 2,742 GBA = \$ 120,456												
Value per Rm.				\$ 9,917 X 14 Rooms = \$ 138,838				Value per Bdrms. \$ 23,800 X 3 Bdrms. = \$ 71,400												
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. Quality of construction and condition adjustments were determined by personal inspection or by obtaining information from the appraiser of Realtor involved in each sale. Items taken into consideration are roof pitch, roofing material, exterior siding, windows, doors, ceiling heights, ceiling treatments, crown moldings, floor coverings and cabinets. Various style houses were used, however this does not appear to effect market value in this area. No adjustment appeared necessary. Various bedroom counts were used, however square footage appears to be the driving factor for market value in the subjects area. No adjustment appeared necessary. Gross adjustments were exceeded in this report due to square footage, quality and condition adjustments. This could not be avoided and is common in the area. See attached addenda.																				
Indicated Value by Sales Comparison Approach \$ 120,000																				

INCOME	Total gross monthly rent \$ 1,220 X gross rent multiplier (GRM) 100 = \$ 122,000 Indicated value by the Income Approach													
	Comments on income approach including reconciliation of the GRM Local area GRM's range from 45 to 120.													

RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 120,000 Income Approach \$ 122,000 Cost Approach (if developed) \$ 0													
	Estimated indicated value is determined by using the Gross Adjustment of sale price for each comparable as a measure of the relative quality of the comp. A lower adjustment indicates a better comp, and vice versa. The ratio of gross dollar adjustment to sale price for each of the comps is used to calculate the weight each comp should have in a weighted average calculation. This weighted average is used as the indicated value of the subject. See attached addenda.													
	This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: See attached addenda.													
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 120,000 , as of 07/18/2012 , which is the date of inspection and the effective date of this appraisal.														

Small Residential Income Property Appraisal Report

File # 174012

ADDITIONAL COMMENTS

This report may contain comments, conditions and/or certifications added by the signing appraiser and/or BattleCreek Appraisal Services including, but not limited to, this Supplemental Addendum. These items shall supersede and take precedence over all other language, requirements, or conditions contained in any preprinted and/or third-party forms or documents included in, or incorporated by reference into, the appraisal report. BattleCreek Appraisal Services expressly retains all right, title, and interest in all patents, trademarks, trade names, trade secrets, software, data, conclusions, opinions, valuations, or other information included in, arising out of, or in any way related to this appraisal or the the provision of appraisal services to the named client and/or Intended User. The report and information supplied by the staff and/or agents of BattleCreek Appraisal Services is a culmination of intellectual education, professional experience, personal investigation, and know-how, which shall at all times remain the property of BattleCreek Appraisal Services. No person shall be entitled to break down, strip out, mine, or disseminate any component or part of this report, including, but not limited to, any conclusions, valuations, opinions, or other data compilations herein. The intended user of the appraisal report is the Lender/Client. The intended use is to evaluate the property that is the subject of this appraisal for feasibility of renovation, subject to the stated Scope of Work, purpose of the appraisal, reporting, requirements of this appraisal report form, and Definition of Market Value. No additional intended users are identified by the appraiser. The client agrees that pertinent information that might be useful in the appraisal process will be included in the appraiser's database and may be used in future appraisal reports, shared with other Appraisers and the Sold Data Appraisal Bank. (ie, square footage, room count, condition, quality of construction, etc.) Download of the attached appraisal file referenced below constitutes acceptance, acting in replacement of formal written signature, of the responsibility for payment in full as invoiced to be made to BattleCreek Appraisal Services, 5311 S. Cloverdale Ln., Battlefield, MO 65619, regardless to status of loan, as well as any/all debt incurred in the debt collection process as well as legal fees and expenses, if required.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW	OPINION OF SITE VALUE= \$		
Source of cost data	DWELLING	Sq.Ft. @ \$	= \$
Quality rating from cost service	Effective date of cost data	Sq.Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	= \$		
	Garage/Carport	Sq.Ft. @ \$	= \$
	Total Estimate of Cost-New		= \$
	Less	Physical	Functional External
	Depreciation		= \$()
	Depreciated Cost of Improvements		= \$
	"As-is" Value of Site Improvements		= \$
Estimated Remaining Economic Life (HUD and VA only)	Years	INDICATED VALUE BY COST APPROACH= \$ 0	

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases	Total number of units	Total number of units sold
Total number of units rented	Total number of units for sale	Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

Small Residential Income Property Appraisal Report

File # 174012

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser’s continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 each acting in what he or she considers his or her own best interest; (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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market’s reaction to the financing or concessions based on the appraiser’s judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser’s certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser’s determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

File # 174012

APPRAISER’S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market’s reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report

File # 174012

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER’S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser’s analysis, opinions, statements, conclusions, and the appraiser’s certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser’s analysis, opinions, statements, conclusions, and the appraiser’s certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Kimberly A. Taylor
Name Kimberly A. Taylor
Company Name BattleCreek Appraisal Services
Company Address 5311 S. Cloverdale Ln., Battlefield, MO 65619
Telephone Number (417) 234-0235
Email Address kkellerappraisal@aol.com
Date of Signature and Report July 24, 2012
Effective Date of Appraisal 07/18/2012
State Certification # 2006000600
or State License # _____
or Other (describe) _____ State # _____
State MO
Expiration Date of Certification or License 06/30/2014

ADDRESS OF PROPERTY APPRAISED
1046 E Walnut St
Springfield, MO 65803

APPRAISED VALUE OF SUBJECT PROPERTY \$ 120,000

LENDER/CLIENT

Name _____
Company Name In Care of R&P Taylor Apartments, LLC
Company Address PO Box 4386, Springfield, MO 65808
Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
- ☐ Did inspect exterior of subject property from street
Date of Inspection _____
- ☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
- ☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Supplemental Addendum

File No. 174012

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				

• **Small Income : Subject - Data Source(s), Offering Price(s), Date(s)**

The subject is currently listed with Murney Associates via Springfield MLS#1014378 starting on 08/24/2010 for \$199,000, increased on 11/25/2011 to \$299,000 and on 05/22/2012 status changed to under contract after 637 days on market. No other listings were found for the subject in the previous twelve months of the effective date of this appraisal.

• **Small Income : Neighborhood Market Conditions**

Houses that have been well maintained and competitively priced sell within a reasonable amount of time. Estimated exposure time for the subject is approximately 90-365 days. The economy remains stable. The unemployment rate is below 8% at this time.

• **Small Income : Site - Adverse Site Conditions or External Factors**

Extraordinary assumption, the appraiser presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such market conditions or trends, or the integrity of data used in an analysis. All of the site could not be inspected. Opinion of value is based on there being no enviornmental hazards on the property. None were noted at the time of inspection.

• **Small Income : Improvements - Additional Features**

Subject has wood siding exterior with a shared covered entry porch, a screened in patio, partially covered deck and an enclosed porch. Unit 1: 1 kitchen with eat-in dining area, living room, bedroom and bath. The ceiling heights are 9' high with crown moldings typically. Unit 2: 1 living room, 1 kitchen/dining area, 1 bath. Unit 3: 1 living room, 1 bedroom, 1 kitchen, 1 bath. Unit 4: 1 living room, 1kitchen/dining, 1 bath with a second floor including a bonus/bedroom area and a half bath. The third floor has several slanted ceiling heights that are below the 5' ceiling height limits for living space, and this square footage has been removed for that reason. Shared foyer area. The subject has a full unfinished mechanical basement.

• **Small Income : Improvements - Condition of the Property**

Under the screened in patio there is more rot or termite damage. Termite inspection recommended. Some of the rot appears to be from gutters not installed properly. Gutters are falling off the back side. Some settlement was noted in the floors, with cracking over doors and on the walls. Floor plan is functional. No external adequacies noted. The estimated exposure time for the subject property is 90 to 365 days. Floors appear to be sagging. Signs of water damage from the units above on the main floor. Possible mold from the water damage. Mold inspection is recommended. Subject is dated.

• **Small Income :**

Some settlement was noted throughout the home, and a structural inspection is recommended. Extraordinary assumption, the appraiser presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such market conditions or trends, or the integrity of data used in an analysis. All of the site could not be inspected. Opinion of value is based on there being no enviornmental hazards on the property. None were noted at the time of inspection.

• **Small Income : Comparable Rentals - Analysis of Rental Data**

All rentals are multifamily units including a triplex, seven plex, and two identical duplexes that are located within similar neighborhoods as subject. All are similar in distance to support facilities. Rentals used were the best available at the time of the appraisal. Rentals range from \$2325 to \$3440.

• **Small Income : Sales Comparison - Summary**

This does not appear to hinder marketability. Comparable #1 is in a competing neighborhood that exceeded the one mile guidelines, however no location adjustment appeared necessary. Site adjustments were not warranted due to all appearing similar in market value.

The initial search started via Springfield MLS within a one mile radius of the subject for homes of similar age, style, quality, square footage, etc. and found little to no activity. The appraiser had no choice but to broaden the search in distance, time, square footage, age, quality, condition, etc. in an effort to find other comparables. The final search ended by searching all of Springfield for the best comparables available.

• **Small Income : Reconciliation - Comments**

In appraising the subject property the Cost Approach was considered but not completed due to the age of the subject. The cost approach is not considered to be reliable on homes of this age. Sales comparison \$120,000, and the Income Approach was concluded N/A due to insufficient rental/sale data available. The market approach was considered the most reliable due to quality and quantity of sales data, therefore concluding \$120,000. Estimated exposure time: 3-12 months. The digital pictures that have been furnished with this report have not been altered.

• **Small Income : Reconciliation - Conditions of the Appraisal**

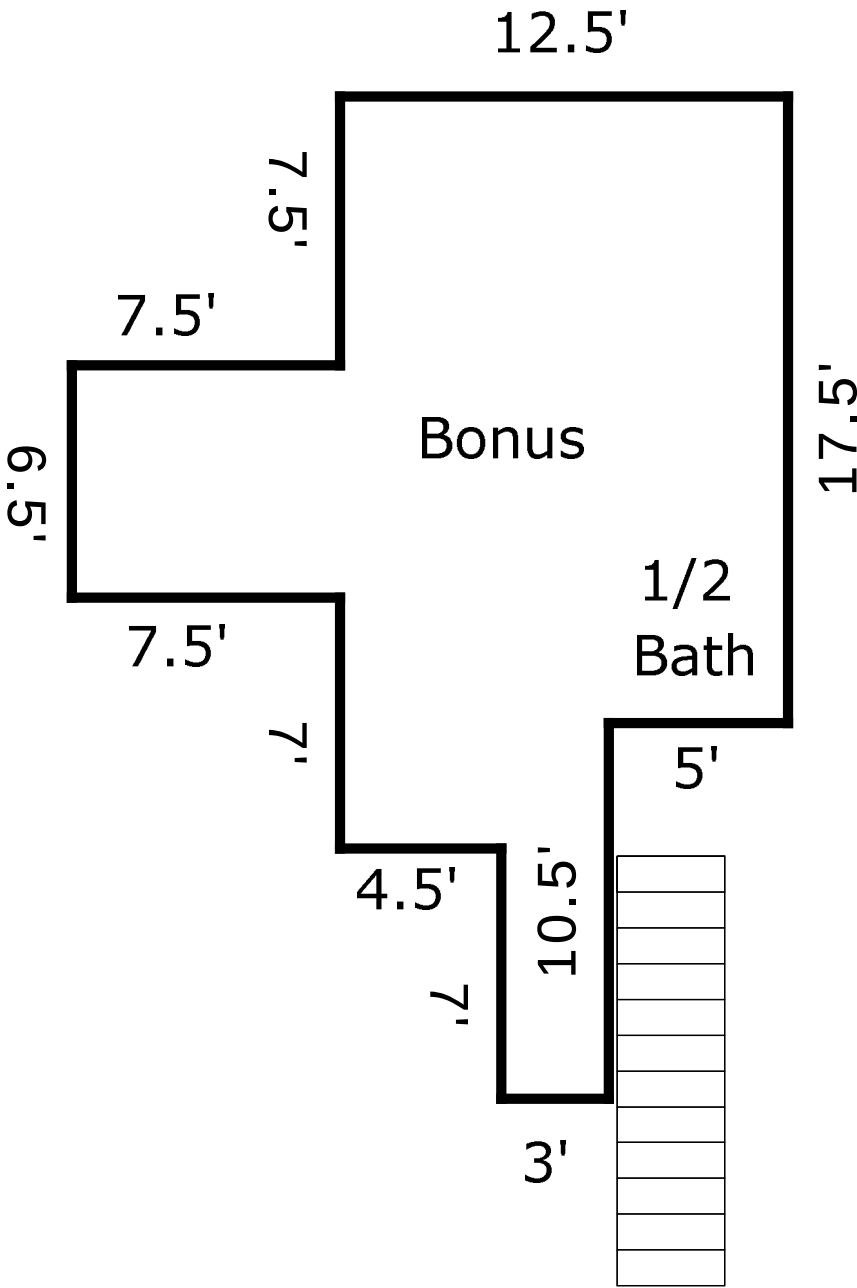
This appraisal has been prepared in conformity with the code of ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation. The purpose of this appraisal is to offer an estimate of market value for the subject. The intended use of this appraisal is to assist the client named in the report or its successor or assigns in evaluating the subject property to determine current market value. This is a federally related transaction and no one provided significant professional assistance to the person signing this report.

The appraiser has no current or prospective interest in the subject property or parties involved, and no services regarding the subject property were performed by the appraiser within the previous three years.

Building Sketch

Borrower/Client	N/A			
Property Address	1046 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC			

Third Floor Unit 4
[314.75 Sq ft]



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details	
Third Floor Unit 4	314.75 Sq ft	6.5×7.5	$= 48.75$
		12.5×17.5	$= 218.75$
		3.5×4.5	$= 15.75$
		10.5×3	$= 31.5$
Total Living Area (Rounded):	315 Sq ft		

Subject Photo Page

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				

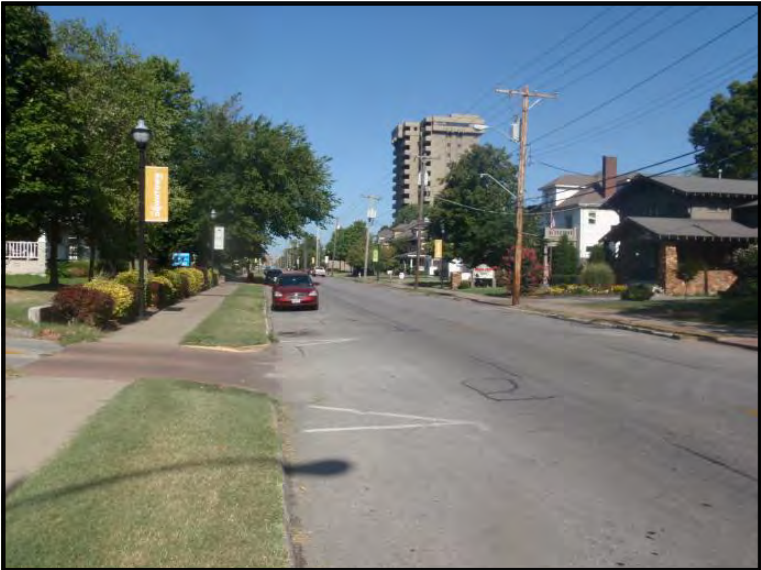


Subject Front

1046 E Walnut St
Sales Price
Gross Building Area 2,742
Age 109



Subject Rear



Subject Street

Subject Photos

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Opposite View Of Street



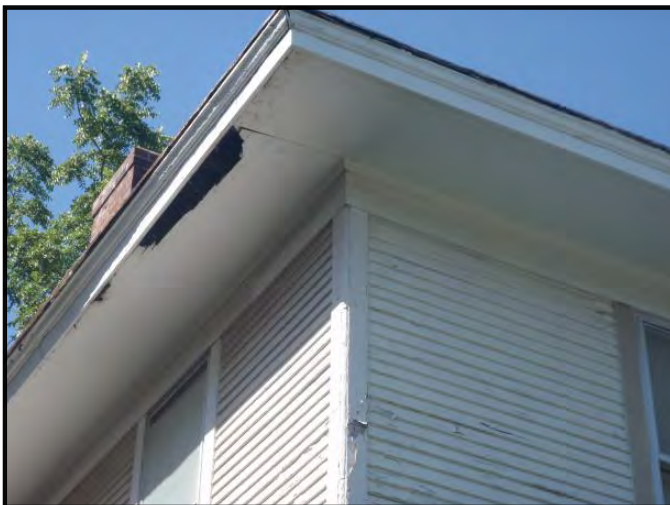
Right Side



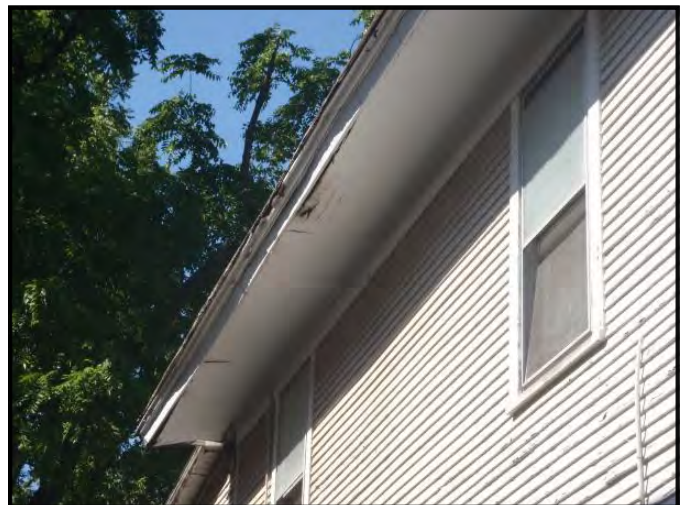
Left Side



Parking Lot



Rotting Soffit



Rotting Soffit & Fascia

Subject Photos

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Rotted Wood



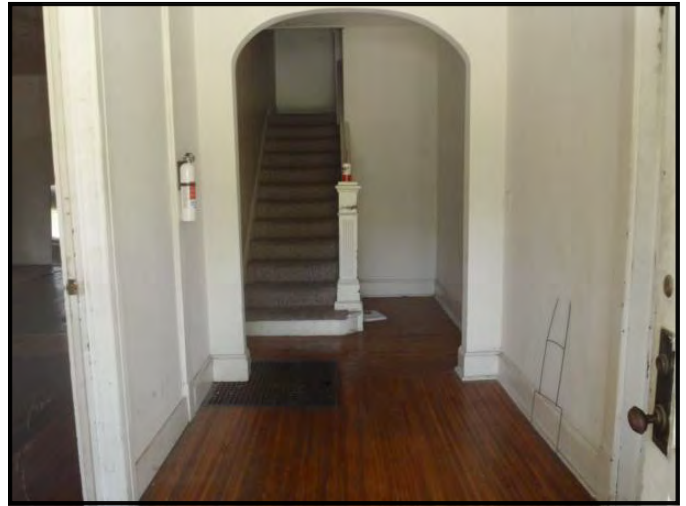
Peeling Paint

Subject Photos

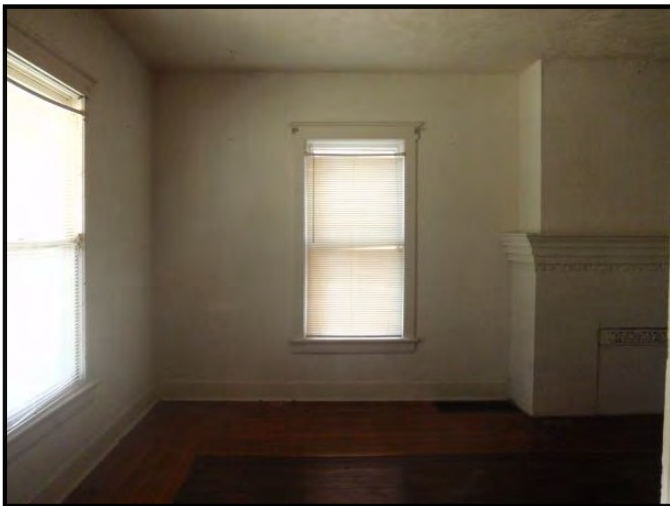
Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Rotted Wood



Shared Foyer



Unit #1 Living Room



Unit #1 Dining Area



Unit #1 Kitchen



Screened in Patio

Subject Photos

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #1 Kitchen



Unit #1 Bath



Unit #1 Sign of a Leak



Unit #2 Living Room



Unit #2 Bath



Unit #2 Kitchen/Dining

Subject Photos

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #2 Kitchen Ceiling



Unit #2 Kitchen



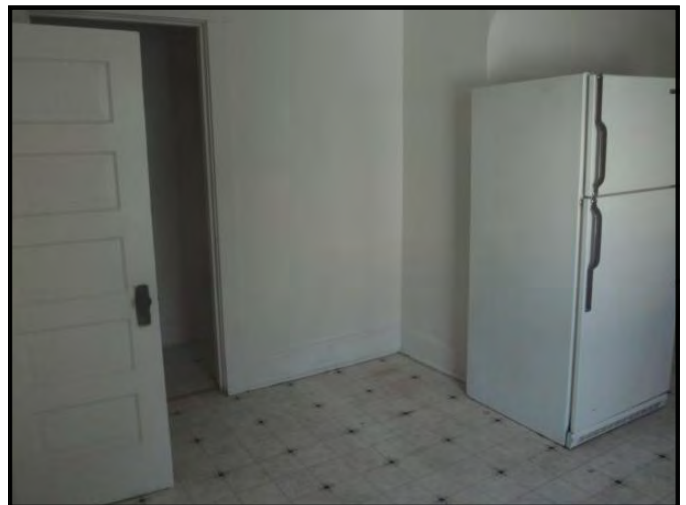
Unit #2 Bath



Unit #4 Enclosed Porch



Unit #4 Kitchen



Unit #4 Dining

Subject Photos

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #4 Bath



Unit #4 Stairs



Unit #4 Living Room



Unit #3 Living Room



Unit #3 Dining



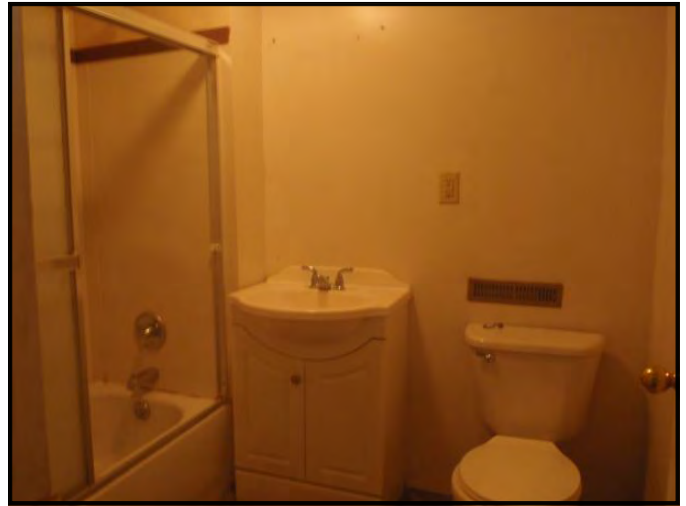
Unit #3 Kitchen

Subject Photos

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #3 Bedroom



Unit #3 Bath



Unit #4 Bonus/Bedroom



Unit #4 Upstairs



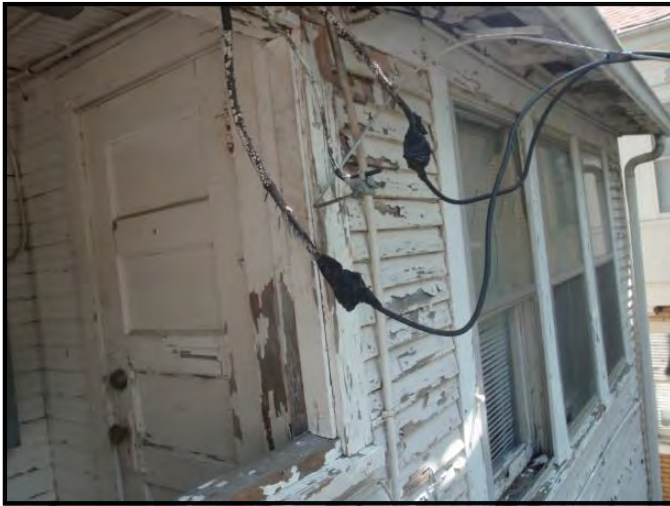
Unit #4 1/2 Bath



Unit #4 ceiling leak

Subject Photos

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Peeling Paint



Boarded up doors/windows

Comparable Photo Page

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Comparable 1

749 S South St
Sales Price 107,500
Gross Building Area 1,736
Age 112 (updated)



Comparable 2

1045 W Mt Vernon St
Sales Price 110,000
Gross Building Area 3,708
Age 117 (updated)



Comparable 3

1516 N Jefferson Ave
Sales Price 240,000
Gross Building Area 5,364
Age 82 (updated)

Small Residential Income Property Appraisal Report

File # 174012

SALES COMPARISON APPROACH	FEATURE	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6					
	Address 1046 E Walnut St Springfield, MO 65803				433 S Main Ave Springfield, MO 65806											
	Proximity to Subject				1.04 miles W											
	Sale Price		\$					\$ 159,900								
	Sale Price/Gross Bldg. Area		\$ sq.ft.		\$ 46.48 sq.ft.			\$ sq.ft.			\$ sq.ft.					
	Gross Monthly Rent		\$ 1,220		\$			\$			\$					
	Gross Rent Multiplier															
	Price per Unit		\$		\$ 26,650			\$			\$					
	Price per Room		\$		\$ 7,995			\$			\$					
	Price per Bedroom		\$		\$ 39,975			\$			\$					
	Rent Control		☐ Yes ☒ No		☐ Yes ☒ No			☐ Yes ☐ No			☐ Yes ☐ No					
	Data Source(s)				MLS#1204819											
	Verification Source(s)				Rltr/Assr											
	VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+ (-) Adjustment		DESCRIPTION		+ (-) Adjustment		DESCRIPTION		+ (-) Adjustment	
	Sale or Financing				Active Listing											
	Concessions				LP/SP Ratio		-11,200									
	Date of Sale/Time				04/09/2012 LD											
	Location		Urban/Avg		Urban/Avg											
	Leasehold/Fee Simple		Fee Simple		Fee Simple											
	Site		11,271 Sq.Ft.		12545 sf											
View		N;Res;Commercial		N;Res;Comm												
Design (Style)		4plex/3St		7Plex/2Story												
Quality of Construction		Wd/Fair-Avg		PS/Avg		-10,000										
Actual Age		109		103 (updated)												
Condition		Fair-Avg		Average		-5,000										
Gross Building Area		2,742		3,440		-17,450										
Unit Breakdown		Total	Bdrms	Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths	
Unit # 1		4	1	1	8	0	3	-2,000								
Unit # 2		3	0	1	3	1	1									
Unit # 3		3	1	1	3	1	1									
Unit # 4		4	1	1.5	6	2	2	-500								
Basement Description		1,403 Sq.Ft.		0sf bsmt		+7,015										
Basement Finished Rooms		0		0 sf finish												
Functional Utility		Average		Average												
Heating/Cooling		FA/None		FA/None												
Energy Efficient Items		Standard		Standard												
Parking On/Off Site		Parking Lot		Prkng Lot/3GCrprrt		-1,500										
Porch/Patio/Deck		CP/ScPt/cdk/Encp		C.Pch/Patio		+1,000										
Amenities		Appl		Appliances												
Amenities		Foyer		None		+1,000										
Net Adjustment (Total)				☐ + ☒ -		\$ -38,635		☐ + ☐ -		\$		☐ + ☐ -		\$		
Adjusted Sale Price of Comparables				Net Adj. 24.2 %				Net Adj. %				Net Adj. %				
				Gross Adj. 35.4 %		\$ 121,265		Gross Adj. %		\$		Gross Adj. %		\$		
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$ 20,211						\$				\$				
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 6,063						\$				\$				
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$ 30,316						\$				\$				
SALE HISTORY	Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).															
	ITEM	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6					
	Date of Prior Sale/Transfer	None within 3 Years			None within 1 Years											
	Price of Prior Sale/Transfer	N/A			N/A											
	Data Source(s)	MLS/Assr			MLS/Assr											
	Effective Date of Data Source(s)	07/18/2012			07/18/2012											
	Analysis of prior sale or transfer history of the subject property and comparable sales No sale or transfer history for the subject or comparables other than shown above per MLS and/or assessors office.															
ANALYSIS / COMMENTS	Analysis/Comments Quality of construction and condition adjustments were determined by personal inspection or by obtaining information from the appraiser of Realtor involved in each sale. Items taken into consideration are roof pitch, roofing material, exterior siding, windows, doors, ceiling heights, ceiling treatments, crown moldings, floor coverings and cabinets.															
	Typical list to sale price percentages in the subject's area are at 93%. An adjustment was made to reflect typical market activity.															

Comparable Photo Page

Borrower/Client	N/A					
Property Address	1046 E Walnut St					
City	Springfield	County	Greene	State	MO	Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC					



Comparable 4

433 S Main Ave
Sales Price 159,900
Gross Building Area 3,440
Age 103 (updated)

Comparable 5

Sales Price
Gross Building Area
Age

Comparable 6

Sales Price
Gross Building Area
Age

Rental Photo Page

Borrower/Client	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Rental 1

852 S South Ave
Proximity to Subject 0.92 miles SW
Gross Building Area 2,325
Age 107



Rental 2

433 S Main Ave
Proximity to Subject 1.04 miles W
Gross Building Area 3,440
Age 103

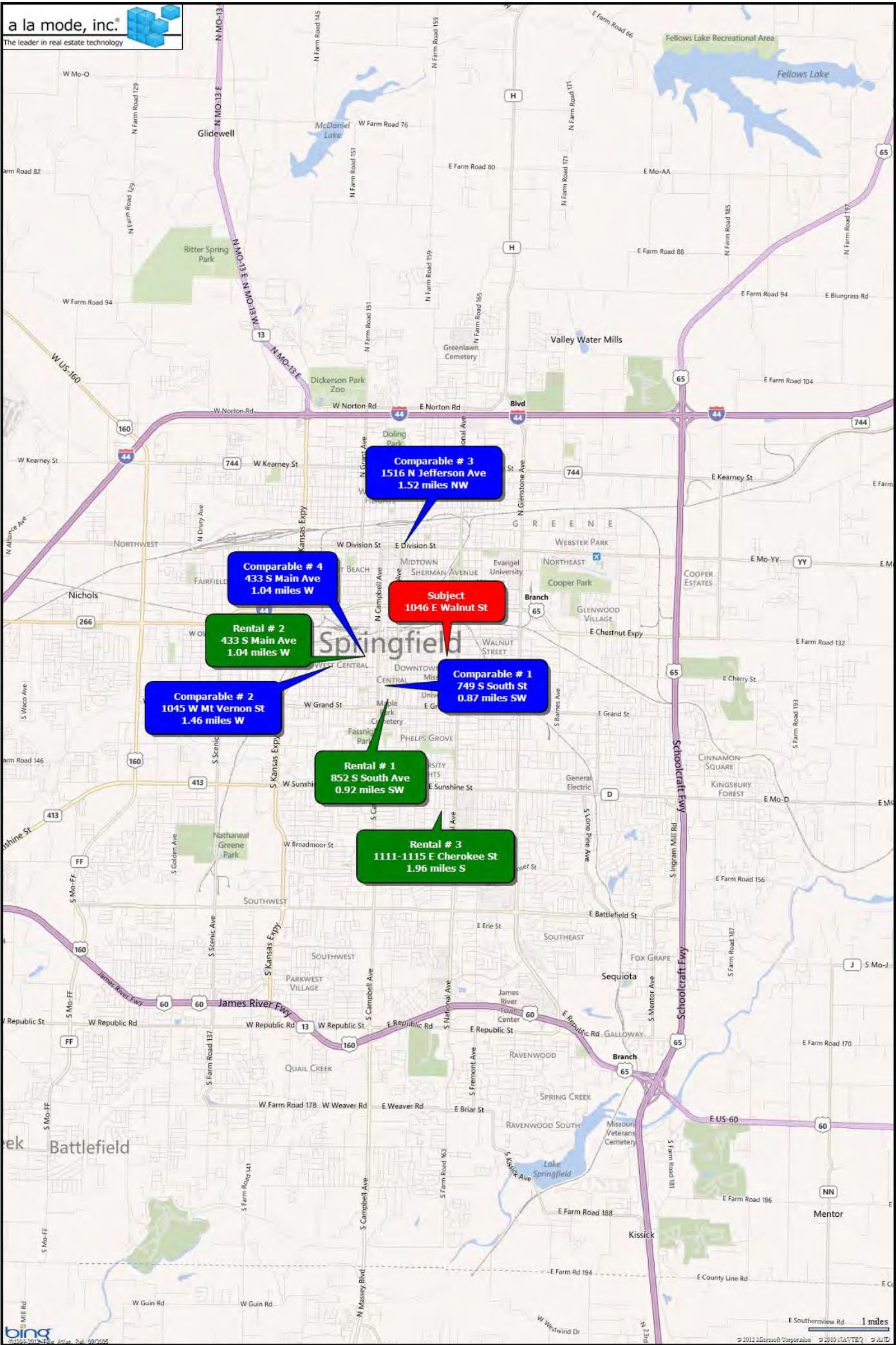


Rental 3

1111-1115 E Cherokee St
Proximity to Subject 1.96 miles S
Gross Building Area 2,796
Age 61

Location Map

Borrower/Client	N/A			
Property Address	1046 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC			



Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

Property Address		1046 E Walnut St Street		Springfield City	MO State	65803 Zip Code	
General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.							
	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1	Yes ☐ No ☒		\$	\$ 310	Electricity	☐	☒
Unit No. 2	Yes ☐ No ☒		\$	\$ 275	Gas	☐	☒
Unit No. 3	Yes ☐ No ☒		\$	\$ 310	Fuel Oil	☐	☐
Unit No. 4	Yes ☐ No ☒		\$	\$ 325	Fuel (Other)	☐	☐
Total			\$	\$ 1,220	Water/Sewer	☐	☒
					Trash Removal	☐	☒

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (*for new properties the applicant's projected income and expenses must be provided*). This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (*e.g. Applicant/Appraiser 288/300*). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (*Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item*) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (<i>Do not include income for owner-occupied units</i>)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (<i>from unit(s) to be rented</i>) (Market)	\$ 14,640	\$
Other Income (<i>include sources</i>)	+	+
Total	\$ 14,640	\$
Less Vacancy/Rent Loss	- (%)	- (%)
Effective Gross Income	\$ 14,640	\$
Expenses (<i>Do not include expenses for owner-occupied units</i>)		
Electricity		
Gas		
Fuel Oil		
Fuel (Type -)		
Water/Sewer		
Trash Removal		
Pest Control		
Other Taxes or Licenses		
Casual Labor	200	
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating	500	
This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.		
General Repairs/Maintenance	250	
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses		
These are the customer expenses that a professional management company would charge to manage the property.		
Supplies	200	
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	555	
Miscellaneous		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
Total Operating Expenses	\$ 1,705	\$

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner’s operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year - such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 350	ea. ÷ 10 Yrs. x 4	Units = \$ 140	\$
Refrigerators	@ \$	ea. ÷ Yrs. x	Units = \$	\$
Dishwashers	@ \$	ea. ÷ Yrs. x	Units = \$	\$
A/C Units	@ \$	ea. ÷ Yrs. x	Units = \$	\$
C. Washer/Dryers	@ \$	ea. ÷ Yrs. x	Units = \$	\$
HW Heaters	@ \$ 150	ea. ÷ 10 Yrs. x 1	Units = \$ 15	\$
Furnace(s)	@ \$ 1,000	ea. ÷ 10 Yrs. x 1	Units = \$ 100	\$
(Other)	@ \$	ea. ÷ Yrs. x	Units = \$	\$
Roof	@ \$ 4,500	÷ 15 Yrs. x One Bldg. =	\$ 300	\$
Carpeting (Wall to Wall)				
		Remaining Life		
(Units)	Total Sq. Yds. @ \$	Per Sq. Yd. ÷ Yrs. =	\$	\$
(Public Areas)	Total Sq. Yds. @ \$	Per Sq. Yd. ÷ Yrs. =	\$	\$
Total Replacement Reserves. (Enter on Pg. 1)			\$ 555	\$

Operating Income Reconciliation

\$ 14,640	-	\$ 1,705	=	\$ 12,935	÷ 12 =	\$ 1,078
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ \$ 1,078	-	\$	=	\$		
Monthly Operating Income		Monthly Housing Expense		Net Cash Flow		

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

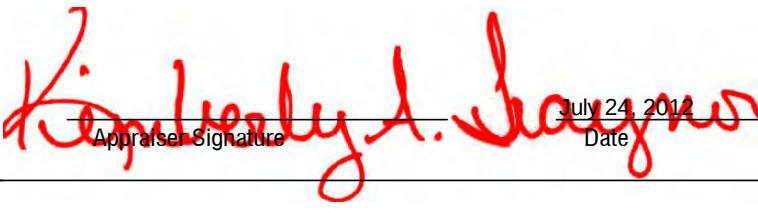
Underwriter’s instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the **subject property** to the borrower’s stable monthly income.

Underwriter’s instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower’s **primary residence** to the borrower’s stable monthly income.

Appraiser’s Comments *(Including sources for data and rationale for the projections)*
Data recited is based on interviews with property managers, Realtors, Appraisers, analysis of current market trends and assessors records.

Kimberly A. Traynor		July 24, 2012
Appraiser Name		Date
Underwriter’s Comments and Rationale for Adjustments		

Underwriter Name	Underwriter Signature	Date
Freddie Mac Form 998 Aug 88	Page 2 of 2	Fannie Mae Form 216 Aug 88

Appendix C

Appraisal of Rehabilitated Structure



APPRAISAL OF REAL PROPERTY

LOCATED AT:

1046 E Walnut St
Smiths' AD E ADD Lot 12
Springfield, MO 65803

FOR:

In Care of R&P Taylor Apartments, LLC
PO Box 4386
Springfield, MO 65808

AS OF:

07/18/2012

BY:

Kimberly A. Traynor
BattleCreek Appraisal Services
www.battlecreekappraisals.com
417-234-0235
Fax: 1-866-704-8091 toll free

Borrower	N/A					File No.	175012
Property Address	1046 E Walnut St						
City	Springfield	County	Greene	State	MO	Zip Code	65803
Lender	In Care of R&P Taylor Apartments, LLC						

TABLE OF CONTENTS

Cover Page 1

Letter of Transmittal 2

Small Income 3

General Text Addendum 10

Building Sketch (Page - 1) 12

Building Sketch (Page - 2) 13

Building Sketch (Page - 3) 14

Subject Photos 15

Interior Photos 16

Interior Photos 17

Interior Photos 18

Interior Photos 19

Interior Photos 20

Interior Photos 21

Interior Photos 22

Interior Photos 23

Comparable Photos 1-3 24

Additional Comparables 4-6 25

Comparable Photos 4-6 26

Rentals Photos 1-3 27

Location Map 28

Flood Map 29

Operating Income Statement 30

Kimberly A. Traynor
BattleCreek Appraisal Services
5311 S. Cloverdale Ln.
Battlefield, Mo. 65619

07/24/2012

In Care of R&P Taylor Apartments, LLC
PO Box 4386
Springfield, MO 65808

Re: Property: 1046 E Walnut St
Springfield, MO 65803
Borrower: N/A
File No.: 175012

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Kimberly A. Traynor
BattleCreek Appraisal Services

Small Residential Income Property Appraisal Report

File # 175012

SUBJECT

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	1046 E Walnut St	City	Springfield	State	MO	Zip Code	65803
Borrower	N/A	Owner of Public Record	C/O R&P Taylor Apts LLC	County	Greene		
Legal Description	Smiths' AD E ADD Lot 12						
Assessor's Parcel #	88-1324112011	Tax Year	2011	R.E. Taxes \$	1,082		
Neighborhood Name	NE Spfd	Map Reference	SNE	Census Tract	29077-0009.00		
Occupant	☐ Owner	☐ Tenant	☒ Vacant	Special Assessments \$	0	☐ PUD	HOA \$ 0 ☐ per year ☐ per month
Property Rights Appraised	☒ Fee Simple ☐ Leasehold ☐ Other (describe)						
Assignment Type	☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe) Market Value						
Lender/Client	In Care of R&P Taylor Apartments, LLC Address PO Box 4386, Springfield, MO 65808						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☒ Yes ☐ No							
Report data source(s) used, offering price(s), and date(s). See attached addenda.							

CONTRACT

I ☐ did ☒ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. The appraiser was not provided with a contract for review.

Contract Price \$	Date of Contract	Is the property seller the owner of public record?	☐ Yes ☐ No	Data Source(s)
-------------------	------------------	--	--	----------------

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No

If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		2-4 Unit Housing Trends		2-4 Unit Housing		Present Land Use %	
Location	☒ Urban ☐ Suburban ☐ Rural	Property Values	☐ Increasing ☒ Stable ☐ Declining	PRICE	AGE	One-Unit	68 %
Built-Up	☒ Over 75% ☐ 25-75% ☐ Under 25%	Demand/Supply	☐ Shortage ☐ In Balance ☒ Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %
Growth	☐ Rapid ☐ Stable ☒ Slow	Marketing Time	☐ Under 3 mths ☐ 3-6 mths ☒ Over 6 mths	11	Low 4	Multi-Family	5 %
Neighborhood Boundaries	The subject is bound to the North by Chestnut Expressway, to the West by Jefferson Ave, to the East by Campbell Ave, and to the South by Grand ST.			303	High 150	Commercial	15 %
				110	Pred. 55	Other	2 %
Neighborhood Description	This area is convenient to schools, shopping and employment. The area is comprised of ranch style houses, with some 1.5 story and multi-levels mixed in. In general, houses in the area are average in quality of construction. Houses in the area appear to be well maintained. Demand is considered to be. The economy remains stable.						

Market Conditions (including support for the above conclusions) Mixed financing is noted for this area. The predominant method of financing is conventional. Some government backed financing is noted and cash sales are also noted. Seller concessions are occasionally paid. While there is a demand for housing in the area, there does appear to be an oversupply. See attached addenda.

SITE

Dimensions	51x221 m/l per assessor	Area	11,271 Sq.Ft.	Shape	Rectangular	View	N;Res;Commercial
Specific Zoning Classification	R-HD	Zoning Description	Residential High Density				
Zoning Compliance	☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe							

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	☒	☐	Water	☒	Street ASPHLT/BLKTOP	☒	☐
Gas	☒	☐	Sanitary Sewer	☒	Alley Asphlt/BlkTOP	☒	☐
FEMA Special Flood Hazard Area	☐ Yes ☒ No	FEMA Flood Zone	X	FEMA Map #	29077C0334E	FEMA Map Date	12/17/2010
Are the utilities and/or off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe							
See attached addenda.							

IMPROVEMENTS

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units	☐ Two ☐ Three ☒ Four	☐ Concrete Slab	☐ Crawl Space	Foundation Walls	CON BLK/ADQ	Floors	HW/Tile/Gd				
	☐ Accessory Unit (describe below)	☒ Full Basement	☐ Partial Basement	Exterior Walls	WD SID/ADQ	Walls	DW/New				
# of Stories	3 # of bldgs. 1	Basement Area	1,403 sq.ft.	Roof Surface	COMPST SHG/New	Trim/Finish	Wood/paint/Good				
Type	☒ Det. ☐ Att. ☐ S-Det./End Unit	Basement Finish	0 %	Gutters & Downspouts	Alum/New	Bath Floor	Tile/New				
	☒ Existing ☐ Proposed ☐ Under Const.	☒ Outside Entry/Exit	☒ Sump Pump	Window Type	SH/Vnl/New	Bath Wainscot	Marble/New				
Design (Style)	4plex/3St	Evidence of	☐ Infestation	Storm Sash/Insulated	Thermo/New	Car Storage					
Year Built	1903	☒ Dampness	☒ Settlement	Screens	Yes/New	☐ None					
Effective Age (Yrs)	80	Heating/Cooling		Amenities		☒ Driveway	# of Cars	4			
Attic	☐ None	☒ FWA	☐ HWBB ☐ Radiant	☒ Fireplace(s) #	1 ☐ Woodstove(s) #	0	Driveway Surface	Asphalt/ADQ			
	☐ Drop Stair	☐ Stairs	☐ Other	Fuel	Gas	☒ Patio/Deck Mlti	☒ Fence	None	☐ Garage	# of Cars	0
	☐ Floor	☒ Scuttle	Cooling	☒ Central Air Conditioning	☒ Pool	None	☒ Porch	Covered	☐ Carport	# of Cars	0
	☐ Finished	☐ Heated	☐ Individual	☐ Other	☐ Other		☐ Att.	☐ Det.	☐ Built-in		
# of Appliances	Refrigerator	Range/Oven	4	Dishwasher	4	Disposal	4	Microwave	Washer/Dryer	Other (describe)	
Unit # 1 contains:	4	Rooms	1	Bedrooms	1	Bath(s)	751	Square Feet of Gross Living Area			
Unit # 2 contains:	3	Rooms	0	Bedrooms	1	Bath(s)	484	Square Feet of Gross Living Area			
Unit # 3 contains:	3	Rooms	1	Bedrooms	1	Bath(s)	624	Square Feet of Gross Living Area			
Unit # 4 contains:	4	Rooms	1	Bedrooms	1.5	Bath(s)	883	Square Feet of Gross Living Area			
Additional features (special energy efficient items, etc.). See attached addenda.											

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The appraiser has been asked to provide a market value for the subject based on the hypothetical condition that the subject has been updated and renovated: The renovation includes: restoring the exterior to meet the historical district guidelines: including a new roof, new gutter, new windows, repair and replace any damaged wood siding, peel all exterior paint and repaint. See attached addenda.

Small Residential Income Property Appraisal Report

File # 175012

IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe.
See Attached Addenda

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe. The subject is a fourplex and the majority of homes in the area are single family, town houses, or duplexes with some commercial mix in. The subject is located within the historical district of downtown Springfield.
Is the property subject to rent control? ☐ Yes ☒ No If Yes, describe

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3											
Address	1046 E Walnut St Springfield, MO 65803	852 S South Ave Springfield, MO 65804			433 S Main Ave Springfield, MO 65806			1111-1115 E Cherokee St Springfield, MO 65809											
Proximity to Subject		0.92 miles SW			1.04 miles W			1.96 miles S											
Current Monthly Rent	\$			\$ 1,890			\$ 4,125			\$ 2,200									
Rent/Gross Bldg. Area	\$ sq.ft.			\$ 0.81 sq.ft.			\$ 1.20 sq.ft.			\$ 0.79 sq.ft.									
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No											
Data Source(s)	Insp/Assr	MLS#1113084/Assr			MLS#1204819			MLS#1106988											
Date of Lease(s)	N/A	Month to Month			Month to Month			Month to Month											
Location	Urban/Avg	Urban/Avg			Urban/Avg			Urban/Avg											
Actual Age	109 (updated)	107			103			61											
Condition	Average-Good	Average			Average			Average-Good											
Gross Building Area	2,742		2,325		3,440		2,796												
Unit Breakdown	Rm Count		Size Sq. Ft.	Rm Count		Size Sq. Ft.	Monthly Rent	Rm Count		Size Sq. Ft.	Monthly Rent	Rm Count		Size Sq. Ft.	Monthly Rent				
	Tot	Br	Ba	2,742	Tot	Br	Ba	2,325	1,890	Tot	Br	Ba	3,440	4,125	Tot	Br	Ba	2,796	2,200
Unit # 1	4	1	1	751	5	3	1	1,550	\$ 900	8	0	3	1,550	\$ 1,775	4	2	1	699	\$ 550
Unit # 2	3	0	1	484	4	2	1	465	\$ 595	3	1	1	471	\$ 650	4	2	1	699	\$ 550
Unit # 3	3	1	1	624	3	1	1	310	\$ 395	3	1	1	472	\$ 550	4	2	1	699	\$ 550
Unit # 4	4	1	1.5	883					\$	6	2	2	947	\$ 1,150	4	2	1	699	\$ 550
Utilities Included	Tnt Pays/MstrMeter	Landlord Pays/MstrMeter			Tnt Pays/MstrMeter			Tnt Pays/Sep Metr											
Garage/Parking	Parking Lot	Parking Lot			Parking Lot/Street Parking			Driveway											
W/D Hook Ups	None	None			None			Yes											
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) Rental #2 is a 7 plex in close proximity to the subject. The individual square footage is combined and the square footage is estimated per unit, however the total square footage is accurate per Greene County Assessor. All rentals have been updated. Rental #3 has been substantially updated. See attached addenda.																			

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Leases			Actual Rents			Opinion of Market Rent		
Unit #	Lease Date		Per Unit		Total Rents	Per Unit		Total Rents
	Begin Date	End Date	Unfurnished	Furnished	Unfurnished	Furnished		
1	Month	Month	\$	\$	\$	\$ 650	\$	\$ 650
2	Month	Month				650		650
3	Month	Month				650		650
4	Month	Month				675		675
Comment on lease data	All units are vacant.		Total Actual Monthly Rent		\$	Total Gross Monthly Rent		\$ 2,625
			Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$
			Total Actual Monthly Income		\$	Total Estimated Monthly Income		\$ 2,625
Utilities included in estimated rents ☐ Electric ☐ Water ☐ Sewer ☐ Gas ☐ Oil ☐ Trash collection ☐ Cable ☒ Other Tenant Pays								
Comments on actual or estimated rents and other monthly income (including personal property) Estimated rents for subject appear to be in line with other units in the area that are similar in size, quality and amenities. Rental rates in this area are considered stable at the present time. Supply and demand appear to be in balance.								

PRIOR SALE HISTORY

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) MLS/Assr

My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) MLS/Assr

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	None within 3 Years	None within 1 Years	None within 1 Years	None within 1 Years
Price of Prior Sale/Transfer	N/A	N/A	N/A	N/A
Data Source(s)	MLS/Assr	MLS/Assr	MLS/Assr	MLS/Assr
Effective Date of Data Source(s)	07/18/2012	06/22/2012	02/29/2012	03/30/2012
Analysis of prior sale or transfer history of the subject property and comparable sales No sale or transfer history for the subject or comparables other than shown above per MLS and/or assessors office.				

Small Residential Income Property Appraisal Report

File # 175012

SALES COMPARISON APPROACH

RECONCILIATION

INCOME

There are 14 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 105,000 to \$ 375,000 .																
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 100,000 to \$ 240,000 .																
FEATURE				SUBJECT			COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3			
Address 1046 E Walnut St Springfield, MO 65803				749 S South St Springfield, MO 65802			1045 W Mt Vernon St Springfield, MO 65806			1516 N Jefferson Ave Springfield, MO 65803						
Proximity to Subject				0.87 miles SW			1.46 miles W			1.52 miles NW						
Sale Price				\$ 107,500			\$ 110,000			\$ 240,000						
Sale Price/Gross Bldg. Area				\$ 61.92 sq.ft.			\$ 29.67 sq.ft.			\$ 44.74 sq.ft.						
Gross Monthly Rent				\$ 900			\$ 2,400			\$ 2,760						
Gross Rent Multiplier				119.44			45.83			86.96						
Price per Unit				\$ 53,750			\$ 18,333			\$ 48,000						
Price per Room				\$ 11,944			\$ 6,111			\$ 12,632						
Price per Bedroom				\$ 26,875			\$ 18,333			\$ 26,667						
Rent Control				☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☒ No						
Data Source(s)				MLS#1201470			MLS#1104324			MLS#1012808						
Verification Source(s)				Rltr/Assr/SDI			Rltr/Assr			Rltr/Assr						
VALUE ADJUSTMENTS				DESCRIPTION			DESCRIPTION			DESCRIPTION			DESCRIPTION			
				+(-) Adjustment			+(-) Adjustment			+(-) Adjustment			+(-) Adjustment			
Sale or Financing Concessions				Conventional None noted			Conventional None noted			Conventional Sllr Pd \$2250			-2,250			
Date of Sale/Time				06/22/2012			02/29/2012			03/30/2012						
Location				Urban/Avg			Urban/Inf			Urban/Inf			Urban/Avg			
Leasehold/Fee Simple				Fee Simple			Fee Simple			Fee Simple			Fee Simple			
Site				11,271 Sq.Ft.			12168 sf			5009 sf			17302 sf			
View				N;Res;Commercial			N;Res;			N;Res;			N;Res;Comm			
Design (Style)				4plex/3St			Duplex/2Story			SixPlex/2Story			5Plex/2Story			
Quality of Construction				Wd/Avg			PS/Avg			PS/Avg			Brick/Sup			
Actual Age				109 (updated)			112 (updated)			117 (updated)			82 (updated)			
Condition				Average-Good			Average			Average			Average			
Gross Building Area				2,742			1,736			3,708			5,364			
Unit Breakdown				Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths			
Unit # 1				4 1 1			5 3 2			6 2 2			3 1 1			
Unit # 2				3 0 1			4 1 1			6 2 2			4 2 1			
Unit # 3				3 1 1						3 1 1			4 2 1			
Unit # 4				4 1 1.5						3 1 1			8 4 2			
Basement Description				1,403 Sq.Ft.			290sf0sf			0sf bsmt			0sf bsmt			
Basement Finished Rooms				0			0 sf finish			0 sf finish			0 sf finish			
Functional Utility				Average			Average			Average			Average			
Heating/Cooling				FA/CA			FA/CA			FA/CA			FA/None			
Energy Efficient Items				Standard			Standard			Standard			Standard			
Parking On/Off Site				Parking Lot			Driveway			Street Parking			4-Car Carport			
Porch/Patio/Deck				CP/ScPt/cdk/Encp			C.Pch/Patio			2Stoops			C.Pch/C.Dk/Dk			
Amenities				Appl			Appl			Appl			Appl			
Amenities				Foyer			None			None			None			
Net Adjustment (Total)				☒ + ☐ -			\$ 51,215			☒ + ☐ -			\$ 6,865			
Adjusted Sale Price of Comparables				Net Adj. 47.6 %			Net Adj. 6.2 %			Net Adj. 28.9 %			Net Adj. 28.9 %			
				Gross Adj. 49.5 %			Gross Adj. 53.8 %			Gross Adj. 39.3 %			Gross Adj. 39.3 %			
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)				\$ 79,358			\$ 19,478			\$ 34,143						
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)				\$ 17,635			\$ 6,493			\$ 8,985						
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)				\$ 39,679			\$ 19,478			\$ 18,968						
Value per Unit				\$ 36,250 X 4 Units = \$ 145,000			Value per GBA \$ 52.88 X 2,742 GBA = \$ 145,000									
Value per Rm.				\$ 10,358 X 14 Rooms = \$ 145,012			Value per Bdrms. \$ 48,334 X 3 Bdrms. = \$ 145,002									
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. Quality of construction and condition adjustments were determined by personal inspection or by obtaining information from the appraiser of Realtor involved in each sale. Items taken into consideration are roof pitch, roofing material, exterior siding, windows, doors, ceiling heights, ceiling treatments, crown moldings, floor coverings and cabinets. Various style houses were used, however this does not appear to effect market value in this area. No adjustment appeared necessary. Various bedroom counts were used, however square footage appears to be the driving factor for market value in the subjects area. No adjustment appeared necessary. Gross adjustments were exceeded in this report due to square footage, quality and condition adjustments. This could not be avoided and is common in the area. See attached addenda.																
Indicated Value by Sales Comparison Approach \$ 145,000																
Total gross monthly rent \$ 2,625 X gross rent multiplier (GRM) 60 = \$ 157,500 Indicated value by the Income Approach																
Comments on income approach including reconciliation of the GRM Local area GRM's range from 45 to 120.																
Indicated Value by: Sales Comparison Approach \$ 145,000 Income Approach \$ 157,500 Cost Approach (if developed) \$ 0																
Estimated indicated value is determined by using the Gross Adjustment of sale price for each comparable as a measure of the relative quality of the comp. A lower adjustment indicates a better comp, and vice versa. The ratio of gross dollar adjustment to sale price for each of the comps is used to calculate the weight each comp should have in a weighted average calculation. This weighted average is used as the indicated value of the subject. See attached addenda.																
This appraisal is made ☐ "as is", ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☒ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: See attached addenda.																
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 145,000 , as of 07/18/2012 , which is the date of inspection and the effective date of this appraisal.																

Small Residential Income Property Appraisal Report

File # 175012

ADDITIONAL COMMENTS

This report may contain comments, conditions and/or certifications added by the signing appraiser and/or BattleCreek Appraisal Services including, but not limited to, this Supplemental Addendum. These items shall supersede and take precedence over all other language, requirements, or conditions contained in any preprinted and/or third-party forms or documents included in, or incorporated by reference into, the appraisal report. BattleCreek Appraisal Services expressly retains all right, title, and interest in all patents, trademarks, trade names, trade secrets, software, data, conclusions, opinions, valuations, or other information included in, arising out of, or in any way related to this appraisal or the the provision of appraisal services to the named client and/or Intended User. The report and information supplied by the staff and/or agents of BattleCreek Appraisal Services is a culmination of intellectual education, professional experience, personal investigation, and know-how, which shall at all times remain the property of BattleCreek Appraisal Services. No person shall be entitled to break down, strip out, mine, or disseminate any component or part of this report, including, but not limited to, any conclusions, valuations, opinions, or other data compilations herein. The intended user of the appraisal report is the Lender/Client. The intended use is to evaluate the property that is the subject of this appraisal for feasibility of renovation, subject to the stated Scope of Work, purpose of the appraisal, reporting, requirements of this appraisal report form, and Definition of Market Value. No additional intended users are identified by the appraiser. The client agrees that pertinent information that might be useful in the appraisal process will be included in the appraiser's database and may be used in future appraisal reports, shared with other Appraisers and the Sold Data Appraisal Bank. (ie, square footage, room count, condition, quality of construction, etc.) Download of the attached appraisal file referenced below constitutes acceptance, acting in replacement of formal written signature, of the responsibility for payment in full as invoiced to be made to BattleCreek Appraisal Services, 5311 S. Cloverdale Ln., Battlefield, MO 65619, regardless to status of loan, as well as any/all debt incurred in the debt collection process as well as legal fees and expenses, if required.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW	OPINION OF SITE VALUE =\$			
Source of cost data	DWELLING	Sq.Ft. @ \$		=\$
Quality rating from cost service	Effective date of cost data	Sq.Ft. @ \$		=\$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	 =\$			
	Garage/Carport	Sq.Ft. @ \$		=\$
	Total Estimate of Cost-New			 =\$
	Less	Physical	Functional	External
	Depreciation			 =\$()
	Depreciated Cost of Improvements			 =\$
	"As-is" Value of Site Improvements			 =\$
Estimated Remaining Economic Life (HUD and VA only)	Years	INDICATED VALUE BY COST APPROACH		 =\$ 0

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached
Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
Legal Name of Project
Total number of phases Total number of units Total number of units sold
Total number of units rented Total number of units for sale Data source(s)
Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.
Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source
Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

Small Residential Income Property Appraisal Report File # 175012

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 each acting in what he or she considers his or her own best interest; (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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report File # 175012

APPRAISER’S CERTIFICATION: The Appraiser certifies and agrees that:

- 1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
- 2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
- 3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
- 4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
- 5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
- 6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
- 7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
- 8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
- 9. I have reported adjustments to the comparable sales that reflect the market’s reaction to the differences between the subject property and the comparable sales.
- 10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
- 11. I have knowledge and experience in appraising this type of property in this market area.
- 12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
- 13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
- 14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
- 15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
- 16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
- 17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
- 18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
- 19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
- 20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report File # 175012

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Kimberly A. Taylor
Name Kimberly A. Taylor
Company Name BattleCreek Appraisal Services
Company Address 5311 S. Cloverdale Ln., Battlefield, MO 65619
Telephone Number (417) 234-0235
Email Address kkellerappraisal@aol.com
Date of Signature and Report July 24, 2012
Effective Date of Appraisal 07/18/2012
State Certification # 2006000600
or State License # _____
or Other (describe) _____ State # _____
State MO
Expiration Date of Certification or License 06/30/2014

ADDRESS OF PROPERTY APPRAISED
1046 E Walnut St
Springfield, MO 65803

APPRAISED VALUE OF SUBJECT PROPERTY \$ 145,000

LENDER/CLIENT

Name _____
Company Name In Care of R&P Taylor Apartments, LLC
Company Address PO Box 4386, Springfield, MO 65808
Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Supplemental Addendum

File No. 175012

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				

• **Small Income : Subject - Data Source(s), Offering Price(s), Date(s)**

The subject is currently listed with Murney Associates via Springfield MLS#1014378 starting on 08/24/2010 for \$199,000, increased on 11/25/2011 to \$299,000 and on 05/22/2012 status changed to under contract after 637 days on market. No other listings were found for the subject in the previous twelve months of the effective date of this appraisal.

• **Small Income : Neighborhood Market Conditions**

Houses that have been well maintained and competitively priced sell within a reasonable amount of time. Estimated exposure time for the subject is approximately 90-365 days. The economy remains stable. The unemployment rate is below 8% at this time.

• **Small Income : Site - Adverse Site Conditions or External Factors**

Extraordinary assumption, the appraiser presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such market conditions or trends, or the integrity of data used in an analysis. All of the site could not be inspected. Opinion of value is based on there being no enviornmental hazards on the property. None were noted at the time of inspection.

• **Small Income : Improvements - Additional Features**

Subject has wood siding exterior with a shared covered entry porch, a screened in patio, partially covered deck and an enclosed porch. Unit 1: 1 kitchen with eat-in dining area, living room, bedroom and bath. The ceiling heights are 9' high with crown moldings typically. Unit 2: 1 living room, 1 kitchen/dining area, 1 bath. Unit 3: 1 living room, 1 bedroom, 1 kitchen, 1 bath. Unit 4: 1 living room, 1kitchen/dining, 1 bath with a second floor including a bonus/bedroom area and a half bath. The third floor has several slanted ceiling heights that are below the 5' ceiling height limits for living space, and this square footage has been removed for that reason. Shared foyer area. The subject has a full unfinished mechanical basement.

• **Small Income : Improvements - Condition of the Property**

The interior would be stripped down to the studs with the existing hardwood floors remaining and restored. The electrical and plumbing would be completely redone, the drywall would be new, the trim would be restored or replaced, new porcelain tile flooring where there is not hardwood, all kitchens and baths would be completely remodeled and updated including cabinets, appliances, counter tops, etc. All light fixtures to be replaced. The quality of materials to be used would be defined as builder grade or slightly better quality. All settlement in the floors to be repaired. Floor plan is functional. No external adequacies noted. The estimated exposure time for the subject property is 90 to 365 days.

• **Small Income :**

Some settlement was noted throughout the home, and a structural inspection is recommended. Extraordinary assumption, the appraiser presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such market conditions or trends, or the integrity of data used in an analysis. All of the site could not be inspected. Opinion of value is based on there being no enviornmental hazards on the property. None were noted at the time of inspection.

• **Small Income : Comparable Rentals - Analysis of Rental Data**

All rentals are multifamily units including a triplex, seven plex, and two identical duplexes that are located within similar neighborhoods as subject. All are similar in distance to support facilities. Rentals used were the best available at the time of the appraisal. Rentals range from \$2325 to \$3440.

• **Small Income : Sales Comparison - Summary**

This does not appear to hinder marketability. Comparable #1 is in a competing neighborhood that exceeded the one mile guidelines, however no location adjustment appeared necessary. Site adjustments were not warranted due to all appearing similar in market value.

The initial search started via Springfield MLS within a one mile radius of the subject for homes of similar age, style, quality, square footage, etc. and found little to no activity. The appraiser had no choice but to broaden the search in distance, time, square footage, age, quality, condition, etc. in an effort to find other comparables. The final search ended by searching all of Springfield for the best comparables available.

• **Small Income : Reconciliation - Comments**

In appraising the subject property the Cost Approach was considered but not completed due to the age of the subject. The cost approach is not considered to be reliable on homes of this age. Sales comparison \$145,000, and the Income Approach was concluded N/A due to insufficient rental/sale data available. The market approach was considered the most reliable due to quality and quantity of sales data, therefore concluding \$145,000. Estimated exposure time: 3-12 months. The digital pictures that have been furnished with this report have not been altered.

• **Small Income : Reconciliation - Conditions of the Appraisal**

The market value found within this report is based on the hypothetical condition that the subject has been completely restored, renovated and updated: including but not limited to the following: restoring the exterior to meet the historical district guidelines: including a new roof, new gutter, new windows, repair and replace any damaged wood siding, peel all exterior paint and repaint. The interior would be stripped down to the studs with the existing hardwood floors remaining and restored. The electrical and plumbing would be completely redone, the drywall would be new, the trim would be restored or replaced, new porcelain tile flooring where there is not hardwood, all kitchens and baths would be completely remodeled and updated including cabinets, appliances, counter tops, etc. All light fixtures to be replaced. The quality of materials to be used would be defined as builder grade or slightly better quality. All settlement in the floors to be repaired. If the repairs and renovations are not completed the market value will change.

This appraisal has been prepared in conformity with the code of ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation. The purpose of this appraisal is to offer an estimate of market value for the subject. The intended use of this appraisal is to assist the client named in the report or its successor or assigns in evaluating the subject property to determine current market value. This is a federally related transaction and no one provided significant professional assistance to the person signing this report.

Supplemental Addendum

File No. 175012

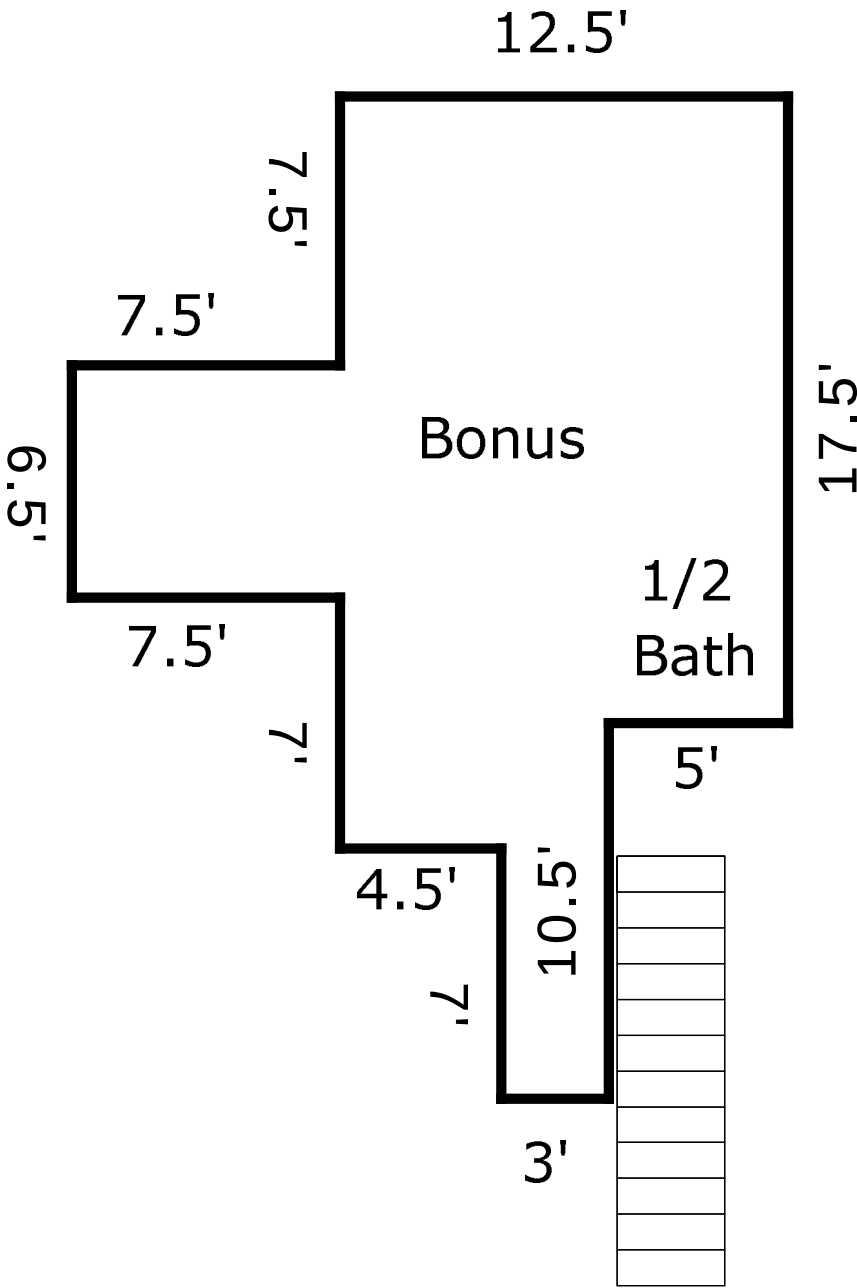
Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				

The appraiser has no current or prospective interest in the subject property or parties involved, and no services regarding the subject property were performed by the appraiser within the previous three years.

Building Sketch

Borrower	N/A			
Property Address	1046 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC			

Third Floor Unit 4
[314.75 Sq ft]



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details	
Third Floor Unit 4	314.75 Sq ft	6.5 × 7.5	= 48.75
		12.5 × 17.5	= 218.75
		3.5 × 4.5	= 15.75
		10.5 × 3	= 31.5
Total Living Area (Rounded):		315 Sq ft	

Subject Photo Page

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				

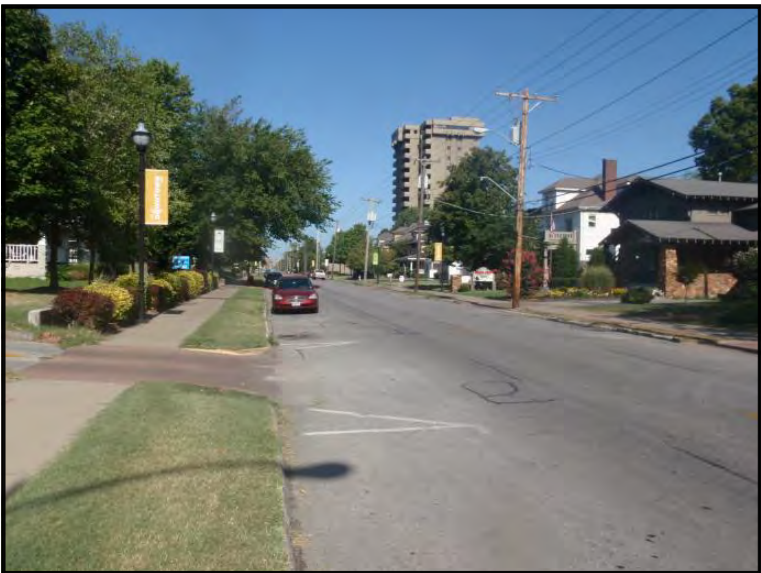


Subject Front

1046 E Walnut St
Sales Price
Gross Building Area 2,742
Age 109 (updated)



Subject Rear



Subject Street

Subject Photos

Borrower	N/A			
Property Address	1046 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC			



Opposite View Of Street



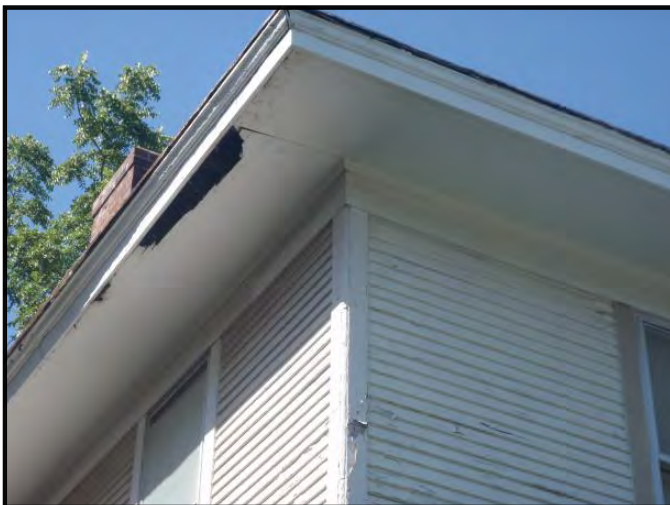
Right Side



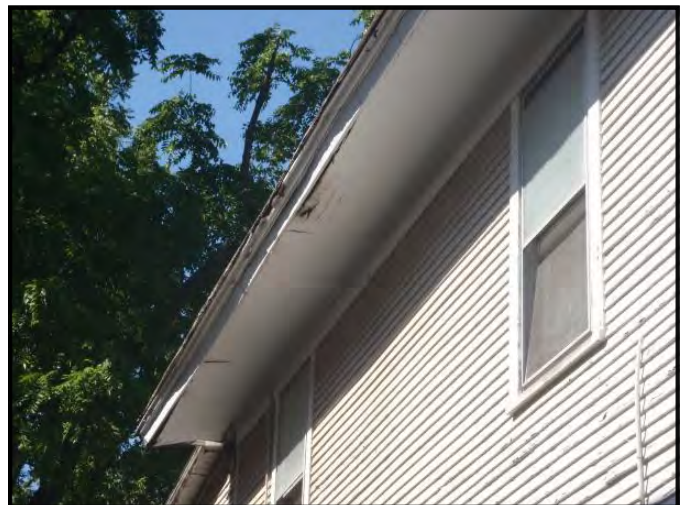
Left Side



Parking Lot



Rotting Soffit



Rotting Soffit & Fascia

Subject Photos

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Rotted Wood



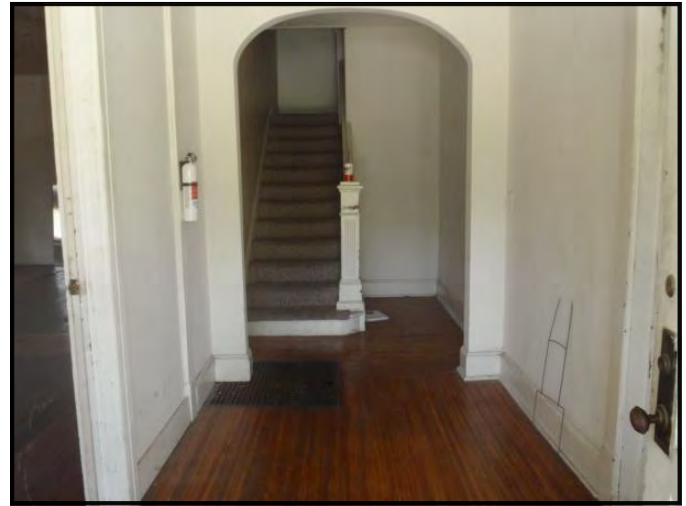
Peeling Paint

Subject Photos

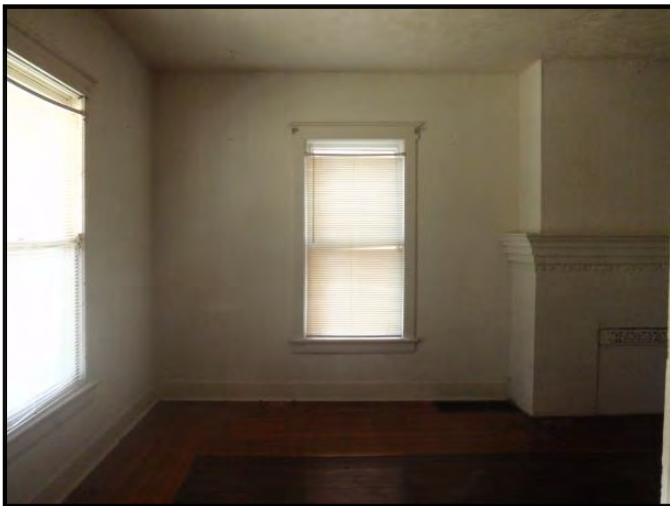
Borrower	N/A			
Property Address	1046 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC			



Rotted Wood



Shared Foyer



Unit #1 Living Room



Unit #1 Dining Area



Unit #1 Kitchen



Screened in Patio

Subject Photos

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #1 Kitchen



Unit #1 Bath



Unit #1 Sign of a Leak



Unit #2 Living Room



Unit #2 Bath



Unit #2 Kitchen/Dining

Subject Photos

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #2 Kitchen Ceiling



Unit #2 Kitchen



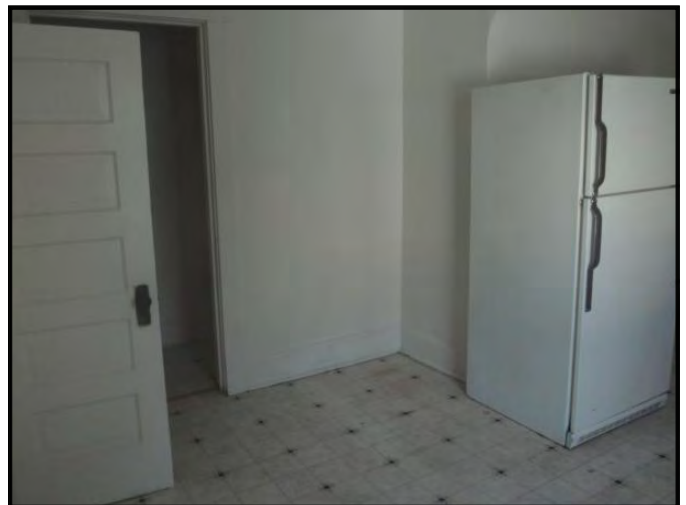
Unit #2 Bath



Unit #4 Enclosed Porch



Unit #4 Kitchen



Unit #4 Dining

Subject Photos

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #4 Bath



Unit #4 Stairs



Unit #4 Living Room



Unit #3 Living Room



Unit #3 Dining



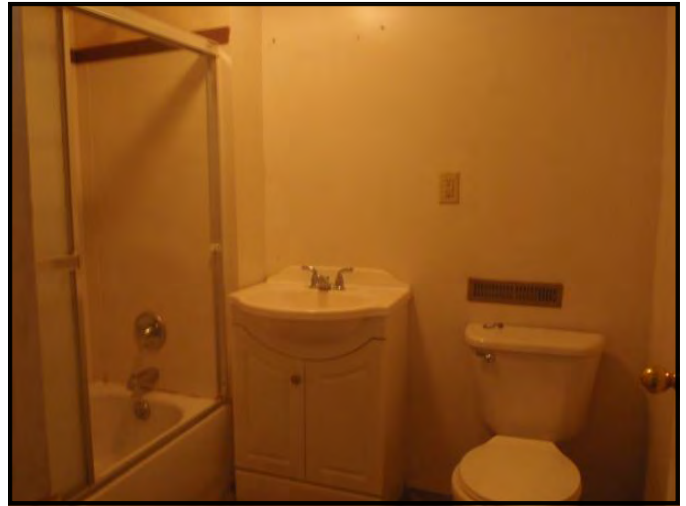
Unit #3 Kitchen

Subject Photos

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Unit #3 Bedroom



Unit #3 Bath



Unit #4 Bonus/Bedroom



Unit #4 Upstairs



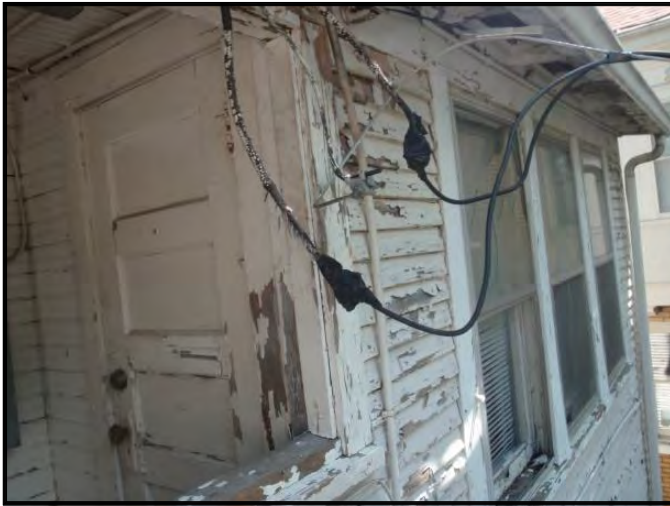
Unit #4 1/2 Bath



Unit #4 ceiling leak

Subject Photos

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Peeling Paint



Boarded up doors/windows

Comparable Photo Page

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Comparable 1

749 S South St
Sales Price 107,500
Gross Building Area 1,736
Age 112 (updated)



Comparable 2

1045 W Mt Vernon St
Sales Price 110,000
Gross Building Area 3,708
Age 117 (updated)



Comparable 3

1516 N Jefferson Ave
Sales Price 240,000
Gross Building Area 5,364
Age 82 (updated)

Small Residential Income Property Appraisal Report

File # 175012

SALES COMPARISON APPROACH	FEATURE	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6						
	Address		1046 E Walnut St Springfield, MO 65803			433 S Main Ave Springfield, MO 65806											
	Proximity to Subject					1.04 miles W											
	Sale Price		\$			\$ 159,900			\$			\$					
	Sale Price/Gross Bldg. Area		\$ sq.ft.			\$ 46.48 sq.ft.			\$ sq.ft.			\$ sq.ft.					
	Gross Monthly Rent		\$ 2,625			\$			\$			\$					
	Gross Rent Multiplier																
	Price per Unit		\$			\$ 26,650			\$			\$					
	Price per Room		\$			\$ 7,995			\$			\$					
	Price per Bedroom		\$			\$ 39,975			\$			\$					
	Rent Control		☐ Yes ☒ No			☐ Yes ☒ No			☐ Yes ☐ No			☐ Yes ☐ No					
	Data Source(s)					MLS#1204819											
	Verification Source(s)					Rltr/Assr											
	VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			+ (-) Adjustment			DESCRIPTION			+ (-) Adjustment		
	Sale or Financing Concessions					Active Listing LP/SP Ratio			-11,200								
	Date of Sale/Time					04/09/2012 LD											
	Location		Urban/Avg			Urban/Avg											
	Leasehold/Fee Simple		Fee Simple			Fee Simple											
	Site		11,271 Sq.Ft.			12545 sf											
	View		N;Res;Commercial			N;Res;Comm											
	Design (Style)		4plex/3St			7Plex/2Story											
	Quality of Construction		Wd/Avg			PS/Avg											
	Actual Age		109 (updated)			103 (updated)											
	Condition		Average-Good			Average			+5,000								
	Gross Building Area		2,742			3,440			-17,450								
	Unit Breakdown		Total	Bdrms	Baths	Total	Bdrms	Baths				Total	Bdrms	Baths			
	Unit # 1		4	1	1	8	0	3	-2,000								
	Unit # 2		3	0	1	3	1	1									
	Unit # 3		3	1	1	3	1	1									
	Unit # 4		4	1	1.5	6	2	2	-500								
	Basement Description		1,403 Sq.Ft.			0sf bsmt			+7,015								
	Basement Finished Rooms		0			0 sf finish											
	Functional Utility		Average														
	Heating/Cooling		FA/CA			FA/None			+2,000								
	Energy Efficient Items		Standard			Standard											
	Parking On/Off Site		Parking Lot			Prkng Lot/3GCrprrt			-1,500								
	Porch/Patio/Deck		CP/ScPt/cdk/Encp			C.Pch/Patio			+3,000								
	Amenities		Appl			Appliances											
	Amenities		Foyer			None			+1,000								
Net Adjustment (Total)					☐ + ☒ -			\$ -14,635			☐ + ☐ -			\$			
Adjusted Sale Price of Comparables					Net Adj. 9.2 %						Net Adj. %						
					Gross Adj. 31.7 %			\$ 145,265			Gross Adj. %			\$			
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$			24,211						\$						
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$			7,263						\$						
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$			36,316						\$						
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).																	
SALE HISTORY	ITEM	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6						
	Date of Prior Sale/Transfer	None within 3 Years			None within 1 Years												
	Price of Prior Sale/Transfer	N/A			N/A												
	Data Source(s)	MLS/Assr			MLS/Assr												
	Effective Date of Data Source(s)	07/18/2012			07/18/2012												
Analysis of prior sale or transfer history of the subject property and comparable sales No sale or transfer history for the subject or comparables other than shown above per MLS and/or assessors office.																	
ANALYSIS / COMMENTS	Analysis/Comments Quality of construction and condition adjustments were determined by personal inspection or by obtaining information from the appraiser of Realtor involved in each sale. Items taken into consideration are roof pitch, roofing material, exterior siding, windows, doors, ceiling heights, ceiling treatments, crown moldings, floor coverings and cabinets.																
	Typical list to sale price percentages in the subject's area are at 93%. An adjustment was made to reflect typical market activity.																

Comparable Photo Page

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Comparable 4

433 S Main Ave
Sales Price 159,900
Gross Building Area 3,440
Age 103 (updated)

Comparable 5

Sales Price
Gross Building Area
Age

Comparable 6

Sales Price
Gross Building Area
Age

Rental Photo Page

Borrower	N/A				
Property Address	1046 E Walnut St				
City	Springfield	County	Greene	State	MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC				



Rental 1

852 S South Ave
Proximity to Subject 0.92 miles SW
Gross Building Area 2,325
Age 107



Rental 2

433 S Main Ave
Proximity to Subject 1.04 miles W
Gross Building Area 3,440
Age 103

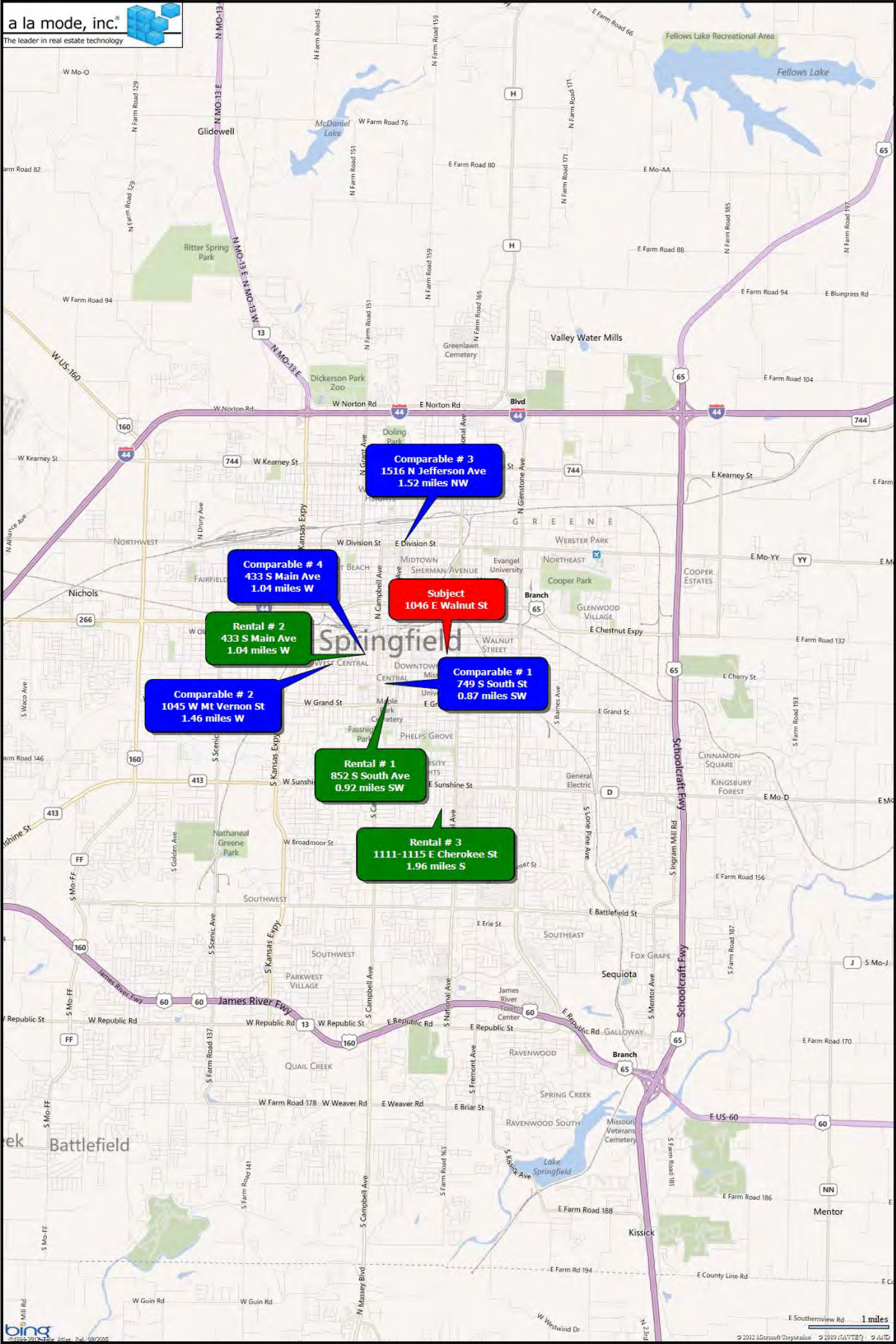


Rental 3

1111-1115 E Cherokee St
Proximity to Subject 1.96 miles S
Gross Building Area 2,796
Age 61

Location Map

Borrower	N/A			
Property Address	1046 E Walnut St			
City	Springfield	County	Greene	State MO Zip Code 65803
Lender	In Care of R&P Taylor Apartments, LLC			



Borrower	N/A						
Property Address	1046 E Walnut St						
City	Springfield	County	Greene	State	MO	Zip Code	65803
Lender	In Care of R&P Taylor Apartments, LLC						

FLOODSCOPE

Flood Hazards Map

Map Number
29077C0334E

Effective Date
December 17, 2010

Powered by FloodSource
877.77.FLOOD
www.floodsource.com

Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

Property Address		1046 E Walnut St Street		Springfield City	MO State	65803 Zip Code	
General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.							
	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1	Yes ☐ No ☒		\$	\$ 650	Electricity	☐	☒
Unit No. 2	Yes ☐ No ☒		\$	\$ 650	Gas	☐	☒
Unit No. 3	Yes ☐ No ☒		\$	\$ 650	Fuel Oil	☐	☐
Unit No. 4	Yes ☐ No ☒		\$	\$ 675	Fuel (Other)	☐	☐
Total			\$	\$ 2,625	Water/Sewer	☐	☒
					Trash Removal	☐	☒

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (*for new properties the applicant's projected income and expenses must be provided*). This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (*e.g. Applicant/Appraiser 288/300*). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (*Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item*) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (<i>Do not include income for owner-occupied units</i>)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (<i>from unit(s) to be rented</i>) (Market)	\$ 31,500	\$
Other Income (<i>include sources</i>)	+	+
Total	\$ 31,500	\$
Less Vacancy/Rent Loss	- (%)	- (%)
Effective Gross Income	\$ 31,500	\$
Expenses (<i>Do not include expenses for owner-occupied units</i>)		
Electricity		
Gas		
Fuel Oil		
Fuel (Type -)		
Water/Sewer		
Trash Removal		
Pest Control		
Other Taxes or Licenses		
Casual Labor	200	
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating	500	
This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.		
General Repairs/Maintenance	250	
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses		
These are the customer expenses that a professional management company would charge to manage the property.		
Supplies	200	
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	815	
Miscellaneous		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
Total Operating Expenses	\$ 1,965	\$

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner’s operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year - such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 350	ea. ÷ 10 Yrs. x 4	Units = \$ 140	\$
Refrigerators	@ \$	ea. ÷ Yrs. x	Units = \$	\$
Dishwashers	@ \$ 400	ea. ÷ 10 Yrs. x 4	Units = \$ 160	\$
A/C Units	@ \$ 1,000	ea. ÷ 10 Yrs. x 1	Units = \$ 100	\$
C. Washer/Dryers	@ \$	ea. ÷ Yrs. x	Units = \$	\$
HW Heaters	@ \$ 150	ea. ÷ 10 Yrs. x 1	Units = \$ 15	\$
Furnace(s)	@ \$ 1,000	ea. ÷ 10 Yrs. x 1	Units = \$ 100	\$
(Other)	@ \$	ea. ÷ Yrs. x	Units = \$	\$
Roof	@ \$ 4,500	÷ 15 Yrs. x One Bldg. =	\$ 300	\$
Carpeting (Wall to Wall)				
		Remaining Life		
(Units)	Total Sq. Yds. @ \$	Per Sq. Yd. ÷ Yrs. =	\$	\$
(Public Areas)	Total Sq. Yds. @ \$	Per Sq. Yd. ÷ Yrs. =	\$	\$
Total Replacement Reserves. (Enter on Pg. 1)			\$ 815	\$

Operating Income Reconciliation

\$ 31,500	-	\$ 1,965	=	\$ 29,535	÷ 12 =	\$ 2,461
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ \$ 2,461	-	\$	=	\$		
Monthly Operating Income		Monthly Housing Expense		Net Cash Flow		

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter’s instructions for 2-4 Family Owner-Occupied Properties

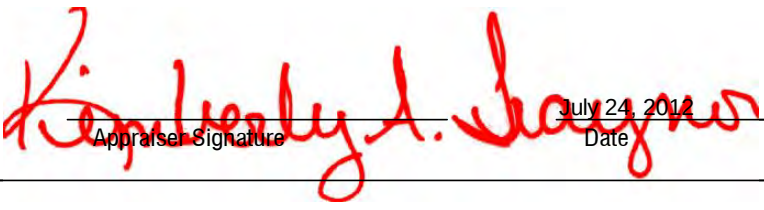
- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the **subject property** to the borrower’s stable monthly income.

Underwriter’s instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower’s monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower’s **primary residence** to the borrower’s stable monthly income.

Appraiser’s Comments (Including sources for data and rationale for the projections)

Data recited is based on interviews with property managers, Realtors, Appraisers, analysis of current market trends and assessors records.

Kimberly A. Traynor		July 24, 2012
Appraiser Name		Date

Underwriter’s Comments and Rationale for Adjustments

Underwriter Name	Underwriter Signature	Date
Freddie Mac Form 998 Aug 88	Page 2 of 2	Fannie Mae Form 216 Aug 88

Appendix D
Property Income Information

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See separate instructions.

OMB No. 1545-0074

2011

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

PRINDA A TAYLOR

358-24-9861

A Did you make any payments in 2011 that would require you to file Form(s) 1099? (see instructions)

☐ Yes ☐ No

B If "Yes," did you or will you file all required Forms 1099?

☐ Yes ☐ No

Part I Income or Loss From Rental Real Estate and Royalties **Note.** If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

Caution. For each rental property listed on line 1, check the box in the last column only if you owned that property as a member of a qualified joint venture (QJV) reporting income not subject to self-employment tax.

1	Physical address of each property-street, city, state, zip	Type-from list below	2 For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.	Fair Rental Days	Personal Use Days	QJV
A	[REDACTED] MO 65806	1	A	365		
B	SPRINGFIELD, MO 65806	1	B	365		
C	[REDACTED] MO 65806	1	C	365		

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:

		Properties		
		A	B	C
3a	Merchant card and third party payments. For 2011, enter -0-	3a		
b	Payments not reported to you on line 3a	3b	[REDACTED]	[REDACTED]
4	Total not including amounts on line 3a that are not income (see instructions)	4	[REDACTED]	[REDACTED]

Expenses:

5	Advertising	5		
6	Auto and travel (see instructions)	6		
7	Cleaning and maintenance	7		
8	Commissions	8		
9	Insurance	9	[REDACTED]	[REDACTED]
10	Legal and other professional fees	10	[REDACTED]	[REDACTED]
11	Management fees	11		
12	Mortgage interest paid to banks, etc. (see instructions)	12		
13	Other interest	13		
14	Repairs	14	[REDACTED]	[REDACTED]
15	Supplies	15		
16	Taxes	16		
17	Utilities	17	[REDACTED]	[REDACTED]
18	Depreciation expense or depletion	18	[REDACTED]	[REDACTED]
19	Other (list) ▶ See expense stmt.	19	[REDACTED]	[REDACTED]
20	Total expenses. Add lines 5 through 19	20	[REDACTED]	[REDACTED]
21	Subtract line 20 from line 4. If result is a (loss), see instructions to find out if you must file Form 6198	21	[REDACTED]	[REDACTED]
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	([REDACTED])	([REDACTED])

23a	Total of all amounts reported on line 3a for all rental properties	23a	
b	Total of all amounts reported on line 3a for all royalty properties	23b	
c	Total of all amounts reported on line 4 for all rental properties	23c	
d	Total of all amounts reported on line 4 for all royalty properties	23d	
e	Total of all amounts reported on line 12 for all properties	23e	
f	Total of all amounts reported on line 18 for all properties	23f	
g	Total of all amounts reported on line 20 for all properties	23g	
24	Income. Add positive amounts shown on line 21. Do not include any losses	24	
25	Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here.	25	()
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26	

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule E (Form 1040) 2011

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2011Attachment
Sequence No. **179**Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

PRINDA A TAYLOR

358-24-9861

Business or activity to which this form relates

1046 E WALNUT

- SCHEDULE E

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	2,173.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	2,173.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

SCHEDULE E DEPRECIATION AND AMORTIZATION

SCHEDULE E DEPRECIATION AND AMORTIZATION

[illegible]

Assets Retired	
USA	
TX9024 1.000	

885229 -K929 04/16/2012 13:48:33 V11-4.2 210084

Supplement To Schedule E
=====Other Expenses, Schedule E - Page 1, Line 19
=====Kind of property: 1046 E WALNUT
Location of property: SPRINGFIELD, MO 65806

LABOR	3,006.
TELEPHONE	404.
TRASH	212.
MISC	2,367.
TRS EXP	528.

Total other expenses	----- 6,517. =====
----------------------	--------------------------

DRAFT

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2010

Attachment
Sequence No. **13**

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

Your social security number

PRINDA A TAYLOR

358-24-9861

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A	1046 E WALNUT SPRINGFIELD, MO 65806	• 14 days or • 10% of the total days rented at fair rental value?			X
B					X
C					X

Income:		Properties			Totals (Add columns A, B, and C.)	
		A	B	C		
3	Rents received		3,835.		3	
4	Royalties received				4	
Expenses:						
5	Advertising		238.			
6	Auto and travel (see page E-4) . . .					
7	Cleaning and maintenance					
8	Commissions					
9	Insurance		994.			
10	Legal and other professional fees . .		247.			
11	Management fees					
12	Mortgage interest paid to banks, etc. (see page E-5)				12	
13	Other interest					
14	Repairs		1,594.			
15	Supplies					
16	Taxes		1,058.			
17	Utilities		3,792.			
18	Other (list) ▶ See expense stmt.		5,911.			
19	Add lines 5 through 18.		13,834.		19	
20	Depreciation expense or depletion (see page E-5)		2,173.		20	
21	Total expenses. Add lines 19 and 20		16,007.			
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198		-12,172.			
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582 . Real estate professionals must complete line 43 on page 2 . . .		12,172.			
24	Income. Add positive amounts shown on line 22. Do not include any losses				24	
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				25	
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2				26	

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule E (Form 1040) 2010

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2010Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to your tax return.

Attachment
Sequence No. **67**

Name(s) shown on return

Identifying number

PRINDA A TAYLOR

358-24-9861

Business or activity to which this form relates

1046 E WALNUT

- SCHEDULE E

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	2,173.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	2,173.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Supplement To Schedule E

Other Expenses, Schedule E - Page 1, Line 18

Kind of property: 1046 E WALNUT
Location of property: SPRINGFIELD, MO 65806

LABOR	2,229.
TELEPHONE	255.
TRASH	191.
MISC	2,457.
TRS EXP	779.

Total other expenses	5,911.
	=====

Appendix E

Assessed Values

2012

Current Land:	\$3,500
Current Building:	\$18,110
Current Total:	\$21,610

2011

Current Land:	\$3,500
Current Building:	\$18,110
Current Total:	\$21,610

2010

Current Land:	\$3,800
Current Building:	\$16,020
Current Total:	\$19,820

Appendix F
Real Estate Property Taxes



Details For Tax Year 2010

(09:58:32)



88-13-24-112-011
TAYLOR, RICHARD

Date	Type	Trans-Receipt	Assessed Value	Court Order Number	Debit	Credit
10-01-10	Base		19820		989.94	
12-31-10	Regular	10508142-562245	19820			989.94
TAYLOR APARTMENTS*19291*PO BOX 4386*SPRINGFIELD MO 65808					<u>989.94</u>	<u>989.94</u>

The account is PAID IN FULL for tax year 2010

[\[Start Over\]](#) [\[Return to List\]](#)



Details For Tax Year 2011

(09:58:01)



88-13-24-112-011
TAYLOR, RICHARD

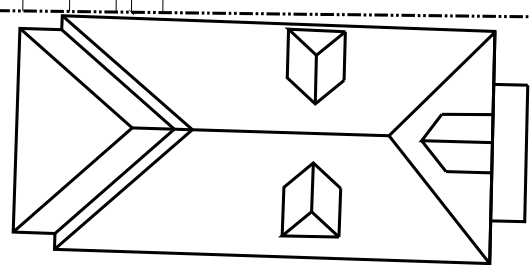
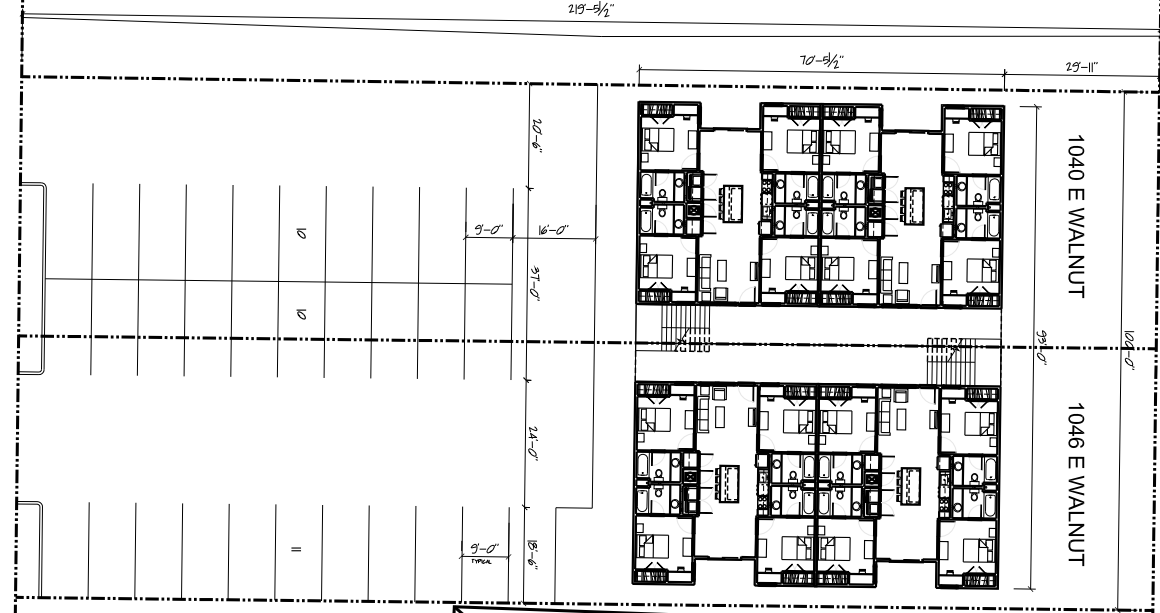
Date	Type	Trans-Receipt	Assessed Value	Court Order Number	Debit	Credit
10-01-11	Base		21610		1082.01	
12-31-11	Regular	11505873-572083	21610			1082.01
R AND P TAYLOR APARTMENTS LLC*1800*PO BOX 4386*SPRINGFIELD MO 65808					<u>1082.01</u>	<u>1082.01</u>

The account is PAID IN FULL for tax year 2011

[\[Start Over\]](#) [\[Return to List\]](#)

Appendix G
Proposed Development





ACCESS ALLEY

Appendix H
Property Listing

Client Summary Report

Listings as of 07/25/12 at 3:13pm

Under Contract 05/22/12 Listing # 1014378		1046 E Walnut St Springfield, MO 65803-9267		Listing Price: \$199,000
County: Greene		Cross St: National		
	Prop Type	Multi-Family	Prop Subtype(s)	Duplex, Triplex, Four
	Region	SE - SE1	Subdivision	Country Club West
	Age	Over 50 years		
	Beds		App.Total Fin.Sq.Ft.	2750
	Baths(FH)			
	Year Built	1903	Lot Sq Ft (approx)	11282
	Tax ID	811324112011	Lot Acres (approx)	0.259
	See Virtual Tour			

Directions From Sunshine go North on National to Walnut go Left or West to home on Left**Marketing Remark** This is a really unique home in a fabulous location, however it needs to be renovated... a perfect spot for many types of businesses..was recently a rental..owner says bring offers!!!!**Measurements**

SQ FT Provided By:	assess	Lot Size Provided By	assess
Apx Year Built	1903	Inside City Limits	Yes
Keywords			
Zoning	multifamily		
Property Features			
Historical Dist	Yes	Parking	Paved Area
Sign on Property	Yes	Real Estate Tax	987.54
RE Tax Provided by	Assessor's records	Tax Year	2009
4	Occupied: No	Square Feet: 0	Bedrooms: 0
Unit #:	Identical Units: 0	Rent: 0.00	
bedrooms	Occupied: No	Square Feet: 0	Bedrooms: 0
Unit #: 4	Identical Units: 0	Rent: 0.00	

Presented By:	Marty K Chaney	Murney Associates - Primrose
	Primary: 417-818-3553	1625 E. Primrose
	Secondary: 417-823-2300	Springfield, MO 65804
	Other:	417-823-2300
	E-mail: mchaney@murney.com	Fax : 417-823-9645
July 2012	Web Page:	See our listings online: http://www.murney.com

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U.S. Patent 6,910,045



Appendix I
Proof of Financial Ability

Empire Bank



July 25, 2012

To Whom It May Concern:

Empire Bank has a Money Market Account in the name of Richard L Taylor Trust with Prinda Anne Taylor as Trustee in the amount of \$1,862,235.43.

Sincerely,

Mary Lou Byrd

Customer Service Representative

Hammons Tower Branch

417-841-4215 phone

417-869-8611 fax

mary_byrd@empirebank.com