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Sponsored by: Burlison

First Reading: October 21, 2013

Second Reading: November 4, 2013

COUNCIL BILL NO. 2013- 274

SPECIAL ORDINANCE NO. 26328

AN ORDINANCE

1 APPROVING a redevelopment plan submitted by Brewery District Lofts
2 Redevelopment Corporation (Corporation) for the redevelopment of an
3 area generally located along the north side of West Walnut Street
4 between South Market Avenue and South Main; declaring the area to
5 be a blighted area and its redevelopment necessary for the
6 preservation of the public peace, prosperity, health, safety, morals,
7 and welfare; authorizing certain tax abatement within the plan area;
8 and authorizing the City Manager to execute an agreement with the
9 Corporation relating to the implementation of the redevelopment plan.
10
11

12 WHEREAS, Chapter 353, RSMo., provides for tax abatement for projects located in
13 areas that have blight conditions when a proper redevelopment plan is developed and
14 carried out for such project; and
15

16 WHEREAS, an application for tax abatement for a project known as the Brewery
17 District Lofts Redevelopment Area (Redevelopment Area) has been submitted by the
18 Corporation, a corporation duly organized pursuant to the Urban Redevelopment
19 Corporations Law and amendments thereto, together with a redevelopment plan, a blight
20 study and tax abatement impact study for the property generally located along the north
21 side of West Walnut Street between South Market Avenue and South Main Avenue, within
22 the city limits of Springfield, Missouri, and a copy of said application is on file in the office of
23 the City Clerk; and
24

25 WHEREAS, the Land Clearance for Redevelopment Authority (LCRA) reviewed the
26 Blight Report and the redevelopment plan at its October 1, 2013, meeting and
27 recommended that the Redevelopment Area be declared to be a blighted area; and
28

29 WHEREAS, the Planning and Zoning Commission (Commission) reviewed the
30 redevelopment plan for consistency with the Springfield-Greene County Comprehensive
31 Plan (Comprehensive Plan) on October 1, 2013, and the Commission supported the
32 redevelopment plan as proposed; and
33

34 WHEREAS, proper notice has been provided as required by Sections 36-37 and 36-
35 38 of the Urban Redevelopment Ordinance of the City, and as required by Chapter 353,
36 RSMo., to the public, all affected taxing jurisdictions and all property owners within the
37 Redevelopment Area of the public hearing on the request for tax abatement; and

38 WHEREAS, City Council held a public hearing on October 21, 2013, notice of which
39 was properly given in accordance with the Urban Redevelopment Ordinance and Chapter
40 353, RSMo., and all interested parties including affected political subdivisions were given
41 the opportunity to be heard on such request; and
42

43 WHEREAS, City Council, after all interested parties were given an opportunity to be
44 heard, has elected to approve the redevelopment plan submitted by the Corporation
45 (Redevelopment Plan).
46

47
48 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
49 SPRINGFIELD, MISSOURI, as follows that:
50

51 Section 1 – The application for approval of the Redevelopment Plan of the
52 Corporation for the redevelopment of an area consisting of the area generally located along
53 the north side of West Walnut Street between South Market Avenue and South Main
54 Avenue, in Springfield, Missouri, on file in the office of the City Clerk, is incorporated by
55 reference herein as if copied verbatim, and the Redevelopment Plan of the Corporation
56 contained therein is hereby approved.
57

58 Section 2 – The City Council finds and declares that the area described in the
59 aforesaid Redevelopment Plan submitted by the Corporation, and more particularly
60 described in “Exhibit 1” to this ordinance, as the Redevelopment Area, is a blighted area as
61 defined by Section 353.020(2), RSMo., and the redevelopment thereof is necessary for
62 public convenience and necessity; and that approval of the Redevelopment Plan and
63 construction of the redevelopment project described therein are necessary for the
64 preservation of the public peace, prosperity, health, safety, morals, and welfare.
65

66 Section 3 – After review of the Tax Impact Analysis attached to this ordinance within
67 “Exhibit 1”, copies of which were provided to the affected taxing jurisdictions, the
68 Corporation, upon executing an agreement with the City on a form approved by the City
69 Attorney’s Office related to the Redevelopment Plan, partial real property tax abatement,
70 and payment of PILOTs, is hereby granted partial real property tax abatement on land and
71 improvements as follows: real property acquired by the Corporation shall not be subject to
72 assessment or payment of general ad valorem taxes for a period of 10 years after the date
73 upon which the Corporation becomes the owner of the property, except to the extent and in
74 such amount as may be imposed upon real property during such period measured solely by
75 the amount of the assessed valuation of the land, exclusive of improvements, as was
76 determined by the assessor of Greene County in which such property is located for taxes
77 due and payable during the calendar year preceding the calendar year during which the
78 Corporation acquired title thereto; and after the expiration of 10 years, such real property,
79 including improvements, shall be exempt for an additional 15 years to the extent of ad
80 valorem taxes on such property measured by the assessed valuation thereof at the rate of
81 50 percent of the true value of such property including improvements, provided that such
82 abatement shall continue only so long as the property is used in accordance with the
83 Redevelopment Plan and Agreement approved herein.
84

85 Section 4 – The Corporation shall make annual payments in lieu of taxes (PILOTs)
86 for the first ten years in an amount equal to the real property taxes that were due on the
87 improvements for the year preceding the Corporation acquiring title to the real property
88 located inside the Redevelopment Area.
89

90 Section 5 – The Corporation shall acquire the real property in the Redevelopment
91 Area, which is generally located along the north side of West Walnut Street between South
92 Market Avenue and South Main Avenue, in Springfield, Missouri on or before December 31,
93 2016 (subject to excusable delays), and if such property is not so acquired within said
94 period all development rights, including tax abatement, will expire.
95

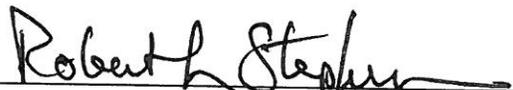
96 Section 6 – The City Manager shall take all steps necessary to inform the Greene
97 County Assessor of the granting of such tax abatement and the passage of this ordinance.
98

99 Section 7 – The City Manager is further authorized to enter into an agreement with
100 the Corporation substantially in the form of "Exhibit 2", attached to this ordinance and made
101 a part hereof (Redevelopment Agreement). In the event of any conflicts or differences
102 between the provisions of the Redevelopment Plan and the Redevelopment Agreement, the
103 Redevelopment Agreement shall govern and the Redevelopment Plan shall be deemed to
104 be amended accordingly.
105

106 Section 8 – The sections of this ordinance shall be severable. In the event any
107 section of this ordinance is found by a court of competent jurisdiction to be invalid, the
108 remaining sections of this ordinance shall be deemed valid, unless the court finds the valid
109 sections of this ordinance are so essentially and inseparably connected with, and so
110 dependent upon the void sections, that it cannot be presumed that the City Council would
111 have enacted the valid sections without those deemed invalid; or unless the court finds that
112 the valid sections, standing alone, are incomplete and are incapable of being executed in
113 accordance with the legislative intent.
114

115 Section 9 – This ordinance shall take effect and be in full force and effect from and
116 after its passage.
117

118 Passed at meeting: November 4, 2013
119

120
121 
122 Robert L. Stephen
123 Mayor

124
125 Attest: Brenda M. Cito
126 _____, City Clerk
127

128 Filed as Ordinance: November 4, 2013
129

130
131
132 Approved as to form: Mary K. Yendes Assistant City Attorney
133

134
135 Approved for Council Action: Greg Burnett City Manager
136
137

EXPLANATION TO COUNCIL BILL NO: 2013- 274

FILED: 10-15-13

ORIGINATING DEPARTMENT: Planning and Development

PURPOSE: To adopt an ordinance approving a redevelopment plan submitted by the Brewery District Lofts Redevelopment Corporation (Corporation) for the redevelopment of an area generally located along the north side of West Walnut Street between South Market Avenue and South Main Avenue; declaring the area in such plan to be a blighted area and its redevelopment necessary for the preservation of the public peace, prosperity, health, safety, morals, and welfare; authorizing certain tax abatement within the plan area; and authorizing the City Manager to execute an agreement with the Corporation relating to the implementation of the redevelopment plan. (The Planning and Zoning Commission, Land Clearance for Redevelopment Authority, and City Staff recommend approval.)

BACKGROUND INFORMATION: Chapter 353, Missouri Revised Statutes (RSMo) and Chapter 36, Springfield City Code authorize the establishment of Urban Redevelopment Corporations for purposes of redeveloping blighted areas. According to the Statute, the City of Springfield may grant up to 25 years of partial real property tax abatement to blighted properties located within designated redevelopment areas that are acquired by urban redevelopment corporations and redeveloped in accordance with approved redevelopment plans.

The Corporation has filed an application requesting partial real property tax abatement pursuant to Chapter 353, Missouri Revised Statutes (RSMo) and Chapter 36, Springfield City Code, for a proposed redevelopment project located along the north side of West Walnut Street between South Market Avenue and South Main Avenue. The Brewery District Lofts Redevelopment Area (Redevelopment Area) consists of four parcels (1.06 acres) and is occupied by five vacant buildings that were previously used for automotive repair and painting, storage, and restaurant use. The area is in poor condition and is in need of redevelopment.

Section 353.020, RSMo, defines a “blighted area” as:

That portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.

The Developer has submitted a report providing evidence, including photographs and building inspection reports, which support a declaration of blight. The Land Clearance for Redevelopment Authority (LCRA) reviewed the blight report at their October 1, 2013, meeting and recommended that this area be declared a blighted area by a vote of 4 to 0.

The redevelopment plan proposes to demolish the buildings located on the west side of the Redevelopment Area at 535 and 527 West Walnut Street and construct a three-story residential and commercial mixed-use development. The new building will feature approximately 11,350 square feet of retail, office, and banquet facility space on the first floor. The upper floors will feature 28 market-rate residential apartments, which will include a mix of studio, one-, two-, and three-bedroom units. Off-street parking for approximately 28 automobiles will be provided along the north side of the building.

The buildings located on the east side of the Redevelopment Area at 521 West McDaniel Street and 507 West Walnut Street will not be demolished, but rather rehabilitated and restored to a shell state. Once completed, Springfield Brewing Company will use the 521 West Walnut Street building for production expansion and event space. The 507 West Walnut Street building will function as a distillery.

The Planning and Zoning Commission reviewed the redevelopment plan at their October 3, 2013, meeting. The Commission found the plan to be in conformance with *Springfield-Greene County Comprehensive Plan* and recommended that it be approved by a vote of 7 to 0.

The Developer requests real property taxes be partially abated for a 25-year period pursuant to Chapter 353, RSMo. During the first ten years, 100 percent of the incremental increase in real property taxes on the land along with 100 percent of the real property taxes on the improvements will be abated. The developer will continue to pay real property taxes based on the assessed value of the land during the year preceding the Corporation obtaining title of the Redevelopment Area. The developer will also make annual payments in lieu of taxes (PILOTs) during this ten-year period that are equal to the property taxes that were due on the improvements during the year preceding the Corporation obtaining title of the Redevelopment Area. Combined, the payment of taxes on the land and PILOTs on the improvements will be equal to the property taxes paid on the land and improvements during the year preceding the redevelopment. This will ensure that the affected taxing jurisdictions do not experience a decrease in real property tax revenue as a result of the abatement. During the remaining 15 years of tax abatement, 50 percent of real property taxes on both the land and improvements will be abated. According to the tax impact analysis, the affected political subdivisions could collect \$517,580 of additional property tax revenue over the next 25 years if the redevelopment occurs and tax abatement is authorized, as opposed to the redevelopment not occurring and tax abatement not being authorized.

The City of Springfield's *Economic Development Incentives Policy Manual* states that requests for discretionary incentives, such as partial real property tax abatement pursuant to Chapter 353, RSMo, shall meet the "but for" test. In other words, the applicant must demonstrate that the project would not occur, would only occur at a significantly smaller scale, or would not be financially stable, or that public benefit would not occur *but for* receiving the tax abatement. The policy manual also states that such incentives may be granted if the City Council finds there to be an overriding public benefit or a reduction in costs that would otherwise be paid by the City. The developer has provided two 25-year project pro forma financial statements (one with tax abatement, one without), each providing yearly cash flows and cash-on-cash return analyses. The cash-on-cash return is a measure of the annual rate of return made on the developer's equity or cash invested the project. This calculation is one method of determining whether a project can provide a return on investment necessary to attract developer capital. The projections provided within these statements indicate that partial real property tax abatement is necessary in order for the project to proceed. Additionally, staff believes the proposed redevelopment project will provide a public benefit by rehabilitating a blighted area within Center City.

REMARKS: The Land Clearance for Redevelopment Authority, Planning and Zoning Commission, and Staff recommend approval.

Submitted by:



Matt D. Schaefer
Senior Planner

Recommended by:



Ralph Rognstad Jr.
Director, Planning and Development

Approved by:



Greg Burris
City Manager

RECORD OF PROCEEDINGS

GENERAL INFORMATION: Brewery District Lofts Redevelopment Plan

The purpose of this request is to approve the Redevelopment Plan for the Brewery District Lofts generally located along the north side of West Walnut Street between South Market Avenue and South Main (507-535 West Walnut Street).

COMMISSION HEARING: October 3, 2013

Mr. Matt Schaefer, Senior City Planner stated that the Brewery District Lofts Redevelopment Corporation has filed an application requesting partial real property tax abatement pursuant to Chapter 353 of the Missouri Revised Statutes. Chapter 353 encourages redevelopment of blighted areas and does so by offering real property tax abatement for a period of twenty-five (25) years. The applicant must demonstrate that the redevelopment area is blighted and there would be a significant public benefit that would occur as a result of it and that it would not occur but for the abatements. The abatement is offered for twenty-five years and for the first ten (10) it is one hundred (100) percent abatement on the improvements and the increase in the value of the land. During that period in order to keep the taxing jurisdictions full, there will be payments in lieu of taxes that are equal to the taxes on the improvements prior to redevelopment. During the later fifteen (15) years, the abatement is based on fifty (50) percent of the assessed value of the land and improvements at that time. Commission's responsibility is to review the plan and determine if it conforms to the Comprehensive Plan for the City of Springfield. The redevelopment area is located along the north side of West Walnut Street between South Market Avenue and South Main Avenue and consists of four parcels, which comprise approximately 1.06 acres. It is currently zoned Center City and is occupied by five vacant buildings that were previously used for automotive repair and painting, storage, and restaurant use. A blight study has been provided by the developer that demonstrates the area is blighted and is in need of redevelopment. The Redevelopment Plan proposes to demolish the buildings located at 535 and 527 W. Walnut St. and construct a three-story residential and commercial mixed-use development. The new building will feature approximately 11,350 sq ft of retail, office, and banquet facility space on the first floor. The upper floors will feature 28 market-rate residential apartments, which will include a mix of studio, one-, two-, and three-bedroom units. Off-street parking for approximately 28 automobiles will be provided along the north side of the building. The buildings located at 521 W. McDaniel St. and 507 W. Walnut St. will not be demolished, but rather rehabilitated and restored to a shell state. Once completed, Springfield Brewing Company will use the 521 W. Walnut St. building for production expansion and event space. The 507 W. Walnut St. building will function as a distillery. The Redevelopment Plan for the Brewery District Lofts Redevelopment Area is in conformance with the *Springfield-Greene County Comprehensive Plan*. Mr. Schaefer stated he was available for questions.

Mr. Coltrin opened the public hearing.

Ms. Lindsey Bragg, Husch, Blackwell, 901 S. Louis Street, commented she is representing the developers available for questions.

Mr. Coltrin closed the public hearing.

COMMISSION ACTION:

Mr. Lawhon **motioned** that the Brewery District Lofts Redevelopment Plan is in conformance with the Springfield-Greene County Comprehensive Plan and be forwarded to City Council for consideration. Mr. Ray **seconded** the motion. The motion **carried** as follows: Ayes: Coltrin, McClelland, Ray, Lawhon, White, Young and Hansen. Nays: None. Abstain: None. Absent: Edwards and Baird.

A handwritten signature in black ink, appearing to read 'Bob Hosmer', with a long horizontal flourish extending to the right.

Bob Hosmer, AICP
Principal Planner

EXHIBIT 1

Brewery District Lofts
Redevelopment Corporation

*Application for
Approval of Development
Plan Under Chapter 36
of Springfield City Code*



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1. Urban Redevelopment Corporation/Developer
 - (a) Identification of the urban development corporation and developer including all owners, partners and officers of both entities, if different
 - (b) Summary of urban development corporation and/or developer's experience and qualifications
 - (c) Proof of urban development corporation and/or developer's financial capability (financial statements, profit/loss statements, etc.)
 - (d) Copy of articles of agreement/organization for Urban Redevelopment Corporation and Developer
 - (e) Certificate of good standing for Urban Redevelopment Corporation and Developer from the Missouri Secretary of State

2. Blight Report and Development Plan
 - **BLIGHT REPORT AND REDEVELOPMENT PLAN FOR THE BREWERY DISTRICT LOFTS REDEVELOPMENT AREA, SPRINGFIELD, MISSOURI** dated September 23, 2013
 - (a) Legal description of area (*See Blight Report, Exhibit B*)
 - (b) Current conditions of property related to blighting, including photographs (*See Blight Report and Exhibits C, D, and E*)
 - (c) Description of project development (*See Redevelopment Plan*)
 - (d) Project stages and timing
 - (e) Documentation of projected construction costs
 - (f) Source, nature and terms of all required project financing
 - (g) Plans and specifications (*See Redevelopment Plan and Exhibit F*)
 - (h) Date of report (*See Blight Report*)
 - (i) Citation to part of the City's Comprehensive Plan which this project implements, if any (*See Redevelopment Plan*)

- (j) Impact project will have to alleviate blight identified in the report and time table to achieve (*See Blight Report*)

3. Proof of Need for Abatement

- PRO FORMA FOR THE BREWERY DISTRICT LOFTS REDEVELOPMENT AREA

- **APPRAISAL OF REAL ESTATE FOR 527 – 535 WEST WALNUT STREET**, prepared by Ronald S. Phillips, MAI (on file with the City of Springfield)

- **APPRAISAL OF REAL ESTATE FOR 521 WEST MCDANIEL STREET AND 507 WEST WALNUT STREET**, prepared by Ronald S. Phillips, MAI (on file with the City of Springfield)

- (a) All project gross income (rental estimates should be supported by local market data) (*See Pro Forma and Appraisals*)
- (b) Occupancy analysis to determine appropriate vacancy rate (*See Pro Forma and Appraisals*)
- (c) Estimate of effective gross income (*See Pro Forma*)
- (d) Itemized operating expense analysis (*See Pro Forma*)
- (e) Projected net income (*See Pro Forma*)
- (f) Debt service impact, cash flow, and investor rate of return analyses (IRR or Cash-on-Cash Returns, etc.) (*See Pro Forma*)
- (g) Appraised value of the project area without improvements, with improvements prior to renovations and improvements following renovations (include methodology used). (*See Appraisals*)

4. Tax Impact Analysis

5. Copy of Report from City of Springfield Redevelopment Review Team Site Visit

Item 1 – Urban Redevelopment Corporation/Developers

Item 1(a) - Identification of Urban Redevelopment Corporation and Developers for the Brewery District Lofts Redevelopment Area Springfield, Missouri

Urban Redevelopment Corporation:

Name: Brewery District Lofts Redevelopment Corporation

Address: 1180 W. Stone Meadow Way
Springfield, MO 65810

Established: September 9, 2013

Tax ID: 46-3596777

Directors: Christina J. Chanter
Neil Chanter
Donald Babb
Carrie J. Babb

Developers:

Names: EmmLott, L.L.C.¹ / 5999, L.L.C.²

Address: 1180 W. Stone Meadow Way
Springfield, MO 65810

Established: February 10, 2012 / July 30, 2013

Tax ID: 46-0591940 / 46-3320903

Members: Christina J. Chanter, Trustee of the Christina J. Chanter Revocable Living Trust Agreement dated May 18, 2010
Carrie J. Babb, Trustee of the Carrie J. Babb Revocable Living Trust Agreement Dated July 1, 1998

¹ EmmLott, L.L.C. will be the owner and developer for 507 W. Walnut St. and the building located at 521 W. McDaniel St.

² 5999, L.L.C. will be the owner and developer for the retail/apartment loft facility to be constructed on the property located at 535 W. Walnut St., 527 W. Walnut St., and the portion of 521 W. McDaniel St. that does not include the building.

Item 1(b) – Developers’ Experience for Brewery District Lofts Redevelopment Area Springfield, Missouri

Neil and Christina Chanter and Donald and Carrie Babb will be redeveloping the Brewery District Lofts Redevelopment Area through the Developers. Neil and Christina have owned Walnut Quads and a commercial building on Lone Pine in Galloway Village for over two years, and Christina manages the commercial aspects of these sites. Neil and Christina also have gained development experience through building their current residence and are working on plans for their next home. Donald Babb has extensive development experience as he is the CEO and founder of Citizen’s Memorial Hospital in Bolivar, Missouri. Citizen’s Memorial Hospital has built countless facilities and centers with construction costs ranging from one million dollars to more than twenty million dollars throughout their 30+ years of operation. Although this will be Christina and Neil’s first commercial development project they have assembled a team of experienced professionals to work with them through the process.

**Item 1(c) – Developers’ Financial Capability for
the Brewery District Lofts Redevelopment Area
Springfield, Missouri**

Since the Developers are relatively new companies, please see Neil and Christina Chanter’s and Donald and Carrie Babb’s financial statements, which are on file with the City.

**Item 1(d) - Articles of Agreement/Organization for
Urban Redevelopment Corporation and Developers**

STATE OF MISSOURI



Jason Kander
Secretary of State

CERTIFICATE OF INCORPORATION

WHEREAS, Articles of Incorporation of

Brewery District Lofts Redevelopment Corporation
RD1340842

have been received and filed in the Office of the Secretary of State, which Articles, in all respects, comply with the requirements of General and Business Corporation Law.

NOW, THEREFORE, I, JASON KANDER, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do hereby certify and declare this entity a body corporate, duly organized this date and that it is entitled to all rights and privileges granted corporations organized under the General and Business Corporation Law.

IN TESTIMONY WHEREOF, I hereunto
set my hand and cause to be affixed the
GREAT SEAL of the State of Missouri.
Done at the City of Jefferson, this
9th day of September, 2013.


Secretary of State



File Number:
RD1340842
Date Filed: 09/09/2013
Jason Kander
Secretary of State

**ARTICLES OF AGREEMENT
OF
BREWERY DISTRICT LOFTS REDEVELOPMENT CORPORATION**

The undersigned, being a natural person of the age of eighteen (18) years or more, and acting as incorporator of a corporation to be organized pursuant to the provisions of the "Urban Redevelopment Corporations Law" of Missouri, Chapter 353, RSMo., does hereby adopt the following Articles of Agreement.

ARTICLE I

The name of the corporation is Brewery District Lofts Redevelopment Corporation (the "*Corporation*").

ARTICLE II

The principal business office shall be located at 1180 W. Stone Meadow Way, Springfield, Missouri 65810, with a mailing address of 1180 W. Stone Meadow Way, Springfield, Missouri 65810.

ARTICLE III

The address of the initial registered office and registered agent of the Corporation in the State of Missouri is 901 St. Louis Street, Suite 600, Springfield, Missouri 65806, with a mailing address of 901 St. Louis Street, Suite 600, Springfield, Missouri 65806. The initial registered agent of the Corporation at such address is John D. Hammons, Jr.

ARTICLE IV

The aggregate number of shares which the Corporation shall have the authority to issue is 30,000, all having a par value of \$0.01 each, and all of which are of one class and are designated as Common Stock. All shares shall have equal rights and powers and there are no pre-emptive rights of shareholders with respect to any shares issued or to be issued by the Corporation.

ARTICLE V

The Corporation is formed for the following purposes:

5.1 To acquire, construct, maintain and operate a redevelopment project or redevelopment projects in accordance with the provisions of Chapter 353, RSMo.

5.2 To purchase, receive or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lease, pledge or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of other domestic or foreign corporations, associates, partnerships or individuals, insurance or annuities in any form, or direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality or of any instrumentality thereof.

5.3 To purchase, receive, lease or otherwise acquire, own, hold, improve, use, sell and otherwise deal in and with real or personal property, or any interests therein, wherever situated.

5.4 To engage in any lawful act or activity for which corporations may be organized under the Urban Redevelopment Corporations Law of Missouri.

State of Missouri
Creation - General Business - Domestic 5 Page(s)



5.5 To serve a public purpose and all real estate acquired by it and all structures erected by it are to be acquired for the purpose of promoting the public health, safety and welfare, in that the stockholders of the Corporation shall when they subscribe to and receive the stock hereof, agree that the net earnings of the Corporation shall be limited to an amount not to exceed eight percent (8%) per annum of the cost to such Corporation of the redevelopment project, including the cost of the land or the balances of such cost as reduced by amortization payments, provided that the net earnings derived from any redevelopment project shall in no event exceed a sum equal to eight percent (8%) per annum upon the entire cost thereof. Such net earnings shall be computed after deducting from gross earnings the following:

- (a) All costs and expenses of maintenance and operation;
- (b) Amounts paid for taxes, assessments, insurance premiums and other similar charges;
- (c) An annual amount sufficient to amortize the cost of the entire project at the end of the period, which shall not be more than sixty (60) years from the date of completion of the project. The development plan may contain provisions satisfactory to the legislative authority authorizing such plan that any surplus earnings in excess of the rate of net earnings provided in this chapter may be held by the Corporation as a reserve for maintenance at such rate of return in the future and may be used by the Corporation to offset any deficiency and such rate of return which may have occurred in prior years; or may be used to accelerate the amortization payment; or for the enlargement of the project; or for reduction in the rentals therein; provided, that any excess of such surplus earnings remaining at the termination of a tax relief granted pursuant to Section 353.110 shall be turned over by the Corporation to the city.

5.6 To clear, re-plan, reconstruct or rehabilitate blighted areas, and the construction of such industrial, commercial, residential or public structures as may be appropriate, including provisions for recreational and other facilities incidental or appointments thereto.

5.7 It is the intention of each of the purposes specified hereinabove shall be liberally construed as powers and in no way limited or restricted by reference to or inference from the terms contained therein or any other paragraph. The enumeration of specific purposes shall not be construed to restrict in any manner the general objects and purposes of this Corporation, nor shall the expression of one thing be deemed to exclude another.

ARTICLE VI

The name and mailing address of the subscriber is:

S. Shawn Whitney
Husch Blackwell LLP
901 St. Louis, Ste. 1800
Springfield, MO 65806

ARTICLE VII

The number of directors to constitute the Board of Directors of the Corporation is four (4). The name and mailing address of each person who is to serve as a director for the first year or until a successor is elected is as follows:

Christina J. Chanter
1180 W. Stone Meadow Way
Springfield, MO 65810

Neil Chanter
1180 W. Stone Meadow Way
Springfield, MO 65810

Donald J. Babb
P.O. Box 12
Bolivar, MO 65613

Carrie J. Babb
P.O. Box 12
Bolivar, MO 65613

The number of Directors to constitute subsequent Boards of Directors shall be fixed by, or in the manner provided in, the By-laws of the Corporation, but shall be no less than three (3) or more than thirteen (13).

ARTICLE VIII

The duration of the Corporation shall be ninety-nine years.

ARTICLE IX

No contract or other transaction between this Corporation and any other firm or Corporation shall be affected or invalidated by reason of the fact that any of the directors or officers of this Corporation are interested in or are members, shareholders, directors or officers of such other firm or Corporation. Any director or officer of this Corporation may be a party to or may be interested in any contract or transaction of this Corporation or in which this Corporation is interested and no such contract shall be affected or invalidated thereby. Each and every person who may become a director or officer of this Corporation is hereby relieved of any liability that might otherwise exist from his contracting with this Corporation for the benefit of himself or any firm, person, association or Corporation which he may be in any way interested in each case as long as the contract or transaction is fair to the company or is otherwise authorized by Missouri law.

ARTICLE X

10.1 *Indemnification.* Each person who was or is made a party, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "*proceeding*"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation, or is or was serving at the request for the Corporation as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, whether the basis of such proceeding is an alleged act, failure to act, or omission in an official capacity as a director or officer, or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General and Business Corporation Law of Missouri and the General Not for Profit Corporation Law of Missouri, as both now exist or may hereafter be amended, (but, in the ease of any amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification than said Law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorney's fees, judgments, fines, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith; provided, however, that the Corporation

shall indemnify any such person seeking indemnity in connection with a proceeding initiated by such person only if such proceeding was authorized or later ratified by the Board of Directors of the Corporation or is authorized by this Article. Such indemnification shall include the right to be paid by the Corporation for all expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Article or otherwise.

10.2 *Right of Claimant to Bring Suit.* If any amount claimed due under Section 10.1, above, is not paid in full by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim.

10.3 *Limitation of Indemnification.* No indemnity pursuant to this Article shall be paid by the Corporation on account of any director's or officer's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct by a court having jurisdiction in the matter.

10.4 *Non-exclusivity.* The indemnification and rights conferred on any person by this Article shall not be exclusive of any other indemnification or right which such person may have or hereafter acquire under any statute or rule of law, or under any provision of the Articles of Incorporation or By-Laws of this Corporation, or under or by reason of agreement, vote of stockholders or disinterested directors or otherwise.

10.5 *Insurance.* The Corporation may maintain insurance, at its expense, to protect itself and any such director or officer against any expense, liability or loss, whether or not the Corporation has the power to indemnify such person against such expense, liability or loss under the General and Business Corporation Law of Missouri or the General Not for Profit Corporation Law of Missouri.

10.6 *Survival.* Each person who was or is a director or officer of the Corporation and the heirs, executors, administrators and estate of such person, are third party beneficiaries of this Article and shall be entitled to enforce against the Corporation all indemnification and other rights granted to such person by applicable law and as otherwise provided in this Article.

10.7 *Amendment or Repeal.* This Article may be hereafter amended or repealed; provided, however, that no amendment or repeal or adoption of a provision inconsistent with the provisions of this Article shall reduce, terminate or otherwise adversely affect the right of a person who was or is a director or officer to obtain indemnification or an advance of expenses with respect to a proceeding that pertains to or arises out of any act, failure to act or omission that occurred prior to the effective date of the amendment, repeal or adoption of such inconsistent provision.

ARTICLE XI

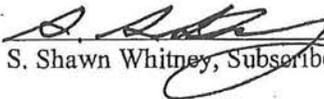
In the event that income debenture certificates are issued by the Corporation, the owners thereof shall have the same right to vote as they would have if possessed of certificates of stock of the amount and par value of the income debenture certificates held by them. The income debenture certificates or preferred stock of the Corporation may be retired as and when there shall be funds available in the treasury of the Corporation from the receipt of the amortization or sinking fund in installments for the

purpose. Interest shall not be paid by the Corporation upon such income debenture certificates in excess of nine percent (9%) per annum. This limitation shall not apply to other debt of the Corporation.

ARTICLE XII

The Board of Directors may make, alter, and repeal the By-Laws of the Corporation.

IN TESTIMONY WHEREOF, I have subscribed my name this 9th day of September, 2013.

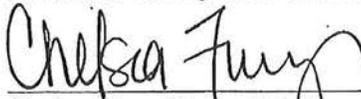

S. Shawn Whitney, Subscriber/Incorporator

STATE OF MISSOURI)
)
) ss.
COUNTY OF GREENE)

qfn I, Chelsea Fury, a Notary Public in and for said County and State, do hereby certify that on this day of September, 2013, personally appeared S. Shawn Whitney, who being by me first duly sworn, declared that he is the person who signed the foregoing document as Subscriber/Incorporator, and that the statements contained therein are true.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal the day and year last above written.




Chelsea Fury, Notary Public
My Commission Expires: October 25, 2014
County of Commission: Greene

File Number:
LC1203662
Date Filed: 02/10/2012
Robin Carnahan
Secretary of State

ARTICLES OF ORGANIZATION
(Limited Liability Company)

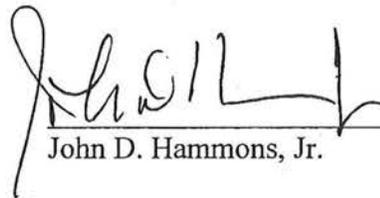
OF

EMMLOTT, L.L.C.

1. The name of the limited liability company is: EmmLott, L.L.C.
2. The purpose(s) for which the limited liability company is organized: To engage in the development and management of real estate, and any other lawful business.
3. The name and address of the limited liability company's registered agent in Missouri is: John D. Hammons, Jr., 901 St. Louis Street, Suite 600, Springfield, Missouri 65806.
4. The management of the limited liability company is vested in the members.
5. The duration of the limited liability company shall be perpetual.
6. Upon the withdrawal of any member, the remaining members have the following right(s) (if any) to continue the business and affairs of the limited liability company: Within ninety (90) days after the occurrence of an Event of Withdrawal, the Members holding a majority of the remaining Interests may agree to continue the Company.
7. The name and address of each organizer:

John D. Hammons, Jr., 901 St. Louis Street, Suite 600, Springfield, Missouri 65806
8. For tax purposes, the limited liability company will be operating as a partnership.

I hereby affirm that the facts stated above are true and correct on this 3rd day of February, 2012.



John D. Hammons, Jr.

State of Missouri
Creation - LLC/LP 1 Page(s)



State of Missouri



Robin Carnahan
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

EmmLott, L.L.C.
LC1203662

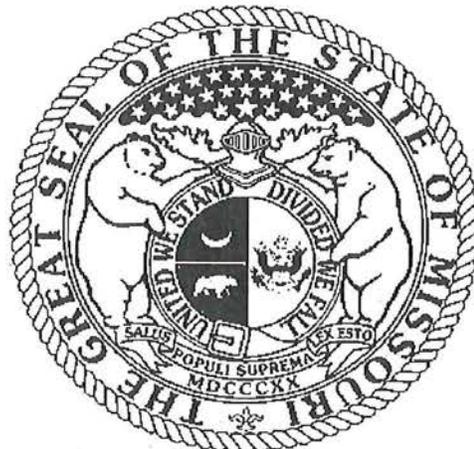
filed its Articles of Organization with this office on the 10th day of February, 2012, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 10th day of February, 2012, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 10th day of February, 2012.

Robin Carnahan

Secretary of State





State of Missouri
Jason Kander, Secretary of State

File Number: 201321180971
LC1331317
Date Filed: 07/30/2013
Jason Kander
Secretary of State

Articles of Organization

1. The name of the limited liability company is:

5999, L.L.C.

2. The purpose(s) for which the limited liability company is organized:

To engage in the development and management of real estate, and any other lawful business.

3. The name and address of the limited liability company's registered agent in Missouri is:

John D. Hammons , Jr.

901 St. Louis St. Suite 600, Springfield MO 65806

Name

Address

4. The management of the limited liability company is:

Manager

Member

5. The duration (period of existence) for this limited liability company is:

Perpetual

6. The name(s) and street address(es) of each organizer:

John D. Hammons, Jr., 901 St. Louis Street, Suite 600, Springfield MO 65806

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

John D. Hammons, Jr.

(Organizer Name)

State of Missouri



Jason Kander
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

*5999, L.L.C.
LC1331317*

filed its Articles of Organization with this office on the July 30, 2013, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, JASON KANDER, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the July 30, 2013, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this July 30, 2013.

A handwritten signature in cursive script that reads "Jason Kander".

Secretary of State



**Item 1(e) - Certificate of Good Standing for
Urban Redevelopment Corporation and Developers**

STATE OF MISSOURI



Jason Kander
Secretary of State

**CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING**

I, JASON KANDER, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

**BREWERY DISTRICT LOFTS REDEVELOPMENT CORPORATION
RD1340842**

was created under the laws of this State on the 9th day of September, 2013, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 9th day of September, 2013

A handwritten signature in cursive script that reads "Jason Kander".

Secretary of State



Certification Number: 15639963-1 Reference:
Verify this certificate online at <https://www.sos.mo.gov/businessentity/soskb/verify.asp>

STATE OF MISSOURI



Jason Kander
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING

I, JASON KANDER, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

EMMLOTT, L.L.C.
LC1203662

was created under the laws of this State on the 10th day of February, 2012, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 9th day of September, 2013

A handwritten signature in cursive script, appearing to read "Jason Kander", is written over a horizontal line.

Secretary of State



Certification Number: 15639961-1 Reference:
Verify this certificate online at <https://www.sos.mo.gov/businessentity/soskb/verify.asp>

STATE OF MISSOURI



Jason Kander
Secretary of State

CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, JASON KANDER, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

5999, L.L.C.
LC1331317

was created under the laws of this State on the 30th day of July, 2013, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 9th day of September, 2013

A handwritten signature in cursive script that reads "Jason Kander".

Secretary of State



Certification Number: 15639962-1 Reference:
Verify this certificate online at <https://www.sos.mo.gov/businessentity/soskb/verify.asp>

Item 2 - Blight Report and Development Plan

**BLIGHT REPORT
AND REDEVELOPMENT PLAN
FOR THE BREWERY DISTRICT LOFTS
REDEVELOPMENT AREA
SPRINGFIELD, MISSOURI**

September 23, 2013

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Blight Report

Brewery District Lofts Redevelopment Area

I. General:

First enacted in 1943, Chapter 353 of the Missouri Revised Statutes is designated as “The Urban Redevelopment Corporations Law” (“*Chapter 353*”). The purpose of Chapter 353 is to involve private enterprises in the task of eliminating “blighted areas.” Under Chapter 353, municipalities are authorized to provide twenty-five year tax abatements in exchange for the redevelopment of “blighted areas” under approved plans. Redevelopment under Chapter 353 may include reconstruction or rehabilitation of blighted areas for industrial, commercial, residential or public structure use.

Tax abatement is only available to for-profit Urban Redevelopment Corporations organized pursuant to Chapter 353 and can only be extended to real property that has been found to be a “blighted area” by the municipality.

Once a municipality approves tax abatement under Chapter 353, the abatement is available for a period of twenty-five years provided blight is remediated and the redevelopment area is redeveloped in accordance with a redevelopment plan approved by the municipality. During the first ten years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land, exclusive of improvements, for the calendar year preceding the calendar year during which the Urban Redevelopment Corporation acquired the property. During the next fifteen years, the real property may be assessed at up to fifty percent of its true value. “True Value” is defined as the hypothetical price that could be agreed upon between a willing seller and buyer. After this twenty-five year period, the real property will be subject to assessment and payment of all ad valorem taxes based on the true value of the property.

II. Introduction:

This Blight Report for the Brewery District Lofts Redevelopment Area (the “*Blight Study*”) is made for the purpose of documenting the blighted conditions affecting the proposed Redevelopment Area (as hereinafter defined). This Blight Study will demonstrate (i) that the Redevelopment Area is a “blighted area” under Chapter 353 due to its age, functional and economic obsolescence, inadequate/outmoded design, physical deterioration, and economic underutilization, and (ii) because of the aforementioned conditions, the Redevelopment Area has become an economic and social liability, which is conducive to crime and the inability to generate reasonable taxes.

III. Redevelopment Area Description:

The Redevelopment Area consists of four adjacent tracts of land, which are generally located north of W. Walnut Street between Main Avenue and Market Avenue in Springfield, Missouri (the “*Redevelopment Area*”). This Blight Study is specific to the aforementioned real property. A map of the Redevelopment Area is attached hereto and incorporated herein as

Exhibit “A” and the Redevelopment Area is legally described on Exhibit “B” attached hereto and incorporated herein.

IV. Blight Defined:

Chapter 353 defines “blighted area” as “that portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration, have become economic and social liabilities, and such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.” Mo. Rev. Stat. § 353.020(2).

V. Evidence In Support of Blight:

The Redevelopment Area is approximately 1.06 acres of real property within the Center City Zoning District and is made up of four tracts of land, which are commonly identified as 507 W. Walnut Street (the “*507 Tract*”), 521 W. McDaniel Street (the “*521 Tract*”), 527 W. Walnut Street (the “*527 Tract*”), and 535 W. Walnut Street (the “*535 Tract*”). The map attached hereto as Exhibit A reflects the location of each tract.

The following provides a synopsis of each building (collectively, the “*Buildings*”) located in the Redevelopment Area:

Building	Location	Approx. Size (ft²)	Description
507 Building	507 Tract	7,722	Auto garage with a small office
521 Building	521 Tract	6,000	Concrete block warehouse
527 Commercial Building	527 Tract	981	Block and frame commercial building
527 Storage Building	527 Tract	1,506	All metal storage building
535 Building	535 Tract	6,238	Concrete block and steel auto repair garage with 13% office area

The city of Springfield (the “*City*”) has recognized that areas which are zoned Center City District were generally developed early in the City’s history may be in need of rehabilitation.¹ The City’s Center City Plan Element, which is a component of the Vision 20/20 Springfield-Greene County Comprehensive Plan, describes the overall tone of Center City as one that needs revitalization and new investment.² Furthermore, the Redevelopment Area was declared to be blighted under the standards set forth in Chapter 99 of the Missouri

¹ See City of Springfield, Missouri Zoning Ordinance, Section 4-3400.

² See page 2-10 of the Center City Plan Element.

Revised Statutes,³ as it is located within the blighted portion of downtown Springfield that is subject to the Downtown Redevelopment Plan, as amended September 10, 1990.

Outlined below are the key factors evidencing the Redevelopment Area is “blighted” under section 353.010(2) of the Missouri Revised Statutes. Photographs demonstrating these factors are attached hereto and incorporated herein as Exhibit “E.”

A. *Age.* One of the factors contributing to the blighted condition of the Redevelopment Area is the age of the Buildings that form the principal component of the Redevelopment Area. There are five (5) Buildings in the Redevelopment Area and most of them are more than sixty (60) years old.⁴ The majority of the Buildings have suffered a great deal of physical deterioration to their structure and components. As discussed in greater detail below, due to their age substantial portions of the Buildings require significant replacement or repair. Thus, the age of the Buildings is a significant indication that the Redevelopment Area is blighted.

B. *Functional/Economic Obsolescence.* A building becomes functionally obsolete when its use becomes impaired due to its design or inability to serve a user’s current needs. Economic obsolescence occurs when external factors, such as a change in market demand, cause a loss in the value of a building or the surrounding property.

The Redevelopment Area is (i) functionally obsolete due to the Buildings’ deficiencies, which impair the Buildings’ utility, and (ii) economically obsolete because of change in market demand and environmental conditions that impact the Redevelopment Area. Over the years, the Buildings have been used for a variety purposes. The 535 Building was most recently operated as Menzies Auto Painting & Body. It was built in several phases and consists predominately of open garage space with numerous large garage bays. Since it was used as a paint shop, there are several large holes in the roof over a portion of the garage to allow for ventilation. (Exhibit E, Figures A and B). There are also a few small offices that are clustered together and connected by a series of doorways. (Figures C and D). The 527 Commercial Building was previously used as Rincon Latino Mexican Restaurant and is broken up into three rooms with a small kitchen and two restrooms. The 527 Storage Building was used for automobile storage and consists of open garage space with several garage doors on one side of the building. (Figure E). The 521 Building was also used for

³ Although there are some similarities, the factors demonstrating blight under Chapter 99 of the Missouri Revised Statutes are not identical to those under the Urban Redevelopment Corporations Law. Under Chapter 99, a “blighted area” is an area which, by reason of the predominance of (1) defective or inadequate street layout, (2) insanitary or unsafe conditions, (3) deterioration of site improvements, (4) improper subdivision or obsolete platting, or (5) the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, (a) hinders the provision of housing accommodations, (b) constitutes an economic or social liability, or (c) constitutes a menace to the public health, safety, morals, or welfare in its present condition and use. *See* Mo. Rev. Stat. § 99.320(3).

⁴ Based on the Greene County Assessor’s website, the ages of the Buildings are as follows:

507 Building: 61 years
521 Building: 36 years
527 Commercial Building: 74 years
527 Storage Building: 14 years
535 Building: 73 years

storing automobile parts and scrap vehicles and is also the location where Menzies formerly conducted body shop work. It is a large open rectangular-shaped building with concrete floors. There is a rudimentary two level unplumbed living area that was constructed at the southern end of the building. (Figures F and G). The 507 Building was used as the paint shop for Dodson Williams collision repair. It has two very small office areas in the front of the building (Figures H and I) and, like the 535 Building and the 521 Building, is mostly comprised of open garage space. There are several large holes in the concrete floor which were used to downdraft airflow from the paint booths in the garage. (Figure J). Due to the Buildings' prior use and current layout and design, the Redevelopment Area is not positioned to seize upon its "highest and best use."

As reflected in the appraisals for the property in the Redevelopment Area, due to the change in market demand over the years once the Buildings have been revitalized the "highest and best use" for the Redevelopment Area is as a retail and loft space with a portion of the property dedicated for quasi industrial/commercial – showroom use.⁵ As discussed in greater detail below, the Buildings contain outdated electrical systems, have aging roofs that require replacement, and suffer from damage to other Building components. The current decrepit state of the Buildings also renders the Redevelopment Area incapable of supporting this "highest and best use" and causes the Redevelopment Area to be functionally and economically obsolete.

Certain environmental conditions also contribute to the economic obsolescence of the Redevelopment Area. Based on the findings set forth in the Phase II Targeted Brownfields Assessment Report (the "*Phase II*") dated December 4, 2012 and prepared by Seagull Environmental Technologies Inc., portions of the Redevelopment Area possess a potential environmental danger to persons in or around the property.⁶

The subject property for the Phase II included Tract 521, Tract 535, and Tract 527. The buildings associated with these tracts were tested for lead-based paint and asbestos-containing materials. Tests revealed that various asbestos-containing materials are present in 527 Commercial Building. Asbestos, which is a contaminant to humans, can be extremely harmful if inhaled and may cause severe respiratory disease. Testing also showed that lead-based paint is present on the plaster ceiling in the kitchen and on the wooden doors to the men's and women's bathrooms in the 527 Commercial Building. Although the other areas that were tested were negative for lead, since most of the buildings were constructed before 1978 when the use of lead based paint was banned in the United States, it is possible that layers of lead-based paint are present underneath the surface paint that was tested.

⁵ See page 2 of the Appraisal of Real Estate dated August 29, 2013 and prepared by Ronald S. Phillips, MAI for the 527 Tract and the 535 Tract (the "*527/535 Appraisal*") and page 3 of the Appraisal of Real Estate dated September 3, 2013 and prepared by Ronald S. Phillips, MAI for the 507 Tract and the 527 Tract (the "*507/521 Appraisal*"). Each appraisal is on file with the City.

⁶ The Executive Summary of the Phase II is attached hereto and incorporated herein as Exhibit C. A full copy of the Phase II is on file with the City.

Due to the various factors discussed above, the Redevelopment Area has become functionally and economically obsolete. The occurrence of such obsolescence is indicative of the blight affecting the Redevelopment Area.

C. *Physical Deterioration/Inadequate and Outmoded Design.*

1. Physical Deterioration. Physical deterioration refers to any deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as a lack of painting, loose or missing roof tiles, floor or ceiling plates, or holes and cracks over limited areas. Deterioration that is not easily curable, however, and that cannot be accomplished in the course of normal maintenance, includes defects in the primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, fascia materials, etc.

As reflected by the Building Inspection Report conducted by 1st Choice Building Inspections on June 13, 2012 for the 507 Tract (the “**507 Report**”), the building is in a state of deterioration and disrepair and exhibits an assortment of substandard conditions.⁷ There is substantial evidence of leaks within the structural steel components of the roof and several open roof membranes and flashings appear to be leaking.⁸ The east exterior doors have also suffered water damage.⁹ Due to the number of leaks and damage to the roof it will need to be replaced. Mortar between the exterior bricks is crumbling and needs to be repaired to prevent further deterioration.¹⁰ There are several areas of spalling and damaged brickwork on the east side of the 507 Building that should be repaired to preserve the wall.¹¹ Termites have damaged portions of the interior wood and there is a risk of additional damage to internal wooden components of the building which are not visible.¹² (Figure K). A termite inspection was conducted for the 507 Building and it reflects that there is one location in the building with active termites and evidence of termites in several other locations.¹³ There is also localized rot in the garage door frame trim, windows that are either broken or missing panes of glass, and damage to much of the interior finish in the building.¹⁴ (Figures L and M).

The south garage door opener in the 507 Building does not automatically reverse under resistance to closing.¹⁵ The flue connections to two of the ceiling heating systems show signs of corrosion and should be replaced since poor connections may allow flue gas and carbon monoxide to leak into the building.¹⁶ The 507 Building also has a variety of electrical

⁷ The 507 Report is attached hereto and incorporated herein as part of Exhibit D under Tab A.

⁸ See pages 9 and 12 of the 507 Report.

⁹ See page 27 of the 507 Report.

¹⁰ See page 15 of the 507 Report.

¹¹ See page 15 of the 507 Report.

¹² See page 9 of the 507 Report.

¹³ See the Wood Destroying Insect Inspection Report attached hereto and incorporated herein as part of Exhibit D under Tab B.

¹⁴ See pages 16 and 26 of the 507 Report.

¹⁵ See page 16 of the 507 Report.

¹⁶ See page 21 of the 507 Report.

issues, including an oversized breaker within the main distribution panel, doubled up circuits within the auxiliary panel, abandoned wiring that needs to be removed, and several outlets which are wired backwards.¹⁷ Additionally, the plumbing fixtures are old and will need to be upgraded.¹⁸

Steve Mirowski with Mirowski Inspections, LLC inspected the 535 Building, the 521 Building, and the 527 Commercial Building.¹⁹ The rubber roof on the 535 Building needs to be replaced.²⁰ Portions of the ceiling and the walls inside the building are ripped and are starting to deteriorate. (Figures N through P). The exterior of the 527 Building is covered with cracked and peeling paint. (Figures Q and R). There is unsecured gas service to the 527 Building and the wires providing electrical services to the building should have more clearance between the wiring and the building.²¹ The ceiling inside the 527 Building is damaged in several places and there is water damage evident under the ceiling tiles. (Figures S through V). There is also mold and mildew growing on the ceiling and walls inside the 527 Building due to water damage.²² (Figures W and X). The floor and walls in the kitchen and bathroom are cracked, damaged, and covered in grime and other filth. (Figures Y through BB). The roof on the 521 Building is leaking and starting to damage the concrete block walls.²³ There is a partial gutter system running through the interior of the 521 Building which drains water onto a sloped portion of the concrete floor toward an exit.²⁴ (Figures CC through EE). There is also a two-story unplumbed finished area at the southern end of the building that was used as an apartment by a prior owner. The floor and walls inside the apartment are starting to deteriorate and portions of the ceiling and walls are covered in mold. (Figures FF through II).

Other types of site improvements in the Redevelopment Area also exhibit deteriorated conditions. Pavement and other concrete surfaces including parking areas and walkways are cracked, crumbling, uneven, or otherwise dilapidated. (Figures JJ through MM).

Deterioration also includes lack of maintenance and upkeep. Parts of the Redevelopment Area are littered with trash, and due to the age of the Redevelopment Area, portions are significantly overgrown with unkept trees, weeds, and other plants. (Figures NN through PP).

2. Inadequate and Outmoded Design. A building has an inadequate and outmoded design when its structure and components are no longer acceptable, current, or usable. The Buildings in their current condition are inadequate and outmoded for the “highest and best use” of the Redevelopment Area discussed above. The existing improvements on the

¹⁷ See pages 17-19 of the 507 Report.

¹⁸ See page 24 of the 507 Report.

¹⁹ Mr. Mirowski prepared a summary of the significant areas of concern relating to the 521 Building, the 527 Building, and the 535 Building (the “*521-535 Report*”), which is attached hereto and incorporated herein as part of Exhibit D under Tab C.

²⁰ See page 11 of the 521-535 Report.

²¹ See pages 6-7 of the 521-535 Report.

²² See page 8 of the 521-535 Report.

²³ See pages 1 and 5 of the 521-535 Report.

²⁴ See page 4 of the 521-535 Report.

527 Tract and the 535 Tract occupy a significant portion of the overall site where they are located. Converting the buildings on these tracts to facilitate a retail/residential mixed-use development is impossible, and there is not sufficient room on the remainder of the tracts to improve the area to its highest and best use. Additionally, significant renovations to the 507 Building and the 521 Building, including replacing the roofs, installing new sprinkler and HVAC systems, and upgrading the plumbing, must be completed before the buildings can be used for quasi industrial/commercial– showroom purposes.

Due to the magnitude of the Buildings’ deterioration and the inadequacy of their components, their deficiencies cannot be corrected through normal maintenance. Instead rehabilitation and replacement will be required to convert the Buildings into a marketable physical state. Thus, the outmoded design of the Buildings demonstrates that the Redevelopment Area is blighted.

D. *Economic Underutilization.* In *Tierney v. Planned Industrial Expansion Authority of Kansas City*, 742 S.W.2d 146, 151 (Mo. banc 1987), the Missouri Supreme Court stated that “the concept of urban redevelopment has gone far beyond ‘slum clearance,’ and the concept of economic underutilization is a valid one.” Accordingly, it is proper for a city to base its determination of blight on property being economically underutilized and otherwise not adding to a city’s vibrancy. The Redevelopment Area consists of multiple buildings in poor condition and in need of extensive replacements and repair. The property in its current state creates a decrepit streetscape and only detracts from the vibrancy of downtown Springfield. As a result, the Redevelopment Area qualifies as being economically underutilized, which further supports a finding of blight.

VI. Impact of the Redevelopment Area’s Blighted Conditions

Due to the predominance of blighting factors outlined above, the Redevelopment Area in its current condition is a liability to the social welfare and economic independence of the city of Springfield. Deterioration of the Buildings contributes to the underutilization of the Redevelopment Area and several of the buildings are vacant which increases the potential for vandalism and other crime. Furthermore, in its current condition and due to the layout and design of the site improvements, the Redevelopment Area is incapable of supporting its “highest and best use” as a mixed-use development. To overcome the economic and social liability created by the Redevelopment Area and enable the Redevelopment Area to fully contribute to the community, the blight must be remediated by either removing or redeveloping the Buildings.

The current condition of the Redevelopment Area also impedes the economic vitality and independence of the city by failing to generate sufficient tax revenue and discouraging reinvestment in, or maintenance of, the Redevelopment Area and the areas that surround it. In its current condition, the Redevelopment Area is valued at \$785,000.00.²⁵ However, after being rehabilitated, the Redevelopment Area has the potential to be valued at \$6,070,000.00.²⁶

²⁵ Based on the 2013 appraised values determined by the Greene County Assessor.

²⁶ See page 3 of the 507/521 Appraisal and page 114 of the 527/535 Appraisal. This dollar figure collectively reflects the market value of the proposed rehabilitation of the 507 Tract and the 521 Tract and the improvements to be constructed on the 527 Tract and the 535 Tract.

Thus, the Redevelopment Area's present physical condition and underutilization diminishes its potential to generate property and economic activity tax revenues for the city up to its full potential. Without the comprehensive redevelopment of the Redevelopment Area, its physical condition will continue to deteriorate and its economic efficiency will suffer. Further, due to the deteriorated state of the Redevelopment Area as well as the layout and design of the Buildings, substantial capital investment will be required to remove the blight and redevelop the area. Without approval by the city of an economic development incentive program, it is unlikely that a developer will invest in the Redevelopment Area due to the prohibitive costs associated with the renovation.

VII. Conclusion

The Redevelopment Area, by reason of age, functional and economic obsolescence, inadequate and outmoded design, physical deterioration, and economic underutilization, has become an economic and social liability, which is conducive to crime and the inability to generate reasonable taxes. The Redevelopment Area qualifies as a "blighted area" as defined in section 353.020(2) of the Missouri Revised Statutes. Accordingly, the city of Springfield should determine that Redevelopment Area is blighted.

Redevelopment Plan

The Brewery District Lofts Redevelopment Area (the “*Redevelopment Area*”), which was most recently used as Menzies Auto Painting & Body, Rincon Latino Mexican Restaurant, and Dodson-Williams Auto Body, will be transformed into a mixed-use development that will be located adjacent to Springfield Brewing Company.

The improvements located at 527 W. Walnut Street and 535 W. Walnut Street will be demolished to allow for construction of a three story retail/apartment loft facility. The first floor is proposed to contain approximately 11,350 square feet of white box space intended for office, retail, restaurant, or banquet space. The second and third floors, consisting of approximately 27,930 square feet, are proposed to be developed into twenty-eight (28) loft apartments which will include studio, one, two, and three bedroom units. The facility is anticipated to be built using certain “green” building standards to maximize energy savings and may qualify for LEED Silver Certification. An adjacent parking lot will provide parking for about twenty-eight (28) vehicles.

The improvements located at 507 W. Walnut Street and the 521 W. McDaniel Street will be renovated to a shell state. The walls will be tuck-pointed and resealed, and the exposed steel ceiling structure will be sandblasted and repainted. Concrete flooring will be repaired, portions replaced, and resealed. All metal windows and doors will be re-finished. The property will have a new sprinkler and HVAC system and a new roof installed. A portion of the 521 Building will likely be used as Springfield Brewing Company expansion space for production purposes (such as bottling, providing room for additional tanks, and expanding the current cooler space). The remainder of the 521 Building is anticipated to serve as industrial style event space. The 507 Building is anticipated to function as a distillery.

Diagrams of the projected floor plans, building elevations, site plan, and proposed land use plan for the Redevelopment Area are attached hereto and incorporated herein as Exhibit F.

The Redevelopment Area is zoned Center City and is located within the Center City Study Area (as defined by the city of Springfield’s Center City Plan Element (the “*Center City Plan Element*”), which is a component of the Vision 20/20 Springfield-Greene County Comprehensive Plan). The Center City Plan Element is the City’s guide for private investments and public improvements for a major part of central Springfield.²⁷ Center City includes some of the oldest parts of the Springfield community and, as demonstrated by the current condition of the Redevelopment Area, it suffers from problems commonly resulting from physical deterioration and economic obsolescence.²⁸

Center City consists of several distinct districts, one of which is the Greater Downtown District. The Redevelopment Area is located on the western border of the Greater Downtown District and is about three blocks west of Park Central Square. One of the Center City Plan Element’s overall goals for the Greater Downtown District is that it will be a well-

²⁷ See page 1-1 of the Center City Plan Element.

²⁸ See page 2-10 of the Center City Plan Element.

maintained, attractive, and inviting environment that is alive with business, shopping, and visitors.²⁹ One of the actions the Center City Plan Element recommends to achieve this goal and to create a vibrant, mixed-use urban center is to promote the emergence of a residential base in Greater Downtown.³⁰ The Center City Plan Element suggests that Greater Downtown housing can utilize vacant building space and help create round-the-clock activity, so it should be a top priority.³¹ Thus, the Center City Plan Element encourages the City to promote private reinvestment and redevelopment of existing neighborhoods on the fringes of Greater Downtown.³² The Center City Plan Element also encourages increasing the compactness of land uses in Greater Downtown since compact, dense, pedestrian-oriented places help to retain urban vitality and interest.³³ Additionally, the Center City Plan Element encourages active building uses to be located on the ground floor of buildings as it will help to better define public spaces.

The implementation of this Redevelopment Plan will transform the Redevelopment Area into an attractive location for new residents and businesses and will help to facilitate additional interest and activity in Greater Downtown. Additionally, the rehabilitation of the Redevelopment Area will increase the taxable revenues to the City, while placing a greater portion of Greater Downtown in congruence with the visions set forth in the Center City Plan Element.

²⁹ See page 1-1 of the Center City Plan Element

³⁰ See page 3-36 of the Center City Plan Element.

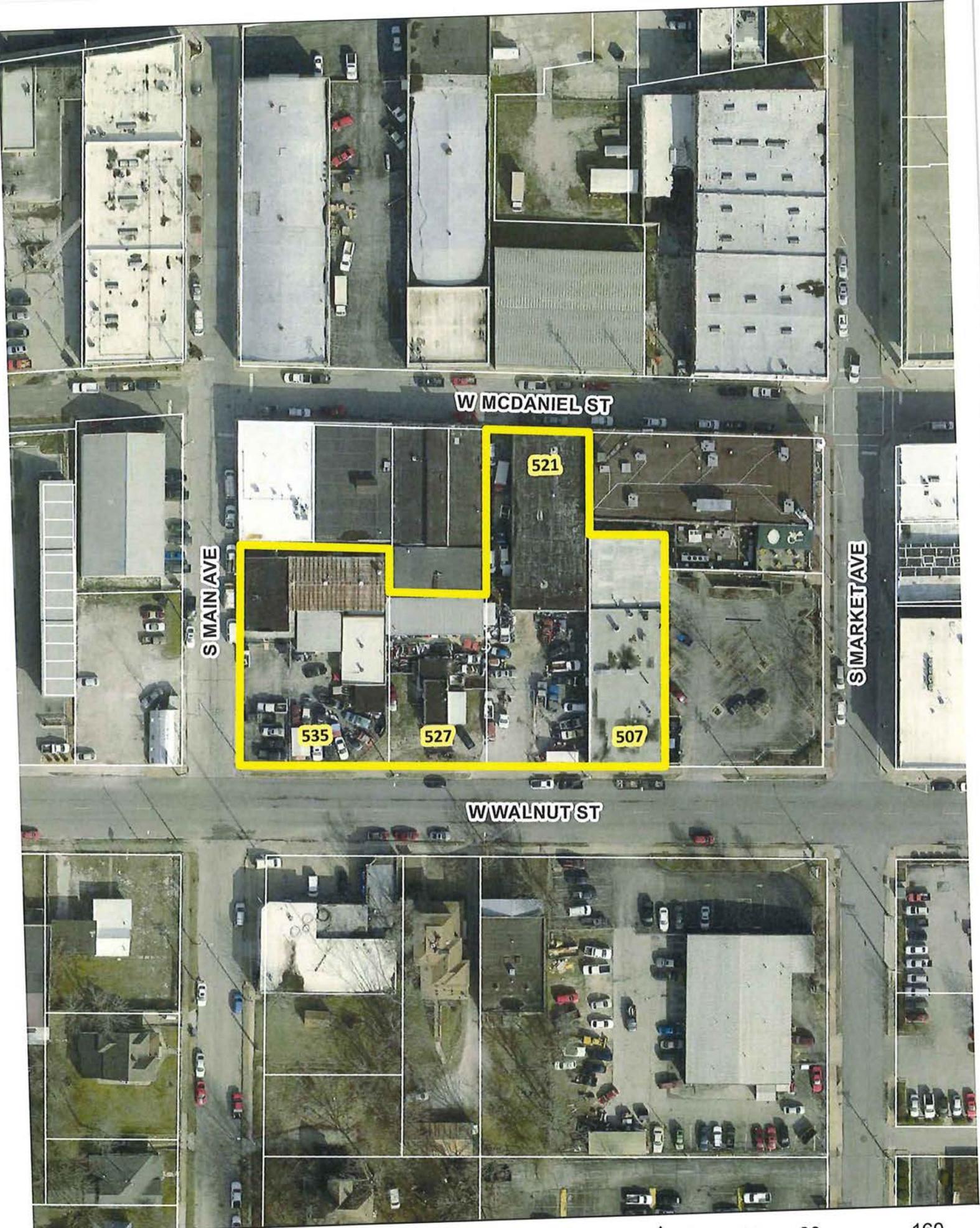
³¹ See page 3-36 of the Center City Plan Element.

³² See page 3-36 of the Center City Plan Element.

³³ See page 3-37 of the Center City Plan Element.

EXHIBIT A

MAP OF REDEVELOPMENT AREA



W MCDANIEL ST

S MAIN AVE

S MARKET AVE

W WALNUT ST

521

535

527

507

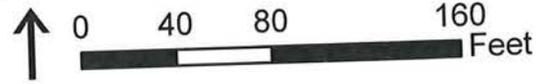


EXHIBIT B

LEGAL DESCRIPTIONS

535 TRACT:

Beginning at the Northeast corner of Walnut and Main Streets; thence East 100 feet; thence North 150 feet; thence West 100 feet; thence South 150 feet to the place of beginning, in the City of Springfield, Greene County, Missouri.

527 TRACT :

Beginning 228 feet and 4 inches West of the Northwest corner of Market Avenue and West Walnut Street, in the City of Springfield, Greene County, Missouri; thence West 65 feet; thence North 116.4 feet; thence East 65 feet; thence South 115.37 feet to the place of beginning.

521 TRACT:

Beginning 158 feet and 4 inches West of the Northwest corner of Market Avenue and West Walnut Streets in the City of Springfield, Greene County, Missouri; thence West along the North line of West Walnut Street, 70 feet to the Southeast corner of a tract recorded in Book 1962 Page 1993; thence North 227 feet to the Northeast corner of a tract described in Book 1920 Page 1327; thence East 70 feet to the Northwest corner of the First tract recorded in Book 1393 Page 25; thence South 225 feet to the point of beginning.

507 TRACT:

ALL OF LOT THREE (3) OF THE FINAL PLAT OF SPRINGFIELD BREWING COMPANY, A SUBDIVISION IN THE CITY OF SPRINGFIELD, GREENE COUNTY, MISSOURI.

REDEVELOPMENT AREA:

A REDEVELOPMENT DISTRICT AREA BOUNDARY BEING A PART OF THE NORTHEAST QUARTER OF SECTION TWENTY-THREE (23), TOWNSHIP TWENTY-NINE (29) NORTH, RANGE TWENTY-TWO (22) WEST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE NORTH ALONG THE EAST LINE THEREOF, A DISTANCE OF 1083.50 FEET TO A POINT BEING ON THE CENTERLINE OF WALNUT STREET, AS IT NOW EXISTS; THENCE LEAVING SAID EAST LINE AND WEST ALONG SAID CENTERLINE, A DISTANCE OF 784.32 FEET; THENCE LEAVING SAID CENTERLINE, NORTH 02 DEGREES 07 MINUTES 14 SECONDS EAST, A DISTANCE OF 30.11 FEET TO AN EXISTING IRON PIN AT THE NORTHEAST CORNER OF MAIN AND WALNUT STREETS, AS THEY NOW EXIST, FOR THE POINT OF BEGINNING:

THENCE NORTH 01 DEGREES 48 MINUTES 33 SECONDS EAST, ALONG THE EAST RIGHT-OF-WAY LINE OF MAIN STREET, AS IT NOW EXISTS, A DISTANCE OF 150.00 FEET TO AN EXISTING CROSS IN CONCRETE; THENCE SOUTH 87 DEGREES 50 MINUTES 15 SECONDS EAST, LEAVING SAID RIGHT-OF-WAY LINE, A DISTANCE OF 100.00 FEET TO AN EXISTING CROSS IN CONCRETE; THENCE SOUTH 01 DEGREES 48 MINUTES 33 SECONDS WEST, A DISTANCE OF 33.60 FEET TO A POINT; THENCE SOUTH 86 DEGREES 56 MINUTES 10 SECONDS EAST, A DISTANCE OF 65.61 FEET TO A POINT; THENCE NORTH 01 DEGREES 38 MINUTES 51 SECONDS EAST, A DISTANCE OF 111.47 FEET TO AN EXISTING CROSS IN CONCRETE, BEING A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MCDANIEL STREET, AS IT NOW EXISTS; THENCE SOUTH 86 DEGREES 07 MINUTES 21 SECONDS EAST, ALONG SAID SOUTH RIGHT-OF-WAY LINE OF SAID MCDANIEL STREET, A DISTANCE OF 70.07 FEET TO AN EXISTING CROSS IN CONCRETE; THENCE SOUTH 01 DEGREES 51 MINUTES 27 SECONDS WEST, LEAVING SAID RIGHT-OF-WAY LINE, A DISTANCE OF 68.98 FEET TO AN EXISTING NAIL, BEING THE NORTHWEST CORNER OF LOT 3, PER SPRINGFIELD BREWING COMPANY FINAL PLAT, A RECORDED SUBDIVISION IN SPRINGFIELD, GREENE COUNTY, MISSOURI; THENCE SOUTH 87 DEGREES 54 MINUTES 11 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOT 3, A DISTANCE OF 51.37 FEET TO A POINT; THENCE SOUTH 02 DEGREES 02 MINUTES 51 SECONDS WEST, LEAVING SAID NORTH LINE AND ALONG THE EAST LINE OF SAID LOT 3 A DISTANCE OF 155.66 FEET, TO AN EXISTING NAIL ON THE NORTH RIGHT-OF-WAY LINE OF WALNUT STREET, AS IT NOW EXISTS; THENCE NORTH 88 DEGREES 00 MINUTES 01 SECONDS WEST, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 50.85 FEET, TO AN EXISTING IRON PIN; THENCE NORTH 87 DEGREES 50 MINUTES 15 SECONDS WEST, CONTINUING ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 235.12 FEET, TO THE POINT OF BEGINNING, CONTAINING 46,294.66 SQUARE FEET OR 1.06 ACRES, MORE OR LESS, SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

EXHIBIT C

**EXECUTIVE SUMMARY OF
PHASE II TARGETED BROWNFIELDS ASSESSMENT REPORT**

EXECUTIVE SUMMARY

Seagull Environmental Technologies Inc. (Seagull) was tasked by the U.S. Environmental Protection Agency (EPA), under the Mini-Superfund Technical Assessment and Response Team (Mini-START) contract, to conduct a Phase II Targeted Brownfields Assessment (TBA) at the Menzie Property site in Springfield, Missouri. The site, which is approximately 0.87 acre in size, is comprised of three adjacent properties located in downtown Springfield. Addresses associated with the site include 527 and 535 West (W.) Walnut Street and 521 W. McDaniel Street; however, for the purposes of this Phase II TBA, those three properties will be referred to as the "subject property," or "site."

The subject property contains four separate buildings and parking areas. The 535 W. Walnut Street property is operated as Menzies automotive paint and body shop and contains the main business building, which is used for an office, painting, body shop work, and storage. A small parking area is on the south portion of this property, and numerous automotive parts are staged across the property. The 527 W. Walnut Street property contains a small building that was most recently operated as a restaurant. The building is currently vacant. Additionally, a small garage is located on the north side of this property and is currently rented by a third party for automobile storage. The 521 W. McDaniel Street property contains a large building that is currently used for storage of automotive parts and scrap vehicles. Previously, Menzies conducted body shop work out of this building. A parking area is on the southern portion of the property and currently contains scrap vehicles and various automotive-related equipment.

Phase II TBA activities were conducted at the site November 5 to 9, 2012. The purpose of this Phase II TBA was to determine whether past operations at the site have resulted in releases of hazardous contaminants to environmental media. In addition, the scope of the Phase II TBA included an inspection of the buildings located on site for the presence of asbestos-containing building materials (ACM) and lead-based paint (LBP).

Phase II TBA activities included the collection of six subsurface soil samples for laboratory analysis of site-related contaminants (volatile organic compounds [VOC], polynuclear aromatic hydrocarbons [PAH], total petroleum hydrocarbons [TPH]—gasoline range organics [GRO] / diesel range organics [DRO], and metals regulated under the Resource Conservation and Recovery Act [RCRA]). Five groundwater samples were proposed and attempted, but due to shallow depth of underlying bedrock, groundwater sample collection was not possible. For evaluation purposes, soil sample results were compared to their respective Missouri Risk-Based Corrective Action (MRBCA) standards as established by the Missouri Department of

Natural Resources (MDNR). For the asbestos inspection, 45 samples were collected from structural materials associated with the site buildings. A summary of the Phase II TBA sample results follows:

Soil

This Phase II TBA determined that low levels of VOCs, PAHs, and RCRA metals are present in surface soil at the site. Based on the sample results from this Phase II TBA, the detected concentrations of the aforementioned contaminants are low and present minimal risk to future use and redevelopment of the site.

Asbestos-Containing Materials

Five materials were determined to contain asbestos. All of those materials were associated with the 527 W. Walnut Street building. Specifically, those materials were window glaze, window caulk, roof flashing (two different flashing materials), and sink undercoating. In those materials, asbestos (chrysotile) was detected at concentrations that ranged from 3 to 5.5%. Future renovations (including abatement and disposal activities) that could disturb the ACM should be conducted in accordance with applicable local, state, and federal regulations.

Lead-Based Paint

LBP was identified on three interior surfaces at the 527 W. Walnut Street property. Those surfaces included plaster ceiling in the kitchen and wooden doors (two) to the men's and women's bathrooms. The plaster ceiling and bathroom doors all contained a white paint that yielded a x-ray fluorescence spectrometer (XRF) LBP result >1.0 milligrams per square centimeter (mg/cm²). No other surfaces at any of the four site buildings were identified to contain LBP. Future demolition or renovations (including abatement and disposal activities) that could disturb the LBP should be conducted in accordance with applicable local, state, and federal regulations.

EXHIBIT D

PROPERTY INSPECTION REPORTS

KLEER-FAX
RECYCLED ♻️

80000 SERIES
30% P.C.W.

507 REPORT



Building Inspection Report

507 W. Walnut Springfield, Mo

Inspection Date:
06/13/12

Prepared For:
Neil Chanter



Prepared By:
1st Choice Building Inspections
LLC.
3369 E. Hoke Dr.
Springfield, Mo 65804

Phone: 417-860-5278
Fax: 417-832-9670
cbireports@sbcglobal.net

Report Number:
0613121

Inspector:
Jerry Riley

1st Choice Building Inspections LLC.
INSPECTION AGREEMENT

(Please read carefully)

THIS AGREEMENT is made and entered into by and between **1st Choice Building Inspections LLC.** referred to as “Inspector”, and any party who hires 1st Choice Building Inspections LLC for services: Neil Chanter, referred to as “Client.”

In consideration of the promise and terms of this Agreement upon payment of invoiced price, the parties agree as follows:

1. If no payment is made by the client the Inspector has no liability to the inspected property even if a report has been provided. The client will pay the sum of agreed price of invoice for the inspection of the “Property,” being the residence, and garage or carport, if applicable, located at invoiced location: 507 W. Walnut
2. The Inspector will perform a visual inspection and prepare a written report of the apparent condition of the readily accessible installed systems and components of the property existing at the time of the inspection. Latent and concealed defects and deficiencies are excluded from the inspection.
3. The parties agree that the “Standards of Practice” (the “Standards”) shall define the standard of duty and the conditions, limitations, and exclusions of the inspection and are incorporated by reference herein. If the State/ Province where the inspection is performed imposes more stringent standards or administrative rule, then those standards shall define the standard of duty and the conditions, limitations, and exclusions of the inspection.
4. The parties agree and understand that the Inspector and its employees and its agents assume no liability or responsibility for the costs of repairing or replacing any unreported defects or deficiencies either current or arising in the future or any property damage, consequential damage or bodily injury of any nature. If repairs or replacement are done without giving the Inspector the required notice, the Inspector will have no liability to the Client. The Client further agrees that the Inspector is liable only up to the cost of the inspection. This clause may be contrary to local law. Please verify applicability.
5. The parties agree and understand the Inspector is not an insurer or guarantor against defects in the structure, items, components, or systems inspected. INSPECTOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE FITNESS FOR USE, CONDITION, PERFORMANCE OR ADEQUACY OF ANY INSPECTED STRUCTURE, ITEM, COMPONENT, OR SYSTEM.
6. If Client is married, Client represents that this obligation is a family obligation incurred in the interest of the family.
7. The client agrees to release reports to the seller/buyer/realtor/representative as needed to complete the process of the contract.
8. This Agreement, including the terms and conditions, represents the entire agreement between the parties and there are no other agreements either written or oral between them. This Agreement shall be amended only by written agreement signed by both parties. This Agreement shall be construed and enforced in accordance with the laws of the State/ Province of Missouri, and if that State/ Province laws or regulations are more stringent than the forms of the agreement, the State/ Province law or rule shall govern. Client has read this entire Agreement and accepts and understands this Agreement as hereby acknowledged by payment of agreed price on the invoice. If no State/Province regulations apply, this report adheres to the ASHI code of ethics standards, which is available upon request.

ADDITIONAL TERMS, CONDITIONS, AND LIMITATIONS

8. Systems, items, and conditions which are not within the scope of the building inspection include, but are not limited to: radon, formaldehyde, lead paint, asbestos, toxic or flammable materials, molds, fungi, other environmental hazards; pest infestation; security and fire protection systems; household appliances; humidifiers; paint, wallpaper and other treatments to windows, interiors of walls, ceilings, and floors; recreational equipment or facilities; pool/spa water purification systems (ozone generator/saltwater, etc.); underground storage tanks, energy efficiency measurements; motion or photo-electric sensor lighting; concealed or private secured systems; water wells; all overflow drains; heating system’s accessories; solar heating systems; heat exchangers; sprinkling systems; water softener or purification systems; central vacuum systems; telephone, intercom or cable TV systems; antennae, lightning arrestors, load controllers; trees or plants; governing codes, ordinances, statutes, and covenants; and manufacturer

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specifications, recalls, and EIFS. Client understands that these systems, items, and conditions are an exception from this inspection. Any general comments about these systems, items, and conditions of the written report are informal only and DO NOT represent an inspection.

9. The Inspection and report are performed and prepared for the sole and exclusive use and possession of the Client. No other person or entity may rely on the report issued pursuant to this Agreement. In the event that any person, not a party to this Agreement, makes any claim against Inspector, its employees or agents, arising out of the services performed by Inspector under this Agreement, the Client agrees to indemnify, defend, and hold harmless Inspector from any and all damages, expenses, costs, and attorney fees arising from such a claim.

10. The Inspection will not include an appraisal of the value or a survey. The written report is not a compliance inspection or certification for past or present governmental codes or regulations of any kind.

11. In the event of a claim by the Client that an installed system or component of the premises which was inspected by the Inspector was not in the condition reported by the Inspector, the Client agrees to notify the Inspector at least 72 hours prior to repairing or replacing such system or component. The Client further agrees that the Inspector is liable only if there has been a complete failure to follow the standards adhered to in the report or State/Province law. Furthermore, any legal action must be brought within two (2) years from the date of the inspection, or will be deemed waived and forever barred.

12. This inspection does not determine whether the property is insurable.

13. Exclusions of systems normally inspected shall be listed in the limitations section of the inspection report.

DEFINITIONS

1. Installed systems and components: structural components; exterior; interior; roofing; plumbing; electrical; heating; central air-conditioning (weather permitting); insulation and ventilation.

2. Readily accessible systems and components: only those systems and components where Inspector is not required to remove personal items, furniture, equipment, soil, snow, or other items which obstruct access or visibility.

3. Any component not listed as being deficient in some manner is assumed to be satisfactory.

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Report Overview

THE BUILDING IN PERSPECTIVE

This is an average quality structure. Some of the systems of the structure are aging and will require updating over time. As with all buildings, ongoing maintenance is also required. *Despite the older systems, the improvements that are recommended in this report are not considered unusual for a building of this age and location.* Please remember that there is no such thing as a perfect structure.

CONVENTIONS USED IN THIS REPORT

For your convenience, the following conventions have been used in this report.

Major Concern: *a system or component which is considered significantly deficient or is unsafe. Significant deficiencies need to be corrected and, except for some safety items, are likely to involve significant expense.*

Safety Issue: *denotes a condition that is unsafe and in need of prompt attention.*

Repair: *denotes a system or component which is missing or which needs corrective action to assure proper and reliable function.*

Improve: *denotes improvements which are recommended but not required.*

Monitor: *denotes a system or component needing further investigation and/or monitoring in order to determine if repairs are necessary.*

Deferred Cost: *denotes items that have reached or are reaching their normal life expectancy or show indications that they may require repair or replacement anytime during the next five (5) years.*

Please note that those observations listed under “Discretionary Improvements” are not essential repairs, but represent logical long term improvements.

- For the purpose of this report, it is assumed that the structure faces south.

IMPROVEMENT RECOMMENDATION HIGHLIGHTS / SUMMARY

The following is a synopsis of the potentially significant improvements that should be budgeted for over the short term. Other significant improvements, outside the scope of this inspection, may also be necessary. Please refer to the body of this report for further details on these and other recommendations.

MAJOR CONCERNS

1. **Possible Major Concern, Repair:** Several open roof membrane seams and flashings appear to be leaking. These areas should be further evaluated by a qualified roofing specialist and repair as necessary. Due to the amount of leaks and damaged areas to the roof covering replacement may be recommended. Several areas of prior repairs were noted.
2. **Possible Major Concern, Repair:** Evidence of wood destroying insect damage was observed and there is risk of additional hidden damage since termites can do a substantial amount of damage. If the property has not already been treated, a licensed pest control specialist should be engaged to eliminate further wood destroying insect activity within the building. Damaged wood should be repaired or replaced. Any wood soil contact should be eliminated. (Refer to Termite Report)

REPAIR ITEMS

3. **Repair:** Substantial evidence of roof leaks was observed within the structural steel components of the roof. The damaged structural steel should be repaired or replaced. A qualified roofing specialist should further evaluate. Please refer to the Roofing section of the report for recommendations.
4. **Repair:** The gutters require cleaning to avoid spilling roof runoff around the building – a potential source of water entry or water damage.
5. **Repair:** The missing downspout on the east side of the building should be repaired promptly.
6. **Repair:** The exterior brickwork should be re-pointed (replacement of the mortar between the bricks) to prevent further deterioration.

7. **Repair:** Several areas of spalling and damaged brickwork were noted on the east side of the building and should be repaired to preserve the wall.
8. **Repair:** Localized rot was observed in the garage door frame trim. Following repair of the damaged areas (which should be combined with exterior painting/maintenance) proper maintenance of the siding and control of water from roof or surface runoff can avoid further damage.
9. **Repair:** Vines growing on exterior walls should be kept trimmed away from siding, window trims, and the eaves to reduce risk of insect and water damage.
10. **Repair:** The oversized 30 amp breaker within the main distribution panel should be replaced with a 20amp breaker as the distribution to this circuit is rated at 20amps.
11. **Repair:** Circuits within the auxiliary panel that are doubled up (referred to as "double taps") should be separated. Each circuit should be served by a separate fuse or breaker.
12. **Repair, Safety Issue:** Abandoned wiring should be removed or appropriately terminated with a box and cover. Several wires were noted.
13. **Repair, Safety Issue:** The overheated outlet in the NW corner of the building should be replaced and the distribution to this outlet should be further evaluated by a licensed electrician for damage.
14. **Repair:** All junction boxes properly secured and should be fitted with cover plates, in order to protect the wire connections.
15. **Repair:** Several outlets are loose and should be properly secured.
16. **Repair, Safety Issue:** Several outlets have reversed polarity (i.e. it is wired backwards). These outlets and the circuits should be investigated and repaired as necessary.
17. **Repair:** Missing outlet cover plates should be replaced to avoid a shock hazard.
18. **Repair:** The SE room light switch is damaged and should be repaired.
19. **Repair:** Several of the shop lights and storage room lights are inoperative. If the bulbs are not blown, the circuits should be repaired.
20. **Repair:** The installation of smoke detectors and emergency exit signs are missing and/or inoperative. They should be repaired or replaced in case of an emergency.
21. **Repair, Safety Issue:** The flue connections to two of the unitary ceiling heating systems show signs of corrosion and should be replaced. Poor connections risk flue gas and carbon monoxide leakage or other unsafe conditions.
22. **Repair:** The waste piping under the bathroom sink is leaking.
23. **Repair:** Several of the windows are broken or missing panes of glass.
24. **Repair:** The NE window has lost its seal. This has resulted in condensation developing between the panes of glass. This "fogging" of the glass is primarily a cosmetic concern, but may need to be replaced because it has lost its insulating value.
25. **Repair:** Water damage was observed to the east exterior doors. Repair or replacement is recommended.

IMPROVEMENT ITEMS

- **Improve, Safety Issue:** The south garage door opener did not automatically reverse under resistance to closing.

ITEMS TO MONITOR

- **Monitor:** Common minor cracks were observed on the exterior walls of the structure. This implies that structural movement has occurred. The location, size, shape of these cracks is common. The inspection did not find evidence of significant movement requiring immediate major repairs. Localized repairs such as sealing the crack may be desired during future repairs.
- **Monitor:** The roofing is in fair condition and shows signs of wear and tear. Water appears to pond on the membrane. Ponding shortens roof life and increases the potential for damage if leaks occur. When re-roofing the roof should be appropriately sloped, or drains should be provided.
- **Monitor, Repair:** Common minor cracks were observed on the exterior walls of the building. This implies that structural movement has occurred. The location, size, shape of these cracks is common. The inspection did not find evidence of significant movement requiring immediate major repairs. The damaged brick should be considered for repair.
- **Monitor:** The building was noted not to have a commercial rated interior fire sprinkler system. Depending on the use of the building after purchase the system may need to be installed to meet local code and safety regulations.
- **Monitor:** The majority of plumbing fixtures are old. Replacement may be desired.
- **Monitor:** Damage to the interior finish was observed in several areas.

THE SCOPE OF THE INSPECTION

All components designated for inspection in the ASHI® Standards of Practice are inspected, except as may be noted in the "Limitations of Inspection" sections within this report.

It is the goal of the inspection to put a buyer in a better position to make a buying decision. Not all improvements will be identified during this inspection. Unexpected repairs should still be anticipated. The inspection should not be considered a guarantee or warranty of any kind.

WEATHER CONDITIONS

Dry weather conditions prevailed at the time of the inspection.
The estimated outside temperature was 82 degrees F.

RECENT WEATHER CONDITIONS

Occasional rain has been experienced in the days leading up to the inspection.

Structure

DESCRIPTION OF STRUCTURE

Foundation:	•Poured Concrete •Slab on Grade
Floor Structure:	•Concrete
Wall Structure:	•Masonry Block
Ceiling Structure:	•Joist •Structural Steel
Roof Structure:	•Structural Steel Trusses

STRUCTURE OBSERVATIONS

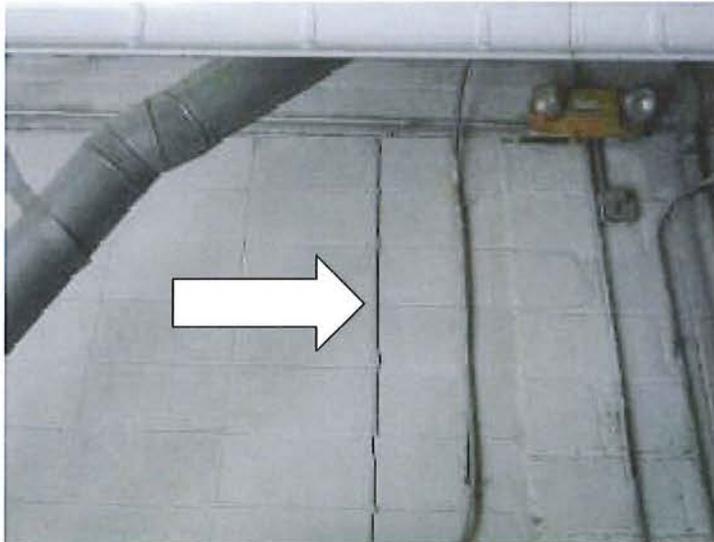
Positive Attributes

The construction of the building is good quality. The materials and workmanship, where visible, are good. The inspection did not discover evidence of substantial structural movement.

RECOMMENDATIONS / OBSERVATIONS

Exterior Walls

- **Monitor:** Common minor cracks were observed on the exterior walls of the structure. This implies that structural movement has occurred. The location, size, shape of these cracks is common. The inspection did not find evidence of significant movement requiring immediate major repairs. Localized repairs such as sealing the crack may be desired during future repairs.



Roof

- **Repair:** Substantial evidence of roof leaks was observed within the structural steel components of the roof. The damaged structural steel should be repaired or replaced. A qualified roofing specialist should further evaluate. Please refer to the Roofing section of the report for recommendations.



Wood Boring Insects

- **Possible Major Concern, Repair:** Evidence of wood destroying insect damage was observed and there is risk of additional hidden damage since termites can do a substantial amount of damage. If the property has not already been treated, a licensed pest control specialist should be engaged to eliminate further wood destroying insect activity within the building. Damaged wood should be repaired or replaced. Any wood soil contact should be eliminated. (Refer to Termite Report)



LIMITATIONS OF STRUCTURE INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

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- Structural components concealed behind finished surfaces could not be inspected.
- Only representative samplings of visible structural components were inspected.
- Furniture and/or storage restricted access to some structural components.
- Engineering or architectural services such as calculation of structural capacities, adequacy, or integrity are not part of a home inspection.

Roofing

DESCRIPTION OF ROOFING

Roof Covering:	•Metal •Plastic •Clay Tile Roll Roofing
Roof Flashings:	•Metal •Asphalt
Chimneys:	•None
Roof Drainage System:	•Galvanized Steel •Built in at eave •Downspouts discharge above grade
Method of Inspection:	•Walked on roof

ROOFING OBSERVATIONS

General Comments

It should be noted that flat roofs have a higher potential for leaks. Leaks can be difficult to repair, as the source of the leakage can be far removed from the water stain that shows up on the interior. Some roofers will insist on re-roofing rather than patching flat roofs.

RECOMMENDATIONS / OBSERVATIONS

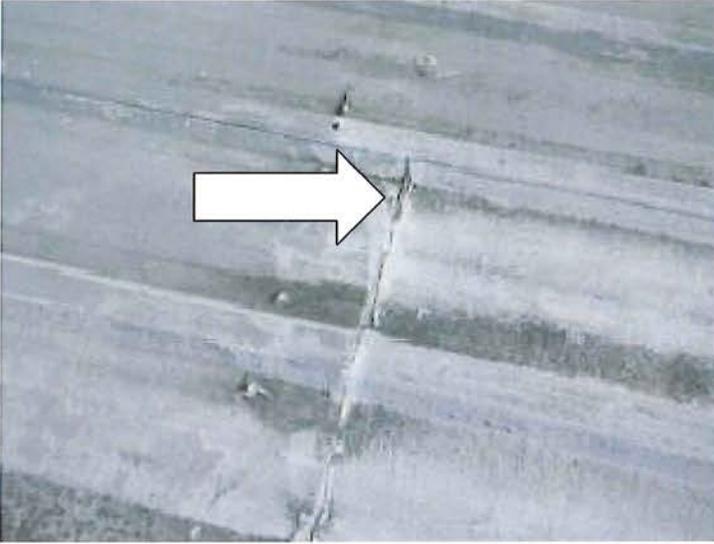
Sloped Roofing

Flat Roofing

- **Monitor:** The roofing is in fair condition and shows signs of wear and tear. Water appears to pond on the membrane. Ponding shortens roof life and increases the potential for damage if leaks occur. When re-roofing the roof should be appropriately sloped, or drains should be provided.



- **Possible Major Concern, Repair:** Several open roof membrane seams and flashings appear to be leaking. These areas should be further evaluated by a qualified roofing specialist and repair as necessary. Due to the amount of leaks and damaged areas to the roof covering replacement may be recommended. Several areas of prior repairs were noted.



Gutters & Downspouts

- **Repair:** The gutters require cleaning to avoid spilling roof runoff around the building – a potential source of water entry or water damage.



- **Repair:** The missing downspout on the east side of the building should be repaired promptly.



LIMITATIONS OF ROOFING INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- Not all of the underside of the roof sheathing is inspected for evidence of leaks.
- Evidence of prior leaks may be disguised by interior finishes.
- Estimates of remaining roof life are approximations only and do not preclude the possibility of leakage. Leakage can develop at any time and may depend on rain intensity, wind direction, ice build up, and other factors.
- Antennae, chimney/flue interiors which are not readily accessible are not inspected and could require repair.
- Roof inspection may be limited by access, condition, weather, or other safety concerns.

Exterior

DESCRIPTION OF EXTERIOR

Wall Covering:	•Brick •Block
Exterior Doors:	•Metal
Window/Door Frames and Trim:	•Metal-Covered
Entry Driveways:	•None
Entry Walkways And Patios:	•Concrete
Porches, Decks, Steps, Railings:	•Concrete
Overhead Garage Door(s):	•Steel •Automatic Opener Installed

EXTERIOR OBSERVATIONS

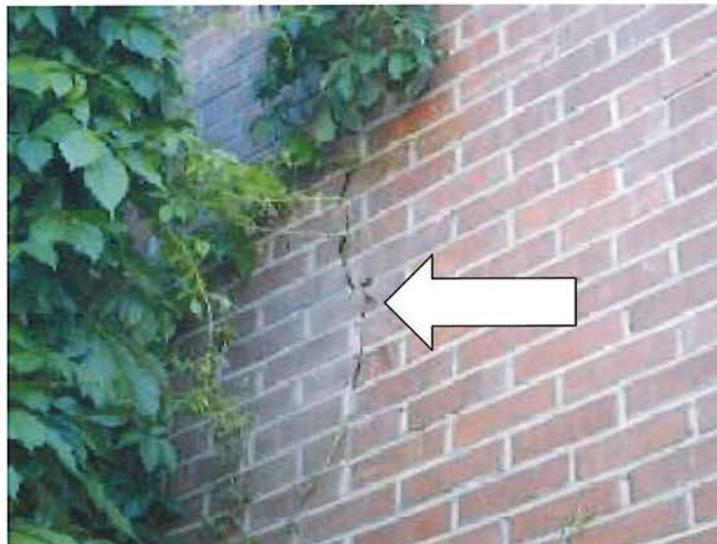
General Comments

The exterior of the building shows normal wear and tear for a home of this age.

RECOMMENDATIONS / OBSERVATIONS

Exterior Walls

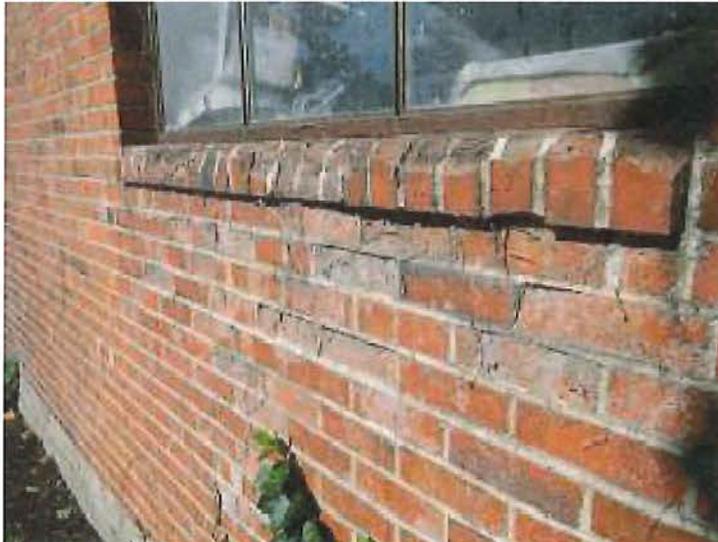
- **Monitor, Repair:** Common minor cracks were observed on the exterior walls of the building. This implies that structural movement has occurred. The location, size, shape of these cracks is common. The inspection did not find evidence of significant movement requiring immediate major repairs. The damaged brick should be considered for repair.



- **Repair:** The exterior brickwork should be re-pointed (replacement of the mortar between the bricks) to prevent further deterioration.



- **Repair:** Several areas of spalling and damaged brickwork were noted on the east side of the building and should be repaired to preserve the wall.



- **Repair:** Localized rot was observed in the garage door frame trim. Following repair of the damaged areas (which should be combined with exterior painting/maintenance) proper maintenance of the siding and control of water from roof or surface runoff can avoid further damage.



Exterior Eaves

- **Repair:** Vines growing on exterior walls should be kept trimmed away from siding, window trims, and the eaves to reduce risk of insect and water damage.

Garage

- **Improve, Safety Issue:** The south garage door opener did not automatically reverse under resistance to closing.

LIMITATIONS OF EXTERIOR INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- A representative sample of exterior components was inspected rather than every occurrence of components.
- The inspection does not include an assessment of geological, geotechnical, or hydrological conditions, or environmental hazards.
- Screening, shutters, awnings, or similar seasonal accessories, fences, recreational facilities, outbuildings, seawalls, break-walls, docks, erosion control and earth stabilization measures are not inspected unless specifically agreed-upon and documented in this report.

Electrical

DESCRIPTION OF ELECTRICAL

Service Drop:	•Overhead
Service Entrance Conductors:	•Copper
Service Equipment & Main Disconnects:	•Main Service Rating 200 Amps •Second Service Rating 200 Amps •Breakers
Service Grounding:	•Copper
Distribution Wiring:	•Copper
Wiring Method:	• Non-Metallic Cable "Romex" •Fabric-Covered
Switches & Receptacles:	•Grounded and Ungrounded
Ground Fault Circuit Interrupters:	•None Found
Smoke Detectors:	•Absent

ELECTRICAL OBSERVATIONS

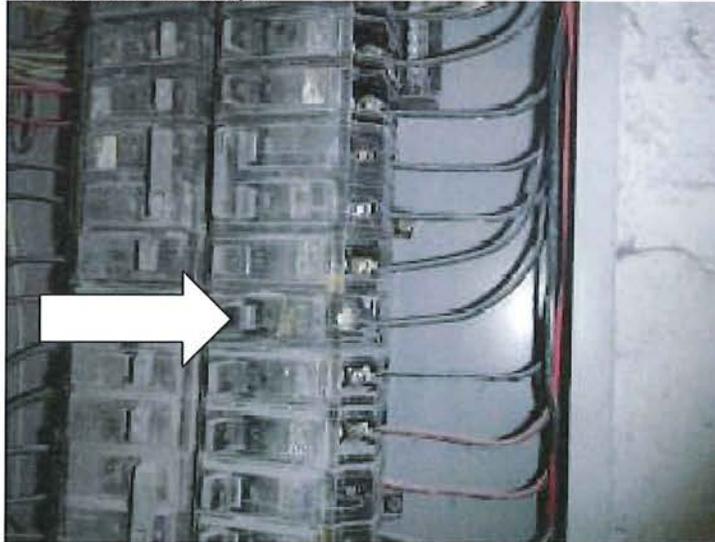
General Comments

Inspection of the electrical system revealed the need for several minor repairs. Although these are not especially costly to repair, they should be high priority for safety reasons. *Unsafe electrical conditions represent a shock hazard.* A licensed electrician should be consulted to undertake the repairs recommended below.

RECOMMENDATIONS / OBSERVATIONS

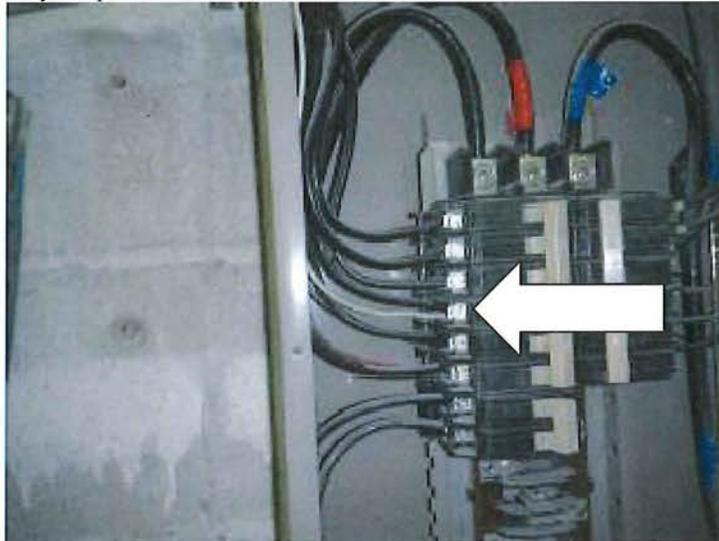
Main Panel

- **Repair:** The oversized 30 amp breaker within the main distribution panel should be replaced with a 20amp breaker as the distribution to this circuit is rated at 20amps.



Auxiliary Panel(s)

- **Repair:** Circuits within the auxiliary panel that are doubled up (referred to as “double taps”) should be separated. Each circuit should be served by a separate fuse or breaker.



Distribution Wiring

- **Repair, Safety Issue:** Abandoned wiring should be removed or appropriately terminated with a box and cover. Several wires were noted.



- **Repair, Safety Issue:** The overheated outlet in the NW corner of the building should be replaced and the distribution to this outlet should be further evaluated by a licensed electrician for damage.



- **Repair:** All junction boxes properly secured and should be fitted with cover plates, in order to protect the wire connections.

Outlets

- **Repair:** Several outlets are loose and should be properly secured.
- **Repair, Safety Issue:** Several outlets have reversed polarity (i.e. it is wired backwards). These outlets and the circuits should be investigated and repaired as necessary.
- **Repair:** Missing outlet cover plates should be replaced to avoid a shock hazard.

Switches

- **Repair:** The SE room light switch is damaged and should be repaired.

Lights

- **Repair:** Several of the shop lights and storage room lights are inoperative. If the bulbs are not blown, the circuits should be repaired.



Smoke Detectors

- **Repair:** The installation of smoke detectors and emergency exit signs are missing and/or inoperative. They should be repaired or replaced in case of an emergency.



- **Monitor:** The building was noted not to have a commercial rated interior fire sprinkler system. Depending on the use of the building after purchase the system may need to be installed to meet local code and safety regulations.

LIMITATIONS OF ELECTRICAL INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- Electrical components concealed behind finished surfaces are not inspected.
- Only a representative sampling of outlets and light fixtures were tested.
- Furniture and/or storage restricted access to some electrical components which may not be inspected.
- The inspection does not include remote control devices, alarm systems and components, low voltage wiring, systems, and components, ancillary wiring, systems, and other components which are not part of the primary electrical power distribution system.

Heating

DESCRIPTION OF HEATING

Energy Source:	•Gas
Heating System Type:	•Unitary (Individual Room Units)
Vents, Flues, Chimneys:	•Metal-Multi Wall
Heat Distribution Methods:	•Unitary Heaters

HEATING OBSERVATIONS

Positive Attributes

Heating a home with this type of heating system should be relatively economical.

RECOMMENDATIONS / OBSERVATIONS

Combustion / Exhaust

- **Repair, Safety Issue:** The flue connections to two of the unitary ceiling heating systems show signs of corrosion and should be replaced. Poor connections risk flue gas and carbon monoxide leakage or other unsafe conditions.



LIMITATIONS OF HEATING INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- The adequacy of heat supply or distribution balance is not inspected.
- The interior of flues or chimneys which are not readily accessible are not inspected.
- The furnace heat exchanger, humidifier, or dehumidifier, and electronic air filters are not inspected.
- Solar space heating equipment/systems are not inspected.

Cooling / Heat Pumps

DESCRIPTION OF COOLING / HEAT PUMPS

Energy Source:	•None
Central System Type:	•None
Other Components:	•Air Handlers/Fans

COOLING / HEAT PUMPS OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

LIMITATIONS OF COOLING / HEAT PUMPS INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- Window mounted air conditioning units are not inspected.
- The cooling supply adequacy or distribution balances are not inspected.

Insulation / Ventilation

DESCRIPTION OF INSULATION / VENTILATION

Attic Insulation:	•None Visible
Roof Cavity Insulation:	•Not Visible
Exterior Wall Insulation:	•None Visible
Roof Ventilation:	•None Visible for Flat Roof
Exhaust Fan/vent Locations:	•Bathroom

INSULATION / VENTILATION OBSERVATIONS

General Comments

As is typical of a structure of this age and construction, insulation levels are relatively modest.

LIMITATIONS OF INSULATION / VENTILATION INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

- Insulation/ventilation type and levels in concealed areas are not inspected. Insulation and vapor barriers are not disturbed and no destructive tests (such as cutting openings in walls to look for insulation) are performed.
- Potentially hazardous materials such as Asbestos and Urea Formaldehyde Foam Insulation (UFFI) cannot be positively identified without a detailed inspection and laboratory analysis. This is beyond the scope of the inspection.
- An analysis of indoor air quality is not part of our inspection unless explicitly contracted-for and discussed in this or a separate report.
- Any estimates of insulation R values or depths are rough average values.

Plumbing

DESCRIPTION OF PLUMBING

Water Supply Source:	•Public Water Supply
Service Pipe to House:	•Plastic
Main Water Valve Location:	•Beside Water Heater
Interior Supply Piping:	•Plastic
Waste System:	•Public Sewer System
Drain, Waste, & Vent Piping:	•Plastic
Water Heater:	•Electric

PLUMBING OBSERVATIONS

Positive Attributes

The plumbing system is in generally good condition. The water pressure supplied to the fixtures is reasonably good. A typical drop in flow was experienced when two fixtures were operated simultaneously.

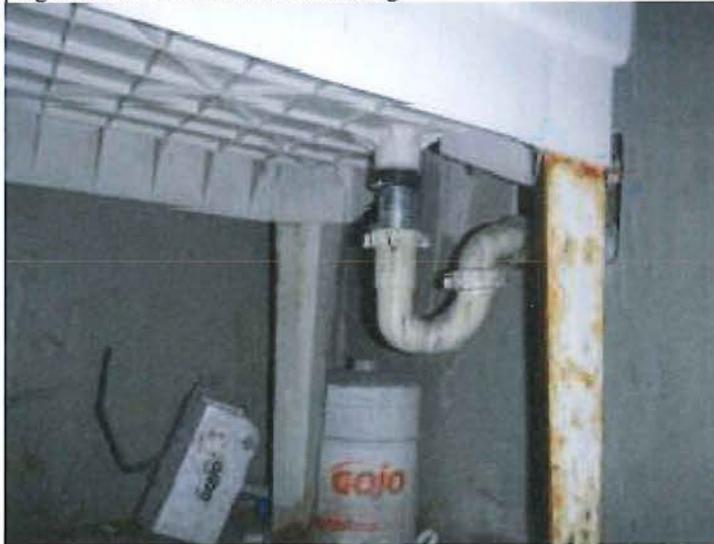
General Comments

The plumbing fixtures are old. Upgrading fixtures would be a logical long term improvement. In the interim, a higher level of maintenance will likely be required.

RECOMMENDATIONS / OBSERVATIONS

Waste / Vent

- **Repair:** The waste piping under the bathroom sink is leaking.



Fixtures

- **Monitor:** The majority of plumbing fixtures are old. Replacement may be desired.

LIMITATIONS OF PLUMBING INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions:

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- Portions of the plumbing system concealed by finishes and/or storage (below sinks, etc.), below the structure, or beneath the ground surface are not inspected.
- Water quantity and water quality are not tested unless explicitly contracted-for and discussed in this or a separate report.
- Clothes washing machine connections are not inspected.
- Interiors of flues or chimneys which are not readily accessible are not inspected.
- Water conditioning systems, solar water heaters, fire and lawn sprinkler systems, and private waste disposal systems are not inspected unless explicitly contracted-for and discussed in this or a separate report.

Interior

DESCRIPTION OF INTERIOR

Wall and Ceiling Materials:	•Drywall •Masonry/Stone
Floor Surfaces:	•Vinyl/Resilient •Concrete
Window Type(s) & Glazing:	•Fixed Pane •Single Pane
Doors:	•Wood-Hollow Core •Metal

INTERIOR OBSERVATIONS

General Condition of Interior Finishes

In whole, the interior finishes of the structure are in below average condition. When redecorating, repairs will be necessary in some areas prior to painting.

General Condition of Windows and Doors

The majority of the doors and windows are modest quality. While there is no rush to substantially improve these doors and windows, replacement units would be a logical long term improvement.

RECOMMENDATIONS / OBSERVATIONS

Wall / Ceiling Finishes

- **Monitor:** Damage to the interior finish was observed in several areas.



Windows

- **Repair:** Several of the windows are broken or missing panes of glass.
- **Repair:** The NE window has lost its seal. This has resulted in condensation developing between the panes of glass. This "fogging" of the glass is primarily a cosmetic concern, but may need to be replaced because it has lost its insulating value.

Doors

- **Repair:** Water damage was observed to the east exterior doors. Repair or replacement is recommended.



LIMITATIONS OF INTERIOR INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions

- Furniture, storage, appliances and/or wall hangings are not moved to permit inspection and may block defects.
- Carpeting, window treatments, central vacuum systems, household appliances, recreational facilities, paint, wallpaper, and other finish treatments are not inspected.

Appliances

DESCRIPTION OF APPLIANCES

Appliances Tested: •None
Laundry Facility: •None

APPLIANCES OBSERVATIONS

RECOMMENDATIONS / OBSERVATIONS

LIMITATIONS OF APPLIANCES INSPECTION

As we have discussed and as described in your inspection contract, this is a visual inspection limited in scope by (but not restricted to) the following conditions

- Thermostats, timers and other specialized features and controls are not tested.
- The temperature calibration, functionality of timers, effectiveness, efficiency and overall performance of appliances is outside the scope of this inspection.



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WOOD DESTROYING INSECT INSPECTION REPORT

Wood Destroying Insect Inspection Report

Notice: Please read important consumer information on page 2.

Section I. General Information

Inspection Company, Address & Phone

CAMPBELL PEST CONTROL, INC.
651 W. BROWER
SPRINGFIELD, MO 65802
(417) 831-0444

CAMPBELL PEST CONTROL, INC.
930 OHIO
JOPLIN, MO 64801
(417) 659-9090

Company's Business Lic. No.

Date of Inspection

6-13-13

Address of Property Inspected

507 W. Walnut

Springfield MO

Inspector's Name, Signature & Certification, Registration, or Lic. #

W. Myers C19093

Structure(s) Inspected

Comm. Building

Section II. Inspection Findings This report is indicative of the condition of the above identified structure(s) on the date of inspection and is not to be construed as a guarantee or warranty against latent, concealed, or future infestations or defects. Based on a careful visual inspection of the readily accessible areas of the structure(s) inspected:

- A. No visible evidence of wood destroying insects was observed.
- B. Visible evidence of wood destroying insects was observed as follows:

1. Live insects (description and location):

no termites

2. Dead insects, insect parts, frass, shelter tubes, exit holes, or staining (description and location):

3. Visible damage from wood destroying insects was noted as follows (description and location):

NOTE: This is not a structural damage report. If box B above is checked, it should be understood that some degree of damage, including hidden damage, may be present. If any questions arise regarding damage indicated by this report, it is recommended that the buyer or any interested parties contact a qualified structural professional to determine the extent of damage and the need for repairs.

Yes No It appears that the structure(s) or a portion thereof may have been previously treated. Visible evidence of possible previous treatment:

The inspecting company can give no assurances with regard to work done by other companies. The company that performed the treatment should be contacted for information on treatment and any warranty or service agreement which may be in place.

Section III. Recommendations

No treatment recommended: (Explain if Box B in Section II is checked)

Recommend treatment for the control of Termites

Section IV. Obstructions and Inaccessible Areas

The following areas of the structure(s) inspected were obstructed or inaccessible:

- Basement
- Crawlspace
- Main Level Open Basement
- Attic
- Garage
- Exterior L7
- Porch
- Addition
- Other SLAB

The inspector may write out obstructions or use the following optional key:

- | | |
|-------------------------|----------------------------------------|
| 1. Fixed ceiling | 13. Only visual access |
| 2. Suspended ceiling | 14. Cluttered condition |
| 3. Fixed wall covering | 15. Standing water |
| 4. Floor covering | 16. Dense vegetation |
| 5. Insulation | 17. Exterior siding |
| 6. Cabinets or shelving | 18. Window well covers |
| 7. Stored items | 19. Wood pile |
| 8. Furnishings | 20. Snow |
| 9. Appliances | 21. Unsafe conditions |
| 10. No access or entry | 22. Rigid foam board |
| 11. Limited access | 23. Synthetic stucco |
| 12. No access beneath | 24. Duct work, plumbing, and/or wiring |

Section V. Additional Comments and Attachments (these are an integral part of the report)

Attachments

Signature of Seller(s) or Owner(s) if refinancing. Seller acknowledges that all information regarding W.D.I. infestation, damage, repair, and treatment history has been disclosed to the buyer.

X

Signature of Buyer. The undersigned hereby acknowledges receipt of a copy of both page 1 and page 2 of this report and understands the information reported.

X

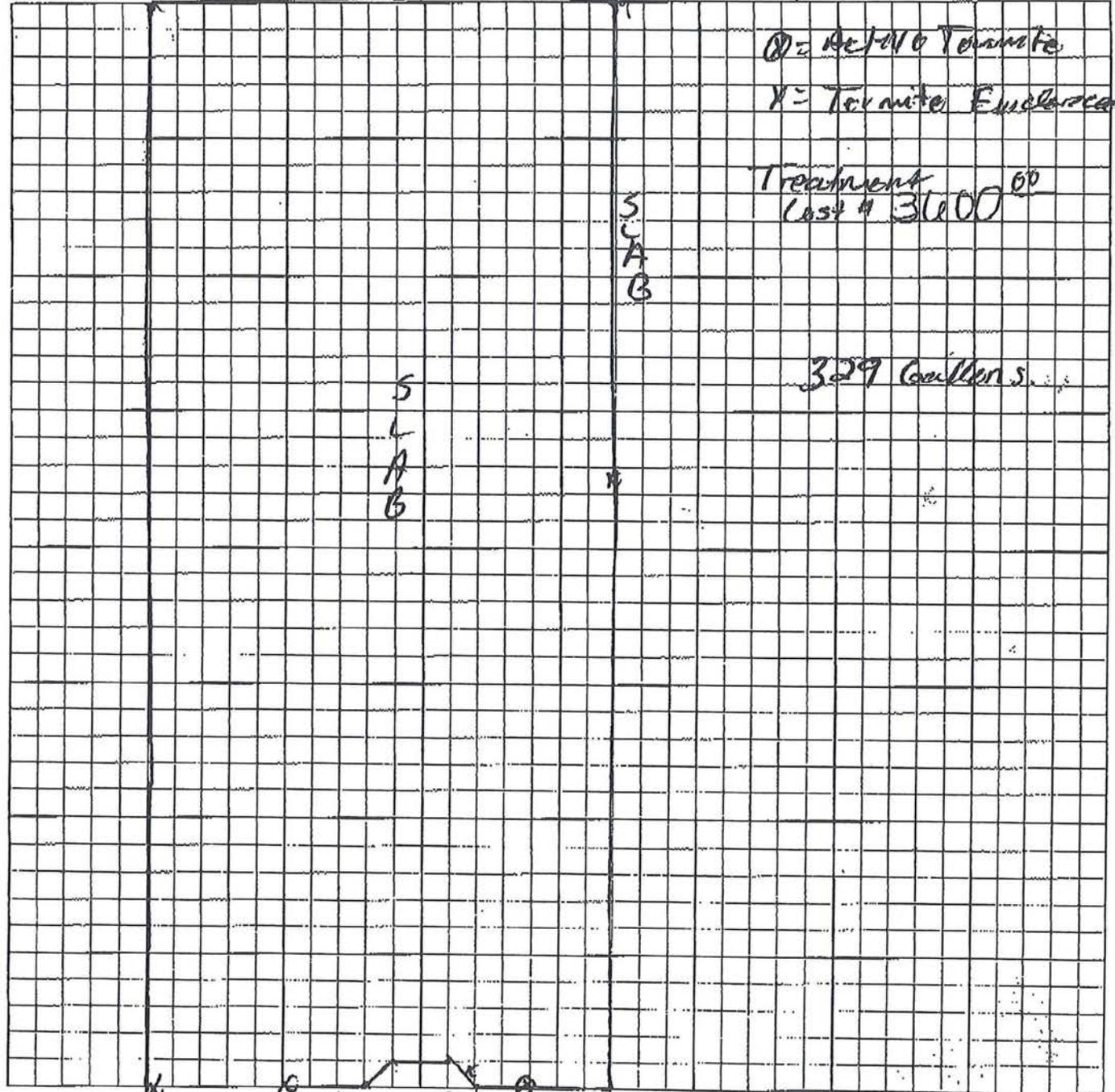
CAMPBELL PEST CONTROL, INC.
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SPRINGFIELD, MO 65802
(417) 831-0444

CAMPBELL PEST CONTROL, INC.
930 OHIO
JOPLIN, MO 64801
(417) 659-9090

WOOD DESTROYING INSECT INSPECTION REPORT (NPMA-33) GRAPH ATTACHMENT

NPMA-33 must accompany this illustration and must be listed in Section V of the NPMA-33

Address Inspected 507 W. Walnut Springfield MO



O = No Termite

X = Termite Enclosure

Treatment Cost \$ 3600.00

329 Gallons.

S
L
A
B

S
L
A
B

S L A B



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30% P.C.W.



Mixed Sources

Product group from well-managed
forests, controlled sources and
recycled wood or fiber

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521-535 REPORT



The roof on this building is leaking and starting to damage the cmu walls. Get an estimate for a new roof.





Photos that are not labeled are FYI.



Electrical outlets show proper ground.



Electrical service and meter entrance are acceptable. Ground rod located.



There is a partial gutter system running through the building.



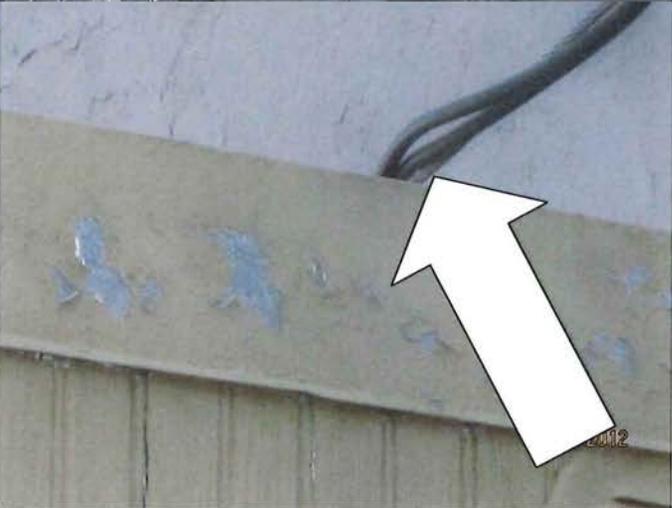
Open subpanel.



The roof appears to be a rubber roof. The roof is beyond its usefulness and needs to be replaced.



Deteriorating paint.



Electrical service should have more clearance between structures.



Unsecured gas service.



Electrical service shows proper ground. Outlets need to be secured.





Mold/mildew from water damage.





Roof is satisfactory for its age. Several of the roof penetrations need to be sealed.





Vegetation needs to be trimmed back before damage can be done to the building or foundation.



Rubber roof is no longer pliable. Plan for replacement.



Area has been patched.





EXHIBIT E

PHOTOGRAPHS OF BLIGHTED AREA

EXHIBIT E
Photographs of Blighted Area



535 Building

A



535 Building

B

Exhibit E Continued



535 Building

C



535 Building

D

Exhibit E Continued



527 Storage
Building

E



521 Building

F

Exhibit E Continued



521 Building

G



507 Building

H

Exhibit E Continued



507 Building

I



507 Building

J

Exhibit E Continued



507 Building

K



507 Building

L

Exhibit E Continued

507 Building



M



535 Building

N

Exhibit E Continued



535 Building

O



535 Building

P

Exhibit E Continued



527 Commercial Building

Q



527 Commercial Building

R

Exhibit E Continued



527 Commercial Building

S



527 Commercial Building

T

Exhibit E Continued



527
Commercial
Building

U



527 Commercial
Building

V

Exhibit E Continued



527 Commercial Building

W



527 Commercial Building

X

Exhibit E Continued



527 Commerci
Building

Y



527 Commerci
Building

Z

Exhibit E Continued



527
Commercial
Building

AA



527 Commercial
Building

BB

Exhibit E Continued



521 Building

CC



521 Building

DD

Exhibit E Continued



521 Building

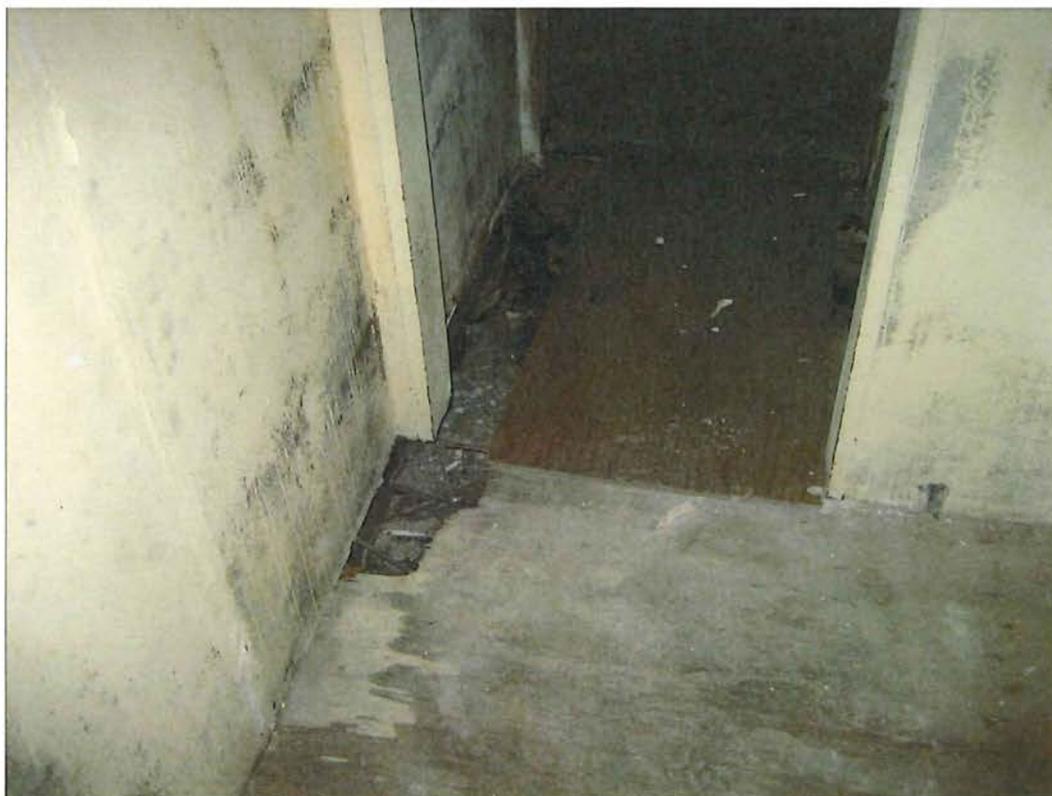
EE



521 Building

FF

Exhibit E Continued



521 Building

GG



521 Building

HH

Exhibit E Continued



521 Building

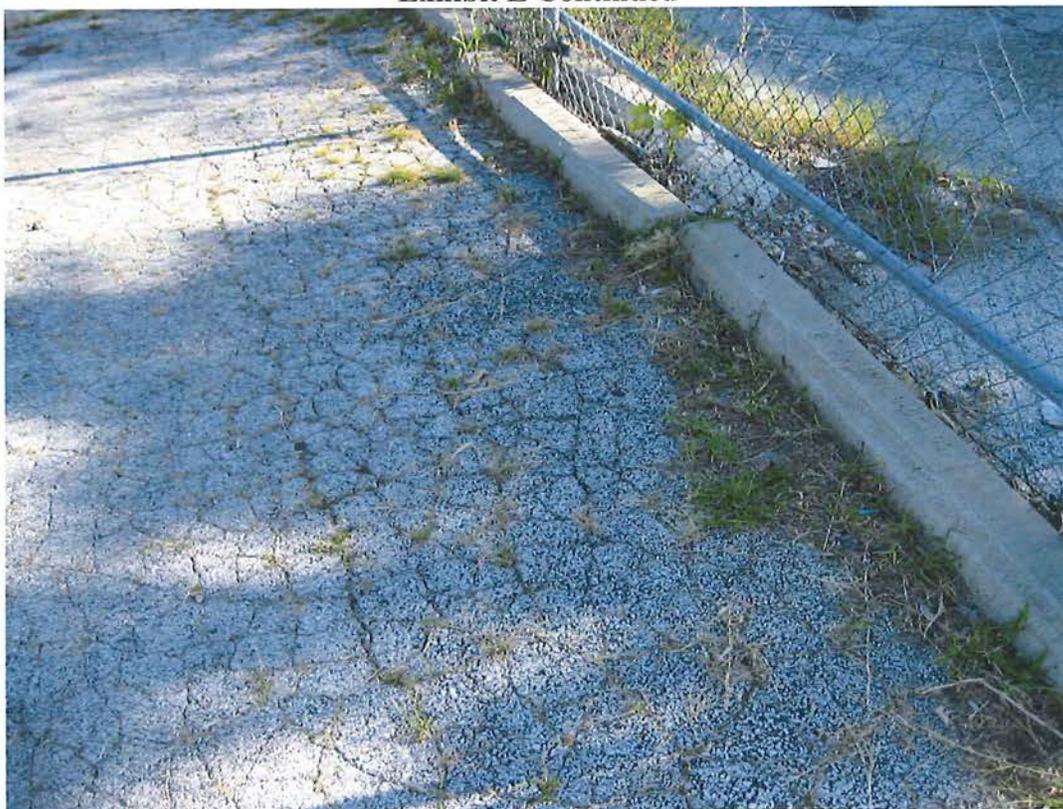
II



535 Tract

JJ

Exhibit E Continued



527 Tract

KK



527/521 Tract

LL

Exhibit E Continued

521 Tract



MM



Alley between the
535 Building and the
527 Storage Building

NN

Exhibit E Continued



527 Tract

OO

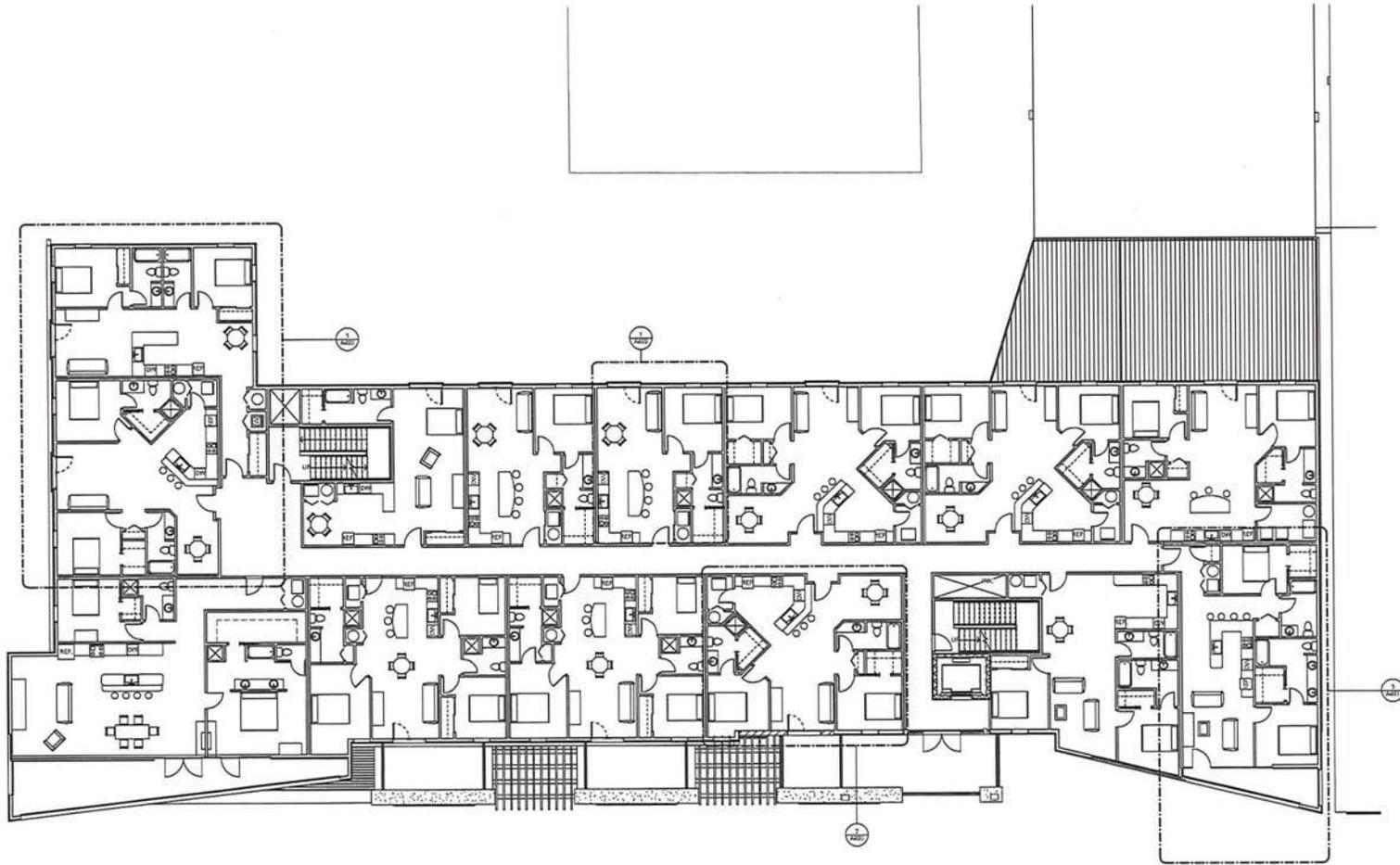


Alley west of
the 521 Buildin

PP

EXHIBIT F

**PLANS AND SPECIFICATIONS OF
PROJECTED RENOVATIONS**



REVISIONS	
NO.	DATE



PRELIMINARY
NOT FOR
CONSTRUCTION

bates & associates
architects

1000 E. University Blvd., Suite 400
Baltimore, MD 21202
Phone no. 410.765.2000
Fax no. 410.765.2013
433 Springfield Avenue, 65006
Springfield, MA 01102

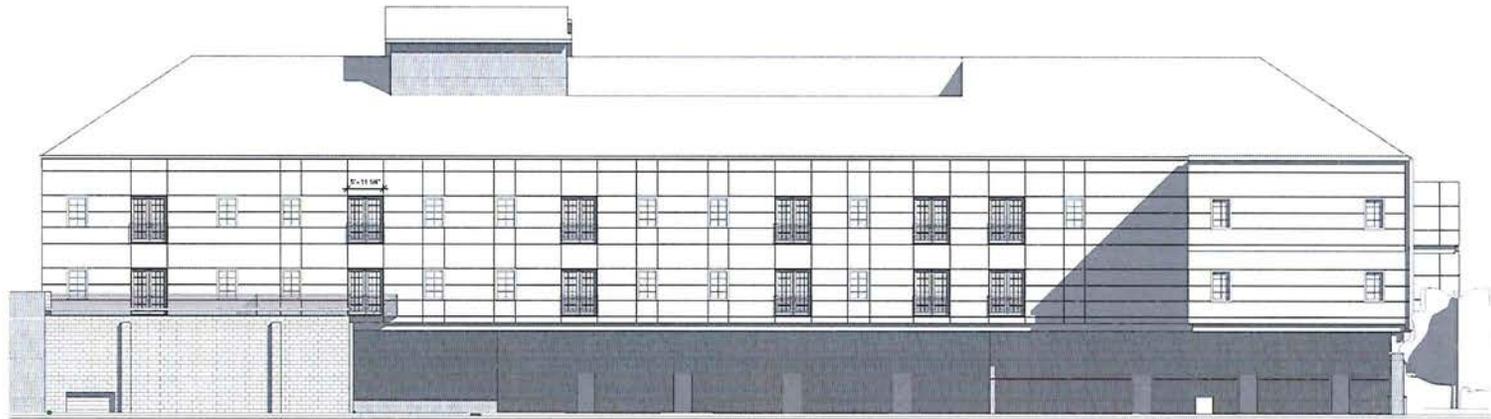
Christina Chanter
Brewery District Lofts
335 W. Walnut St. Springfield, MA 01106

Job Number: 2423
Release Date: 12/11/10
Drawn By: Author

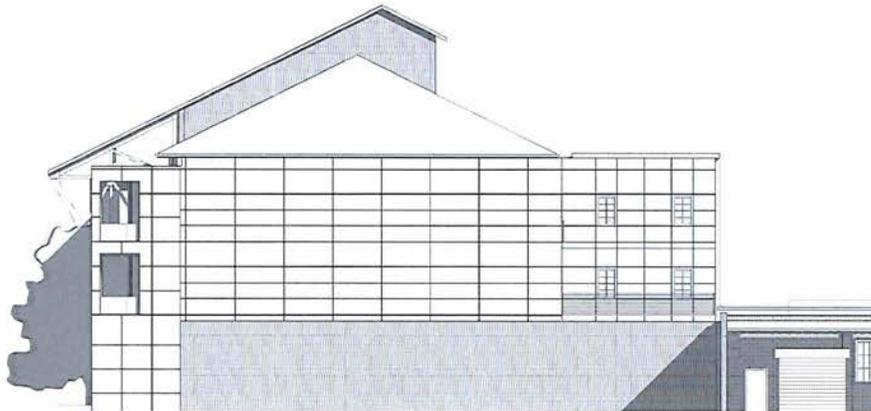
A102
SECOND FLOOR PLAN

Created by Atitay DSI Technology, Inc.
Autodesk Revit

1 level 2
A102
1/8" = 1'-0"



1 North
1/8" = 1'-0"



2 East
1/8" = 1'-0"

REVISIONS	
NO.	DATE

PRELIMINARY
NOT FOR
CONSTRUCTION

bates & associates
architects

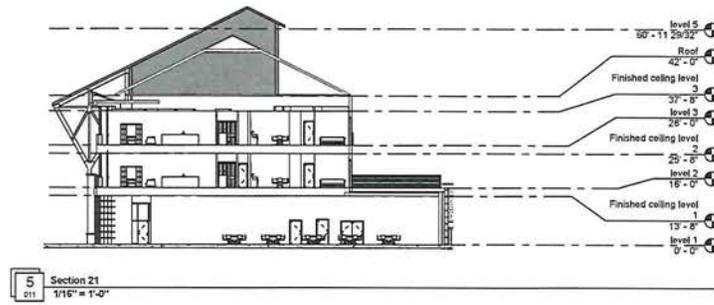
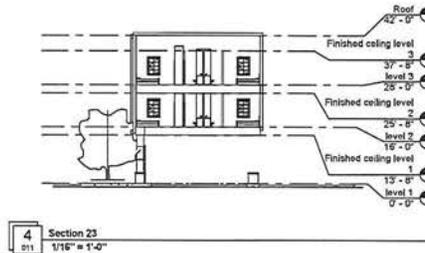
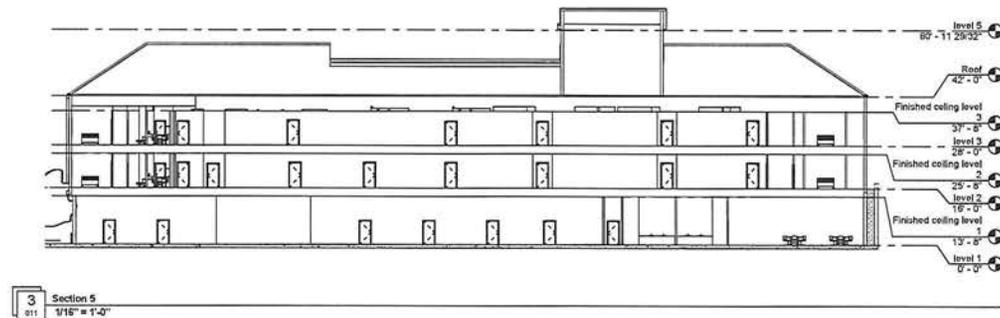
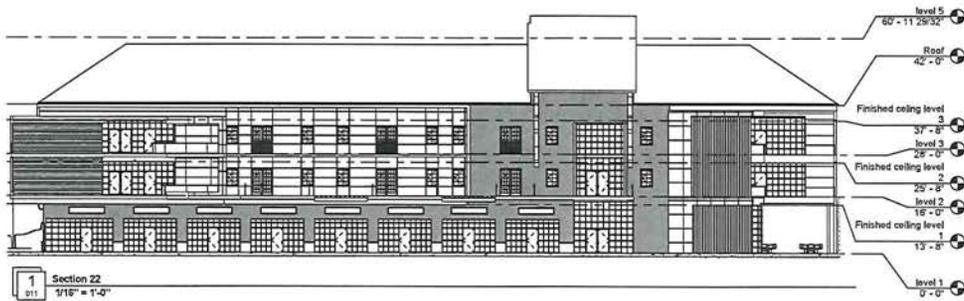
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Christina Chanter
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955 W. Walnut St. Springdale, MD 20695

Sheet Number: 2403
Revision Code: Issue Date
Drawn By: Author

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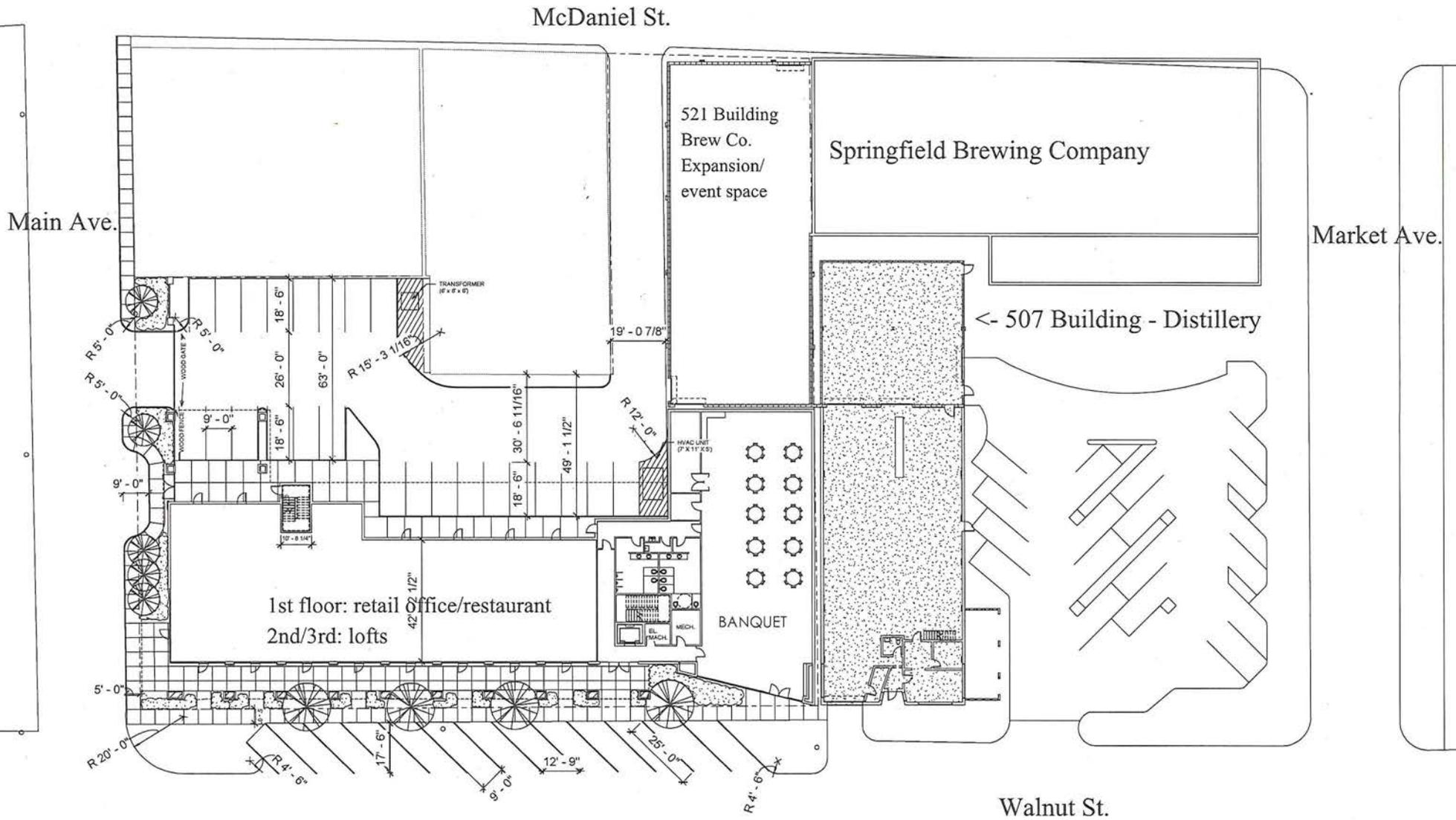
Christina Chanter
Brewery District Lofts
535 W. Walnut St., Springfield, MO 65806

Job Number:	2403
Release Date:	Issue Date
Drawn By:	Author

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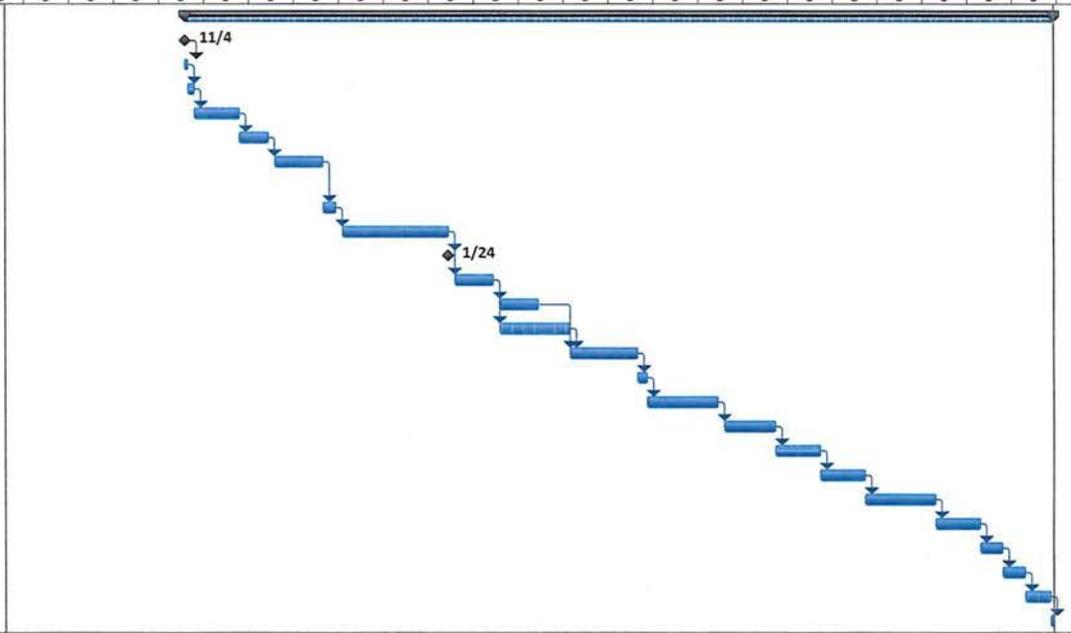
Proposed Land Use Plan



Item 2(d) - Project Stages and Timing

The redevelopment is projected to be completed in one phase. Renovations are anticipated to begin in November 2013 and are estimated to be completed by July 2014. A more detailed tentative construction schedule is attached; however, it is subject to delays.

ID	Task Name	Duration	Start	Finish	Predecessors	'13	Sep 1, '13	Sep 29, '13	Oct 27, '13	Nov 24, '13	Dec 22, '13	Jan 19, '14	Feb 16, '14	Mar 16, '14	Apr 13, '14	May 11, '14	Jun 8, '14	Jul 6, '14	Aug 3, '14	
1	Construction Schedule	195 days	Mon 11/4/13	Fri 8/1/14		S	S	S	S	S	S	S	S	S	S	S	S	S	S	S
2	Order Structural Steel	0 days	Mon 11/4/13	Mon 11/4/13																
3	Mobilization	1 day	Mon 11/4/13	Mon 11/4/13	2															
4	Surveying & Layout	2 days	Tue 11/5/13	Wed 11/6/13	3															
5	Site Grading	10 days	Thu 11/7/13	Wed 11/20/13	4															
6	Concrete Foundations	7 days	Thu 11/21/13	Fri 11/29/13	5															
7	Underslab Plumbing & Electrical	11 days	Mon 12/2/13	Mon 12/16/13	6															
8	Concrete Slab Prep & Pour	4 days	Tue 12/17/13	Fri 12/20/13	7															
9	Masonry	25 days	Mon 12/23/13	Fri 1/24/14	8															
10	Structural Steel Delivery	0 days	Fri 1/24/14	Fri 1/24/14	9															
11	Erect Structural Steel	10 days	Mon 1/27/14	Fri 2/7/14	9															
12	Roofing	10 days	Mon 2/10/14	Fri 2/21/14	11															
13	Metal Stud Framing	16 days	Mon 2/10/14	Mon 3/3/14	11															
14	MEP Rough In's	15 days	Tue 3/4/14	Mon 3/24/14	13,12															
15	Insulation	3 days	Tue 3/25/14	Thu 3/27/14	14															
16	Drywall	16 days	Fri 3/28/14	Fri 4/18/14	15															
17	Painting	12 days	Mon 4/21/14	Tue 5/6/14	16															
18	Acoustical Ceilings	10 days	Wed 5/7/14	Tue 5/20/14	17															
19	MEP Trim Out	10 days	Wed 5/21/14	Tue 6/3/14	18															
20	Flooring	16 days	Wed 6/4/14	Wed 6/25/14	19															
21	Millwork	10 days	Thu 6/26/14	Wed 7/9/14	20															
22	Specialty Installs	5 days	Thu 7/10/14	Wed 7/16/14	21															
23	Final Cleaning	5 days	Thu 7/17/14	Wed 7/23/14	22															
24	Punch List	6 days	Thu 7/24/14	Thu 7/31/14	23															
25	Substantial Completion	1 day	Fri 8/1/14	Fri 8/1/14	24															



Project: Brewery Loft Constructio Date: Mon 9/9/13	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
	Split		External Tasks		Inactive Summary		Manual Summary		Progress	
	Milestone		External Milestone		Manual Task		Start-only			
	Summary		Inactive Task		Duration-only		Finish-only			

**Item 2(e) - Documentation of Projected
Construction Costs**

Brew Co Lofts

bates & associates

Land Cost			
Site	Site Sq Ft	Cost per Sq Ft	Est.Costs
Land Cost			(\$350,000.00)
Total Land Cost:			(\$350,000.00)
Building Construction Cost			
Site / Amenity	Sq Footage	Cost / Sq Ft	Total Cost / Unit
Workout Room	0	\$90.00	\$0.00
Storage	0	\$50.00	\$0.00
Garden			\$0.00
PARKING (non covered)	10,000	\$20.00	(\$200,000.00)
Site Demo			(\$30,000.00)
Site Prep			(\$25,000.00)
Beer Garden / Deck			\$0.00
Public improvements / Streetscape			(\$10,000.00)
Pool			\$0.00
Rooftop pool	0	\$500.00	\$0.00
Elevators (1)			(\$80,000.00)
Landscaping			(\$10,000.00)
SUB TOTAL		0	(\$355,000.00)
Level 1 Retail Concept	Sq Footage	Cost / Sq Ft	Total Cost / Unit
Space A (White Box)	7,800	(\$80.00)	(\$624,000.00)
	0	\$0.00	\$0.00
Banquet Room	4,270	(\$100.00)	(\$427,000.00)
Parking	0	(\$40.00)	\$0.00
SUB TOTAL		12,070	(\$1,051,000.00)
Level 2 Residential	Sq Footage	Cost / Sq Ft	Total Cost / Unit
14 Units	14,600	(\$100.00)	(\$1,460,000.00)
SUB TOTAL		14,600	(\$1,460,000.00)
Level 3 Residential	Sq Footage	Cost / Sq Ft	Total Cost / Unit
14 Units	14,600	(\$100.00)	(\$1,460,000.00)
SUB TOTAL		14,600	(\$1,460,000.00)
Level 4 Residential (optional)	Sq Footage	Cost / Sq Ft	Total Cost / Unit
0 Units	0	(\$80.00)	\$0.00
SUB TOTAL		0	\$0.00
OVERALL SUB TOTAL		41,270	(\$4,326,000.00)
CONTINGENCY (5% of CC)			(\$216,300.00)
Total Construction Cost:			(\$4,542,300.00)
Building Soft Cost		% of Construction Cost	Estimated Cost
Architecture / Engineering		6%	(\$259,560.00)
Legal		0.15%	(\$6,489.00)
Survey		0.10%	(\$4,326.00)
Testing		0.06%	(\$2,379.30)
Permitting / Fees		0.10%	(\$4,326.00)
Marketing		1%	(\$43,260.00)
Total Soft Cost:			(\$320,340.30)
TOTAL COST = (site + infrastructure + cc + sc)			
Site Costs			(\$350,000.00)
Infrastructure / Site Prep			\$0.00
Construction Cost			(\$4,542,300.00)
Soft Cost			(\$320,340.30)
Bridge Financing 5\$ / sq ft			(\$206,350.00)
SUB TOTAL			(\$5,418,990.30)
TOTAL PROJECT COST:			(\$5,418,990.30)

507 W. Walnut

Land Cost

Site	Site Sq Ft	Cost per Sq Ft	Est.Costs
Land Cost			\$310,000.00
Total Land Cost:			\$310,000.00

Site Renovation

Site Renovation	Sq Footage	Cost / Sq Ft	Total Cost / Unit
Roof			\$62,050.00
Interior and Exterior	7,700	\$7.00	(\$53,900.00)

TOTAL COST = (site + infrastru

Site Costs			\$310,000.00
Roof			\$62,050.00
Renovation Cost			\$53,900.00
Soft Cost			\$3,000.00
SUB TOTAL			\$428,950.00

TOTAL PROJECT COST:

\$428,950.00

521 W. Walnut

Land Cost

Site	Site Sq Ft	Cost per Sq Ft	Est.Costs
Land Cost			\$170,000.00
Total Land Cost:			\$170,000.00

Site Renovation

Site Renovation	Sq Footage	Cost / Sq Ft	Total Cost / Unit
Interior and Exterior	6,000	\$12.00	(\$72,000.00)

TOTAL COST = (site + infrastru

Site Costs			\$170,000.00
Infrastructure / Site Prep			\$0.00
Construction Cost			\$72,000.00
Soft Cost			\$3,000.00
SUB TOTAL			\$245,000.00

TOTAL PROJECT COST:

\$245,000.00

Item 2(f) - Source, Nature and Terms of all Required Project Financing

The project will be financed through an approximately \$5,300,000.00 loan from Great Southern Bank. The loan will likely have a term of 20 years and an interest rate of 6.50%.

Item 3 - Proof of Need for Abatement

**Pro Forma for the
Brewery District Lofts Redevelopment Area**

	2014	2014	2015	2015	2016	2016	2017	2017
	Projections	w/Abatement	Projections	w/Abatement	Projections	w/Abatement	Projections	w/Abatement
INCOME:								
Condominiums	\$ 66,024.00	\$ 66,024.00	\$ 198,072.00	\$ 198,072.00	\$ 330,120.00	\$ 330,120.00	\$ 340,023.60	\$ 340,023.60
Retail	27,254.40	27,254.40	81,763.20	81,763.20	136,272	136,272	140,360	140,360
Banquet Hall	9,698.80	9,698.80	29,096.40	29,096.40	48,494	48,494	49,949	49,949
Atrium	-	-	-	-	-	-	-	-
Commercial / Industrial	16,400.00	16,400.00	49,200.00	49,200.00	82,000	82,000	84,460	84,460
Gross Income	\$ 119,377.20	\$ 119,377.20	\$ 358,131.60	\$ 358,131.60	\$ 596,886.00	\$ 596,886.00	\$ 614,792.58	\$ 614,792.58
Less Condominium Vacancy	\$ -	\$ -	\$ -	\$ -	\$ (21,325.75)	\$ (21,325.75)	\$ (21,965.52)	\$ (21,965.52)
Less Commercial/Retail Vacancy	-	-	-	-	(11,935.88)	(11,935.88)	(12,293.96)	(12,293.96)
Less Industrial Vacancy	-	-	-	-	(5,297.20)	(5,297.20)	(5,456.12)	(5,456.12)
Adjusted Gross Income	\$ 119,377.20	\$ 119,377.20	\$ 358,131.60	\$ 358,131.60	\$ 558,327.16	\$ 558,327.16	\$ 575,076.98	\$ 575,076.98
EXPENSES:								
Real Estate Taxes (including PILOTS)	\$ (81,169)	\$ (15,322)	\$ (82,792)	\$ (15,322)	\$ (82,792)	\$ (15,322)	\$ (84,448)	\$ (15,322)
Downtown CID Assessment	(5,763)	(5,763)	(5,878)	(5,878)	(5,878)	(5,878)	(5,996)	(5,996)
Insurance – Condo/Commercial/Retail	(2,060)	(2,060)	(6,179)	(6,179)	(9,632)	(9,632)	(9,825)	(9,825)
Insurance – Industrial	(1,300)	(1,300)	(3,900)	(3,900)	(6,500)	(6,500)	(6,630)	(6,630)
Reserves – Condo/Commercial/Retail	(4,119)	(4,119)	(12,357)	(12,357)	(19,265)	(19,265)	(19,650)	(19,650)
Reserves – Industrial	(2,000)	(2,000)	(6,000)	(6,000)	(10,000)	(10,000)	(10,200)	(10,200)
Utilities	(1,194)	(1,194)	(3,581)	(3,581)	(5,583)	(5,583)	(5,695)	(5,695)
Advertising	(2,029)	(2,029)	(6,088)	(6,088)	(9,492)	(9,492)	(9,681)	(9,681)
Maintenance	(3,581)	(3,581)	(10,744)	(10,744)	(16,750)	(16,750)	(17,085)	(17,085)
Management Fee	(7,163)	(7,163)	(21,488)	(21,488)	(33,500)	(33,500)	(34,170)	(34,170)
Total Expenses	\$ (110,377.33)	\$ (44,531.17)	\$ (159,007.49)	\$ (91,537.96)	\$ (199,391.94)	\$ (131,922.41)	\$ (203,379.78)	\$ (134,254.40)
Net Operating Income	\$ 8,999.87	\$ 74,846.03	\$ 199,124.11	\$ 266,593.64	\$ 358,935.23	\$ 426,404.76	\$ 371,697.20	\$ 440,822.58
Less Debt Service (20 years @ 6.5%)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)
Cash Flow	\$ (400,325.46)	\$ (334,479.30)	\$ (210,201.22)	\$ (142,731.69)	\$ (50,390.10)	\$ 17,079.43	\$ (37,628.12)	\$ 31,497.25
Cash-on-Cash Return	-36.95%	-30.87%	-19.40%	-13.17%	-4.65%	1.58%	-3.47%	2.91%
		Annual Expense Increase	2.0%					
		Annual Rent Increase	3.0%					
		Condominium Vacancy Loss	6.5%					
		Commercial/Retail Vacancy Loss	6.5%					
		Industrial Vacancy Loss	6.5%					
		Management Fee	6.0%					
		Insurance – Commercial/Retail	2.0%					
		Reserves – Commercial/Retail	4.0%					
		Utilities	1.0%					
		Advertising	1.7%					
		Maintenance	3.0%					

**Pro Forma for the
Brewery District Lofts Redevelopment Area**

	2018	2018	2019	2019	2020	2020	2021	2021	2022	2022
	Projections	w/Abatement								
INCOME:										
Condominiums	\$ 350,224.31	\$ 350,224.31	\$ 360,731.04	\$ 360,731.04	\$ 371,552.97	\$ 371,552.97	\$ 382,699.56	\$ 382,699.56	\$ 394,180.54	\$ 394,180.54
Retail	144,571	144,571	148,908	148,908	153,375	153,375	157,977	157,977	162,716	162,716
Banquet Hall	51,447	51,447	52,991	52,991	54,580	54,580	56,218	56,218	57,904	57,904
Atrium	-	-	-	-	-	-	-	-	-	-
Commercial / Industrial	86,994	86,994	89,604	89,604	92,292	92,292	95,060	95,060	97,912	97,912
Gross Income	\$ 633,236.36	\$ 633,236.36	\$ 652,233.45	\$ 652,233.45	\$ 671,800.45	\$ 671,800.45	\$ 691,954.47	\$ 691,954.47	\$ 712,713.10	\$ 712,713.10
Less Condominium Vacancy	\$ (22,624.49)	\$ (22,624.49)	\$ (23,303.23)	\$ (23,303.23)	\$ (24,002.32)	\$ (24,002.32)	\$ (24,722.39)	\$ (24,722.39)	\$ (25,464.06)	\$ (25,464.06)
Less Commercial/Retail Vacancy	(12,662.78)	(12,662.78)	(13,042.66)	(13,042.66)	(13,433.94)	(13,433.94)	(13,836.96)	(13,836.96)	(14,252.07)	(14,252.07)
Less Industrial Vacancy	(5,619.80)	(5,619.80)	(5,788.39)	(5,788.39)	(5,962.05)	(5,962.05)	(6,140.91)	(6,140.91)	(6,325.13)	(6,325.13)
Adjusted Gross Income	\$ 592,329.29	\$ 592,329.29	\$ 610,099.17	\$ 610,099.17	\$ 628,402.14	\$ 628,402.14	\$ 647,254.21	\$ 647,254.21	\$ 666,671.83	\$ 666,671.83
EXPENSES:										
Real Estate Taxes (including PILOTS)	\$ (84,448)	\$ (15,322)	\$ (86,137)	\$ (15,322)	\$ (86,137)	\$ (15,322)	\$ (87,860)	\$ (15,322)	\$ (87,860)	\$ (15,322)
Downtown CID Assessment	(5,996)	(5,996)	(6,116)	(6,116)	(6,116)	(6,116)	(6,238)	(6,238)	(6,238)	(6,238)
Insurance – Condo/Commercial/Retail	(10,022)	(10,022)	(10,222)	(10,222)	(10,427)	(10,427)	(10,635)	(10,635)	(10,848)	(10,848)
Insurance – Industrial	(6,763)	(6,763)	(6,898)	(6,898)	(7,036)	(7,036)	(7,177)	(7,177)	(7,320)	(7,320)
Reserves – Condo/Commercial/Retail	(20,043)	(20,043)	(20,444)	(20,444)	(20,853)	(20,853)	(21,270)	(21,270)	(21,695)	(21,695)
Reserves – Industrial	(10,404)	(10,404)	(10,612)	(10,612)	(10,824)	(10,824)	(11,041)	(11,041)	(11,262)	(11,262)
Utilities	(5,809)	(5,809)	(5,925)	(5,925)	(6,044)	(6,044)	(6,164)	(6,164)	(6,288)	(6,288)
Advertising	(9,875)	(9,875)	(10,073)	(10,073)	(10,274)	(10,274)	(10,479)	(10,479)	(10,689)	(10,689)
Maintenance	(17,427)	(17,427)	(17,775)	(17,775)	(18,131)	(18,131)	(18,493)	(18,493)	(18,863)	(18,863)
Management Fee	(34,853)	(34,853)	(35,550)	(35,550)	(36,261)	(36,261)	(36,986)	(36,986)	(37,726)	(37,726)
Total Expenses	\$ (205,638.50)	\$ (136,513.13)	\$ (209,751.27)	\$ (138,936.94)	\$ (212,101.24)	\$ (141,286.92)	\$ (216,343.27)	\$ (143,806.21)	\$ (218,788.18)	\$ (146,251.12)
Net Operating Income	\$ 386,690.79	\$ 455,816.16	\$ 400,347.90	\$ 471,162.23	\$ 416,300.90	\$ 487,115.23	\$ 430,910.94	\$ 503,448.00	\$ 447,883.65	\$ 520,420.71
Less Debt Service (20 years @ 6.5%)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)
Cash Flow	\$ (22,634.54)	\$ 46,490.83	\$ (8,977.43)	\$ 61,836.90	\$ 6,975.57	\$ 77,789.90	\$ 21,585.61	\$ 94,122.67	\$ 38,558.32	\$ 111,095.38
Cash-on-Cash Return	-2.09%	4.29%	-0.83%	5.71%	0.64%	7.18%	1.99%	8.69%	3.56%	10.25%

**Pro Forma for the
Brewery District Lofts Redevelopment Area**

	2026	2026	2027	2027	2028	2028	2029	2029	2030	2030
	Projections	w/Abatement								
INCOME:										
Condominiums	\$ 443,653.68	\$ 443,653.68	\$ 456,963.29	\$ 456,963.29	\$ 470,672.18	\$ 470,672.18	\$ 484,792.35	\$ 484,792.35	\$ 499,336.12	\$ 499,336.12
Retail	183,138	183,138	188,632	188,632	194,291	194,291	200,120	200,120	206,124	206,124
Banquet Hall	65,172	65,172	67,127	67,127	69,141	69,141	71,215	71,215	73,352	73,352
Atrium	-	-	-	-	-	-	-	-	-	-
Commercial / Industrial	110,201	110,201	113,507	113,507	116,912	116,912	120,420	120,420	124,032	124,032
Gross Income	\$ 802,164.87	\$ 802,164.87	\$ 826,229.82	\$ 826,229.82	\$ 851,016.71	\$ 851,016.71	\$ 876,547.21	\$ 876,547.21	\$ 902,843.63	\$ 902,843.63
Less Condominium Vacancy	\$ (28,660.03)	\$ (28,660.03)	\$ (29,519.83)	\$ (29,519.83)	\$ (30,405.42)	\$ (30,405.42)	\$ (31,317.59)	\$ (31,317.59)	\$ (32,257.11)	\$ (32,257.11)
Less Commercial/Retail Vacancy	(16,040.83)	(16,040.83)	(16,522.05)	(16,522.05)	(17,017.72)	(17,017.72)	(17,528.25)	(17,528.25)	(18,054.09)	(18,054.09)
Less Industrial Vacancy	(7,118.99)	(7,118.99)	(7,332.56)	(7,332.56)	(7,552.54)	(7,552.54)	(7,779.12)	(7,779.12)	(8,012.49)	(8,012.49)
Adjusted Gross Income	\$ 750,345.02	\$ 750,345.02	\$ 772,855.37	\$ 772,855.37	\$ 796,041.03	\$ 796,041.03	\$ 819,922.26	\$ 819,922.26	\$ 844,519.93	\$ 844,519.93
EXPENSES:										
Real Estate Taxes (including PILOTS)	\$ (91,409)	\$ (45,795)	\$ (93,237)	\$ (46,619)	\$ (93,237)	\$ (46,619)	\$ (95,102)	\$ (47,551)	\$ (95,102)	\$ (47,551)
Downtown CID Assessment	(6,490)	(6,490)	(6,620)	(6,620)	(6,620)	(6,620)	(6,752)	(6,752)	(6,752)	(6,752)
Insurance – Condo/Commercial/Retail	(11,742)	(11,742)	(11,977)	(11,977)	(12,216)	(12,216)	(12,461)	(12,461)	(12,710)	(12,710)
Insurance – Industrial	(7,923)	(7,923)	(8,082)	(8,082)	(8,244)	(8,244)	(8,408)	(8,408)	(8,577)	(8,577)
Reserves – Condo/Commercial/Retail	(23,484)	(23,484)	(23,954)	(23,954)	(24,433)	(24,433)	(24,921)	(24,921)	(25,420)	(25,420)
Reserves – Industrial	(12,190)	(12,190)	(12,434)	(12,434)	(12,682)	(12,682)	(12,936)	(12,936)	(13,195)	(13,195)
Utilities	(6,806)	(6,806)	(6,942)	(6,942)	(7,081)	(7,081)	(7,223)	(7,223)	(7,367)	(7,367)
Advertising	(11,570)	(11,570)	(11,802)	(11,802)	(12,038)	(12,038)	(12,278)	(12,278)	(12,524)	(12,524)
Maintenance	(20,418)	(20,418)	(20,826)	(20,826)	(21,243)	(21,243)	(21,668)	(21,668)	(22,101)	(22,101)
Management Fee	(40,836)	(40,836)	(41,653)	(41,653)	(42,486)	(42,486)	(43,335)	(43,335)	(44,202)	(44,202)
Total Expenses	\$ (232,868.25)	\$ (187,163.73)	\$ (237,525.61)	\$ (190,907.00)	\$ (240,278.98)	\$ (193,660.37)	\$ (245,084.56)	\$ (197,533.58)	\$ (247,949.17)	\$ (200,398.19)
Net Operating Income	\$ 517,476.78	\$ 563,181.29	\$ 535,329.76	\$ 581,948.37	\$ 555,762.05	\$ 602,380.66	\$ 574,837.70	\$ 622,388.68	\$ 596,570.76	\$ 644,121.74
Less Debt Service (20 years @ 6.5%)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)	\$ (409,325.33)
Cash Flow	\$ 108,151.45	\$ 153,855.96	\$ 126,004.43	\$ 172,623.04	\$ 146,436.72	\$ 193,055.33	\$ 165,512.37	\$ 213,063.35	\$ 187,245.44	\$ 234,796.41
Cash-on-Cash Return										

**Previously provided to the
City of Springfield under separate cover**

Item 4 - Tax Impact Analysis

Brewery District Lofts Redevelopment Area

Tax Impact Analysis

City of Springfield, Missouri
September 23, 2013

Husch Blackwell LLP
901 St. Louis Street, Suite 1800
Springfield, MO 65806

Brewery District Lofts Redevelopment Area
2013 Real Estate Assessment & Taxes

607 W. Walnut Street
Parcel No. 88-13-23-108-017

Current Assessment Ratio	Appraised*	32% Assessed
Land	\$ 67,900	\$ 21,728
Improvements	197,100	63,072
Total	\$ 265,000	\$ 84,800

Jurisdiction	Tax	Levy per \$100
City of Springfield	515.84	0.6083
Springfield - Greene County Library	206.32	0.2433
Ozarks Technical College	119.40	0.1408
Greene County	102.27	0.1206
Road & Bridge	102.27	0.1206
State of Missouri	25.44	0.0300
Sheltered Workshop	39.52	0.0466
Springfield R-12	3,137.52	3.6999
County Seniors' Services	42.06	0.0496
Commercial Surtax	881.92	1.0400
	\$ 5,172.55	6.0997

*Per Greene County Assessor's Office

627 W. Walnut Street
Parcel No. 88-13-23-108-007

Current Assessment Ratio	Appraised*	32% Assessed
Land	\$ 67,100	\$ 21,472
Improvements	32,400	10,368
Total	\$ 99,500	\$ 31,840

Jurisdiction	Tax	Levy per \$100
City of Springfield	193.68	0.6083
Springfield - Greene County Library	77.47	0.2433
Ozarks Technical College	44.83	0.1408
Greene County	38.40	0.1206
Road & Bridge	38.40	0.1206
State of Missouri	9.55	0.0300
Sheltered Workshop	14.84	0.0466
Springfield R-12	1,178.05	3.6999
County Seniors' Services	15.79	0.0496
Commercial Surtax	331.14	1.0400
	\$ 1,942.14	6.0997

*Per Greene County Assessor's Office

626 W. Walnut Street
Parcel No. 88-13-23-108-006

Current Assessment Ratio	Appraised*	32% Assessed
Land	\$ 82,000	\$ 26,240
Improvements	195,000	62,400
Total	\$ 277,000	\$ 88,640

Jurisdiction	Tax	Levy per \$100
City of Springfield	539.20	0.6083
Springfield - Greene County Library	215.66	0.2433
Ozarks Technical College	124.81	0.1408
Greene County	106.90	0.1206
Road & Bridge	106.90	0.1206
State of Missouri	26.59	0.0300
Sheltered Workshop	41.31	0.0466
Springfield R-12	3,279.59	3.6999
County Seniors' Services	43.97	0.0496
Commercial Surtax	921.86	1.0400
	\$ 5,406.77	6.0997

*Per Greene County Assessor's Office

621 W. McDaniel Street
Parcel No. 88-13-23-108-013

Current Assessment Ratio	Appraised*	32% Assessed
Land	\$ 83,600	\$ 26,752
Improvements	59,900	19,168
Total	\$ 143,500	\$ 45,920

Jurisdiction	Tax	Levy per \$100
City of Springfield	279.33	0.6083
Springfield - Greene County Library	111.72	0.2433
Ozarks Technical College	64.66	0.1408
Greene County	55.38	0.1206
Road & Bridge	55.38	0.1206
State of Missouri	13.78	0.0300
Sheltered Workshop	21.40	0.0466
Springfield R-12	1,698.99	3.6999
County Seniors' Services	22.78	0.0496
Commercial Surtax	477.57	1.0400
	\$ 2,800.98	6.0997

*Per Greene County Assessor's Office

Brewery District Lofts Redevelopment Area
 Tax Impact Analysis -- Assessment Assumptions

Property	2013					
	Appraised*			Assessed		
	Land	Improvements	Total	Land	Improvements	Total
507 W. Walnut	\$ 67,900	\$ 197,100	\$ 265,000	\$ 21,728	\$ 63,072	\$ 84,800
527 W. Walnut	67,100	32,400	99,500	21,472	10,368	31,840
535 W. Walnut	82,000	195,000	277,000	26,240	62,400	88,640
521 W. McDaniel	83,600	59,900	143,500	26,752	19,168	45,920
Totals	\$ 300,600	484,400	785,000	\$ 96,192	155,008	251,200

Portion of total value that is land 9%
 Assessment ratio (commercial) 32%
 Assessment ratio (residential) 19%

*2013 Values per Greene County Assessor's Office
 **From Developer's preliminary financial information

Property	Redeveloped Estimate					
	Appraised			Assessed		
	Land	Improvements	Total	Land	Improvements	Total
Comm. 507 W. Walnut	\$ 200,000	\$ 570,000	\$ 770,000	\$ 64,000	\$ 182,400	\$ 246,400
521 W. McDaniel	-	-	-	-	-	-
527 W. Walnut (C)	330,000	1,494,400	1,824,400	105,600	478,208	583,808
535 W. Walnut (C)	-	-	-	-	-	-
Res. 527 W. Walnut (R)	-	3,175,600	3,175,600	-	603,364	603,364
535 W. Walnut (R)	-	-	-	-	-	-
Totals	\$ 530,000	\$ 5,240,000	\$ 5,770,000	\$ 169,600	\$ 1,263,972	\$ 1,433,572

*Value of commercial portion of 527 and 535 W. Walnut is 32% of total completed initial appraised value of \$5,000,000 (by propotionate share of revenue stream)

Brewery District Lofts Redevelopment Area
 Tax Impact Analysis
 Projected Tax Revenue without Redevelopment

Biennial Growth Rate Assumption - Real Estate Taxes

-1.00%

Year		Assessed Value (\$)				Real Estate Taxes Paid												
Plan	Calendar	Total Land	Total Imp.	Land (C)	Imp. (C)	Land (R)	Imp. (R)	0.6083	0.2433	0.1408	0.1206	0.1206	0.0300	0.0466	3.6999	0.0496	1.0400	6.0997
								City of Springfield	Greene County Library	Ozarks Tech. College	Greene County	Road & Bridge	State of Missouri	Sheltered Workshop	Springfield R-12	County Seniors' Services	Commercial SurTax	Tax Paid
1.0	2014	96,192	155,008	96,192	155,008	-	-	\$ 1,528	\$ 611	\$ 354	\$ 303	\$ 303	\$ 75	\$ 117	\$ 9,294	\$ 125	\$ 2,612	\$ 15,322
2.0	2015	95,230	153,458	95,230	153,458	-	-	1,513	605	350	300	300	75	116	9,201	123	2,586	15,169
3.0	2016	95,230	153,458	95,230	153,458	-	-	1,513	605	350	300	300	75	116	9,201	123	2,586	15,169
4.0	2017	94,278	151,923	94,278	151,923	-	-	1,498	599	347	297	297	74	115	9,109	122	2,560	15,018
5.0	2018	94,278	151,923	94,278	151,923	-	-	1,498	599	347	297	297	74	115	9,109	122	2,560	15,018
6.0	2019	93,335	150,404	93,335	150,404	-	-	1,483	593	343	294	294	73	114	9,018	121	2,535	14,867
7.0	2020	93,335	150,404	93,335	150,404	-	-	1,483	593	343	294	294	73	114	9,018	121	2,535	14,867
8.0	2021	92,402	148,900	92,402	148,900	-	-	1,468	587	340	291	291	72	112	8,928	120	2,510	14,719
9.0	2022	92,402	148,900	92,402	148,900	-	-	1,468	587	340	291	291	72	112	8,928	120	2,510	14,719
10.0	2023	91,478	147,411	91,478	147,411	-	-	1,453	581	336	288	288	72	111	8,839	118	2,484	14,571
11.0	2024	91,478	147,411	91,478	147,411	-	-	1,453	581	336	288	288	72	111	8,839	118	2,484	14,571
12.0	2025	90,563	145,937	90,563	145,937	-	-	1,439	575	333	285	285	71	110	8,750	117	2,460	14,426
13.0	2026	90,563	145,937	90,563	145,937	-	-	1,439	575	333	285	285	71	110	8,750	117	2,460	14,426
14.0	2027	89,657	144,478	89,657	144,478	-	-	1,424	570	330	282	282	70	109	8,663	116	2,435	14,282
15.0	2028	89,657	144,478	89,657	144,478	-	-	1,424	570	330	282	282	70	109	8,663	116	2,435	14,282
16.0	2029	88,761	143,033	88,761	143,033	-	-	1,410	564	326	280	280	70	108	8,576	115	2,411	14,139
17.0	2030	88,761	143,033	88,761	143,033	-	-	1,410	564	326	280	280	70	108	8,576	115	2,411	14,139
18.0	2031	87,873	141,602	87,873	141,602	-	-	1,396	558	323	277	277	69	107	8,490	114	2,387	13,997
19.0	2032	87,873	141,602	87,873	141,602	-	-	1,396	558	323	277	277	69	107	8,490	114	2,387	13,997
20.0	2033	86,994	140,186	86,994	140,186	-	-	1,382	553	320	274	274	68	106	8,405	113	2,363	13,857
21.0	2034	86,994	140,186	86,994	140,186	-	-	1,382	553	320	274	274	68	106	8,405	113	2,363	13,857
22.0	2035	86,124	138,785	86,124	138,785	-	-	1,368	547	317	271	271	67	105	8,321	112	2,339	13,719
23.0	2036	86,124	138,785	86,124	138,785	-	-	1,368	547	317	271	271	67	105	8,321	112	2,339	13,719
24.0	2037	85,263	137,397	85,263	137,397	-	-	1,354	542	314	269	269	67	104	8,238	110	2,316	13,582
25.0	2038	85,263	137,397	85,263	137,397	-	-	1,354	542	314	269	269	67	104	8,238	110	2,316	13,582
TOTAL								\$ 35,903	\$ 14,360	\$ 8,310	\$ 7,118	\$ 7,118	\$ 1,771	\$ 2,750	\$ 218,373	\$ 2,927	\$ 61,382	\$ 360,013

Brewery District Lofts Redevelopment Area
 Tax Impact Analysis
 Projected Taxes with Renovation but without Abatement

Biennial Growth Rate Assumption - Real Estate Taxes

2.00%

Year		Assessed Value (\$)						Real Estate Taxes Paid										
Plan	Calendar	Total Land	Total Imp.	Land (C)	Imp. (C)	Land (R)	Imp. (R)	0.6083 City of Springfield	0.2433 Greene County Library	0.1408 Ozarks Tech. College	0.1206 Greene County	0.1206 Road & Bridge	0.0300 State of Missouri	0.0466 Sheltered Workshop	3.6999 Springfield R-12	0.0496 County Seniors' Services	1.0400 Commercial SurTax	6.0997 Tax Paid
1.0	2014	169,600	1,263,972	169,600	660,608	-	603,364	\$ 8,720	\$ 3,488	\$ 2,018	\$ 1,729	\$ 1,729	\$ 430	\$ 668	\$ 53,041	\$ 711	\$ 8,634	\$ 81,169
2.0	2015	172,992	1,289,251	172,992	673,820	-	615,431	8,895	3,558	2,059	1,763	1,763	439	681	54,102	725	8,807	82,792
3.0	2016	172,992	1,289,251	172,992	673,820	-	615,431	8,895	3,558	2,059	1,763	1,763	439	681	54,102	725	8,807	82,792
4.0	2017	176,452	1,315,036	176,452	687,297	-	627,740	9,073	3,629	2,100	1,799	1,799	447	695	55,184	740	8,983	84,448
5.0	2018	176,452	1,315,036	176,452	687,297	-	627,740	9,073	3,629	2,100	1,799	1,799	447	695	55,184	740	8,983	84,448
6.0	2019	179,981	1,341,337	179,981	701,042	-	640,295	9,254	3,701	2,142	1,835	1,835	456	709	56,287	755	9,163	86,137
7.0	2020	179,981	1,341,337	179,981	701,042	-	640,295	9,254	3,701	2,142	1,835	1,835	456	709	56,287	755	9,163	86,137
8.0	2021	183,580	1,368,164	183,580	715,063	-	653,101	9,439	3,775	2,185	1,871	1,871	466	723	57,413	770	9,346	87,860
9.0	2022	183,580	1,368,164	183,580	715,063	-	653,101	9,439	3,775	2,185	1,871	1,871	466	723	57,413	770	9,346	87,860
10.0	2023	187,252	1,395,527	187,252	729,365	-	666,163	9,628	3,851	2,229	1,909	1,909	475	738	58,561	785	9,533	89,617
11.0	2024	187,252	1,395,527	187,252	729,365	-	666,163	9,628	3,851	2,229	1,909	1,909	475	738	58,561	785	9,533	89,617
12.0	2025	190,997	1,423,438	190,997	743,952	-	679,486	9,821	3,928	2,273	1,947	1,947	484	752	59,732	801	9,723	91,409
13.0	2026	190,997	1,423,438	190,997	743,952	-	679,486	9,821	3,928	2,273	1,947	1,947	484	752	59,732	801	9,723	91,409
14.0	2027	194,817	1,451,907	194,817	758,831	-	693,076	10,017	4,006	2,319	1,986	1,986	494	767	60,927	817	9,918	93,237
15.0	2028	194,817	1,451,907	194,817	758,831	-	693,076	10,017	4,006	2,319	1,986	1,986	494	767	60,927	817	9,918	93,237
16.0	2029	198,713	1,480,945	198,713	774,008	-	706,937	10,217	4,087	2,365	2,026	2,026	504	783	62,146	833	10,116	95,102
17.0	2030	198,713	1,480,945	198,713	774,008	-	706,937	10,217	4,087	2,365	2,026	2,026	504	783	62,146	833	10,116	95,102
18.0	2031	202,688	1,510,564	202,688	789,488	-	721,076	10,422	4,168	2,412	2,066	2,066	514	798	63,389	850	10,319	97,004
19.0	2032	202,688	1,510,564	202,688	789,488	-	721,076	10,422	4,168	2,412	2,066	2,066	514	798	63,389	850	10,319	97,004
20.0	2033	206,741	1,540,775	206,741	805,277	-	735,497	10,630	4,252	2,461	2,108	2,108	524	814	64,656	867	10,525	98,944
21.0	2034	206,741	1,540,775	206,741	805,277	-	735,497	10,630	4,252	2,461	2,108	2,108	524	814	64,656	867	10,525	98,944
22.0	2035	210,876	1,571,590	210,876	821,383	-	750,207	10,843	4,337	2,510	2,150	2,150	535	831	65,949	884	10,735	100,923
23.0	2036	210,876	1,571,590	210,876	821,383	-	750,207	10,843	4,337	2,510	2,150	2,150	535	831	65,949	884	10,735	100,923
24.0	2037	215,094	1,603,022	215,094	837,811	-	765,211	11,060	4,423	2,560	2,193	2,193	545	847	67,268	902	10,950	102,941
25.0	2038	215,094	1,603,022	215,094	837,811	-	765,211	11,060	4,423	2,560	2,193	2,193	545	847	67,268	902	10,950	102,941
TOTAL								\$ 247,317	\$ 98,919	\$ 57,245	\$ 49,032	\$ 49,032	\$ 12,197	\$ 18,946	\$ 1,504,270	\$ 20,166	\$ 244,871	\$ 2,301,995

Brewery District Lofts Redevelopment Area
 Tax Impact Analysis
 Projected Tax Impact following proposed Renovation and Abatement

Biennial Growth Rate Assumption - Real Estate Taxes

2.00%

Year		Assessed Value (\$)						Real Estate Taxes Paid										
Plan	Calendar	Total Land	Total Imp.	Land (C)	Imp. (C)	Land (R)	Imp. (R)	0.6083 City of Springfield	0.2433 Greene County Library	0.1408 Ozarks Tech. College	0.1206 Greene County	0.1206 Road & Bridge	0.0300 State of Missouri	0.0466 Sheltered Workshop	3.6999 Springfield R-12	0.0496 County Seniors' Services	1.0400 Commercial SurTax	6.0997 Tax Paid
1.0	2014	96,192	-	96,192	-	-	-	\$ 585	\$ 234	\$ 135	\$ 116	\$ 116	\$ 29	\$ 45	\$ 3,559	\$ 48	\$ 1,000	\$ 5,867
2.0	2015	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
3.0	2016	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
4.0	2017	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
5.0	2018	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
6.0	2019	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
7.0	2020	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
8.0	2021	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
9.0	2022	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
10.0	2023	96,192	-	96,192	-	-	-	585	234	135	116	116	29	45	3,559	48	1,000	5,867
11.0	2024	93,626	697,764	93,626	364,682	-	333,081	4,814	1,925	1,114	954	954	237	369	29,281	393	4,766	44,808
12.0	2025	95,499	711,719	95,499	371,976	-	339,743	4,910	1,964	1,137	974	974	242	376	29,866	400	4,862	45,705
13.0	2026	95,499	711,719	95,499	371,976	-	339,743	4,910	1,964	1,137	974	974	242	376	29,866	400	4,862	45,705
14.0	2027	97,409	725,953	97,409	379,415	-	346,538	5,009	2,003	1,159	993	993	247	384	30,464	408	4,959	46,619
15.0	2028	97,409	725,953	97,409	379,415	-	346,538	5,009	2,003	1,159	993	993	247	384	30,464	408	4,959	46,619
16.0	2029	99,357	740,472	99,357	387,004	-	353,469	5,109	2,043	1,182	1,013	1,013	252	391	31,073	417	5,058	47,551
17.0	2030	99,357	740,472	99,357	387,004	-	353,469	5,109	2,043	1,182	1,013	1,013	252	391	31,073	417	5,058	47,551
18.0	2031	101,344	755,282	101,344	394,744	-	360,538	5,211	2,084	1,206	1,033	1,033	257	399	31,694	425	5,159	48,502
19.0	2032	101,344	755,282	101,344	394,744	-	360,538	5,211	2,084	1,206	1,033	1,033	257	399	31,694	425	5,159	48,502
20.0	2033	103,371	770,387	103,371	402,639	-	367,749	5,315	2,126	1,230	1,054	1,054	262	407	32,328	433	5,262	49,472
21.0	2034	103,371	770,387	103,371	402,639	-	367,749	5,315	2,126	1,230	1,054	1,054	262	407	32,328	433	5,262	49,472
22.0	2035	105,438	785,795	105,438	410,692	-	375,104	5,421	2,168	1,255	1,075	1,075	267	415	32,975	442	5,368	50,461
23.0	2036	105,438	785,795	105,438	410,692	-	375,104	5,421	2,168	1,255	1,075	1,075	267	415	32,975	442	5,368	50,461
24.0	2037	107,547	801,511	107,547	418,905	-	382,606	5,530	2,212	1,280	1,096	1,096	273	424	33,634	451	5,475	51,471
25.0	2038	107,547	801,511	107,547	418,905	-	382,606	5,530	2,212	1,280	1,096	1,096	273	424	33,634	451	5,475	51,471
TOTAL								\$ 83,675	\$ 33,467	\$ 19,368	\$ 16,589	\$ 16,589	\$ 4,127	\$ 6,410	\$ 508,939	\$ 6,823	\$ 87,057	\$ 783,043

Brewery District Lofts Redevelopment Area
 Tax Impact Analysis - Distribution of PILOTs

Biennial Growth Rate Assumption - Real Estate Taxes 2.00%

Year		PILOTs (\$)	PILOTs Paid to Taxing Jurisdictions											PILOTs Paid
Plan	Calendar		City of Springfield	Greene County Library	Ozarks Tech. College	Greene County	Road & Bridge	State of Missouri	Sheltered Workshop	Springfield R-12	County Seniors' Services	Commercial SurTax		
1.0	2014	\$ 9,455	\$ 943	\$ 377	\$ 218	\$ 187	\$ 187	\$ 47	\$ 72	\$ 5,735	\$ 77	\$ 1,612	\$ 9,455	
2.0	2015	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
3.0	2016	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
4.0	2017	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
5.0	2018	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
6.0	2019	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
7.0	2020	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
8.0	2021	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
9.0	2022	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
10.0	2023	9,455	943	377	218	187	187	47	72	5,735	77	1,612	9,455	
11.0	2024	-	-	-	-	-	-	-	-	-	-	-	-	
12.0	2025	-	-	-	-	-	-	-	-	-	-	-	-	
13.0	2026	-	-	-	-	-	-	-	-	-	-	-	-	
14.0	2027	-	-	-	-	-	-	-	-	-	-	-	-	
15.0	2028	-	-	-	-	-	-	-	-	-	-	-	-	
16.0	2029	-	-	-	-	-	-	-	-	-	-	-	-	
17.0	2030	-	-	-	-	-	-	-	-	-	-	-	-	
18.0	2031	-	-	-	-	-	-	-	-	-	-	-	-	
19.0	2032	-	-	-	-	-	-	-	-	-	-	-	-	
20.0	2033	-	-	-	-	-	-	-	-	-	-	-	-	
21.0	2034	-	-	-	-	-	-	-	-	-	-	-	-	
22.0	2035	-	-	-	-	-	-	-	-	-	-	-	-	
23.0	2036	-	-	-	-	-	-	-	-	-	-	-	-	
24.0	2037	-	-	-	-	-	-	-	-	-	-	-	-	
25.0	2038	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL		\$ 94,550	\$ 9,429	\$ 3,771	\$ 2,183	\$ 1,869	\$ 1,869	\$ 465	\$ 722	\$ 57,351	\$ 769	\$ 16,121	\$ 94,550	

Brewery District Lofts Redevelopment Area Tax Impact Analysis

Jurisdiction	Tax Revenue		
	Without Redevelopment or Abatement	With Redevelopment and Abatement*	Impact on Juris.
City of Springfield	\$ 35,903	\$ 93,104	\$ 57,201
Greene County Library	14,360	37,238	22,879
Ozarks Technical College	8,310	21,550	13,240
Greene County	7,118	18,459	11,341
Road & Bridge	7,118	18,459	11,341
State of Missouri	1,771	4,592	2,821
Sheltered Workshop	2,750	7,132	4,382
Springfield R-12	218,373	566,290	347,917
County Seniors' Services	2,927	7,592	4,664
Commercial SurTax	61,382	103,178	41,796
Total	\$ 360,013	\$ 877,593	\$ 517,580

*Includes Taxes and PILOTS

**Item 5 - Report from City of Springfield
Redevelopment Review Team Site Visit**

Currently Not Available

EXHIBIT 2

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

Title of Document: 353 Redevelopment Agreement

Date of Document: _____, 2013

Grantor: City of Springfield, a municipal corporation

Grantee: Brewery District Lofts Redevelopment Corporation
1180 W. Stone Meadow Way
Springfield, MO 65810

Legal Description: See Exhibit A attached hereto.

Please return recorded document to: City of Springfield
Planning and Development Department
P.O. Box 8368
840 N. Boonville Ave.
Springfield, MO 65801

This cover page is attached solely for the purpose of complying with the requirements stated in §§ 59.310.2; 59.313.2 RSMo 2001 of the Missouri Recording Act. The information provided on this cover page shall not be construed as either modifying or supplementing the substantive provisions of the attached 353 Redevelopment Agreement. In the event of a conflict between the provisions of the attached 353 Redevelopment Agreement and the provisions of this cover page, the attached 353 Redevelopment Agreement shall prevail and control.

353 REDEVELOPMENT AGREEMENT
BETWEEN
BREWERY DISTRICT LOFTS REDEVELOPMENT CORPORATION
AND
CITY OF SPRINGFIELD, MISSOURI
FOR THE BREWERY DISTRICT LOFTS REDEVELOPMENT AREA

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EXHIBITS

EXHIBIT A – Legal Description of Redevelopment Area

EXHIBIT B - Building Renovation Plan

353 REDEVELOPMENT AGREEMENT

THIS 353 REDEVELOPMENT AGREEMENT (this “*Agreement*”), is being entered into this ____ day of _____, 2013, by and between the CITY OF SPRINGFIELD, MISSOURI, a municipal corporation (the “*City*”), and BREWERY DISTRICT LOFTS REDEVELOPMENT CORPORATION (“*Developer*”), a corporation duly organized and existing pursuant to Section 353.010 *et seq.*, RSMo 2000 (“*The Urban Redevelopment Corporations Law*”), with a mailing address of 1180 West Stone Meadow Way, Springfield, Missouri 65810.

W I T N E S S E T H:

WHEREAS, on September 23, 2013, Developer filed with the City Clerk of Springfield, Missouri a redevelopment plan (the “*Development Plan*”) providing for the construction of a Redevelopment Project (as defined in Section 3 hereof) in Springfield, Greene County, Missouri on the land described in the Development Plan (the “*Redevelopment Area*” as defined in Section 2 hereof), together with an application for approval of the Development Plan (the “*Application*”); and

WHEREAS, on _____, 2013, the City Council of Springfield, Missouri passed Ordinance No. _____ (the “*Ordinance*”), which approved the Application and Development Plan and authorized and directed the City Manager to enter into an agreement with Developer for the implementation of the Development Plan.

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants herein contained, the City and Developer agree as follows:

1. Items Incorporated in this Agreement. The provisions of the Ordinance, the provisions of the Development Plan, a copy of which is on file at the office of the City Clerk, and the provisions of Chapter 353, RSMo, as amended as of and including the date of this Agreement, are hereby incorporated herein by reference and made a part of this Agreement.

2. Legal Descriptions. The Redevelopment Area is legally described in Exhibit A attached hereto and incorporated herein by reference.

3. Development Improvements. In accordance with the terms and conditions of the Development Plan and this Agreement, Developer shall rehabilitate, construct or cause to be constructed within the Redevelopment Area, those certain improvements pursuant to the Building Renovation Plan attached hereto and incorporated herein as Exhibit B. The Redevelopment Area is generally located along the north side of West Walnut Street between South Market Avenue and South Main Avenue. The Development Plan proposes to demolish the structures located at 527 and 535 West Walnut Street and construct a three-story residential and commercial mixed-use building and to rehabilitate and restore the structures at 507 West Walnut Street and 521 West McDaniel Street to a shell state for commercial and industrial use (the “*Redevelopment Project*”).

4. Time Schedule. Blight removal and construction of the Redevelopment Project shall commence and be completed no later than the dates set below:

(i) Property Acquisition: EmmLott, L.L.C. and 5999, L.L.C., both of which are Missouri limited liability companies, will own the real property and improvements located in the Redevelopment Area. Developer will acquire from EmmLott, L.L.C. and 5999, L.L.C. such property and improvements on or before December 31, 2016.

(ii) Blight Removal and Building Renovations: Blight will be removed and the buildings will be renovated and constructed in accordance with the approved Development Plan. All blight removal and building renovations shall be complete for the Redevelopment Area on or before December 31, 2016, subject to Section 16, below.

Subject to the provisions of Section 16 of this Agreement, Excusable Delays, if Developer fails to adhere to and satisfy the above schedule for blight removal and construction, and if such failure continues for a period of two (2) years, then Developer's rights hereunder shall terminate without further action by the City.

5. Demolition of Buildings. The buildings located at 527 and 535 West Walnut Street will be demolished in order to facilitate construction of a residential and commercial mixed-use building. The buildings located at 507 West Walnut Street and 521 West McDaniel Street will not be demolished but rather rehabilitated and restored to a shell state.

6. Relocation Plan. There are no residents or businesses within the Redevelopment Area that are being relocated, so no relocation benefits are being provided.

7. Control of Project. Developer shall have complete and exclusive control over the renovation of the Redevelopment Project which it owns or controls insofar as the City is concerned, subject, however, to all applicable laws, rules and regulations, including, but not limited to, all ordinances, rules and regulations of the City, such as zoning ordinances, building codes, and property maintenance codes. Developer hereby grants to the City, its agents, and employees the right to enter upon all improvements under the control of Developer and located in the Redevelopment Area, for the purpose of inspecting the Redevelopment Project during regular business hours. Developer shall have complete and exclusive control over the construction, management, disposition and leasing of property which it owns within the Redevelopment Area. Developer's control over leasing includes, without limitation, the determination of rent rates and the selection or rejection of potential tenants. Notwithstanding the foregoing, the overall design of the Redevelopment Project including but not limited to architectural style, theme, building placement, building materials, site amenities and landscaping shall be subject to the reasonable approval of the Department of Building Development Services and the Department of Planning and Development, which shall not be unreasonably withheld, as evidenced in writing by a letter signed by the City Manager.

8. Tax Abatement.

a. First Ten Years - Land Only; Payments in Lieu of Taxes. The real property in the Redevelopment Area shall not be subject to assessment or payment of general ad valorem taxes

imposed by the City, the State of Missouri, or any political subdivision thereof, for a period of ten (10) years after the date that Developer becomes the owner of such real property (the “**Ten Year Term**”) except to such extent and in such amount as may be imposed upon such real property during such period measured solely by the amount of the assessed valuation of the land, exclusive of improvements, as was determined by the Assessor of Greene County, Missouri, for taxes due and payable thereon during the calendar year prior to the Redevelopment Corporation acquiring the real property and improvements located within the Redevelopment Area (the “**Unabated Taxes**”). The amounts of such general ad valorem tax assessments shall not be increased during said Ten Year Term so long as the real property is used in accordance with the Development Plan. If any portion of such real property was tax exempt, or if the Assessor of Greene County has not previously assessed such real property immediately prior to its acquisition by Developer, then the Assessor of Greene County, Missouri, upon acquisition of such property by the Developer and upon request of the City, shall promptly assess such real property, exclusive of improvements, in accordance with the provisions of Section 353.110.2, RSMo 2000, as now existing. The amount of such assessed valuation so fixed by the County Assessor or in the manner as provided by law shall not be increased during the Ten Year Term, so long as said real property is used in accordance with the Development Plan. Developer shall notify the City, in writing, of any tax exempt real property which it acquires in connection with the Redevelopment Project.

Notwithstanding the tax abatement provided for in Section 353.110 of The Urban Redevelopment Corporations Law, so long as the Redevelopment Area receives the benefit of the tax abatement set forth in this Section, during the Ten Year Term, the Developer, or any successor owner, will pay or cause to be paid annually payments in lieu of taxes (“**PILOT Payments**”) equal to the amount of ad valorem taxes that were due during the calendar year prior to the Redevelopment Corporation acquiring the real property and improvements located within the Redevelopment Area, less the Unabated Taxes. Such PILOT Payments shall be made to the Greene County Collector of Revenue (the “**Collector**”) by December 31st of each calendar year. Pursuant to Section 353.110.4 of the Missouri Revised Statutes, the Collector shall allocate all revenues received from such PILOT Payments among all taxing authorities whose property tax revenues are affected by the abatement on the same pro rata basis and in the same manner as the ad valorem property tax revenues received by each taxing authority from such real property in the Redevelopment Area in the year such payments are due.

b. Subsequent Fifteen Years. After the ten (10) year period above-described, and for the next ensuing period of fifteen (15) years, ad valorem taxes upon the real property in the Redevelopment Area shall be measured by the assessed valuation thereof as determined by the Assessor of Greene County, Missouri, upon the basis of not to exceed fifty percent (50%) of the true value of such real property, including any improvements thereon. Such valuation shall not be increased above fifty percent (50%) of the true value of such real property from year to year during said period of fifteen (15) years, so long as the real property in the Redevelopment Area is used in accordance with the Development Plan.

c. Full Assessment-Election to Opt Out After Completion. After the twenty-five (25) year period provided in Sections 8(a) and 8(b) above, the real property in the Redevelopment Area shall be subject to assessments by the Greene County Assessor and

payment of all ad valorem taxes, including, but not limited to, City, State, and County taxes, based on the full true value of the real property and the standard assessment ratio then in use for similar property by the Greene County Assessor. Furthermore, after the twenty-five (25) year period provided in Sections 8(a) and 8(b) above, the real property in said Redevelopment Area shall be owned and operated by Developer free from the conditions, restrictions, and provisions of The Urban Redevelopment Corporations Law, any rules or regulations adopted pursuant thereto, the Ordinance, the Development Plan, and this Agreement.

Pursuant to section 353.110.2 of the Missouri Revised Statutes, if at any time after the completion of the Redevelopment Project and prior to the expiration of the twenty-five (25) year period addressed in Sections 8(a) and 8(b) above, the Developer elects to pay the sum equivalent to the amount of the general ad valorem taxes, not including interest and penalties, which would have been levied on the full value of such property from the date of the completion of the Redevelopment Project, then from the date of this election such real property shall be owned and operated by Developer free from the conditions, restrictions, and provisions of The Urban Redevelopment Corporations Law, any rules or regulations adopted pursuant thereto, the Ordinance, the Development Plan, and this Agreement.

d. Abatement Contingent on Compliance With Development Plan - Special Assessments. The tax relief provided in this Section 8 for any real property within the Redevelopment Area shall be contingent upon the real property's compliance with the Development Plan and this Agreement, and shall apply to general ad valorem taxes only and shall not be deemed or construed to exempt Developer or its successors in interest, in whole or in part, from special assessments, or from fees, service charges, or other taxes which may be made by the City or other governmental unit.

9. Effect of Sale on Tax Relief. Any portion of the real property in the Redevelopment Area which is sold or otherwise disposed of may be entitled to the partial tax relief provided under Section 8 of this Agreement, provided that it shall be developed and held in accordance with the provisions of the Development Plan applicable thereto and complies with all provisions of Chapter 353, RSMo.

10. Earnings Limitation.

a. Net Earnings not to Exceed Eight Percent. The net earnings of Developer from the Redevelopment Project, during the period of the partial tax relief provided for in Section 8 of this Agreement, shall be limited to an amount not to exceed eight percent (8%) per annum of the cost to Developer of the Redevelopment Project, including the cost of the land or the balance of such total cost of the Redevelopment Project as reduced by amortization payments, provided that the net earnings derived from the Redevelopment Project shall in no event exceed a sum equal to eight percent (8%) per annum upon the entire cost thereof. Such net earnings shall be computed after deducting from gross earnings the following:

- i. all reasonable costs and expenses of maintenance and operation;

- ii. amounts paid for taxes, assessments, insurance premiums and other similar charges; and
- iii. an annual amount sufficient to amortize the cost of the entire Redevelopment Project at the end of the period, which shall be no more than sixty (60) years from the date of completion of the Redevelopment Project.

b. Cost of Redevelopment Project. The “*cost of the Redevelopment Project*,” as said term is used in this Agreement, means those costs attributable to planning, developing, constructing, and equipping the improvements in the Redevelopment Project, including, without limitation, planning costs, costs of feasibility work, construction costs, architect and engineering fees, contractor fees and overhead, interest, insurance and taxes during construction, developer fees, off-site and on-site land improvements, surveys, soil testing, costs necessary to make the real property in the Redevelopment Area environmentally safe, land and land acquisition costs, demolition costs and expenses, utility relocation costs and street improvements, site preparation, and all other land costs, attorneys’ fees, and loan costs and expenses.

c. Allowable Uses of Surplus Earnings - Accounting to City Therefor. Surplus earnings of Developer derived from the Redevelopment Project, in excess of those provided for in subsection (a) of this Section 10, at the option of Developer may be used as follows:

- i. held by Developer as a reserve for maintenance of such rate of return in the future and may be used by Developer to offset any deficiency in such rate of return which may have occurred in prior years;
- ii. to accelerate the amortization payments;
- iii. for enlargement of the Redevelopment Project; or
- iv. for a reduction in rentals therein.

At the termination of the twenty-five (25) year partial tax relief provided for in Section 8 of this Agreement, Developer shall make a strict accounting of surplus earnings not previously used for one or more of the purposes herein set forth. If requested by the City, in writing, after review of the accounting made by Developer, Developer shall, at its own expense, have an audit made of its books by a firm of independent certified public accountants acceptable to the City, and the findings of such audit shall be made available to the City Manager. If it is determined by such audit that there are surplus earnings not previously used for one or more of the purposes set forth in this Agreement, then such earnings shall be paid to the City.

d. Certain Purchasers Subject to Earnings Limitations. If all or any portion of the real property located in the Redevelopment Area during the period of tax relief provided in Section 8 of this Agreement is purchased by an urban redevelopment corporation or a life insurance company operating as an urban redevelopment corporation the earnings derived from

the Redevelopment Project shall be limited in the manner and to the extent set forth in subsection (a) of this Section 10.

11. Indebtedness Limitation. As per Section 353.030(10), RSMo 2000, Developer shall not issue income debentures paying an interest rate in excess of nine percent (9%), provided however, that this limitation shall not apply to other debt of Developer as per the provisions of Section 353.030(10), RSMo 2000. Developer shall not pay any interest on its income debentures, or dividends on its stock, regardless of class or preference, during any dividend year, unless there shall exist at the time of such payment no default under any amortization requirements with respect to its indebtedness, nor unless all accrued interest, taxes, and other public charges shall have been duly paid or reserves set up for the payment thereof, and adequate reserves provided for depreciation, obsolescence, and other proper reserves.

12. Accounting Practices. Developer shall establish and maintain depreciation, obsolescence and other reserves and surplus and other accounts, including a reserve for the payment of taxes, according to recognized standard accounting practices.

13. Sale or Disposition of Project Property.

a. Continuation of Abatement. In the event of the sale or other disposition of any or all of the real property of Developer in the Redevelopment Area by reason of the foreclosure of any mortgage or other lien, through insolvency or bankruptcy proceedings, by order of any court of competent jurisdiction, or by voluntary transfer or otherwise, the partial tax relief provided in Section 8 of this Agreement and under the provisions of The Urban Redevelopment Corporations Law shall inure, with respect to the real property so sold or otherwise disposed of, to any purchaser or transferee of such real property so long as such purchaser or transferee shall continue to use, operate, and maintain such real property in accordance with the provisions of the Development Plan and this Agreement, including compliance with all provisions of this Agreement which includes the earnings limitations contained in Section 10 of this Agreement. However, if such real property shall be used for a purpose different than that described in the Development Plan and this Agreement, or if the purchaser does not desire the property to continue under the Development Plan, the real property shall be assessed for ad valorem taxes based upon the full true value of such real property and may be owned and operated free from any of the conditions, restrictions, or provisions of The Urban Redevelopment Corporations Law, any rules or regulations adopted pursuant thereto, the Ordinance, the Development Plan, and this Agreement.

b. Obligation to Clear Blight - Covenant Running with Land. Developer, with respect to each property acquired by it, shall be required to clear the blight or to rehabilitate to eliminate the physical blight existing in the Redevelopment Area, or to make adequate provisions satisfactory to the City for the clearance of such blight. This obligation shall be a covenant running with the land and shall not be affected by any such sale or disposition. Any purchaser of property in the blighted area by deed from Developer or any of Developer's successors in title, who wishes to receive the development rights and partial tax abatement granted by this Agreement, shall acquire title subject to this obligation insofar as it pertains to the land so acquired.

14. Assignment of Development Plan. This Agreement shall be binding upon and shall inure to the benefit of Developer and its successors and assigns, and the term “*Developer*” as used herein shall be deemed to include such successors and assigns (including any subsequent purchasers or transferees of any portion or all of the real property located within the Redevelopment Area); provided, however, that no assignment of the Development Plan shall be effective nor discharge Developer of its obligations hereunder unless and until it has been approved by the City Council (“*Council*”) by ordinance which approval shall not be unreasonably withheld. Council approval is not required for the sale of all or any portion of the real property located in the Redevelopment Area. Developer shall notify the City Manager in writing of any assignment of any or all of the Development Plan at least ten (10) days after said assignment. Said notice shall specify the name and address of the Assignee. The Assignee, within six (6) months after the date of assignment, shall notify the City Manager in writing of the Assignee’s election to continue under the Development Plan. No such assignment shall release Developer of its rights and obligations hereunder without approval of the Council.

15. Breach - Failure to Comply. If Developer does not substantially comply with the provisions of this Agreement, including the provisions of the Development Plan not inconsistent with this Agreement, within the time limits and in the manner for the completion of the Redevelopment Project as stated herein, except for reasonable delays caused by unforeseen circumstances beyond its control, or shall do, permit to be done, or fail or omit to do anything contrary to or required of it by this Agreement, The Urban Redevelopment Corporations Law, or shall be about to so do, permit to be done, or fail or omit to have done, then upon certification of such fact to the Council by City Staff, the City may authorize the City Attorney to commence a proceeding in the Circuit Court in the name of the City to have such action, failure, omission, or threatened action or omission stopped, prevented, or rectified by injunction or otherwise, or in the name of the City may bring an action for damages against Developer for breach of any of the provisions of the Development Plan or of this Agreement.

16. Excusable Delays. Notwithstanding any provisions of this Agreement or the Development Plan to the contrary, performance by Developer shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, labor disputes, governmental restrictions or priorities, embargoes, litigation, tornadoes, unusually severe weather, inability to obtain or secure necessary labor, materials, or tools, delays of any contractor, subcontractor, materialman or supplier, acts or failure to act of the City or of any other governmental agency or entity, or any other causes beyond the control or without the fault of Developer. With the approval of the City, the time of performance hereunder shall be extended for the period of any delay or delays caused or resulting from any of the foregoing causes. All extensions hereunder shall be effective only if approved by the Council by ordinance, which approval shall not be arbitrarily or unreasonably withheld, it being understood that Developer is entitled to such extensions upon presentation of documentation of the periods of such delays. Developer shall not excessively delay filing an application for extension of time, but Developer shall not be prejudiced by failing inadvertently to make timely application therefor.

17. Default. In the event Developer materially defaults in the performance of any of its obligations pursuant to the terms of the Development Plan or this Agreement, the City may, after giving Developer thirty (30) days written notice and an opportunity to cure such material default, terminate this Agreement, including the Development Plan, and all rights granted pursuant thereto. Said termination shall be subject to the rights, if any, to continuing partial tax abatement as provided in Section 8 of this Agreement.

18. Notice. Any notice required by this Agreement is deemed to be given if it is mailed by United States certified mail, postage prepaid, and addressed as hereinafter specified:

To the City:

Greg Burris, City Manager
840 Boonville Avenue
Springfield, MO 65802

With a copy to:

Dan Wichmer, City Attorney
840 Boonville Avenue
Springfield, MO 65802

To the Developer:

Brewery District Lofts Redevelopment Corporation
1180 W. Stone Meadow Way
Springfield, MO 65810

With a copy to:

Shawn Whitney
Husch Blackwell LLP
901 East St. Louis Street, Suite 1800
Springfield, MO 65806

Each party has the right to specify that notice be addressed to any other address by giving to the other party ten (10) days written notice thereof.

19. Modification - Interpretation. The terms, conditions, and provisions of this Agreement and of the Development Plan can neither be modified nor eliminated except by mutual agreement between the City and Developer and approved by an ordinance or ordinances duly adopted by the Council; *provided, however*, that this Agreement shall not be construed as an enlargement of the authority conferred upon the City by The Urban Redevelopment Corporations Law.

20. Effective Date. This Agreement becomes effective on the effective date of the Ordinance or the date of the actual execution hereof by the City and Developer, whichever last occurs, and shall remain in full force and effect so long as Developer shall either be entitled to enjoy partial tax relief pursuant to the provisions of Section 8 of this Agreement or shall have any right under the provisions of the Development Plan to commence construction of any buildings or improvements in said Redevelopment Project pursuant to Sections 3 and 4 hereof, and at the end of such period so determined, this Agreement shall terminate and become null and void.

21. Applicability. This Agreement applies only to the Redevelopment Project referred to herein.

22. Recording. This Agreement shall be recorded by Developer in the Recorder's Office of Greene County, Missouri.

23. Continuing Obligation to Maintain Redevelopment Area and Redevelopment Project. Developer agrees to maintain the Redevelopment Area and Redevelopment Project in a condition of good repair which includes compliance with all City Codes of Springfield, Missouri. In the event Developer assigns its rights under the Development Plan and this Agreement to an unrelated party and said assignment is approved by Ordinance pursuant to Section 14 of this Agreement, then, in such an event, Developer's obligations under this Section 23 shall be released.

24. Interpretation. In the event of any conflict between the terms of the Development Plan and this Agreement, the terms of this Agreement shall prevail.

25. Headings. The headings or captions of this Agreement are for convenience and reference only, and in no way define, limit, or describe the scope or intent of the Agreement or any provision hereof.

26. Severability. The provisions of this Agreement shall be deemed severable. In the event that any provision of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions of this Agreement shall remain valid unless the court finds that the valid provisions are so essentially and inseparably connected with and so dependent upon the invalid provisions that it cannot be presumed that the parties hereto would have agreed to the valid provisions of this Agreement; or unless the court finds the valid provisions, standing alone, are incomplete and incapable of being executed in accordance with the contracting parties' intent.

27. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CITY OF SPRINGFIELD, MISSOURI

By: _____
CITY MANAGER

ATTEST:

City Clerk

Approved as to form and legality:

City Attorney

BREWERY DISTRICT LOFTS REDEVELOPMENT CORPORATION

By: _____
Print Name: Christina Chanter
Its: President

ATTEST:

Secretary

STATE OF MISSOURI)
) ss.
COUNTY OF GREENE)

BE IT REMEMBERED, that on this _____ day of _____, 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, _____ of the of the City of Springfield, Missouri, a municipal corporation duly organized, incorporated and existing under and by virtue of the laws of the State of Missouri who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of said municipal corporation, and such person duly acknowledged the execution of the same to be the act and deed of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Notary Public

My Commission Expires:

STATE OF MISSOURI)
) ss.
COUNTY OF GREENE)

BE IT REMEMBERED, that on this _____ day of _____, 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Christina Chanter, President of the Brewery District Lofts Redevelopment Corporation, a corporation duly organized, incorporated and existing under and by virtue of The Urban Redevelopment Corporations Law of Missouri, who is personally known to me to be the same person who executed, as such officers, the within instrument on behalf of said corporation, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Notary Public

My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT AREA

A REDEVELOPMENT DISTRICT AREA BOUNDARY BEING A PART OF THE NORTHEAST QUARTER OF SECTION TWENTY-THREE (23), TOWNSHIP TWENTY-NINE (29) NORTH, RANGE TWENTY-TWO (22) WEST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE NORTH ALONG THE EAST LINE THEREOF, A DISTANCE OF 1083.50 FEET TO A POINT BEING ON THE CENTERLINE OF WALNUT STREET, AS IT NOW EXISTS; THENCE LEAVING SAID EAST LINE AND WEST ALONG SAID CENTERLINE, A DISTANCE OF 784.32 FEET; THENCE LEAVING SAID CENTERLINE, NORTH 02 DEGREES 07 MINUTES 14 SECONDS EAST, A DISTANCE OF 30.11 FEET TO AN EXISTING IRON PIN AT THE NORTHEAST CORNER OF MAIN AND WALNUT STREETS, AS THEY NOW EXIST, FOR THE POINT OF BEGINNING:

THENCE NORTH 01 DEGREES 48 MINUTES 33 SECONDS EAST, ALONG THE EAST RIGHT-OF-WAY LINE OF MAIN STREET, AS IT NOW EXISTS, A DISTANCE OF 150.00 FEET TO AN EXISTING CROSS IN CONCRETE; THENCE SOUTH 87 DEGREES 50 MINUTES 15 SECONDS EAST, LEAVING SAID RIGHT-OF-WAY LINE, A DISTANCE OF 100.00 FEET TO AN EXISTING CROSS IN CONCRETE; THENCE SOUTH 01 DEGREES 48 MINUTES 33 SECONDS WEST, A DISTANCE OF 33.60 FEET TO A POINT; THENCE SOUTH 86 DEGREES 56 MINUTES 10 SECONDS EAST, A DISTANCE OF 65.61 FEET TO A POINT; THENCE NORTH 01 DEGREES 38 MINUTES 51 SECONDS EAST, A DISTANCE OF 111.47 FEET TO AN EXISTING CROSS IN CONCRETE, BEING A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MCDANIEL STREET, AS IT NOW EXISTS; THENCE SOUTH 86 DEGREES 07 MINUTES 21 SECONDS EAST, ALONG SAID SOUTH RIGHT-OF-WAY LINE OF SAID MCDANIEL STREET, A DISTANCE OF 70.07 FEET TO AN EXISTING CROSS IN CONCRETE; THENCE SOUTH 01 DEGREES 51 MINUTES 27 SECONDS WEST, LEAVING SAID RIGHT-OF-WAY LINE, A DISTANCE OF 68.98 FEET TO AN EXISTING NAIL, BEING THE NORTHWEST CORNER OF LOT 3, PER SPRINGFIELD BREWING COMPANY FINAL PLAT, A RECORDED SUBDIVISION IN SPRINGFIELD, GREENE COUNTY, MISSOURI; THENCE SOUTH 87 DEGREES 54 MINUTES 11 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOT 3, A DISTANCE OF 51.37 FEET TO A POINT; THENCE SOUTH 02 DEGREES 02 MINUTES 51 SECONDS WEST, LEAVING SAID NORTH LINE AND ALONG THE EAST LINE OF SAID LOT 3 A DISTANCE OF 155.66 FEET, TO AN EXISTING NAIL ON THE NORTH RIGHT-OF-WAY LINE OF WALNUT STREET, AS IT NOW EXISTS; THENCE NORTH 88 DEGREES 00 MINUTES 01 SECONDS WEST, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 50.85 FEET, TO AN EXISTING IRON PIN; THENCE NORTH 87 DEGREES 50 MINUTES 15 SECONDS WEST, CONTINUING ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 235.12 FEET, TO THE POINT OF BEGINNING, CONTAINING 46,294.66 SQUARE FEET OR 1.06 ACRES, MORE OR LESS, SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

EXHIBIT B
BUILDING RENOVATION PLAN

The Brewery District Lofts Redevelopment Area (the “*Redevelopment Area*”), which was most recently used as Menzies Auto Painting & Body, Rincon Latino Mexican Restaurant, and Dodson-Williams Auto Body, will be transformed into a mixed-use development that will be located adjacent to Springfield Brewing Company.

The improvements located at 527 W. Walnut Street and 535 W. Walnut Street will be demolished to allow for construction of a three story retail/apartment loft facility. The first floor is proposed to contain approximately 11,350 square feet of white box space intended for office, retail, restaurant, or banquet space. The second and third floors, consisting of approximately 27,930 square feet, are proposed to be developed into twenty-eight (28) loft apartments which will include studio, one, two, and three bedroom units. The facility is anticipated to be built using certain “green” building standards to maximize energy savings and may qualify for LEED Silver Certification. An adjacent parking lot will provide parking for about twenty-eight (28) vehicles.

The improvements located at 507 W. Walnut Street and the 521 W. McDaniel Street will be renovated to a shell state. The walls will be tuck-pointed and resealed, and the exposed steel ceiling structure will be sandblasted and repainted. Concrete flooring will be repaired, portions replaced, and resealed. All metal windows and doors will be re-finished. The property will have a new sprinkler and HVAC system and a new roof installed. A portion of the 521 Building will likely be used as Springfield Brewing Company expansion space for production purposes (such as bottling, providing room for additional tanks, and expanding the current cooler space). The remainder of the 521 Building is anticipated to serve as industrial style event space. The 507 Building is anticipated to function as a distillery.