

APPRAISAL REPORT

of the

**0.5246 of an acre property at
403 North Flores Street
City of San Antonio, Bexar County, Texas**

as of

February 20, 2014

prepared for the

CITY OF SAN ANTONIO

by

NOBLE & ASSOCIATES, INC.

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San Antonio, Texas 78216**

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April 10, 2014

City of San Antonio
Frost Tower, 19th Floor
San Antonio, Texas 78205

ATTN: Mr. David A. McGowen
Real Estate Manager - Downtown
Center city Development Office (CCDO)

Dear Mr. McGowen:

In accordance with your request, I have made an analysis and appraisal of the 0.5246 of an acre property at 403 North Flores Street, City of San Antonio, Bexar County, Texas.

The purpose of this appraisal is to estimate the market value of the fee simple interest of the appraised property as of February 20, 2014. Attached to this letter is an outline of the data gathered during the course of my investigation and of the reasoning used in arriving at the opinion of market value.

The opinion of value herein contained and this appraisal report have been prepared in compliance with the Uniform Standards of Professional Appraisal Practice ("USPAP") as promulgated by the Appraisal Standards Board of The Appraisal Foundation and published by the Appraisal Institute and adopted by its Board of Directors.

The undersigned has made a personal site visit of the appraised property, as well as, viewed the comparable land sales used in this report.

This report is based upon the premise that there are no environmentally hazardous materials located on or affecting the appraised property. No environmental site assessment was provided to the appraiser. This appraisal is so premised. Please see the "Contingent and Limiting Conditions".

***Extraordinary Assumption¹*: the appraiser was not provided a survey of the property. The land area used in this report is based on the Bexar Appraisal District public data. The analysis and opinion of value are based on the extraordinary assumption that the BCAD land area is correct.**

Based upon my analysis and appraisal, it is my opinion that the market value of the fee simple interest of the 0.5246 of an acre property at 403 North Flores Street, City of San Antonio, Bexar County, Texas, as of February 20, 2014 was:

**SEVEN HUNDRED TWENTY THOUSAND DOLLARS
(\$720,000.00)**

The opinion of value given above is based on cash or cash equivalency.

Respectfully submitted,

NOBLE & ASSOCIATES, INC.

BY:



SAMUEL M. NOBLE
MAI, CRE, ASA, CCIM, GAA
VICE PRESIDENT

STATE CERTIFIED GENERAL REAL
ESTATE APPRAISER
NUMBER: TX-1322704-G

¹ **EXTRAORDINARY ASSUMPTION: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. USPAP.**

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PART II - NARRATIVE SECTION

Premise of the Appraisal

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Extraordinary Assumption²: the appraiser was not provided a survey of the property. The land area used in this report is based on the Bexar Appraisal District public data. The analysis and opinion of value are based on the extraordinary assumption that the BCAD land area is correct.

Purpose of the Appraisal

The purpose of this appraisal is to conclude an opinion of the market value of the fee simple interest of the 0.5246 of an acre property at 403 North Flores Street, City of San Antonio, Bexar County, Texas, as of February 20, 2014. The property was toured on February 20, 2014. The date of the report is April 10, 2014.

Client and Intended User of the Appraisal

The client is the City of San Antonio. The intended user of the appraisal is the client only. Use of this report by others is not intended by the appraiser.

Intended Use of the Appraisal

The intended use of this appraisal is for property management purposes.

Scope of the Appraisal

The appraiser, in the preparation of this appraisal assignment, has made a physical site visit at the appraised property and has taken sufficient photographs to adequately depict the property. The neighborhood was driven by the appraiser, as well as, adjacent neighborhoods, to assist the appraiser in determining the characteristics of the neighborhood. Signs evidencing comparable vacant land property sales, or listings, were noted for later investigation and confirmation.

Sales of comparable vacant land properties were identified and the sales were confirmed by the appraiser and/or his research analysts. In addition, the appraiser has access to an extensive database of previously confirmed sales from which additional comparable sales were selected for analysis. The appraiser has utilized resource information from reports prepared by brokerage firms and market analysis to estimate the marketability of the appraised property.

The valuation of the real estate was made using the Sales Comparison Approach.

² **EXTRAORDINARY ASSUMPTION**: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. USPAP.

The opinion of value herein contained and this appraisal report have been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of The Appraisal Foundation and published by the Appraisal Institute and adopted by its Board of Directors.

Property Rights Appraised

The property rights appraised in this report are those constituting the fee simple interest of the appraised property. Liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear and under responsible ownership and competent management.

Definition of Terms

Market value is defined as follows:

Market value means "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) buyer and seller are typically motivated;
- 2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- 3) a reasonable time is allowed for exposure in the open market;
- 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale".

SOURCE: United States Treasury Department, Comptroller of the Currency 12CFR, Part 34, 34.42(g).

History of the Property

The appraiser was not provided a title history of the appraised property. The appraised property is owned by the City of San Antonio and has been under the same ownership for many years. The property does not appear to be actively listed for sale and no offers or contracts to purchase the property were provided to the appraiser. The property is used as a surface parking lot managed by the owner. The 2013 parking income was reportedly \$31,095.

Taxes

The Bexar County Appraisal District, which estimates the assessed value for the taxing entities applicable to the appraised property, carries the appraised property as a portion of account number 00132-000-0351.

The property is owned by the City of San Antonio and is exempt from property taxes. Therefore, the property is not assessed for real estate tax purposes.

Detailed tax information including a tax map is attached on the following pages.

Bexar CAD

Property Search Results > 101524 CITY OF SAN ANTONIO for Year 2013

Property

Account

Property ID: 101524 Legal Description: NCB 132 BLK LOT S IRR 103.86 FT OF 35 & 36 & S IRR 28.42 FT OF 37
 Geographic ID: 00132-000-0351 Agent Code:
 Type: Real
 Property Use Code: 5000
 Property Use Description: EXEMPT - TOTAL EXEMPT

Location

Address: 403 N FLORES ST Mapsco: 616E4
 Neighborhood: NBHD code10020 Map ID:
 Neighborhood CD: 10020

Owner

Name: CITY OF SAN ANTONIO Owner ID: 70010
 Mailing Address: PO BOX 839975 % Ownership: 100.0000000000%
 SAN ANTONIO, TX 78283-3975
 Exemptions: EX-XV

Values

(+) Improvement Homesite Value:	+	\$0
(+) Improvement Non-Homesite Value:	+	\$0
(+) Land Homesite Value:	+	\$0
(+) Land Non-Homesite Value:	+	\$0 Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0 \$0
(+) Timber Market Valuation:	+	\$0 \$0
<hr/>		
(=) Market Value:	=	\$0
(-) Ag or Timber Use Value Reduction:	-	\$0
<hr/>		
(=) Appraised Value:	=	\$0
(-) HS Cap:	-	\$0
<hr/>		
(=) Assessed Value:	=	\$0

Taxing Jurisdiction

Owner: CITY OF SAN ANTONIO
 % Ownership: 100.0000000000%
 Total Value: \$0

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
06	BEXAR CO RD & FLOOD	0.030679	\$0	\$0	\$0.00
08	SA RIVER AUTH	0.017798	\$0	\$0	\$0.00
09	ALAMO COM COLLEGE	0.149150	\$0	\$0	\$0.00
10	UNIV HEALTH SYSTEM	0.276235	\$0	\$0	\$0.00
11	BEXAR COUNTY	0.296187	\$0	\$0	\$0.00
21	CITY OF SAN ANTONIO	0.565690	\$0	\$0	\$0.00
57	SAN ANTONIO ISD	1.357600	\$0	\$0	\$0.00
CAD	BEXAR APPRAISAL	0.000000	\$0	\$0	\$0.00

DISTRICT					
SA030	San Antonio TIF #30 Westside	0.000000	\$0	\$0	\$0.00
Total Tax Rate:		2.693339			
				Taxes w/Current Exemptions:	\$0.00
				Taxes w/o Exemptions:	\$0.00

Improvement / Building

Improvement #1:	Commercial	State Code:	Z0	Living Area:	sqft	Value:	\$0
Type	Description	Class CD	Exterior Wall	Year Built	SQFT		
ASP	Asphalt	*		0	22852.0		

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	PRK	Parking	0.5246	22852.00	0.00	0.00	\$0	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2014		N/A	N/A	N/A	N/A	N/A
2013		\$0	\$0	0	0	\$0
2012		\$0	\$0	0	0	\$0
2011		\$0	\$0	0	0	\$0
2010		\$0	\$0	0	0	\$0
2009		\$0	\$0	0	0	\$0

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
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2014 data current as of Feb 10 2014 1:42AM.

2013 and prior year data current as of Jan 26 2014 10:04PM

For property information, contact (210) 242-2432 or (210) 224-8511 or email.

For website information, contact (210) 242-2500.

Bexar CAD - Map of Property ID 101524 for Year 2013



Property Details

Account

Property ID: 101524
Geo ID: 00132-000-0351
Type: Real

Legal Description: NCB 132 BLK LOT S IRR 103.86 FT OF 35 & 36 & S IRR 28.42 FT OF 37

Location

Situs Address: 403 N FLORES ST
Neighborhood: NBHD code10020
Mapsc0: 616E4
Jurisdictions: CAD, 06, 08, 09, 10, 11, 21, 57, SA030

Owner

Owner Name: CITY OF SAN ANTONIO
Mailing Address: , PO BOX 839975, SAN ANTONIO, TX 78283-3975

Property

Appraised Value: \$0.00

<http://www.bcad.org/Map/View/Map/1/101524/2013>



Map Disclaimer: This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. The Bexar County Appraisal District expressly disclaims any and all liability in connection herewith.

Legal Description

According to the public records of Bexar County, the appraised property can be legally described as follows:

The south irregular 103.86 feet of Lots 35 and 36 and the south irregular 28.42 feet of Lot 37, New City Block 132, City of San Antonio, Bexar County, Texas.

City Analysis

Location and General Data:

The City of San Antonio is the nation's seventh largest city and the third largest city in Texas, following Houston and Dallas. San Antonio is located in Bexar County, which is geographically in the center of South Texas. San Antonio is the most visited city in Texas with over 20 million visitors annually. Bexar County is at the edge of the Gulf Coastal Plains and is approximately 140 miles northwest of the Gulf of Mexico; 200 miles west of Houston; 270 miles southwest of the Dallas-Fort Worth metro area; and 80 miles south of Austin, the State Capital. Laredo, Texas, the major import-export city in Texas between Mexico and the United States, is located 153 miles to the southwest of San Antonio.

The incorporated area of the City of San Antonio is approximately 430 square miles and Bexar County occupies approximately 1,248 square miles. The Metropolitan Statistical Area, which is made up of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson Counties, is 7,385 square miles (2003 definition).

San Antonio is located centrally in a large farm and ranch region extending from the Rio Grande River border with Mexico east to the Sabine River border with Louisiana. The trade territory of San Antonio covers 90 counties primarily extending west and south to the Rio Grande River border with Mexico.

Human Resources:

The City of San Antonio and Bexar County have shown a trend of steady growth since the mid 1800's with a marked increase in the growth of the city from the Decennial Census Population of 1940, shown as follows:

<u>Year</u>	<u>City of San Antonio</u>	<u>% Growth</u>
1940	253,854	--
1950	408,442	60.9%
1960	587,718	43.9%
1970	654,153	11.3%
1980	788,049	20.5%
1990	935,933	19.1%
2000	1,192,300	27.4%
2005	1,256,509	5.4%
2008	1,274,412	1.4%
2009	1,311,949	2.9%
2010	1,327,407	1.1%

The January 2010 San Antonio MSA population was 2,142,508 which was an annual growth rate of 5.4% from 2008. This trend of steady growth of the City of San Antonio, while slowing somewhat in recent years, is expected to continue. San Antonio experienced an annual growth rate of 2.8% during the 1990's compared to a rate of 1.9% during the 1980's. Based upon the Economic Research Department of the Greater San Antonio Chamber of Commerce, the 2009 estimated population for the City of San Antonio is 1,311,949. The population of Bexar County reflects a growing rate of 19.3% from 1,359,906 in 1998 to 1,714,773 in 2010. The Texas State Data Center (2006 projection) for the San Antonio MSA is as follows:

2010	1,952,482
2015	2,068,511
2020	2,178,130
2025	2,278,399
2030	2,368,499
2035	2,446,493
2040	2,512,021

The 2009 median age in San Antonio is 32.72 years. The most recent population characteristics from the 2009 San Antonio Economic Development Foundation show the area has an ethnic composition of:

	<u>City</u>	<u>MSA</u>
Not Hispanic or Latino	37.97%	47.03%
Hispanic (of any race)	62.03%	52.97%

Housing:

According to the San Antonio Board of Realtors, the 2011 San Antonio median home sales price was \$152,000 compared to \$150,400 in 2010 and \$141,900 in 2006. Existing home sales in 2011 totaled 17,914 compared to the peak of home sales in 2006 at 22,621. In San Antonio, for 2011 there were 6,843 new single-family home starts, a 2% increase from 2010, compared to over 19,000 starts at the peak of the market in 2006. As of January 2011, there were 1,559 units under construction plus 1,699 finished vacant units and 420 new furnished model homes. The price range and percentage of the market, for new homes in 2010 was 43% at less than \$175,000, 24% at \$175,000 to \$225,000, 16% at \$225,000 to \$300,000, 11% at \$300,000 to \$500,000, and 4% at \$500,000 and above. As of January 2011, there were 20,444 developed lots on the ground. There were 4,000 new lots delivered during 2010, which is almost equal to the number of lots delivered in 2009. The vacant developed lot inventory in late 2011 was estimated to be a 16.8 month supply in neighborhoods where at least 3 houses per month are started. New home starts for 2012 are anticipated to increase by at least 10% above 2011 starts. New home inventory as of yearend 2011 was 6.5 months. Equilibrium in the market is considered to be 6 months.

Economy:

Unemployment in the San Antonio MSA as of December 2013 was 5.36% compared to the State of Texas rate of 6.0% and the national unemployment rate of 6.7%. The local economy is generally based on services, retail trade, and government employment. The non-farm employment as of June 2013 for the San Antonio Metropolitan Area in thousands was as follows: services (503.9), with tourism and the medical industries as major contributors, retail trade (136.6), government (state, local, and Federal) (161.9), and goods producing manufacturing (95.6), professional/finance/insurance/real estate (361.9), transportation, communication, telecommunications and utilities (48.4), wholesale trade (29.8). Job growth for 2008 was 14,900 which was a growth rate of 1.8%. The job growth rate for San Antonio was 2.86% in 2007, and 2.6% in 2008. From November 2009 to November 2010, job growth was 2.02%, and in 2010 it was 2.1%. As of July 2011 job growth was 1.9% but by year end it is predicted to be 2.7%. San Antonio was ranked 100 out of the top 200 largest metro areas in the world for 2007-2010 by Brookings Institution Metropolitan Policy program study. The study is based on gross domestic product per capita. From 1993 – 2007, San Antonio was ranked 75th. Excluding global metro areas, San Antonio ranked 25th out of 57 U.S. metro areas for 2010.

San Antonio is one of seven cities in the United States in which the Mexican government has purchased a building to house consulate offices. This is due to San Antonio being a favorite manufacturing, wholesale, and retail market among citizens of Mexico. This is an added feature to the San Antonio economy in light of the free trade agreement between the U.S. and Mexico.

Military:

The Department of Defense has had a great influence in maintaining the stability of the San Antonio economy. The four major local military bases, consisting of Fort Sam Houston, Brooks City Base, Lackland Air Force Base, and Randolph Air Force Base, support over 45,960 active duty personnel and 27,030 civilian personnel. The direct economic impact of the military presence exceeds \$5.1 billion annually. Kelly Air Force Base was turned over to the City of San Antonio in 2001. Now known as Port San Antonio, Boeing and Lockheed Martin anchor the former base as an aerospace maintenance and distribution facility. Development of new offices and redevelopment of the base, leasing of existing and developing distribution warehouse space, as well as, on-going infrastructure development is overseen by the Greater Kelly Development Authority. Port San Antonio employs over 7,000 military and 5,500 civilians as the U.S. Air Force continues to lease areas of Kelly USA to supplement Lackland AFB. Port San Antonio consists of 2,000 acres with over 10 million square feet of buildings. San Antonio has now been positioned as an inland port. Brooks Air Force base has been turned over to the City of San Antonio with mixed-use redevelopment of the base ongoing. A portion of the base is leased by the U.S. Air Force in the interim for continued use of the Brooks Aerospace Medicine facilities. Ft. Sam Houston is currently undergoing a \$3 Billion development/construction program due to the medical training for all branches of the services worldwide to be combined and located in San Antonio. The military expects to move up to 13,000 personnel to San Antonio at Ft. Sam Houston over the next several years. The mission includes training of over 150,000 medical military personnel on an annual basis. Camp Bullis will remain a major field training facility in support of Ft. Sam Houston.

Manufacturing:

The majority of the manufacturing sector is made up of cement, food and kindred products, footwear and leather products, machinery, military-related transportation equipment, stone, clay and glass products, and textiles. Other manufacturing areas that make up a smaller percentage of the manufacturing employment are electric and electronic transportation equipment, fabricated metal products, lumber and wood products, metal industries, furniture and fixtures, chemicals, and paper and allied products. The Toyota Tundra truck assembly plant is the most recent major addition to manufacturing in San Antonio. The plant recently has reduced production due to the significant downturn in the market worldwide for new vehicles.

Hospitality:

In 2008, the economic market impact of the Hospitality Industry on San Antonio was \$11 billion. The industry employed 106,311 in 2008 or 1 out of every 8 workers in San Antonio. Over the past 10 years, the economic impact of the Hospitality Industry increased by over 70%. In 2008, some 5 million business visitors come to the San Antonio area for conventions and other business purposes. The city hosted over 20 million leisure visitors in 2008. The annual payroll of the Hospitality Industry in 2008 was \$1.99 billion (direct wage payments).

Real Estate:

The San Antonio real estate market experienced a noticeable trend of increase in values from approximately 2003-2007. New construction, rental rates, occupancy rates, and property values all trended upward. This trend began to stabilize in early 2008. It was not until September 2008 and the collapse of Lehman Brothers that San Antonio finally began to feel the effects of the national recession, including real estate. Real estate sales, leasing, and new construction decreased precipitously as financing for these ventures was extremely difficult to secure, generally requiring large sums of equity.

The decline in real estate sales was attributed to numerous factors, the primary factor being the so-called "credit crunch" which has affected banks and lending institutions throughout the United States. Many banking institutions stopped lending money for real estate and those that continued to lend money, tightened the requirements.

In addition, increasing unemployment has led many homeowners, businesses, and institutions to postpone large purchases including real estate until the economy stabilizes or until economic uncertainty is eliminated. The national not seasonally adjusted unemployment rate was at 4.5% in December 2007, spiked to 10.0% in December 2009, was reduced to 8.2% in August 2012, and now stands at 7.1%. San Antonio's unemployment rate has fared significantly better than the national rate; however, the national economy's impact on the San Antonio market was noticeable. The not seasonally adjusted unemployment rate for San Antonio was at 3.9% in December 2007, increased to 7.0% in November 2009, was reduced to 6.7% in August 2012, and now stands at 5.9%.

Partially offsetting the national and global macroeconomic conditions are the relative strengths of San Antonio including: a business friendly environment, continued population growth, low cost of living (including real estate which did not experience as significant a bubble), and a strategic trade location with Mexico and within Texas. Moreover, the Eagle Ford shale oil and natural gas exploration south of San Antonio has benefited the local economy and BRAC related infrastructure will support continued military job growth in the IT and healthcare industries.

To conclude, the fundamentals of the local San Antonio economy remain strong. The local real estate market is experiencing a continued gradual recovery in 2013. The local real estate market appears to have generally stabilized since fourth quarter 2011. Since San Antonio was more insulated from the national recession, employment has recovered to its prerecession peak. Sales velocity remains limited, but real estate transactions are occurring at or approaching prerecession price levels. Larger transactions above approximately several million dollars are still limited in the local market, but increased in the fourth quarter of 2012. Speculative new construction is occurring, but has not reached prerecession levels and remains constrained in 2013.

Recent statistics for San Antonio from Moody's Analytics are included on the following pages followed by a location map.

SAN ANTONIO

EMPLOYMENT GROWTH RANK <small>Best=1, Worst=392</small>	2012-2014	2012-2017
	82 2nd quintile	34 1st quintile
LIFE CYCLE PHASE Growth/Mature	VITALITY	
	120% <small>U.S.=100%</small>	40 <small>Best=1, Worst=384</small>
RISK EXPOSURE <small>Highest=1, Lowest=384</small>	2013-2018	RELATIVE COSTS <small>U.S.=100%</small>
	240 4th quintile	102% 85%



2006	2007	2008	2009	2010	2011	2012	INDICATORS	2013	2014	2015	2016	2017
70.5	74.1	75.6	74.3	77.8	80.9	84.3	Gross metro product (C\$B)	87.4	90.5	94.9	98.8	102.2
4.5	5.1	2.0	-1.8	4.8	4.0	4.2	% change	3.6	3.6	4.8	4.2	3.4
811.5	834.3	852.5	836.7	843.2	858.5	878.1	Total employment (000)	889.4	912.1	944.0	976.4	1,001.5
3.8	2.8	2.2	-1.9	0.8	1.8	2.3	% change	1.3	2.6	3.5	3.4	2.6
4.6	4.1	4.7	6.6	7.4	7.5	6.5	Unemployment rate	6.1	6.1	5.9	5.9	5.9
9.1	7.0	6.1	-1.2	5.1	9.2	5.2	Personal income growth	2.2	4.6	7.4	7.8	6.2
1,956.4	2,011.5	2,061.3	2,105.7	2,163.1	2,191.7	2,234.0	Population (000)	2,277.3	2,321.4	2,366.7	2,412.3	2,456.4
13,841	9,350	6,010	5,486	5,144	4,410	5,103	Single-family permits	6,342	12,150	16,580	16,394	14,909
5,920	3,945	4,564	438	1,721	2,717	2,902	Multifamily permits	2,300	2,308	2,363	2,326	2,349
141.3	152.9	151.4	148.7	150.7	152.0	158.7	Existing-home price (\$ ths)	172.8	182.5	184.7	187.0	188.3
9,240	9,342	6,852	8,603	7,597	7,150	8,186	Mortgage originations (\$ mil)	5,864	4,649	4,870	4,757	4,952
43.5	36.4	30.3	24.9	29.3	22.0	25.6	Net migration (000)	26.1	25.9	26.4	26.4	24.9
2,567	3,211	3,653	4,585	4,557	4,070	3,671	Personal bankruptcies	3,382	2,997	3,061	3,266	3,679

- ### STRENGTHS & WEAKNESSES
- STRENGTHS**
- Increased concentration of military medical activities owing to Base Realignment and Closure-related development.
 - Strategic location for growing trade and distribution industries in the Southwest.
- WEAKNESSES**
- Vulnerable to volatility in tourism and truck production industries.
 - Below-average incomes limit growth in discretionary consumer spending.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Feb 13	Jun 13	Oct 13
Total	2.2	1.6	0.9
Construction	2.7	7.8	4.9
Manufacturing	1.1	-0.8	-0.6
Trade	2.4	1.7	1.1
Trans/Utilities	4.4	2.8	1.5
Information	4.7	1.9	3.8
Financial Activities	2.4	-0.5	-2.8
Prof & Business Svcs.	4.8	1.6	1.0
Edu & Health Svcs.	1.5	1.0	0.3
Leisure & Hospitality	1.4	1.3	0.0
Other Services	4.0	3.0	2.3
Government	0.2	1.3	1.8

- ### FORECAST RISKS
- SHORT TERM ↓ LONG TERM ↑
- UPSIDE**
- Single-family housing market strengthens faster than expected.
 - Expansion of commercial aerospace business leads to hiring, new support businesses.
- DOWNSIDE**
- Fiscal austerity results in more reductions in military-related spending than expected.
 - Persistence of global weakness reduces demand for construction equipment, other motor vehicles.

ANALYSIS

Recent Performance. San Antonio's economy decelerated in early 2013, but it has firmed up somewhat since midyear. On a year-over-year basis, payroll employment is up only half as much as nationally and far less than in other major Texas metro areas that have outperformed. Further, although the federal sequester and partial government shutdown harmed the metro area, home to a large number of military personnel, by less than feared, federal government employment has declined. Still, because the 2008-2009 downturn was milder in SAZ, employment is well above its prerecession peak. At 6.1%, the unemployment rate is well below the national average, but the labor force has been flat for a year. House prices and single-family residential construction are both rising, but the pace is slow compared with that in many other areas.

Eagle Ford. SAZ will benefit from its proximity to Eagle Ford, though energy-driven employment increases will be smaller than in 2012. Some of the new jobs will be in construction. TexStar Midstream Logistics will build a pipeline from the shale to Calumer's refinery, located near the metro area. Further, Stabilis Energy will construct an liquefied natural gas plant in the center of the shale, and Worldwide Energy Consortium has begun to plan for its Whitetail refinery in LaSalle County. However, the prospects for related professional services have dimmed, and industry employment has declined modestly this year. In 2012, top exploration services companies such as Baker Hughes, Halliburton and Schlumberger established sizable operations in the metro area, adding more than 2,000 high-paying jobs, but recently, more of the new jobs have gone to Houston.

Industry. The prospects for manufacturing-related businesses should improve in 2014. Caterpillar's expansion in SAZ several years ago will pay dividends as Holt Cat, which distributes Caterpillar equip-

ment used in construction and mining, will expand its headquarters. Suppliers to the company such as Gray Interplant Systems and FCA Packaging had set up shop in 2011. Seat-belt maker Higuchi, one of 21 local suppliers to the Toyota plant, will expand its operations, and vision-products maker HVHC is set to grow its manufacturing and distribution operations, potentially creating up to 750 local jobs.

Housing. SAZ's housing market should improve in 2014, but the gains will be less than in other major Texas metro areas. Home sales are up 14% over the last year and inventories have declined. At the current sales pace, there is just 4.5 months of supply, a signal to builders to increase construction. However, prices are up only 5.6% from a year earlier, less than half the U.S. increase, and the rise in new single-family permits has been modest. Relatively low per capita incomes and persistently tight lending standards are outweighing household formation growth that is twice the national average. Moreover, multifamily construction has begun to decline and a turnaround is unlikely. The apartment market peaked several years ago when relocation and construction related to Base Realignment and Closure brought a lot of military-related personnel to the area.

San Antonio's expansion should accelerate further in 2014, lifted by gains in housing and manufacturing and development in the Eagle Ford Shale. However, further federal fiscal contraction will remain a downside risk because of the metro area's large concentration of military operations. Longer term, the concentration of military cyber-security and medical activity, growth in commercial aerospace, low costs of doing business, and above-average population gains will contribute to the area's above-average performance.

*Edward Friedman
November 2013*

EMPLOYMENT & INDUSTRY

TOP EMPLOYERS

Lackland AFB	39,604
Fort Sam Houston	26,907
USAA Insurance Co.	17,000
Randolph AFB	10,651
The Methodist Hospital System	8,000
Baptist Health System	6,216
University of Texas Health Science Center at SA	6,153
Alamo Community College District	5,347
Wells Fargo	5,153
University Health System	5,132
JPMorgan Chase and Co.	5,000
Christus Santa Rosa Health Care	4,013
University of Texas at San Antonio	4,007
CPS Energy	3,950
Brooke Army Medical Center	3,500
Clarke American Checks	3,200
Six Flags Fiesta Texas	3,000
Toyota Motor Manufacturing Texas Inc.	2,800
Southwest Research Institute	2,715
James A. Haley Veterans Hospital	2,500

Sources: Guide to Military Installations, 2011, San Antonio Business Journal, Book of Lists, 2013

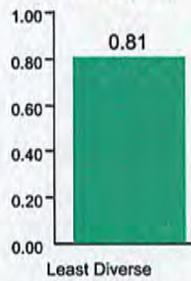
PUBLIC

Federal	35,003
State	20,048
Local	104,500

2012

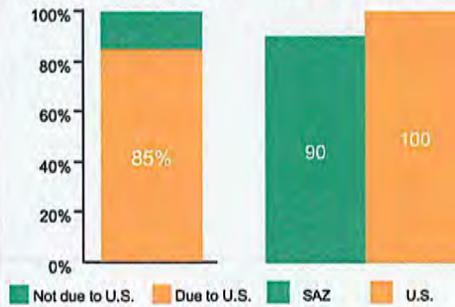
INDUSTRIAL DIVERSITY

Most Diverse (U.S.)



EMPLOYMENT VOLATILITY

Due to U.S. fluctuations Relative to U.S.



Not due to U.S. Due to U.S. SAZ U.S.

MIGRATION FLOWS

INTO SAN ANTONIO, TX NUMBER OF MIGRANTS

Austin, TX	4,932
Houston, TX	4,794
Dallas, TX	2,475
Corpus Christi, TX	2,226
Fort Worth, TX	1,330
Los Angeles, CA	1,308
Washington, DC	1,292
Killeen, TX	1,272
El Paso, TX	1,102
McAllen, TX	1,045
Total In-migration	78,089

FROM SAN ANTONIO, TX

Austin, TX	4,952
Houston, TX	4,133
Dallas, TX	2,511
Corpus Christi, TX	1,444
Killeen, TX	1,166
Fort Worth, TX	1,098
Washington, DC	904
McAllen, TX	879
El Paso, TX	769
Colorado Springs, CO	724
Total Out-migration	58,827

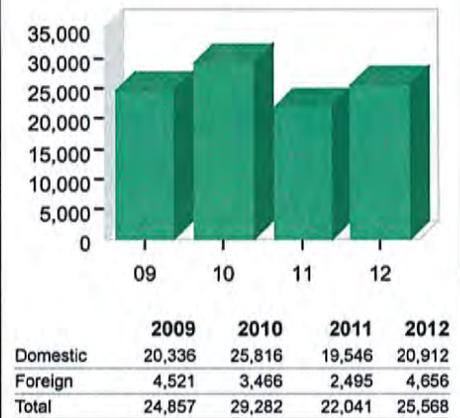
Net Migration 19,262

COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	SAZ	TX	U.S.	SAZ	TX	U.S.
Mining	0.5%	2.5%	0.6%	\$57,328	\$180,436	\$121,241
Construction	4.6%	5.4%	4.2%	\$55,265	\$58,575	\$55,288
Manufacturing	5.3%	7.9%	8.9%	\$61,180	\$82,453	\$75,242
Durable	63.8%	65.9%	62.6%	nd	\$78,450	\$76,882
Nondurable	36.2%	34.1%	37.4%	nd	\$89,754	\$72,564
Transportation/Utilities	2.5%	4.1%	3.7%	\$71,901	\$79,898	\$63,045
Wholesale Trade	3.4%	5.0%	4.2%	\$68,110	\$84,581	\$77,359
Retail Trade	11.1%	10.9%	11.1%	\$33,736	\$31,720	\$31,495
Information	2.3%	1.8%	2.0%	\$77,078	\$75,305	\$93,099
Financial Activities	8.2%	6.1%	5.8%	\$44,557	\$40,332	\$47,540
Prof. and Bus. Services	12.2%	12.9%	13.4%	\$47,861	\$56,846	\$61,311
Educ. and Health Services	15.4%	13.4%	15.2%	\$47,116	\$48,823	\$50,524
Leisure and Hosp. Services	12.6%	10.0%	10.3%	\$22,928	\$21,873	\$23,812
Other Services	3.7%	3.5%	4.1%	\$34,119	\$33,736	\$33,224
Government	18.2%	16.5%	16.4%	\$73,773	\$61,174	\$70,342

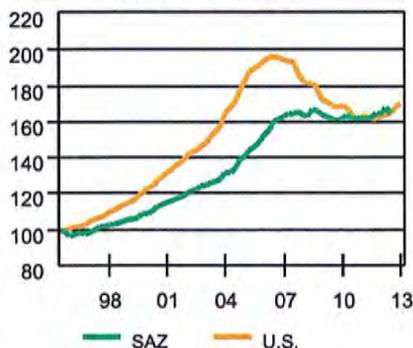
Sources: Percent of total employment — Moody's Analytics & BLS, 2012, Average annual earnings — BEA, 2011

NET MIGRATION, SAZ



Sources: IRS (top), 2010, Census Bureau, 2012

HOUSE PRICES



Source: FHFA, 1996Q1=100, NSA

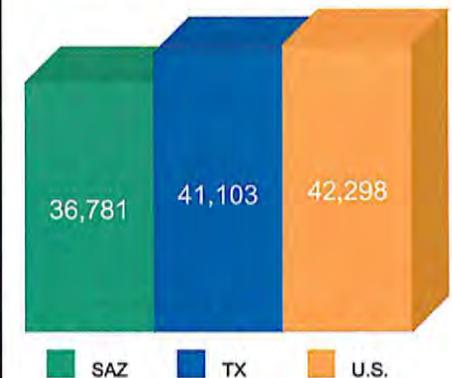
LEADING INDUSTRIES

NAICS INDUSTRY	EMPLOYEES (000)
GVSL State & Local Government	124.5
7225 Restaurants and other eating places	75.7
ML Military Personnel	35.9
GVF Federal Government	35.0
6216 Home health care services	23.3
6221 General medical and surgical hospitals	21.6
5221 Depository credit intermediation	21.2
5613 Employment services	20.0
5241 Insurance carriers	19.6
6211 Offices of physicians	17.3
4451 Grocery stores	16.7
FR Farms	14.8
7211 Traveler accommodation	13.7
6231 Nursing care facilities (skilled nursing facilities)	11.9
2382 Building equipment contractors	11.7

High-tech employment	33.7
As % of total employment	3.6

Sources: BLS, Moody's Analytics, 2012

PER CAPITA INCOME



Source: Bureau of Economic Analysis, 2011

MOODY'S RATING

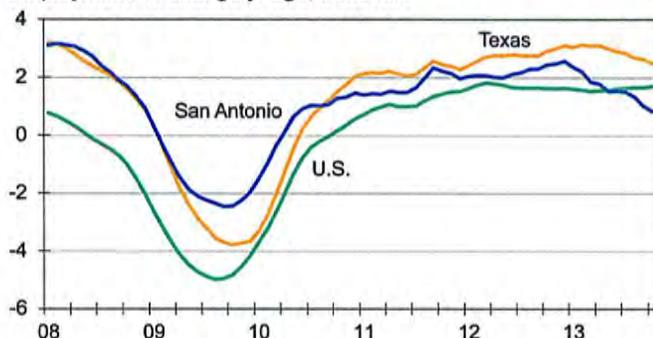
Aaa

COUNTY
AS OF JUL 12, 2013

SAN ANTONIO

San Antonio's Economy Has Slowed...

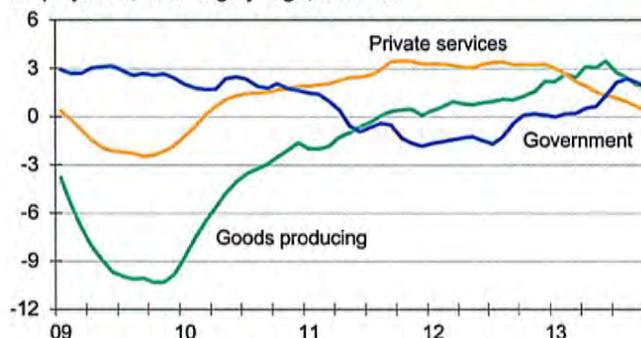
Employment, % change yr ago, 3-mo MA



Sources: BLS, Moody's Analytics

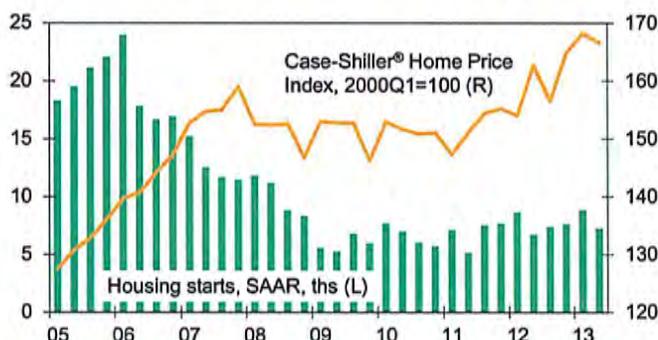
...As Professional Services Stopped Growing

Employment, % change yr ago, 3-mo MA



Sources: BLS, Moody's Analytics

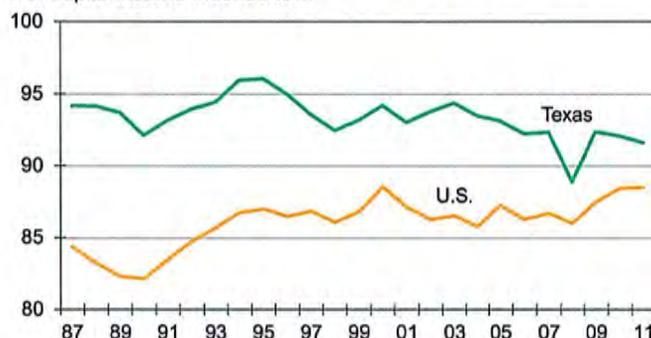
House Price Gains Have Yet to Spur Building



Sources: CoreLogic, Census Bureau, Moody's Analytics

Low Incomes Limit Discretionary Spending

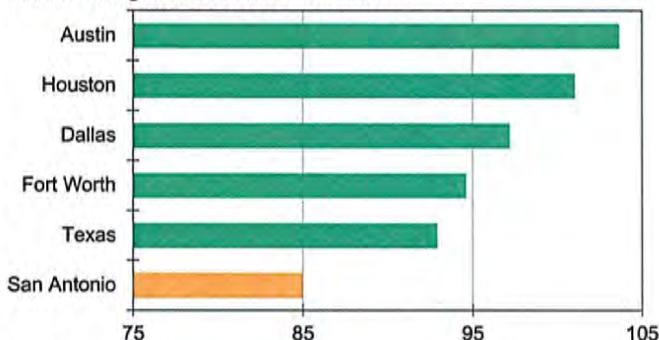
Per capita income indexed to...



Sources: BEA, Moody's Analytics

Costs Favorable for Business Development...

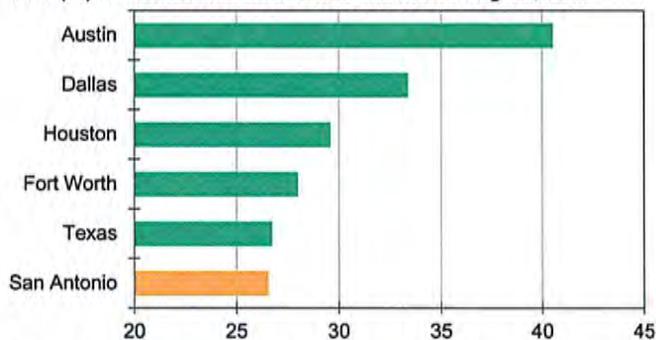
Cost of doing business, U.S.=100, 2011



Source: Moody's Analytics

...And More Talent Would Attract More Firms

% of population 25 and older with a bachelor's degree, 2011

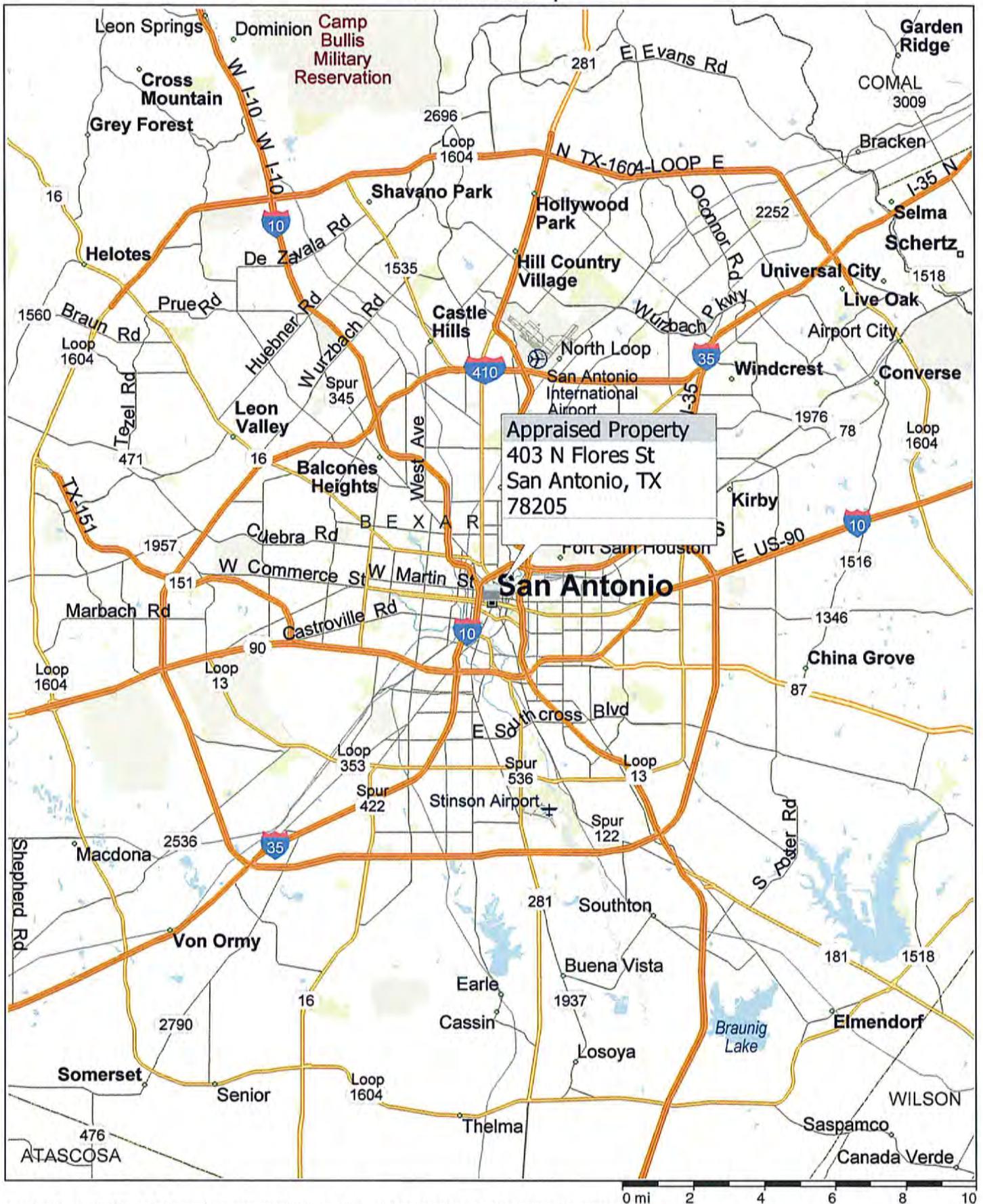


Sources: Census Bureau, Moody's Analytics

A lower cost of doing business relative to its peers will enable SAZ to attract more companies and encourage others in the metro area to expand. Relocation and expansion projects in manufacturing include those undertaken by Toyota, Caterpillar and their suppliers. SAZ's proximity to the Eagle Ford Shale was an additional draw for energy companies such as Baker Hughes, Schlumberger and Halliburton. As if low office rents, cheap labor, and vast energy resources were not enough, SAZ's distinction as the largest metro area close to Mexico appeals to transportation and distribution firms.

To attract more well-paying employers, SAZ will need to further improve the skill level of its workforce. For many businesses, especially those in value-added industries, talent is a critical factor in deciding where to set up shop. One example relates to the metro area's long-standing aerospace connection. Despite the presence of a number of Air Force bases, including Lackland, SAZ has been unable to attract related private businesses that need highly skilled engineers. But change is on the way. In recent years, the fastest-growing University of Texas campus has been UT San Antonio.

Location Map



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Description of the Neighborhood

The appraised property is located in the near north portion of the Downtown/Central Business District of San Antonio at the northwest corner of North Flores Street and West Salinas Street with additional frontage on the southwest side of West Pecan Street. The property includes the remaining portion of Rossy Street between West Pecan Street and West Salinas Street.

The neighborhood is generally described as being bounded by Interstate Highway 35 on the north, Interstate Highway 10/35 at the west, South Alamo Street at the south, and Interstate Highway 37 on the east. The neighborhood generally consists of the Central Business District of San Antonio.

Major thoroughfares through the neighborhood include St. Mary's Street, Cesar E. Chavez Boulevard, Main Avenue, Alamo Street, Interstate Highway 35, Interstate Highway 37, Houston Street, Commerce Street, and Market Street. Accessibility to properties within the neighborhood and surrounding neighborhood is considered to be very good. The neighborhood consists primarily of commercial, hospitality, and office building development to the north and a combination of commercial, office, hospitality and historic residential to the south.

Commercial development within the neighborhood is concentrated mainly along the major traffic arteries and including along the San Antonio River/Riverwalk. Commercial development consists of free standing commercial buildings, low-rise to high-rise office buildings, hotels and motels, and a wide range of retail commercial and service commercial buildings. Within these categories are restaurants, bars, free standing and multi-tenant retail commercial buildings, professional offices, etc.

The appraised property is at the north portion of the well built-up Downtown Central Business District area one block west of the San Antonio River.

There are numerous commercial parking lots and parking lot providers in the Central Business District. LAZ is a major parking operator. Other operators include: ACE parking, Central Parking, Hospitality Parking, Enter Park, the City of San Antonio, various private operators, and businesses that rent out excess parking spaces. Parking in the Central Business District includes multi-level parking garages, surface parking lots, and individually metered spaces. The parking supply is estimated at around 35,000 spaces with the City of San Antonio maintaining control of over 8,500 spaces. The parking lot inventory is roughly in balance with demand.

Commerce Street, Alamo Plaza, Houston Street, South Flores Street, and the tourist/Riverwalk portion of the Central Business District are served by VIA street car/trolley with all of the routes serving the Riverwalk Street Car Station. The economic impact of the tourism and hospitality industry in San Antonio accounts for over \$11 billion. From 1998 to 2008 the economic impact of the hospitality industry in San Antonio increased over 70%.

There is some residential development within the north and south portions of the neighborhood. Single Family residences generally range in age from 60 years to over 90 years and range in price from \$40,000 to in excess of \$500,000. The King William Historic District is located south of East Houston Street and extends south to South Alamo Street and the San Antonio River. The

market acceptance of these areas is generally good and many of the residences are used for rental purposes. Many former single family residences have been converted to multi-family residences. Residential rental properties within the neighborhood include small apartment complexes, duplexes, bed and breakfast, etc.

Urban multi-family development has been generally limited in San Antonio; however, several projects have come online in the past few years and several proposed projects will be reaching completion in the near term. The Vistana, St. Benedict's, and several smaller multi-family projects and loft properties have increased the number of multi-family units in the Downtown area. In addition, construction continues on 1221 Broadway (268 units), Pearl Can Plant East Flats (268 units), and other smaller projects. The Mosaic, another larger multi-family development near the Pearl Brewery on Broadway, is nearing completion and will add 120 units to the submarket. A new 350 unit apartment project is currently proposed to be developed in the near term on the property.

Tourism is a major economic generator for the neighborhood linked by the San Antonio River/Riverwalk. Major improvements to the Riverwalk over the past several years have included the completion of the Museum Reach at the north, locks for tourist barges, beautification of the Riverwalk, extension of the Riverwalk from the appraised property area to the Loop Area of the Riverwalk and other improvements. Bike lanes and Bikeshare have improved access to the area including the Mission Reach area of the San Antonio River to the south.

All public utilities are available to properties within the neighborhood. All city services such as environmental management, police protection, fire protection, and maintenance of public roads are provided to properties within the neighborhood. Public transportation throughout the neighborhood is provided by VIA Metropolitan Transit Authority.

The appraised property is located within the San Antonio Independent School District. Schools, include Hawthorne, Travis, and Austin Elementary Schools, and Fox Tech High School. There are some private schools located within the neighborhood.

In summary, the neighborhood consisting of the Downtown/Central Business District of San Antonio continues an improving trend of development. The tourism industry, a major industry within San Antonio, continues to see growth and development. Downtown/Central Business District housing demand is increasing with the continued economic viability of the Downtown area. It is anticipated that the improving trend of the neighborhood will continue with development.

A neighborhood map and traffic count map are included on the following pages.

Neighborhood Map



Appraised Property
 403 N Flores St
 San Antonio, TX
 78205

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Legend

- New Housing Communities
- Industrial Parks
- Office Buildings
- ★ Schools
- H Hospitals
- Airports Military Bases
- Parks
- Universities & Colleges
- Existing Retail Centers
- Planned Retail / Under Construction
- Existing Apartments
- Planned Apartments / Under Construction
- Edwards Aquifer Recharge Zone
- Major Retail
- Major Employers
- Industrial Parks

- Master Planned Communities
- Railroads
- Major Highways
- Proposed Highways

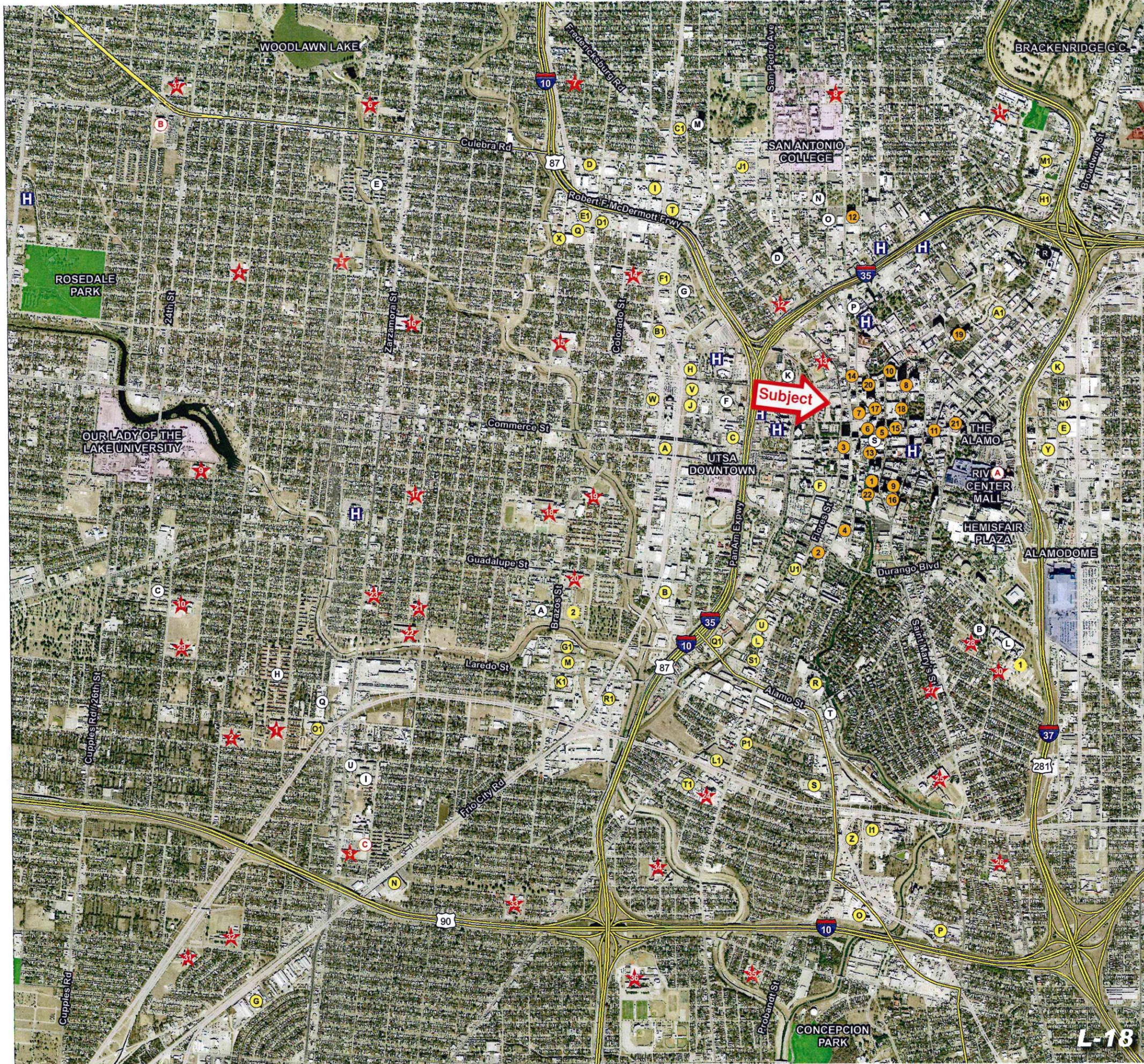
Scale

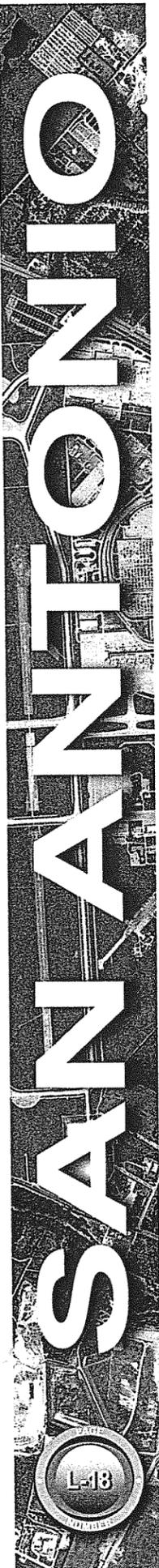
ONE INCH = APPROX. 2,200 FEET
ONE MILE = APPROX. 2.4 INCHES



Surrounding Pages

K-17	K-18	K-19
L-17	L-18	L-19
M-17	M-18	M-19





ACTIVE HOUSING COMMUNITIES

ID	RSI ID	NAME	BUILDER	TOTAL LOTS	VACANT LOTS	PRICE RANGE	
						LOW	HIGH
1	376	VICTORIA COURTS	TBD	88	66	\$ 80,000	\$ 150,000
2	697	J T BRACKENRIDGE SUBDIVISION	TBD	59	46	\$ 88,000	\$ 90,000

SOURCE: RESIDENTIAL STRATEGIES, INC. • 16660 NORTH DALLAS PARKWAY • SUITE 1200 • DALLAS, TEXAS 75248 • PHONE (972) 381-1400 • FAX (972) 381-1410

RETAIL CENTERS

ID	NAME	ADDRESS	YR. BUILT	SQ. FT.	ANCHORS
A	RIVERCENTER MALL	849 E. COMMERCE STREET	1989	378,927	MACY'S, FOLEY'S, DILLIARDS, IMAX THEATRES
B	HEB EL MERCADO	2130 CULEBRA ROAD	1996	67,422	HEB
C	EMPIRE PLAZA	2106-2118 S. ZARZAMORA	1960	800,626	1 PLUS, PAYLESS SHOE SOURCE, EMPIRE PHARMACY

SOURCE: UNITED COMMERCIAL REALTY • 1901 N.W. MILITARY HWY. • SAN ANTONIO, TEXAS 78213 • PHONE (210) 979-9700 • FAX (210) 979-9701

APARTMENT COMMUNITIES

ID	APARTMENT COMPLEX	ADDRESS	CITY	YR. BUILT	UNITS
A	ALAZAN APACHE COURTS	1011 S. BRAZOS	SAN ANTONIO	1942	794
B	VICTORIA PLAZA	411 BARRERA	SAN ANTONIO	1960	185
C	VILLA VERAMENDI	615 BARCLAY	SAN ANTONIO	1954	168
D	VILLA TRANCHESE	307 MARSHALL	SAN ANTONIO	1968	201
E	LINCOLN HEIGHTS	1315 N. ELMENDORF	SAN ANTONIO	1942	338
F	PALACIO DEL SOL	400 N. FRIO STREET	SAN ANTONIO	1972	106
G	PARKSIDE	1010 N. FRIO STREET	SAN ANTONIO	1979	154
H	CASSIANO HOMES	2919 S. LAREDO	SAN ANTONIO	1953	499
I	SAN JUAN HOMES	300 GANTE WALK	SAN ANTONIO	1953	326
J	SOAPWORKS	500 N. SANTA ROSA	SAN ANTONIO	1979	261
K	TOWNE CENTER	601 N. SANTA ROSA	SAN ANTONIO	1978	120
L	REFUGIO STREET APARTMENTS	300 LABOR STREET	SAN ANTONIO	2004	210
M	PARKVIEW	114 HICKMAN	SAN ANTONIO	1972	153
N	LAUREL	321 WEST LAUREL	SAN ANTONIO	1973	113
O	AURORA	509 HOWARD	SAN ANTONIO	1939	105
P	CADILLAC LOFTS	317 LEXINGTON	SAN ANTONIO	1999	156
Q	LAS VILLAS DE MERIDA	830 MERIDA STREET	SAN ANTONIO	2003	160
R	VILLAJE DEL RIO	1225 BROADWAY	SAN ANTONIO	UNDER CONST.	253
S	TOWERS AT THE MAJESTIC	2220E. HOUSTON	SAN ANTONIO	1997	96
T	BLUE STAR LOFTS	1432 S. ALAMO	SAN ANTONIO	2005	65
U	SAN JUAN SQUARE	1938 S ZARZAMORA ST.	SAN ANTONIO	2007	143

SOURCE: COCKRELL, INC. REALTY • 15103 ENCINO VERDE SUITE 100 • SAN ANTONIO, TEXAS 78232 • PHONE (210) 215-4733 • FAX (210) 545-0806

SAN ANTONIO



INDUSTRIAL PARKS

ID	NAME	ADDRESS	CITY	YR. BUILT	SQ. FT.
A	IMPERIAL BEDDING COMPANY	1114 COMMERCE STREET W.	SAN ANTONIO	1965	50,006
B	IRON MOUNTAIN	929 MEDINA STREET S.	SAN ANTONIO	1985	114,400
C	TOUDOUZE BLDG.	711 COMMERCE ST W.	SAN ANTONIO	1965	55,524
D	ACME SCREEN MFG/ROSS PALMER	540 CULEBRA AVENUE	SAN ANTONIO	1960	77,629
E	BITTER NOLAN WHSE	314 NOLAN STREET	SAN ANTONIO	1962	96,000
F	ACEMART	305 FLORES STREET S.	SAN ANTONIO	1930	93,000
G	CREST DOOR PLANT	157 HUMBLE	SAN ANTONIO	1960	60,380
H	FORMER NATIONWIDE PAPER	519 MEDINA STREET N.	SAN ANTONIO	1963	67,516
I	BOSCH/LYNWOOD BLDG	1146 LAUREL STREET W.	SAN ANTONIO	1960	82,936
J	SCOBAY-MEDINA	301 MEDINA STREET N.	SAN ANTONIO	1920	166,000
K	CHESTNUT ST WAREHOUSE	818 CHESTNUT STREET	SAN ANTONIO	1985	88,164
L	DEAN STEEL MFG CO	111 MERCHANTS STREET	SAN ANTONIO	1932	77,800
M	HANDY ANDY WAREHOUSE	2001 LAREDO STREET S.	SAN ANTONIO	1986	97,028
N	HARCOURT BRACE FACILITY	100 FRIO CITY ROAD	SAN ANTONIO	1965	196,390
O	L & H PACKING CO	675 STEVES AVENUE	SAN ANTONIO	1905	88,245
P	RAM MFG	823 ROOSEVELT AVENUE	SAN ANTONIO	1980	52,396
Q	GREENLEAF WHOLESALE FLORISTS	1540 POPLAR ST. W.	SAN ANTONIO	1984	30,400
R	PIONEER FLOUR MILL	129 GUENTHER STREET E.	SAN ANTONIO	1985	233,206
S	HABITAT FOR HUMANITY	311 PROBANDT STREET	SAN ANTONIO	1952	141,500
T	HALO DISTRIBUTING	1403 COMAL STREET N.	SAN ANTONIO	1955	56,580
U	FORMER JUDSON CANDIES	831 FLORES STREET S.	SAN ANTONIO	1898	90,336
V	421 N MEDINA ST	421 MEDINA STREET N.	SAN ANTONIO	1950	70,416
W	ALENCO	731 COMAL STREET N.	SAN ANTONIO	1960	51,920
X	VERITAS PROPERTIES WAREHOUSE	1524 POPLAR STREET W.	SAN ANTONIO	1950	52,800
Y	NEWBERGER WHSE	1113 HOUSTON STREET E.	SAN ANTONIO	1980	95,311
Z	NEWELL SALVAGE	726 PROBANDT STREET	SAN ANTONIO	1972	59,974
A1	FORMER UNIVERSAL BOOKBINDERY	815 AVENUE B	SAN ANTONIO	1965	68,793
B1	RADIO CAP COMPANY INC	708 SAN MARCOS N.	SAN ANTONIO	1963	75,503
C1	RAINBOW BAKING CO	1919 COMAL STREET N.	SAN ANTONIO	1927	68,640
D1	REED CANDLE	1211 BRAZOS STREET N.	SAN ANTONIO	1924	55,200
E1	I-10 CENTRAL WAREHOUSE	1503 POPLAR STREET W.	SAN ANTONIO	1984	59,625
F1	SAN ANTONIO PRESS	317 ARBOR PLACE	SAN ANTONIO	1981	59,059
G1	SAN ANTONIO CITY HOUSING	1310 BRAZOS STREET S.	SAN ANTONIO	1968	93,300
H1	SAMUELS GLASS CO	221 NEWELL AVENUE	SAN ANTONIO	1950	50,800
I1	LONE STAR WAREHOUSE	600 LONE STAR BLVD.	SAN ANTONIO	1945	106,243
J1	VIA TRANSIT	230 DAKOTA STREET	SAN ANTONIO	1916	61,849
K1	SW TRADING CO.	1700 BRAZOS STREET S.	SAN ANTONIO	1960	77,119
L1	WESCO	1081 FLORES STREET S.	SAN ANTONIO	1950	92,167
M1	PEARL BREWERY	312 PEARL PARKWAY	SAN ANTONIO	1940	411,732
N1	DOWNTOWN DISTRIBUTION CENTER	325 CHESTNUT STREET	SAN ANTONIO	1982	87,840
O1	SUPERIOR PRODUCE	750 MERIDA STREET	SAN ANTONIO	1965	71,157
P1	ALLIED DISTR	1344 FLORES STREET S.	SAN ANTONIO	1950	73,969
Q1	CARQUEST AUTO PARTS	1964 ALAMO STREET S.	SAN ANTONIO	1963	76,000
R1	L & H PACKING	1545 SAN MARCOS S.	SAN ANTONIO	1960	60,937
S1	FORMER TOBIN AERIAL	114 CAMP STREET	SAN ANTONIO	1940	79,728
T1	FORMER ESKAY MFG.	122 STRIBLING STREET	SAN ANTONIO	1962	62,100
U1	FR & O INDUSTRIAL CENTER	702 S. SANTA ROSA	SAN ANTONIO	0	53,000

SOURCE: COLGLAZIER PROPERTIES • 1000 E BASSE RD. • SUITE 100 • SAN ANTONIO, TEXAS 78209 • PHONE (210) 821-5644 • FAX (210) 821-5843

OFFICE BUILDINGS

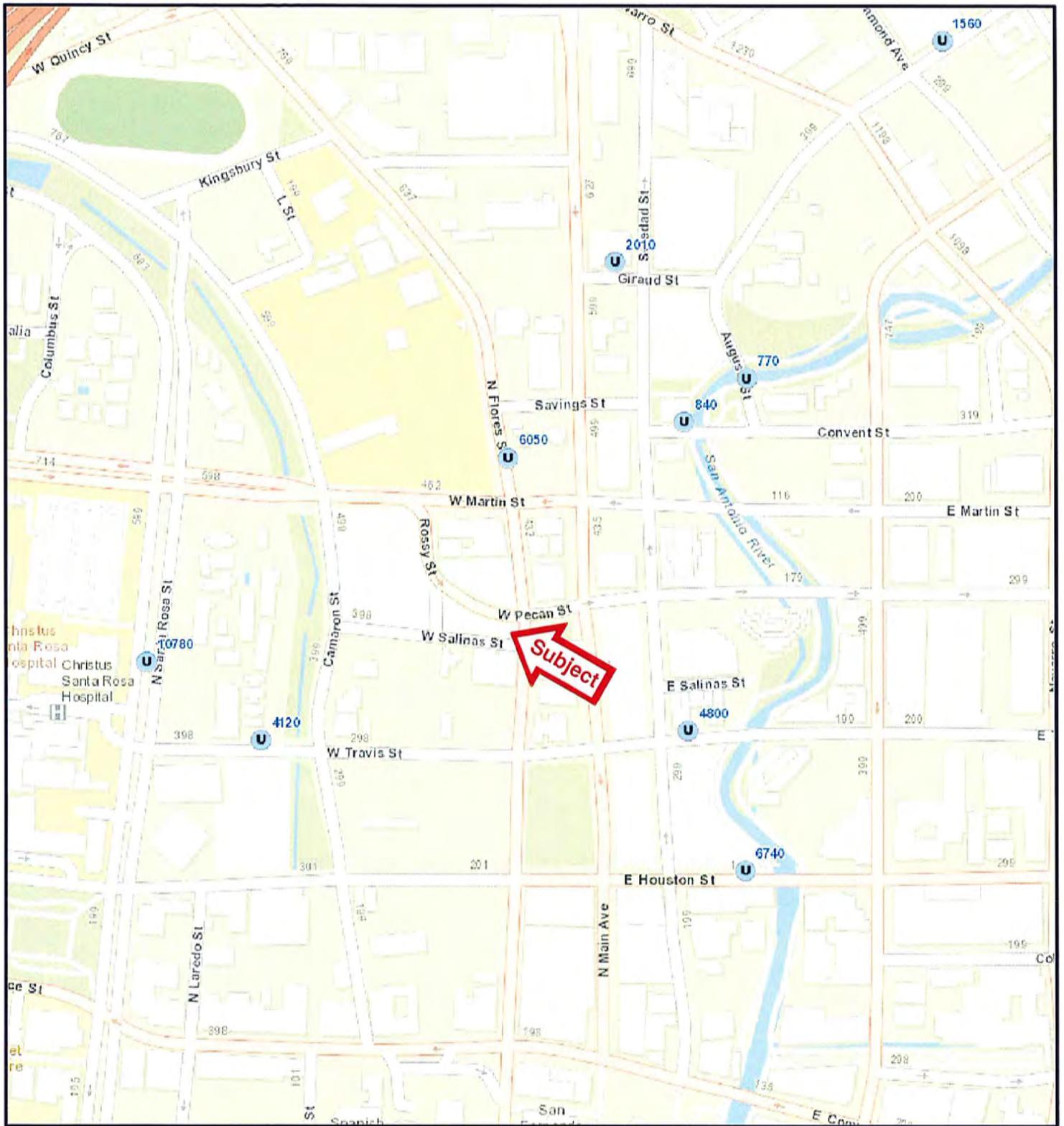
ID	BUILDING NAME	ADDRESS	CITY	YR. BUILT	SQ. FT.
1	ALAMO NATIONAL BUILDING	105 ST. MARY'S STREET	SAN ANTONIO	1929	249,829
2	CALVERT BUILDING	535 S. MAIN STREET	SAN ANTONIO	1960	63,000
3	FROST BANK TOWER	SEC HOUSTON STREET. W & MAIL	SAN ANTONIO	1973	335,000
4	HERITAGE PLAZA	410 S. MAIN STREET	SAN ANTONIO	1950	177,400
5	IBC CENTRE	175 HOUSTON STREET	SAN ANTONIO	1984	273,881
6	IBC CENTRE - BLDG 2	130 TRAVIS STREET	SAN ANTONIO	1985	93,000
7	MILAM BUILDING	115 TRAVIS	SAN ANTONIO	1927	210,851
8	NATIONSBANK PLAZA	300 CONVENT	SAN ANTONIO	1983	533,171
9	ONE ALAMO CENTER	106 ST. MARY'S STREET S	SAN ANTONIO	1982	195,798
10	ONE RIVERWALK PLACE	700 ST. MARY'S STREET	SAN ANTONIO	1981	255,354
11	ONE TEN BROADWAY	110 BROADWAY & COMMERCE ST	SAN ANTONIO	1904	102,323
12	CYPRESS TOWER	1222 MAIN STREET	SAN ANTONIO	1963	161,933
13	RIVERVIEW TOWERS	111 SOLEDAD	SAN ANTONIO	1919	248,153
14	SOLEDAD PLAZA WEST BLDG	425 SOLEDAD	SAN ANTONIO	1976	73,085
15	SOUTH TEXAS BUILDING	603 NAVARRO	SAN ANTONIO	1919	92,887
16	TOWER LIFE BUILDING	310 ST. MARY'S STREET	SAN ANTONIO	1929	242,401
17	TRAVIS BUILDING ON THE RIVER	405 ST. MARY'S STREET	SAN ANTONIO	1924	65,775
18	TRAVIS PARK PLAZA	711 NAVARRO	SAN ANTONIO	1970	155,132
19	VALERO ENERGY BUILDING I & II	530 MCCULLOUGH AVENUE	SAN ANTONIO	1978	419,875
20	WESTON CENTRE (112 E. PECAN)	112 PECAN	SAN ANTONIO	1988	500,363
21	WORLD TRADE CENTER BUILDING	118 BROADWAY	SAN ANTONIO	1911	92,000
22	INTERNATIONAL CENTER	ST. MARY'S & MARKET STREETS	SAN ANTONIO	1998	100,000

SOURCE: GRUBB & ELLIS • 40 NE LOOP 410 • SUITE 607 • SAN ANTONIO, TEXAS 78216 • PHONE (210) 828-5050 • FAX (210) 828-7860

PUBLIC SCHOOLS

ID	NAME	DISTRICT	RATING
1	BREWER ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED
2	SARAH S KING ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
3	STORM ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
4	OGDEN ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
5	IRVING MIDDLE SCHOOL	SAN ANTONIO ISD	RECOGNIZED
6	NELSON ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
7	BEACON HILL ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED
8	WM B TRAVIS ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
9	RODRIGUEZ ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
10	RHODES MIDDLE SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
11	HAWTHORNE ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED
12	STEPHEN F AUSTIN ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED
13	FOX TECHNICAL HIGH SCHOOL	SAN ANTONIO ISD	UNACCEPTABLE
14	JAMES BOWIE ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
15	MARGIL ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED
16	DAVID CROCKETT ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
17	DE ZAVALA ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
18	LANIER HIGH SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
19	TAFOLLA MIDDLE SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
20	J T BRACKENRIDGE ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
21	RUIZ ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
22	COOPER MIDDLE SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
23	DAVID BARKLEY ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
24	BRISCOE ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
25	BRACKENRIDGE HIGH SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
26	ROBERT B GREEN ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED
27	BONHAM ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED
28	HERFF ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
29	CARVAJAL ELEM. SCHOOL	SAN ANTONIO ISD	UNACCEPTABLE
30	DOUGLASS ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
31	GEORGE E KELLY ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
32	LOWELL MIDDLE SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
33	COLLINS GARDEN ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED
34	HARRIS MIDDLE SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
35	W J KNOX ELEM. SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
36	BURBANK HIGH SCHOOL	SAN ANTONIO ISD	ACCEPTABLE
37	FENWICK ELEM. SCHOOL	SAN ANTONIO ISD	RECOGNIZED

SOURCE: TEXAS EDUCATION AGENCY • HTTP://WWW.TEA.STATE.TX.US/



MPO
Metropolitan Planning Organization

Traffic Count Map

Description of the Site

The appraised property is the remaining southern portion of a block that was bisected by West Pecan Street in the late 1980's as well as Rossy Street between West Pecan Street and West Salinas Street.

According to the information available to the appraiser, the site has approximately 28.42 feet of frontage on the west side of North Flores Street, a total frontage on the north side of West Salinas Street of approximately 203.42 feet, an unknown west depth along the west side of the former Rossy Street, and an unknown frontage on the southwest side of West Pecan Street. The site has a total estimated area of 22,852 square feet or 0.5246 of an acre according to the Bexar Appraisal District public data. Please refer to the attached site plan.

The Federal Emergency Management Agency, National Flood Insurance Program, Flood Insurance Rate Map No. 48029C0415G, revised September 29, 2010, indicates that no portion of the appraised property is located in the 100-year floodplain. Please refer to the attached exhibits.

The topography of the appraised property is generally level. The property has asphalt paving and is used as a commercial surface parking lot by the owner.

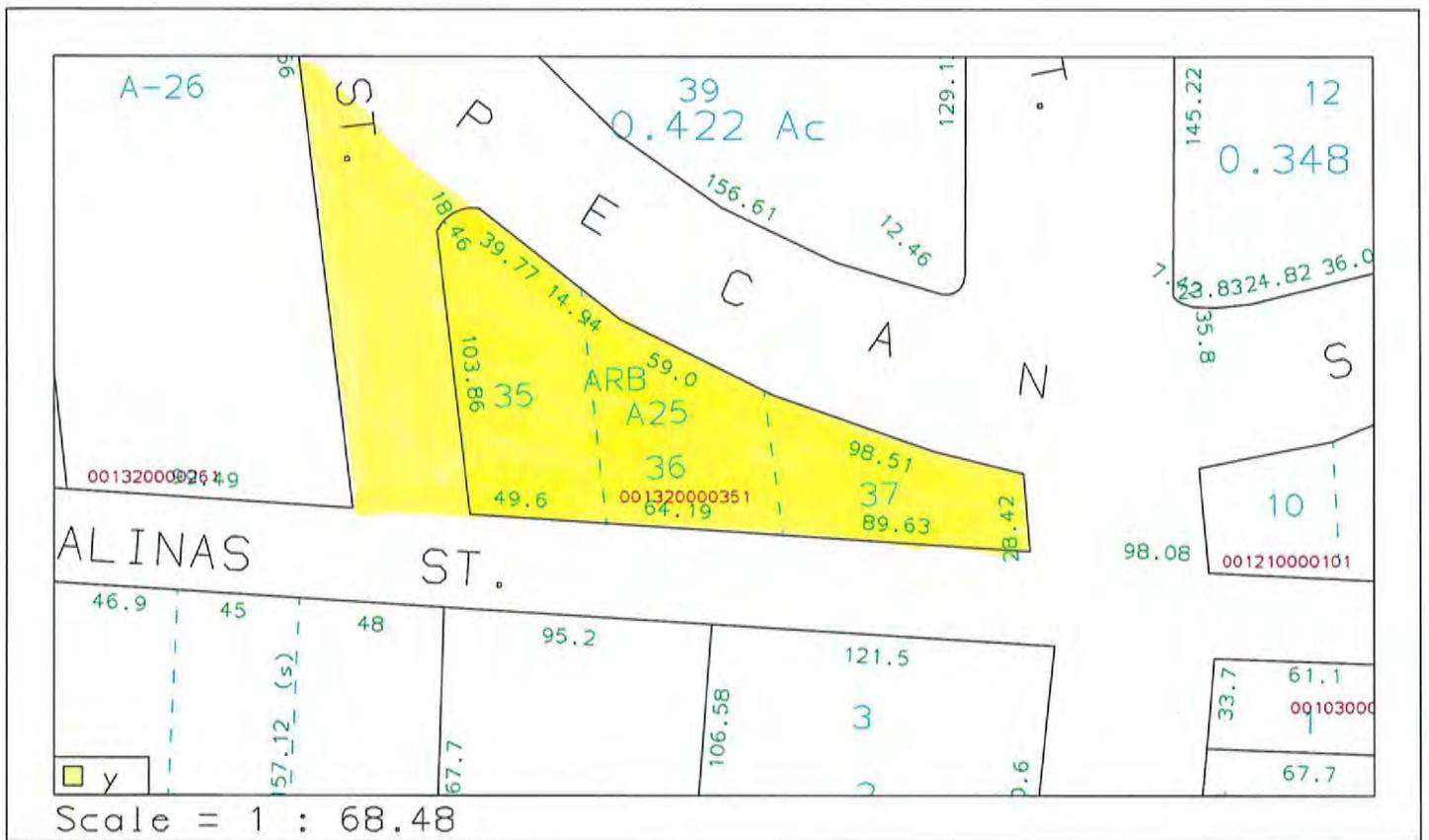
The appraiser is unaware of any easements. The site is assumed to exclude adverse easements.

According to the United States Department of Agriculture, Soil Conservation Service, Soil Survey, the soil of the appraised property is Branyon clay, 0% to 1% slopes. This soil type appears to be conducive for most types of development with adequate site preparation. Please refer to the attached exhibits.

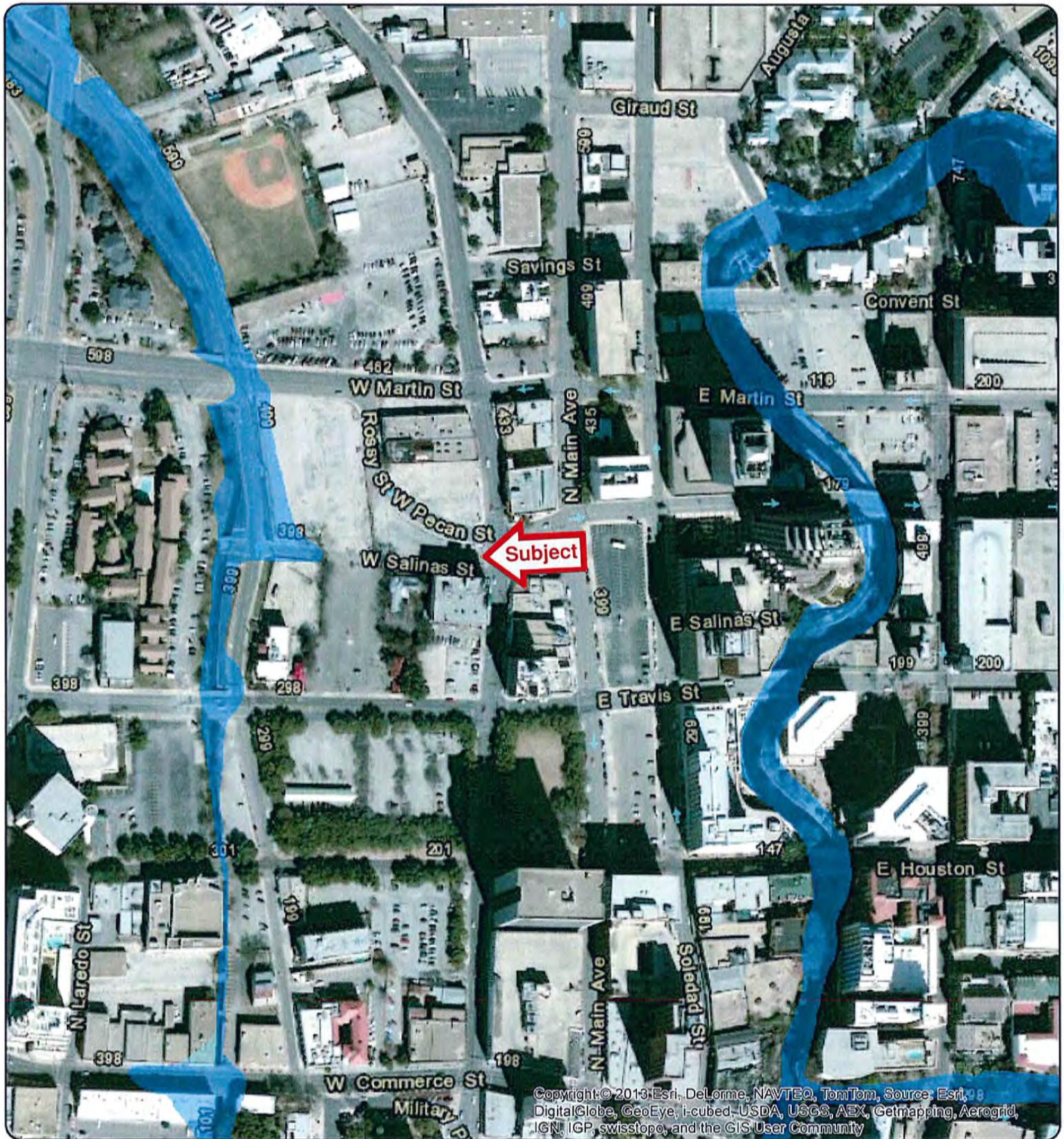
Public utilities are available to the site and are understood to be of adequate capacity for the surrounding development.

North Flores Street is a two-way, four-lane, asphalt-paved public street with asphalt pavement, concrete curbs, concrete sidewalks, and street lights. There are traffic control signals at the intersections. West Pecan Street is a one-way, two and three-lane, asphalt-paved public street with concrete curbs, concrete sidewalks, and street lights. West Salinas Street is a two-way, two-lane, asphalt-paved public street with asphalt pavement, concrete curbs and sidewalks. Rossy Street has been blocked from West Pecan Street by an Armco barrier on wood bollards. Rossy Street is used as parking and allows ingress and egress from West Salinas Street.

Please find on the following pages a site plan of the property followed by three floodplain maps, an aerial photograph, two topographic maps, and two pages of soil information followed by photographs taken at the time of site visit.

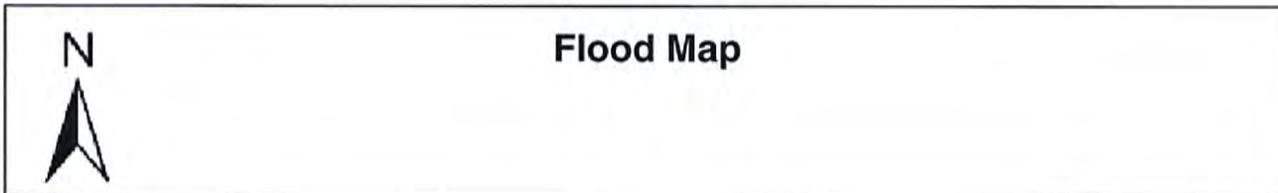


SARA Flood Map

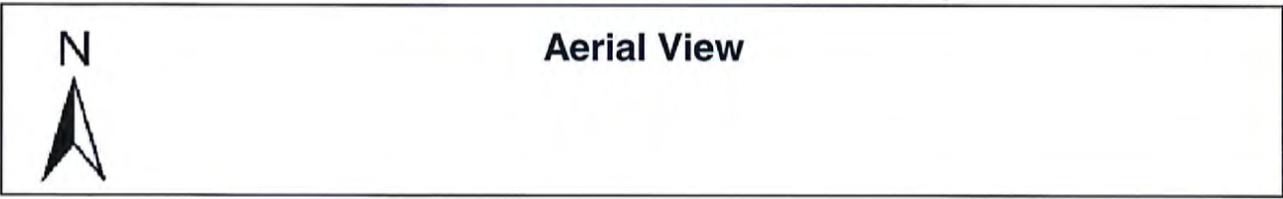
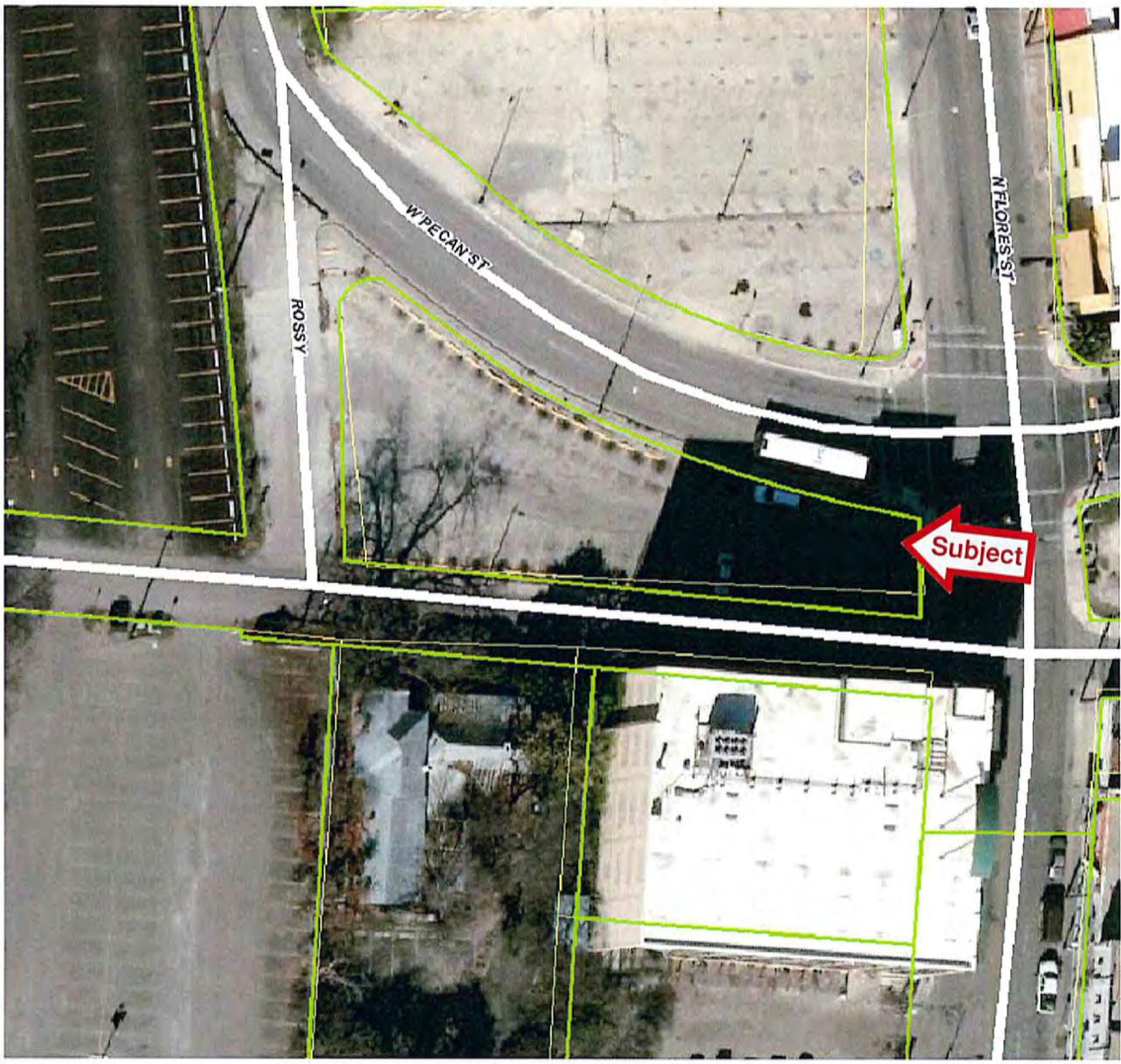


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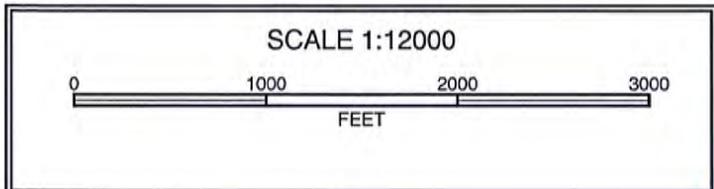
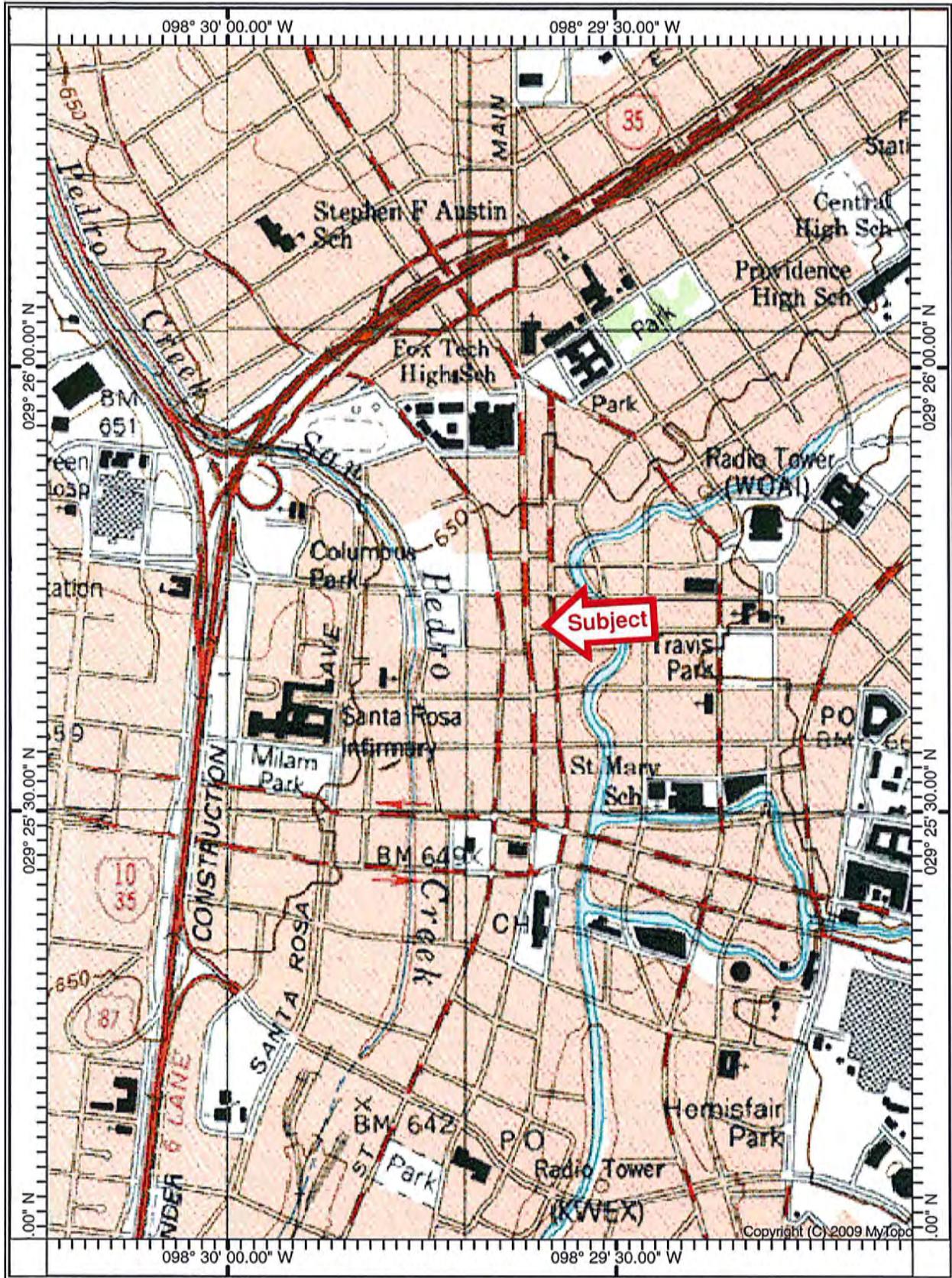
<p>  0.2% Annual Chance Flood Hazard  1% Annual Chance Flood Hazard  1% Annual Chance Flood Hazard - Future Conditions  Floodway </p>	 SAN ANTONIO RIVER AUTHORITY <i>Leaders in Watershed Solutions</i>	<p>Disclaimer: The GIS material included with this transmittal is made available as a public service. The maps and/or data are to be used for reference and/or informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. The data herein shall be used and relied upon only at the user's sole risk, and the user agrees to indemnify and hold harmless the San Antonio River Authority, its officials and employees from any liability arising out of the use of the data or information provided. If there are any questions about the appropriateness of this data, please email saraga@sara-tx.org.</p> <p>NOTE: This information is based on the Digital Flood Insurance Rate Map (DFIRM) for the communities within Bexar, Wilson, Karnes, and Goliad Counties. This map does not imply that the area depicted in the map will or will not be free from flooding or damage. An area not in a Special Flood Hazard Area may be damaged by a flood greater than that predicted by the DFIRM or from a local drainage problem not shown on the map. This map does not create liability on the part of the San Antonio River Authority, or any officer or employee thereof, for any damage that results from reliance on this information. This map does not serve as official FEMA documentation for use in flood determination.</p>
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 **Topographic Map**

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Soil Map—Bexar County, Texas



Bexar County, Texas

HtA—Branyon clay, 0 to 1 percent slopes

Map Unit Setting

Elevation: 300 to 700 feet

Mean annual precipitation: 28 to 40 inches

Mean annual air temperature: 64 to 70 degrees F

Frost-free period: 220 to 280 days

Map Unit Composition

Branyon and similar soils: 99 percent

Minor components: 1 percent

Description of Branyon

Setting

Landform: Stream terraces

Landform position (three-dimensional): Tread

Microfeatures of landform position: Circular gilgai

Down-slope shape: Linear

Across-slope shape: Convex

Parent material: Clayey alluvium of quaternary age derived from mixed sources

Properties and qualities

Slope: 0 to 1 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Moderately well drained

Capacity of the most limiting layer to transmit water (Ksat): Very low to moderately low (0.00 to 0.06 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None

Frequency of ponding: None

Calcium carbonate, maximum content: 35 percent

Gypsum, maximum content: 5 percent

Maximum salinity: Nonsaline to very slightly saline (0.0 to 4.0 mmhos/cm)

Sodium adsorption ratio, maximum: 8.0

Available water capacity: Moderate (about 9.0 inches)

Interpretive groups

Farmland classification: All areas are prime farmland

Land capability (nonirrigated): 2w

Hydrologic Soil Group: D

Ecological site: Blackland 28-40" PZ (R086AY196TX)

Typical profile

0 to 8 inches: Clay

8 to 40 inches: Clay

40 to 62 inches: Clay

Minor Components

Unnamed, hydric minor components

Percent of map unit: 1 percent

Landform: Depressions



LOOKING NORTHWEST AT THE PROPERTY FROM NORTH FLORES STREET



LOOKING WEST AT THE PROPERTY ACROSS NORTH FLORES STREET



LOOKING SOUTHWEST AT THE PROPERTY FROM NORTH FLORES STREET



LOOKING WEST ALONG WEST PECAN STREET – PROPERTY AT LEFT



LOOKING SOUTHEAST ALONG WEST PECAN STREET – PROPERTY AT RIGHT



LOOKING SOUTH ALONG ROSSY STREET – A PORTION OF THE PROPERTY



LOOKING SOUTHEAST AT THE PROPERTY FROM WEST PECAN STREET



LOOKING NORTHEAST AT THE PROPERTY FROM WEST SALINAS AND ROSSY STREETS



LOOKING EAST ALONG WEST SALINAS STREET –PROPERTY AT LEFT



LOOKING WEST ALONG WEST SALINAS STREET –PROPERTY AT RIGHT



LOOKING WEST ACROSS THE APPRAISED



LOOKING SOUTHEAST ACROSS THE APPRAISED PROPERTY

Highest and Best Use

Highest and Best Use is defined and described as follows:

"That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal."

Alternatively, it is "that use, from among reasonable, probable, and legal alternative uses, which is found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value".

In order to ascertain the highest and best use of the appraised property site, a number of factors were taken into consideration. These include the physical characteristics of the property such as location, access, size, shape, topography, and utilities. Legal factors considered in this analysis include the zoning ordinances that restrict the use, height limitations, allowable size density, and other restrictions. The present use of the surrounding land and the demand for properties for different types of development in the neighborhood were also studied.

The highest and best use as though vacant and as improved of the site must meet four criteria.

- (1) Physically possible
- (2) Legally permissible
- (3) Financially feasible
- (4) Maximally productive

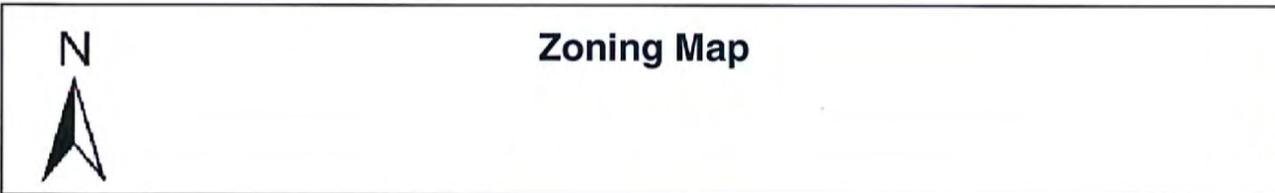
Physically Possible Use – The location, size, shape, topography, soil composition, and utilities influence the type of use for which a site can be developed.

The appraised property is the city block at the northwest corner of North Flores Street and West Salinas Street after West Pecan Street bisected Block A24 in the late 1980's. The property is in the near north central area of the Business District and is removed from the tourist portion of the city being approximately four blocks west of the Riverwalk. The physical characteristics of the site are most suited to commercial development as warranted by demand.

Legally Permissible Use – The appraised property site is zoned "D" – Downtown District. On-site parking is not required within this zoning district. Please refer to the attached zoning map.

Financially Feasible – Maximally Productive – Conclusion – The location, physical characteristics, and legally permissible uses of the surrounding area support commercial development and use as warranted by demand. The parking lot use is an interim use until development is warranted. The parking income does not appear to support the opinion of land value. The location, limited size and irregular shape hinder optimal development thus limiting the value of the property versus larger more rectangular shaped properties to the south and east.

A zoning map of the surrounding area is attached on the following page.



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Valuation of the Land

The appraiser has made an investigation for recent sales of the most comparable tracts of land in the Downtown/Central Business District area of San Antonio. The comparable land sales utilized are located in the appraised property area of the northern highly commercially improved portion of the neighborhood. These land sales are considered to have a high degree of comparability to the appraised property site.

The most comparable sales found by the appraiser are summarized on the following page followed by a map of the comparable land sales and a discussion of the analysis of the sales.

COMPARABLE LAND SALES

<u>SALE NO.</u>	<u>LOCATION</u>	<u>DATE</u>	<u>SALE PRICE</u>	<u>SIZE IN AC/SQ.FT.</u>	<u>SALE PRICE/SQ.FT.</u>
1	402 Dwyer/ 101 & 105 Aubrey	05/01/13	\$ 1,599,741	0.587 Ac/ 25,570 Sq. Ft.	\$62.56

Notes: Generally rectangular shaped asphalt paved open surface parking lot having three street frontage, located one-half block west of the San Antonio River/Riverwalk and located one-half block north of East Cesar E. Chavez Boulevard, zoned "D" and "RIO-3".

2	1207 North Main Ave.	12/20/12	\$514,100	0.475 Ac/ 20,691 Sq. Ft.	\$24.85
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Notes: Rectangular shaped tract at the northwest corner of North Main Avenue and East Poplar Street. Zoned "C-3".

3	428 Baltimore Ave. & 512 Camden Street	11/20/12	\$370,000	0.277 Ac/ 12,058 Sq. Ft.	\$30.69
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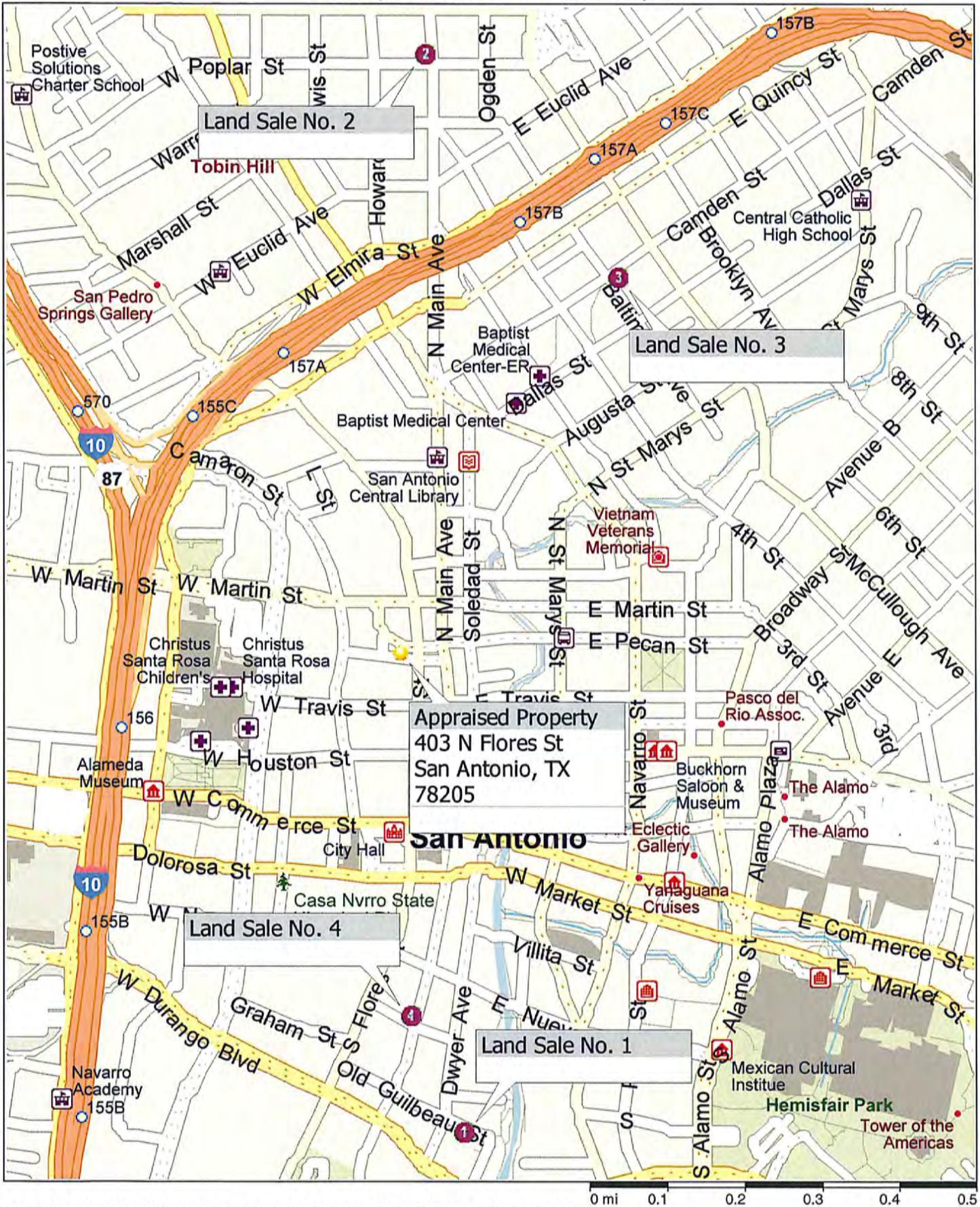
Notes: Two rectangular shaped tracts the first of which is at the east corner of Baltimore Avenue and Camden Street and the second is on the southeast side of Camden Street. The tracts are separated by an alley, zoned "FBZ" and "T5-1". The corner property was improved with an office building at the time of sale that has been razed.

4	323 South Main Avenue	10/04/12	\$ 830,000	0.410 Ac/ 17,854 Sq. Ft.	\$46.49
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Notes: A generally rectangular shaped open asphalt paved surface parking lot located at the northwest corner of South Main Avenue and Stumberg Street purchased for continued parking lot use. Zoned "D".

A comparable Land Sales Map is given on the following page.

Comparable Land Sales Map



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No adjustments were required to the sales for property rights conveyed, financing terms, or conditions of sale, as each sale was confirmed to be of the fee simple interest, sold for cash to the seller and confirmed to be an arms-length market transaction. Plus adjustments were indicated for market conditions/time to Sales No. 2, 3 and 4 due to the apparent upward trend in sale prices in the Downtown/Central Business District area of San Antonio.

In the analysis of the land value of the appraised property, adjustments have been made to the most recent comparable land sales for physical characteristics typical of development sites in the competitive area of the appraised property.

SALE NO. 1 – This sale is considered to be significantly more valuable per square foot of land area than the appraised tract due to the superior location of the sale tract. This adjustment is partially offset by the slightly larger size of the sale tract that typically results in a slightly lower sale price per square foot.

SALE NO. 2 – This sale is considered to be slightly less valuable per square foot of land area than the appraised tract due to the inferior street frontage and corner influence of the sale tract. These adjustments are partially offset by the slightly smaller size and superior shape of the sale tract.

SALE NO. 3 – This sale is considered to be slightly less valuable per square foot of land area than the appraised tract due to the inferior street frontage and corner influence of the sale tract. These adjustments are partially offset by the smaller size of the sale tract.

SALE NO. 4 – This sale is considered to be more valuable per square foot of land area than the appraised tract due to the significantly superior location, smaller size, and superior shape of the sale tract. These adjustments are partially offset by the inferior street frontage and corner influence of the sale tract.

Based upon the analysis of the comparable land sales given above, the indicated value of the appraised property site is \$31.50 per square foot for the 22,852 square feet in the appraised property site or an indicated value by the Sales Comparison Approach of \$719,838 that is rounded to \$720,000.

Final Opinion of Value

Based upon my analysis and appraisal, it is my opinion that the market value of the fee simple interest of the 0.5246 of an acre property at 403 North Flores Street, City of San Antonio, Bexar County, Texas, as of February 20, 2014 was:

**SEVEN HUNDRED TWENTY THOUSAND DOLLARS
(\$720,000.00)**

The value opinion given above is based on cash or cash equivalency.

ADDENDA

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this report:

To the best of my knowledge and belief the statements of fact contained in this appraisal, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject matter of this report. I have no personal interest or bias with respect to the subject matter of this appraisal or the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

I certify that, to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice; in accordance with the minimum appraisal standards as adopted in Title XI of the Federal Financial Institution Reform, Recovery, and Enforcement Act of 1989; the rules of the Texas Appraiser Licensing and Certification Board; and the Principles of Appraisal Practice and code of Ethics of the American Society of Appraisers and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. No one provided significant real property appraisal assistance to the persons signing this certification.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

Neither all nor any part of the contents of this appraisal (especially any conclusions, the identity of the appraiser or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI, RM, SREA, or SRA designations) shall be disseminated to the public through advertising media, public relations media, sales media or any other public means of communication without prior written consent and approval of the undersigned.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, Samuel M. Noble has completed the requirements under the continuing education program of the Appraisal Institute. The American Society of Appraisers has a mandatory recertification program for all of its Senior Members. Samuel M. Noble is in compliance with that program.

I have made a personal site visit of the property that is the subject of this report. This appraisal assignment was not based on a requested minimal valuation, a specific valuation, or an approval of a loan.



SAMUEL M. NOBLE – VICE PRESIDENT

San Antonio, Texas
April 10, 2014

CONTINGENT AND LIMITING CONDITIONS
(Unless stated otherwise in this report)

The estimate of value for the property appraised in the attached report is subject to the following limiting conditions:

The legal description furnished the appraiser is assumed to be correct. No responsibility is assumed for matters legal in character, nor is any opinion rendered as to title. All existing liens and encumbrances, if any, have been disregarded, and the property is appraised as though free and clear and under responsible ownership and competent management.

The boundaries of the land and the dimensions and size thereof as indicated to the appraiser are assumed to be correct, no provision having been made for a special survey of the property. Valuation is reported without regard to questions of encroachments.

The information contained in this report and identified as having been furnished by others is believed to be reliable, but no responsibility is assumed for its accuracy.

The use of the term “inspection” within the attached report only refers to the act of visiting and/or viewing the property or properties being appraised or a property or properties used as comparables. I am not a licensed real estate inspector in the State of Texas and am not qualified to render opinions required of those who are licensed real estate inspectors.

No responsibility is assumed, nor is any guarantee made as to the structural soundness of the improvements. The property is assumed to be free of insect infestation and dry rot.

In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. The existence of urea-formaldehyde foam insulation or other potentially hazardous waste material may have an effect on the value of the property. I urge the client to retain an expert in this field if desired.

Possession of this report or a copy thereof does not carry with it the right of publication, nor may it be used for any other purpose by any but the applicant without the previous written consent of the appraiser.

The appraiser, by reason of this appraisal, is not required to give testimony or attendance in court or at any other hearing with reference to the property in question unless arrangements, therefore, have been previously made.

The distribution of the total valuation in this report between the land and the improvements applies only under the existing program of utilization. The separate valuations for land and improvements should not be used in conjunction with any other appraisal and are invalid if so used.

The appraiser has no present or contemplated future interest in the property that is not specifically disclosed in this report. Neither his employment for making this appraisal nor the fee to be received, therefore, are contingent upon the valuation placed on the property.

This appraisal was obtained from Noble & Associates, Inc. and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552(B)(4). Please notify Noble & Associates, Inc. of any request of production of this appraisal.

This appraisal report has been prepared for the City of San Antonio and may not be copied or otherwise revealed or disclosed to any other person or entity without the explicit prior written consent of Noble & Associates, Inc. Any person or entity that violates the foregoing prohibition shall be fully responsible and liable for any and all consequences and results of such action, including for any and all damages that may be alleged to have resulted therefrom. This appraisal constitutes a professional opinion of value prepared solely for the City of San Antonio and shall not constitute a representation of any kind to, and may not be relied upon for any purpose by, any other person or entity whatsoever.

QUALIFICATIONS OF SAMUEL MAVERICK NOBLE

Samuel M. Noble graduated from Washington and Lee University in Lexington, Virginia with a Bachelor of Science degree with Special Attainments in Commerce in June 1988 and has been employed as a real estate appraiser since this date. Samuel M. Noble graduated from The McCallie School in Chattanooga, Tennessee in June 1984 and the San Antonio Academy of Texas in May 1979. He attended Alamo Heights High School from 1979 – 1982.

In August 1994, Samuel M. Noble was awarded the MAI designation of the Appraisal Institute.

In May 1996, Samuel M. Noble was awarded the GAA professional designation of the Real Estate Appraisal Section of the NATIONAL ASSOCIATION OF REALTORS.

In June 1997, Samuel M. Noble was awarded the CCIM designation of the Commercial Investment Real Estate Institute.

In February 2002, Samuel M. Noble was awarded the Accredited Senior Appraiser (ASA) designation of the American Society of Appraisers.

In November 2003, Samuel M. Noble was invited to membership in The Counselors of Real Estate (CRE).

In April 2001, Samuel M. Noble became a Candidate Member of the American Society of Farm Managers and Rural Appraisers (ASFMRA).

Real Estate and Appraisal courses, seminars and credits are as follows:

APPRAISAL INSTITUTE

02/14	National Uniform Standards of Professional Appraisal Practice (USPAP) Course – 7-Hour Update Course
10/12	Marketability Studies: Advanced Considerations & Applications
02/13	Business Practices and Ethics
10/12	Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets
10/12	Marketability Studies: The Six-Step Process and Basic Applications
02/12	National Uniform Standards of Professional Appraisal Practice (USPAP) Course – 7-Hour Update Course
09/11	Staying Out of Trouble Seminar
06/10	Hotel Appraising – New Techniques for Today's Uncertain Times Seminar
02/10	Course 400, National Uniform Standards of Professional Appraisal Practice (USPAP) Course – 7-Hour Update Course

APPRAISAL INSTITUTE
(continued)

02/09 Course 400, National Uniform Standards of Professional Appraisal Practice (USPAP) Course – 7-Hour Update Course

02/09 Course 420, Appraisal Institute Business Practices and Ethics

01/09 Uniform Appraisal Standards for Federal Land Acquisition “Yellow Book”

10/08 Appraisal Challenges: Declining Markets and Sales Concessions

03/08 Course 400, National Uniform Standards of Professional Appraisal Practice (USPAP) Course – 7-Hour Update Course

10/07 Litigation Skills for the Appraiser: An Overview Seminar

05/07 Analyzing Distressed Real Estate Seminar

04/07 LDAC – Leadership Development Advisory Council – Washington D.C.

02/07 Course 400, National Uniform Standards of Professional Appraisal Practice (USPAP) Course – 7-Hour Update Course

09/06 Scope of Work: Expanding Your Range of Services

03/06 FHA and the New Residential Appraisal Form

02/06 Course 400, National Uniform Standards of Professional Appraisal Practice (USPAP) Course – 7-Hour Update Course

11/04 Partial Interest Valuation – Undivided

10/04 Course 420, Business Practices and Ethics

02/03 Course 400, National Uniform Standards of Professional Appraisal Practice (USPAP) Course – 7-Hour Update Course

10/02 Appraisal Consulting: A Solutions Approach for Professionals

10/01 Appraisal of Non-Conforming Uses Seminar

12/99 Course 430: Standards of Professional Practice, Part C including USPAP

06/98 Real Estate Investment Trusts: Market Trends Impacting the Real Estate Industry

06/98 Attacking and Defending an Appraisal in Litigation

06/98 Eminent Domain and Condemnation Appraising

11/97 Understanding and Using DCF Software: A Comparison of Argus, Pro-Ject +plus, and Dynalease Seminar

10/96 The High-Tech Appraisal Office Seminar

05/96 Ranch Valuation Seminar

03/95 The Appraiser as Expert Witness Seminar

07/94 Final Level – Specialized Appraisal Experience

06/94 Course 410: Standards of Professional Practice, Part A (USPAP)

06/94 Course 420: Standards of Professional Practice, Part B

02/94 Comprehensive Exam

01/94 Demonstration Appraisal

05/93 Second Level – Specialized Appraisal Experience

03/93 First Level – Specialized Appraisal Experience

09/92 Course 2-1: Case Studies in Real Estate Valuation

10/91 Course 2-2: Report Writing & Valuation Analysis

COUNSELORS OF REAL ESTATE

- 11/05 Annual Convention – Washington, D.C.
- 04/04 Midyear Meeting – Philadelphia, Pennsylvania
- 05/95 Midyear Meeting – Creating Strategic Alliances & Expanding Services
- 05/95 Midyear Meeting – Real Estate, Technology & The Information Highway

AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS (AIREA) COURSES

- 09/89 Course 1A-2: Basic Valuation Procedures
- 03/89 Course SPP: Standards of Professional Practice
- 12/88 Residential Demonstration Appraisal Report Writing Seminar
- 10/88 Course 1B-B: Capitalization Theory & Techniques, Part B
- 09/88 Course 8-2: Residential Valuation
- 09/88 Course 1A-1/8-1: Real Estate Appraisal Principles
- 08/88 Course 1B-A: Capitalization Theory & Techniques, Part A

AMERICAN SOCIETY OF APPRAISERS (ASA) COURSES

- 07/04 International Appraisal Conference in Kansas City, Missouri

AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS

- 06/01 Texas Water – Current Issues and Concerns
- 06/01 Fractional Interest Seminar

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

- 02/09 Multifamily Accelerated Processing (MAP) training

EDJ SCHOOL ONLINE

- 03/13 12 Hour Property Tax Consultants
- 03/12 12 Hour Property Tax Consultants
- 02/11 12 Hour Property Tax Consultants
- 01/10 12 Hour Property Tax Consultants
- 02/09 12 Hour Property Tax Consultants

CCIM INSTITUTE

07/04 Case Studies in Acquisition Analysis
04/01 Advanced Studies in Real Estate Analysis

INSTITUTE OF PROPERTY TAXATION

11/94 1994 Property Tax Symposium
11/94 1994 Seminar on Texas Property Tax Law

COMMERCIAL INVESTMENT REAL ESTATE INSTITUTE

06/97 Commercial Investment Real Estate Institute Comprehensive Exam
06/97 Course CI 408: Course Concepts Review
05/97 Course CI 301: Decision Analysis for Commercial Investment Real Estate
01/97 Course CI 201: Market Analysis for Commercial Investment Real Estate
06/96 Course CI 101: Financial Analysis for Commercial Investment Real Estate

SAN ANTONIO BOARD OF REALTORS

01/14 TREC Ethics MCE
01/14 TREC Legal MCE
01/12 TREC Ethics MCE
01/12 TREC Legal MCE
01/10 TREC Ethics MCE
01/10 TREC Legal MCE
01/08 TREC Ethics MCE
04/07 TREC Legal MCE
09/04 Conservation Easements: An Overlooked Tool for Financial & Estate Planning
04/99 USPAP Update

INSTITUTE FOR REAL ESTATE PROFESSIONALS, INC.

04/97 Texas Property Tax Law

THE REAL ESTATE COUNCIL OF SAN ANTONIO

08/00 San Antonio Real Estate 2000 Bus Tour
06/99 Real Estate Technology for the New Millennium

TEXAS A & M UNIVERSITY – REAL ESTATE CENTER

04/08 Eighteenth Annual Outlook for Texas Land Markets Seminar
04/07 Seventeenth Annual Outlook for Texas Land Markets Seminar
03/07 Texas Development Summit at Texas A&M University
09/04 Eighteenth Annual Legal Seminar on Ad Valorem Taxation
08/03 Seventeenth Annual Legal Seminar on Ad Valorem Taxation
08/02 Sixteenth Annual Legal Seminar on Ad Valorem Taxation
08/01 Fifteenth Annual Legal Seminar on Ad Valorem Taxation
08/00 Fourteenth Annual Legal Seminar on Ad Valorem Taxation
09/95 Ninth Annual Legal Seminar on Ad Valorem Taxation

INTERNATIONAL RIGHT OF WAY ASSOCIATION

09/12 2012 Eminent Domain Seminar – Hot Topics in Real Estate & Eminent Domain
09/11 2011 Eminent Domain Seminar – Hot Topics in Real Estate & Eminent Domain
09/08 2008 Eminent Domain Seminar – Current Legal Issues in Right-of-Way
09/06 Course 410 – Reviewing Appraisals in Eminent Domain
02/06 Course 403 – Easement Valuation
09/04 Current Eminent Domain Issues Seminar
09/02 Current Eminent Domain Issues Seminar
05/02 Course 401 – The Appraisal of Partial Acquisitions
09/01 Current Eminent Domain Issues Seminar
09/00 Current Eminent Domain Issues Seminar
05/96 The Private Real Property Rights Preservation Act Seminar

LORMAN EDUCATION SERVICES

10/00 Texas Property Tax

SAN ANTONIO/SOUTH TEXAS CCIM CHAPTER

11/04 CCIM 2004 San Antonio Investment Real Estate Symposium
11/03 CCIM 2003 San Antonio Investment Real Estate Symposium
07/01 How the new UDC (City of San Antonio Uniform Development Code) effects everyday practice and operations of Real Estate Brokerage
02/01 Building Assessment – Assessing the physical condition of the property, and the legal aspects.
11/98 1998 San Antonio Investment Real Estate Symposium
11/97 1997 San Antonio Investment Real Estate Symposium

LINCOLN GRADUATE CENTER

12/01 USPAP Update

CALYPSO CONTINUING EDUCATION

11/12 Environmental Hazards Impacts on Value webinar

PROFESSIONAL ORGANIZATIONS:

Designated Member, The Appraisal Institute – **MAI** – Member No. 10,482
Designated Member, The Counselors of Real Estate – **CRE** – Member No. 2168
Designated Member, The American Society of Appraisers – **ASA**
Designated Member, Commercial Investment Real Estate Institute – **CCIM** – Member No. 7269
Designated Member, Real Estate Appraisal Section of the NATIONAL ASSOCIATION OF
REALTORS – **GAA**
Member, The American Society of Farm Managers and Rural Appraisers – Member No. 7859
Member, International Right-of-Way Association, Chapter 39
Member, National Association of Realtors
Member, Texas Association of Realtors
Member, San Antonio Board of Realtors

CERTIFICATIONS

State Certified General Real Estate Appraiser – Certificate No.: TX-1322704-G
Registered Texas Real Estate Property Tax Consultant – No. 00000318
Texas Licensed Real Estate Broker – No. 0392506

SERVICE

Eagle Scout – 1982 ■ Life Member, National Eagle Scout Association
Scoutmaster – BSA Troop 809 – 2007 – 2009 & 2010 – 2011
Rotary Club of San Antonio – 1990 – present
Rotary Club of San Antonio – Youth Education Foundation Board of Trustees – 1994 – present
Rotary Club of San Antonio – Sam J. Riklin Rotary Diploma Plus Scholarship Board – 2012 – present
San Antonio Academy Alumni Council – 1989 – present
■ President 1997 – 1998

EXPERT TESTIMONY

166TH Judicial District Court – Bexar County, Texas
224TH Civil District Court – Bexar County, Texas
285TH Judicial District Court – Bexar County, Texas
288TH Judicial District Court – Bexar County, Texas
340th Judicial District Court – Tom Green County, Texas
United States Bankruptcy Court – Western District of Texas
Commission Hearings
Bexar County Appraisal District
Collin County Appraisal District
El Paso Central Appraisal District
Depositions, Mediations and Arbitrations

CHAPTER OFFICE

Appraisal Institute – South Texas Chapter:

Chairman, By-Laws Committee 2011 – 2014
Immediate Past President 2010
President 2009
First Vice President 2008
Second Vice President 2007
Treasurer 2006
Secretary 2005

American Society of Appraisers (ASA) – San Antonio Chapter:

Chapter Membership Chairman 2007 – present
District Director 2006 – 2007
President 2004 – 2006
Vice President 2002 – 2004

Counselors of Real Estate – South and Central Texas Chapter:

Chairman 2010 – 2013
Chairman 2005 – 2006
Founding Chairman – 2005

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

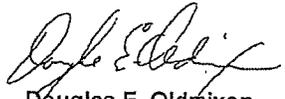
Certified General Real Estate Appraiser

Number: **TX 1322704 G**

Issued: **03/07/2012** Expires: **03/31/2014**

Appraiser: **SAMUEL MAVERICK NOBLE**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

THE CRE DESIGNATION



CRE (Counselor of Real Estate) – the real estate industry’s most respected source for professional advice on property and land-related matters

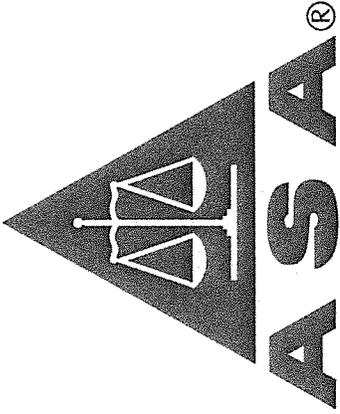
The Counselor of Real Estate is the ultimate source of knowledge available to meet the need of both public and private property owners, investors and developers. The CRE is compensated by a pre-agreed fee or salary for services, rather than by commission or contingent fees.

CREs service both domestic and foreign clients and have access to the most advanced methodologies, techniques, and computer-assisted evaluation procedures. They have the benefit of years of proven knowledge and experience which qualifies them for practical application and proper interpretation of real estate trends.

The CRE designation is awarded to the Counselor by his peers, members of the American Society of Real Estate Counselors. Membership in the Society is by invitation based on the individual’s reputation for integrity, experience and judgment in rendering advice on real estate matters. An individual may be recommended for membership by a CRE or may initiate his own request for membership. Use of the CRE designation provides the highest recognition in the real estate industry to clients and real estate professionals. Acceptance of the designation commits the recipient to adhere to a strict Code of Ethics and Standards of Professional Practice.

The American Society of Real Estate Counselors, founded in 1953, is the professional consulting affiliate of the NATIONAL ASSOCIATION OF REALTORS. Its nearly 900 members benefit from ongoing networking opportunities which include national and local chapter meetings, high level conferences, educational seminars, task force and committee assignments and liaison capacities with other member organizations within the real estate industry.

Anyone with a significant real estate problem should consider consulting with a CRE. An individual Counselor can offer many specialized services in the rapidly changing marketplace, or thanks to CRE networking capabilities, he can put you in touch with a Counselor that specializes in your particular area of need. For more information on membership, specialized counseling services, educational programs for professional enrichment, or a listing of publications, please contact the American Society of Real Estate Counselors, 430 North Michigan Avenue, Chicago, Illinois 60611-4089 – telephone 312.329.8427, fax 312.329.8881.



The American Society of Appraisers

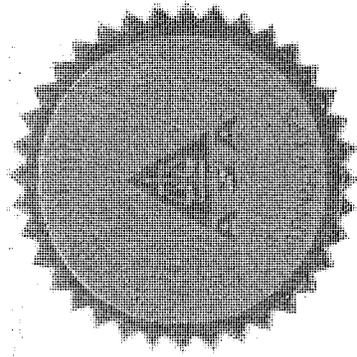
Attests that

SAMUEL M. NOBLE, ASA

has successfully participated in the
Society's mandatory Reccreditation Program
and has complied with its continuing education requirements,
as set forth in the organization's Constitution, Bylaws and
Administrative Rules. Therefore, formal reaccreditation has
been granted by the International Board of Governors and will

remain valid through

February 01, 2017



International President

Samuel M. Walker
Chairman, Int'l Board of Examiners