

SETTLEMENT AGREEMENT
BETWEEN
MISSOURI REAL ESTATE APPRAISERS COMMISSION
AND
JOHN M. HOWARD

John M. Howard (“Howard”) and the Missouri Real Estate Appraisers Commission (“MREAC”) enter into this Settlement Agreement for the sole purpose of resolving the question of whether Howard’s certification as a state-certified general real estate appraiser, no. RA001043, will be subject to discipline.¹ Pursuant to § 536.060, RSMo 2000,² the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri and, additionally, the right to a disciplinary hearing before the MREAC under § 621.110, RSMo Supp. 2012. The MREAC and Howard jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Supp. 2012.

Howard acknowledges that he understands the various rights and privileges afforded him by law, including the right to a hearing of the charges against him; the right to appear and be represented by legal counsel; the right to have all charges proven upon

¹ Howard relies upon legal precedent from the Appellate Courts of the State of Missouri, specifically, *State ex rel. Malan v. Huesemann*, 942 S.W.2d 424 (Mo. App. W.D. 1997) for judicial precedent that the fact of him entering into this Settlement Agreement is inadmissible in any civil action relating to the facts and circumstances as set forth in the Complaint of the MREAC.

² All statutory citations are to the 2000 Revised Statutes of Missouri unless otherwise noted.

the record by competent and substantial evidence; the right to cross-examine any witnesses appearing against him at the hearing; the right to present evidence on his behalf at the hearing; the right to a decision upon the record of the hearing by a fair and impartial administrative hearing commissioner concerning the charges pending against him; the right to a ruling on questions of law by the Administrative Hearing Commission; the right to a disciplinary hearing before the MREAC at which time Howard may present evidence in mitigation of discipline; the right to a claim for attorney fees and expenses; and the right to obtain judicial review of the decisions of the Administrative Hearing Commission and the MREAC.

Being aware of these rights provided to him by law, Howard knowingly and voluntarily waives each and every one of these rights and freely enters into this Settlement Agreement and agrees to abide by the terms of this document as they pertain to him.

Howard acknowledges that he has received a copy of documents that were the basis upon which the MREAC determined there was cause for discipline, along with citations to law and/or regulations the MREAC believes were violated. Solely for the purposes of settlement, Howard stipulates to the factual allegations contained in this Settlement Agreement and stipulates with the MREAC that Howard's certification as a state-certified general real estate appraiser, certificate no. RA001043, is subject to

disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo, and §§ 339.500 through 339.549, RSMo, as amended.

The parties stipulate and agree that the disciplinary order agreed to by the MREAC and Howard in Part II herein is based only on the agreement set out in Part I herein. Howard understands that the MREAC may take further disciplinary action against him based on facts or conduct not specifically mentioned in this document that are not now known to the MREAC or may be discovered.

I.
Joint Stipulation of Facts and Conclusions of Law

Based upon the foregoing, the MREAC and Howard herein jointly stipulate to the following:

1. The Missouri Real Estate Appraisers Commission (“MREAC”) was established pursuant to § 339.507, RSMo, for the purpose of executing and enforcing the provisions of §§ 339.500 through 339.549, RSMo, as amended.

2. Respondent John M. Howard (“Howard”) is certified by the MREAC as a state-certified general real estate appraiser, certificate no. RA001043. Such certification is and was at all times relevant to this action current and active.

3. Section 339.532.2, RSMo, states in part:

The commission may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621 against any state-certified real estate appraiser, state-licensed real estate appraiser, or any person who has failed to renew or

has surrendered his or her certificate or license for any one or any combination of the following causes:

.....

(6) Violation of any of the standards for the development or communication of real estate appraisals as provided in or pursuant to sections 339.500 to 339.549;

(7) Failure to comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation;

(8) Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal[.]

4. Section 339.535, RSMo, states:

State certified real estate appraisers and state licensed real estate appraisers shall comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation.

Trinity Road Appraisal Report

5. On or about April 1, 2010, Howard completed and signed a summary appraisal report for agricultural real estate located at 34387 Trinity Road, Oregon, MO 64473 (“the Trinity Road property”). The effective date of the appraisal report was April 1, 2010. This appraisal valued the property at \$980,000. This appraisal shall be referred to hereinafter as the “Trinity Road Appraisal Report.”

6. Howard was required to develop and report the results of the Trinity Road Appraisal in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), 2010 - 2011 Edition.

7. The Trinity Road Appraisal Report was prepared for Home Exchange Bank, a Missouri bank.

8. In preparation and reporting of the Trinity Road Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failed to discuss and analyze the comparison of the subject property to the market area and the comparable sales;
- b. Failed to include a sufficient description or analysis of the characteristics and productivity of the subject's land resources;
- c. Failed to include a sufficient description or analysis of the characteristics and utility of the subject's improvements;
- d. Failed to provide enough research, analysis or sufficient explanation to support the estimated value of the subject property;
- e. Failed to provide an adequate identification of the subject property;
- f. Failed to provide a legal description of the subject property;
- g. Failed to provide an adequate scope of work;
- h. Failed to provide plats or aerials of the subject property;
- i. Failed to provide and discuss the soil description;
- j. Failed to adequately provide and discuss the subject property's productivity;
- k. Failed to include a discussion of the subject property's land improvements or condition;

- l. Failed to include a discussion of the subject's property's drainage, flood frequency or protection;
- m. Failed to include a discussion of the subject property's relationship to adjoining properties;
- n. Failed to discuss or analyze the subject property's compatibility with surrounding uses;
- o. Failed to include a discussion of the subject property's condition and adequacy of site and land;
- p. Failed to provide a description and analysis of the subject property's design and layout;
- q. Failed to provide a description of the condition of the subject property's improvements;
- r. Failed to provide a description of the utility of the subject property's improvements;
- s. Failed to provide a description of the subject property's physical age (actual) in regards to each improvement;
- t. Failed to provide a description of the subject property's effective age in regards to each improvement;
- u. Failed to discuss or analyze the economic life of the subject property's improvements;

- v. Failed to discuss or analyze any site improvements to the subject property;
- w. Failed to discuss or analyze the subject property's highest and best use legal limitations;
- x. Failed to discuss or analyze the subject property's highest and best use physical limitations;
- y. Failed to discuss or analyze the subject property's financially feasible use;
- z. Failed to discuss or analyze the subject property's maximally productive use;
- aa. Failed to discuss or analyze the subject property's highest and best use as though vacant;
- bb. Failed to discuss or analyze the subject property's highest best use as improved or proposed to be improved;
- cc. Failed to discuss or analyze a conclusion of the subject property's highest and best use;
- dd. Failed to discuss or analyze the subject property's highest and best use with area/regional descriptions; and
- ee. Failed to provide sufficient data and analysis of the quantity and quality of data in each approach sufficient for support of the value conclusions given in the area-regional-market in which the subject would compete.

9. In the preparation and reporting of the Sales Comparison Analysis in the Trinity Road Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. The comparable sales used failed to provide sufficient support for the conclusions reached;
- b. Failed to adequately and properly analyze and adjust for sales data;
- c. Failed to provide adequate discussion of the comparable sales physical and economic similarities and differences to the subject;
- d. Failed to support adjustments made with market data or logical analysis;
- e. Failed to correctly apply adjustments for land and building mix;
- f. Made multiple inconsistencies in the description of the comparable sales, mathematical calculations and discussion of the comparable sales when supporting the estimated value; and
- g. Failed to provide sufficient data or analysis to support the sales comparison approach.

10. In the preparation and reporting of the Cost Approach in the Trinity Road Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failed to provide sufficient comparable sales to support analysis of the site of the subject property;

- b. Failed to discuss or provide sufficient comparable sales and analysis to support depreciation and contributory improvement value;
- c. Failed to discuss or analyze site and land value based on highest and best use;
- d. Failed to discuss and provide support for all adjustments with market data;
- e. Failed to provide data regarding improved sales or non-improved sales;
- f. Failed to provide sources for reproduction and replacement cost;
- g. Failed to provide sales data to support the subject property's depreciation rate, or breakdown of physical, functional and external obsolescence analyzed and properly applied;
- h. Failed to clearly identify "as is" value; and
- i. Failed to discuss and analyze cost approach.

11. In the preparation and reporting of the Income Approach in the Trinity Road Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failed to include sufficient comparable sales and analysis to support land resource values, inclusions for depreciation for contributory value of buildings, and income analysis or capitalization rate;
- b. Failed to provide and analyze the subject property's income and expense history including rent, concessions, tenant improvements and allowances;

- c. Failed to discuss and analyze the subject property's current and previous leases;
- d. Failed to provide and compare sales involving rents and leases;
- e. Failed to provide and analyze market rent for each type of space and land use; and
- f. Failed to discuss or provide support for the selection of capitalization rate with market data.

12. The Trinity Road Appraisal Report was developed and reported in violation of USPAP Standards 1 and 2.

13. Based on Howard's errors and/or omissions in developing and reporting the results of the Trinity Road Appraisal, as alleged in this Count, Howard failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal, committed substantial errors of omission and/or commission that significantly affected the appraisal, and rendered appraisal services in a careless and/or negligent manner in violation of USPAP Standard 1 and Standards Rule (SR) 1-1(a), (b) and (c).

14. Based on Howard's errors and/or omissions in developing and reporting the results of the Trinity Road Appraisal, as alleged in this Count, Howard failed to identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal in violation of USPAP Standard 1 and SR 1-2(e).

15. Based on Howard's errors and/or omissions in developing and reporting the results of the Trinity Road Appraisal, as alleged in this Count, Howard failed to identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends in violation of USPAP Standard 1 and SR 1-3(a).

16. Howard's errors and/or omissions in the preparation of the Sales Comparison Analysis, the Cost Approach, and/or the Income Approach, as alleged in this Count, constitute violations of USPAP Standard 1 and SR 1-4(a), (b), (c) and (d).

17. Based on Howard's errors and/or omissions in developing and reporting the results of the Trinity Road Appraisal, as alleged in this Count, Howard failed to reconcile the quality and quantity of data available and analyzed within the approaches used in violation of Standard Rule 1 and SR 1-6(a).

18. By failing to provide adequate support for the reasoning and conclusions in the Sales Comparison Analysis, the Cost Approach, and/or the Income Approach in the Trinity Road Appraisal Report, as alleged in this Count, Howard failed to summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions, in violation of USPAP SR 2-2(b)(iii), (iv), (viii) and (ix).

Felix Appraisal Report

19. On or about November 10, 2010, Howard completed and signed a summary appraisal report for commercial real estate located at 702 Felix Street, St. Joseph, MO 64501 (“the Felix property”). The effective date of the appraisal report was October 5, 2011. This appraisal valued the property at \$700,000. This appraisal shall be referred to hereinafter as the “Felix Appraisal Report.”

20. Howard was required to develop and report the results of the Felix Appraisal Report in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), 2010 - 2011 Edition.

21. The Felix Appraisal Report was prepared for Citizens State Bank, a Nebraska bank.

22. In preparation of the Felix Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Improperly included 2,560 square feet of unfinished storage area in the basement as net rentable area;
- b. Failed to describe the subject property’s market area adequately by stating the area included the Central Business District of St. Joseph and similar cities and locations;
- c. Failed to fully discuss and analyze the effect of existing land regulations, economic supply and demand of real estate in the area, market trends demand and the adaptability of the property for use;

- d. Failed to properly discuss and analyze the relevant legal, physical and economic factors to support the Respondent's highest and best use conclusions;
- e. Failed to include sufficient information about the subject property;
- f. Improperly stated that the report was a complete appraisal on the cover page;
- g. Failed to provide adequate information to communicate the intended use of the appraisal;
- h. Improperly described the property as an unencumbered fee simple title of ownership on page three of the report and then as leased fee on page five of the report;
- i. Failed to provide a definition of market value;
- j. Inconsistently states the date of the report is October 5, 2010 in the letter of transmittal and November 10, 2010 on page seventeen on the report;
- k. Failed to provide sources of data within the scope of work;
- l. Failed to provide an adequate explanation of the steps that were performed to complete the assignment;
- m. Failed to support, discuss or analyze the value opinion on the Reconciliation and Final Estimates section; and
- n. Failed to provide an appropriate signed certificate.

23. In the preparation of the Sales Comparison Analysis in the Felix Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failing to support the adjustments made to the comparable sales;
- b. Failed to provide adequate communication to support the use of the comparable sales located outside the St. Joseph area;
- c. Failed to use sales or listing activity of similar improved sales in the St. Joseph area;
- d. Failed to provide adequate information about the comparable sales used in the report; and
- e. Failed to provide adequate information to support depreciation adjustments as an older building that had been rehabilitated.

24. In the preparation of the Cost Approach in the Felix Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failed to support the adjustments applied to the lands sales;
- b. Incorrectly described the comparable land sales as sales when they were only listings; and
- c. Failed to discuss or analyze market information to determine whether an adjustment for external obsolescence was warranted.

25. In the preparation of the Income Approach in the Felix Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failed to provide adequate research of comparable lease and market occupancy information in the area near the subject property;
- b. Failed to discuss or analyze information of historical income and expenses of the subject property;
- c. Failed to discuss or analyze comparable data to support the capitalization rate applied; and
- d. Improperly discussed the best and the worst times of the real estate market and the alternative of using an auction to sell real estate in a section of the report dedicated to provide information on the application of the Income Approach.

26. The Felix Appraisal Report was developed and reported in violation of USPAP Standards 1 and 2.

27. Based on Howard's errors and/or omissions in developing and reporting the results of the Felix Appraisal, as alleged in this Count, Howard failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal, committed substantial errors of omission and/or commission that significantly affected the appraisal, and rendered appraisal services in a careless and/or negligent manner in violation of USPAP Standard 1 and SR 1-1(a), (b) and (c).

28. Based on Howard's errors and/or omissions in developing and reporting the results of the Felix Appraisal, as alleged in this Count, Howard failed to identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal in violation of USPAP Standard 1 and SR 1-2(e).

29. Based on Howard's errors and/or omissions in developing and reporting the results of the Felix Appraisal, as alleged in this Count, Howard failed to identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends in violation of USPAP Standard 1 and SR 1-3(a).

30. Based on Howard's errors and/or omissions in developing and reporting the results of the Felix Appraisal, as alleged in this Count, Howard failed to develop an opinion of the highest and best use of the real estate in violation of USPAP Standard 1 and SR 1-3(b).

31. Howard's errors and/or omissions in the preparation of the Sales Comparison Analysis, the Cost Approach, and/or the Income Approach, as alleged in this Count, constitute violations of USPAP Standard 1 and SR 1-4(a), (b), and (c).

32. By failing to provide adequate support for the reasoning and conclusions in the Felix Appraisal, as alleged in this Count, Howard failed to summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis,

opinions, and conclusions, in violation of USPAP SR 2-2(b)(ii), (iv), (v), (vi), (vii), (viii) and (xi).

11th Street Appraisal Report

33. On or about August 18, 2010, Howard completed and signed a summary appraisal report for Commercial/Industrial real estate located at 1501 S. 11th Street, St. Joseph, MO 64501 (“the 11th Street property”). The effective date of the appraisal report was August 13, 2010. This appraisal valued the property at \$70,000. This appraisal shall be referred to hereinafter as the “11th Street Appraisal Report.”

34. Howard was required to develop and report the results of the 11th Street Appraisal in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), 2010 - 2011 Edition.

35. The 11th Street Appraisal Report was prepared for Mercantile Bank, a Missouri Bank.

36. In preparation of the 11th Street, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failed to provide adequate discussion and analysis for the effect of existing land regulations, economic supply and demand real estate in the area, market trends demand and the adaptability of the property for use;

- b. Failed to provide adequate discussion and analysis regarding the subject property's relevant legal, physical and economic factors to support the appraisers highest and best use conclusions;
- c. Failed to provide adequate and sufficient information regarding the subject property to enable the intended user of the appraisal to understand the report properly;
- d. Improperly stated on the cover page that the report was a complete appraisal;
- e. Failed to provide adequate and sufficient information in the scope of work rule for the steps that were performed for completion of the assignment;
- f. Failed to provide sources of data;
- g. Inconsistently stated the date of report as August 13, 2010 in the letter of transmittal and as August 18, 2010 on page thirteen of the report;
- h. Failed to provide adequate and sufficient information regarding the description of the building and site improvements;
- i. Failed to include within the description of the improvements the number of mini-storage units that the subject property contained;
- j. Failed support, discuss and analyze a deduction for functional obsolescence;
- k. Failed to include the conclusions of the Cost Approach in the reconciliation and final estimates; and

1. Failed to provide support of the value opinion on the reconciliation and final estimates.

37. In the preparation of the Sales Comparison Analysis in the 11th Street Appraisal Report, Howard made significant and/or substantial errors of omission including, but not limited to, failing to provide adequate discussion and analysis for identifying comparable improved sales located in the area of the subject or similar areas.

38. In the preparation of the Cost Approach in the 11th Street Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failed to support, discuss and analyze the adjustments applied to comparable land sales;
- b. Improperly stated the cost for construction of the building was estimated at \$41.44 per square foot when sources such as the Marshall Swift Valuation Service has a cost for construction of Class S mini-warehouse buildings ranging from \$15.48 to \$37.37 per square foot;
- c. Failed to provide an estimate for the replacement cost of the site improvements;
- d. Improperly stated the effective age of the subject property as five years when the building was only two years old at the time of the appraisal;
- e. Improperly states the adjustment for physical depreciation as 25% when the information provided supports a 12.5% finding;

- f. Failed to make an adjustment for external obsolescence when the adjustment was necessary;
- g. Failed to adequately and sufficiently state information regarding the land sales utilized;
- h. Improperly stated that two of the three comparable land sales used were sales when they were only listings; and
- i. Failed to support, discuss and analyze adjustments of the comparable land sales.

39. In the preparation of the Income Approach in the 11th Street Appraisal Report, Howard made errors of omission and/or commission, including, but not limited to:

- a. Failed to adequately discuss or analyze comparable lease and market occupancy information near the subject property;
- b. Failed to discuss or analyze historical expense information regarding the subject property;
- c. Failed to give consideration to the capitalization rates of similar comparable sales in the area of the subject property or similar areas; and
- d. Failed to support, discuss and analyze information of the comparable leases.

40. The 11th Street Appraisal Report was developed and reported in violation of USPAP Standards 1 and 2.

41. Based on Howard's errors and/or omissions in preparing the 11th Street Appraisal Report, as alleged in this Count, Howard failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal, committed substantial errors of omission and/or commission that significantly affected the appraisal, and rendered appraisal services in a careless and/or negligent manner in violation of USPAP Standard 1 and SR 1-1(a), (b) and (c).

42. Based on Howard's errors and/or omissions in developing and reporting the results of the 11th Street Appraisal, as alleged in this Count, Howard failed to identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends in violation of USPAP Standard 1 and SR 1-3(a).

43. Based on Howard's errors and/or omissions in developing and reporting the results of the 11th Street Appraisal, as alleged in this Count, Howard failed to develop an opinion of the highest and best use of the real estate in violation of USPAP Standard 1 and SR 1-3(b).

44. Howard's errors and/or omissions in the preparation of the Sales Comparison Analysis, the Cost Approach, and/or the Income Approach, as alleged in this Count, constitute violations of USPAP Standard 1 and SR 1-4(a), (b), and (c).

45. By failing to provide adequate support for the reasoning and conclusions in the Sales Comparison Analysis, the Cost Approach, and/or the Income Approach in the 11th Street Appraisal Report, as alleged in this Count, Howard failed to summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions, in violation of USPAP SR 2-2(b)(vi), (vii) and (viii).

46. Howard's conduct, in the preparation and reporting of the Trinity Road, Felix and 11th Street Appraisal Reports, violates standards for the development and/or communication of real estate appraisals as provided in or pursuant to §§ 339.500 to 339.549, RSMo Supp. 2010, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(6), RSMo Supp. 2012.

47. Each of Howard's USPAP violations, in the preparation and reporting of the Trinity Road, Felix and 11th Street Appraisal Reports, constitutes a violation of § 339.535, RSMo, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(7), RSMo Supp. 2012.

48. Howard's conduct, in the preparation and reporting of the Trinity Road, Felix and 11th Street Appraisal Reports, demonstrates a failure and/or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, and/or communicating an appraisal, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(8), RSMo Supp. 2012.

II.

Joint Agreed Disciplinary Order

Based on the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the MREAC in this matter under the authority of § 536.060, RSMo, and §§ 621.045.4 and 621.110, RSMo Supp. 2012.

1. **Howard's certification is on probation.** Howard's certification as a state-certified general real estate appraiser is hereby placed on PROBATION for a period of TWO (2) YEARS. The period of probation shall constitute the "disciplinary period." During the disciplinary period, Howard shall be entitled to practice as a state-certified general real estate appraiser under §§ 339.500 through 339.549, RSMo, as amended, provided Howard adheres to all the terms of this agreement.

2. **Terms and conditions of the disciplinary period.** The terms and conditions of the disciplinary period are as follows:

A. Howard shall submit written reports to the MREAC by no later than January 1 and July 1, during each year of the disciplinary period stating truthfully whether there has been compliance with all terms and conditions of this Settlement Agreement. The first written report shall be submitted on or before July 1, 2013. The final written report shall be submitted to the MREAC 90 days prior to the end of the disciplinary period. Each written report shall be submitted no earlier than 30 days prior to the respective due date. Howard is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, Howard shall maintain a log of all appraisal assignments as required by 20 CSR 2245-2.050. A true and accurate copy of the log shall be submitted to the MREAC by no later than January 1 and July 1 during each year of the disciplinary period. The first log shall be submitted on or before July 1, 2013. The last log shall be submitted to the MREAC 90 days prior to the end of the disciplinary period. Each log submitted shall be current to at least 30 days prior to the respective due date. Howard is responsible for assuring that the logs are submitted to and received by the MREAC. Upon MREAC request, Howard shall submit copies of his work samples for MREAC review.

C. Within one year after the effective date of this Settlement Agreement, and in accordance with paragraph G of the section, Howard shall submit verification to the MREAC of successful completion of a thirty (30) hour approved course, including examination, on report writing.

D. Within one year after the effective date of this Settlement Agreement, and in accordance with paragraph G of the section, Howard shall submit verification to the MREAC of successful completion of a thirty (30) hour approved course, including examination, on general sales comparison.

E. Within one year after the effective date of this Settlement Agreement, and in accordance with paragraph G of the section, Howard shall

submit verification to the MREAC of successful completion of a thirty (30) hour approved course, including examination, on site valuation and cost approach.

F. Within one year after the effective date of this Settlement Agreement, and in accordance with paragraph G of the section, Howard shall submit verification to the MREAC of successful completion of a thirty (30) hour approved course, including examination, on the income approach.

G. While paragraphs C through F do not require that any particular course be completed before the expiration of one year after the effective date of the agreement, Howard shall complete at least one of the required courses and submit proof of said completion to the MREAC per quarter until such time all the required courses have been completed.

H. Howard may not apply the education required by this Settlement Agreement to satisfy the continuing education hours required for certification renewal.

I. During the period of probation, Howard shall not sign appraisal reports as a supervising appraiser.

J. During the disciplinary period, Howard shall not serve as a supervising appraiser to trainee real estate appraisers under 20 CSR 2245-3.005. Within ten days of the effective date of this Settlement Agreement, Howard shall advise each trainee real estate appraiser working under him that the supervisory

relationship is terminated and comply with all other requirements of 20 CSR 2245-3.005 regarding the termination of the supervisory relationship.

K. Whenever during the disciplinary period Howard provides others with a copy of his certification as a Missouri state-certified general real estate appraiser, Howard shall provide the most recent version of his certification issued by the MREAC.

L. During the disciplinary period, Howard shall keep the MREAC apprised at all times in writing of his current work and home addresses and telephone numbers at each place of residence and employment. Howard shall notify the MREAC in writing of any change in address or telephone number within 15 days of a change in this information.

M. Howard shall timely renew his certification and timely pay all fees required for certification renewal and comply with all other MREAC requirements necessary to maintain his certification in a current and active state.

N. During the disciplinary period, Howard shall comply with all provisions of §§ 339.500 through 339.549, RSMo, all rules and regulations promulgated thereunder, and all federal and state laws. "State" includes the state of Missouri and all other states and territories of the United States. Any cause to discipline Howard's certification as a real estate appraiser under § 339.532.2,

RSMo, as amended, that accrues during the disciplinary period shall also constitute a violation of this Settlement Agreement.

O. Howard shall accept and comply with reasonable unannounced visits from the MREAC's duly authorized agents to monitor compliance with the terms and conditions stated herein.

P. Howard shall appear before the MREAC or its representative for a personal interview upon the MREAC's written request.

Q. If, at any time within the disciplinary period, Howard removes himself from the state of Missouri, ceases to be currently certified under the provisions of §§ 339.500 through 339.549, RSMo, or fails to keep the MREAC advised of all current places of residence and business, the time of absence, uncertified status or unknown whereabouts shall not be deemed or taken as any part of the disciplinary period.

3. Upon the expiration of the disciplinary period, the certification of Howard shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that Howard has violated any term or condition of this Settlement Agreement, the MREAC may, in its discretion, after an evidentiary hearing, vacate and set aside the discipline imposed herein and may suspend, revoke or otherwise lawfully discipline Howard's certification.

4. No additional discipline shall be imposed by the MREAC pursuant to the preceding paragraph of this Settlement Agreement without notice and opportunity for hearing before the MREAC as a contested case in accordance with the provisions of Chapter 536, RSMo.

5. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning any future violations by Howard of §§ 339.500 through 339.549, RSMo, as amended, or the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

6. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning facts or conduct not specifically mentioned in this Settlement Agreement that are either now known to the MREAC or may be discovered.

7. If any alleged violation of this Settlement Agreement occurred during the disciplinary period, the parties agree that the MREAC may choose to conduct a hearing before it either during the disciplinary period, or as soon thereafter as a hearing can be held, to determine whether a violation occurred and, if so, may impose further disciplinary action. Howard agrees and stipulates that the MREAC has continuing jurisdiction to hold a hearing to determine if a violation of this Settlement Agreement has occurred.

8. Each party agrees to pay all their own fees and expenses incurred as a result of this case, its litigation, and/or its settlement.

9. The terms of this Settlement Agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained herein, neither this Settlement Agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

10. The parties to this Settlement Agreement understand that the MREAC will maintain this Settlement Agreement as an open record of the MREAC as required by Chapters 324, 339 and 610, RSMo, as amended.

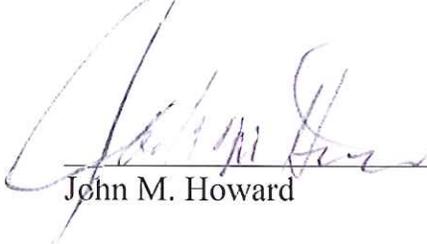
11. Howard, together with his partners, heirs, assigns, agents, employees, representatives and attorneys, does hereby waive, release, acquit and forever discharge the MREAC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any liability, claim, actions, causes of action, fees, costs, expenses and compensation, including, but not limited to, any claim for attorney's fees and expenses, whether or not now known or contemplated, including, but not limited to, any claims pursuant to § 536.087, RSMo (as amended), or any claim arising under 42 U.S.C. § 1983, which now or in the future may be based upon, arise out of, or relate to any of the matters raised in this case or its litigation or from the negotiation or execution of this Settlement Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of the Settlement Agreement in that it survives

in perpetuity even in the event that any court or administrative tribunal deems this agreement or any portion thereof void or unenforceable.

12. This Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREAC.

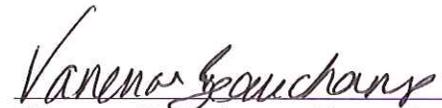
13. Within 15 days after the effective date of this Settlement Agreement, the MREAC shall file a motion to dismiss with prejudice the case captioned *Missouri Real Estate Appraisers Commission v. John M. Howard*, pending before the Administrative Hearing Commission, case number 11-2238 RA.

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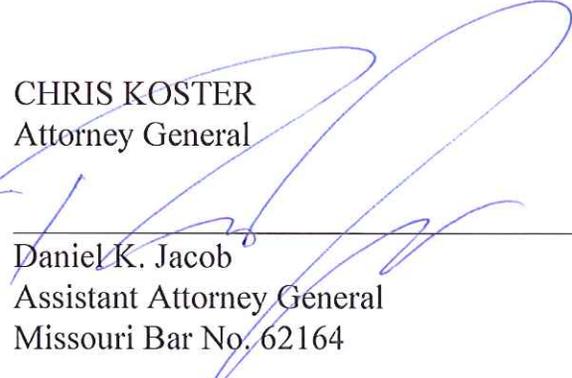
John M. Howard Date 4-30-13

MISSOURI REAL ESTATE
APPRAISERS COMMISSION



Vanessa Beauchamp, Executive Director
Date: 5-3-13

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