

[Letterhead of Alamo National Building Development, LP]

November ____, 2013

City of San Antonio, Texas Empowerment Zone Development Corporation
c/o City of San Antonio - Department of Economic Development
100 W. Houston Street, 19th Floor
San Antonio, Texas 78205
Attn: René Dominguez, Executive Director

U.S. Bank National Association, as Trustee
EX-TX-DCRE
14241 Dallas Parkway, Suite 490
Dallas, Texas 75254
Attn: Israel Lugo, Corporate Trust Services

Re: Borrower's Request to Redeem all Outstanding City of San Antonio, Texas Empowerment Zone Development Corporation Contract Revenue Empowerment Zone Bonds (Drury Southwest Hotel Project), Series 2005 and Series 2007

Dear Mr. Dominguez and Mr. Lugo:

This letter is given in connection with the option to redeem all of the following outstanding bonds previously issued by the **CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION** (the "*Issuer*") at the request of **ALAMO NATIONAL BUILDING DEVELOPMENT, LP**, a Missouri limited partnership (the "*Borrower*");

CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION CONTRACT REVENUE EMPOWERMENT ZONE BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2005 (the "*Series 2005 Bonds*"), pursuant to the provisions of Section 4.01(3) of the Indenture of Trust, dated as of October 1, 2005 (the "*2005 Indenture*"), between the Issuer and **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "*Trustee*"); and

CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION CONTRACT REVENUE EMPOWERMENT ZONE BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2007 (the "*Series 2007 Bonds*"), pursuant to the provisions of Section 4.01(3) of the Indenture of Trust, dated as of November 1, 2007 (the "*2007 Indenture*"), between the Issuer and the Trustee.

The Series 2005 Bonds and the Series 2007 Bonds are currently bearing interest at a "Weekly Interest Rate" (as defined in the respective Indenture) and are currently outstanding in the aggregate principal amount of \$21,900,000 and \$18,000,000, respectively.

The Borrower hereby formally notifies the Issuer and the Trustee that, pursuant to Section 4.01(3) of the Indenture, the Borrower has elected to optionally redeem all of the outstanding Series 2005 Bonds and Series 2007 Bonds (collectively referred to herein as the "**Refunded Bonds**") on **Monday, December 2, 2013** (the "**Redemption Date**"), which is the first business day of December 2013.

The Issuer has been requested by the Borrower to issue, and currently is in the process of issuing, the following issues of bonds to provide a portion of the funds needed to refund the outstanding Series 2005 Bonds and Series 2007 Bonds:

(i) **\$21,900,000** in principal amount of **CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION CONTRACT REVENUE EMPOWERMENT ZONE REFUNDING BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2013A** (hereinafter called the "**Series 2013A Bonds**"), the proceeds of which will be loaned to the Borrower to refund the outstanding Series 2005 Bonds, and

(ii) **\$18,000,000** in principal amount of **CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION CONTRACT REVENUE EMPOWERMENT ZONE REFUNDING BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2013B** (hereinafter called the "**Series 2013B Bonds**"), the proceeds of which will be loaned to the Borrower to refund the outstanding Series 2007 Bonds.

The Series 2013A Bonds and the Series 2013B Bonds are expected to be issued and delivered on the Redemption Date.

The Borrower will arrange for the Trustee to receive on the Redemption Date funds in an amount equal to (i) the outstanding principal of the Series 2005 Bonds and Series 2007 Bonds (which will be provided entirely with proceeds of the Series 2013A Bonds and the Series 2013B Bonds, respectively), and (ii) the accrued interest due on the Series 2005 Bonds and Series 2007 Bonds on the Redemption Date (which will be provided entirely with funds provided by the Borrower).

Enclosed is a Conditional Notice of Redemption in connection with the redemption of the Series 2005 Bonds and the Series 2007 Bonds is enclosed. We would appreciate your arranging for the enclosed Notice (or a similar notice prepared by the Trustee which meets the requirements of Section 4.03 of the respective Indenture) to be given on or before **Friday, November 15, 2013**, to the registered owners of the Series 2005 Bonds and the Series 2007 Bonds in accordance with the requirements of Section 4.03 of the respective Indenture.

We appreciate your willingness to assist the Borrower with this request. If you have any questions, please do not hesitate to contact Herb Wedemeier with Drury Southwest at 573-388-3513 or Thomas K. Spurgeon with McCall, Parkhurst & Horton L.L.P. in San Antonio at 210-225-2800.

Again, thank you for your assistance with this request for the Borrower.

Very truly yours,

ALAMO NATIONAL BUILDING DEVELOPMENT, LP

By: **ALAMO NATIONAL BUILDING MANAGEMENT, LP**, its general partner

By: **DSW ALAMO MANAGEMENT, LLC**, its general partner

By: **DRURY SOUTHWEST, INC.**, its manager

By: _____
Name: Dennis J. Vollink
Title: President

CONDITIONAL NOTICE OF REDEMPTION

To the Holders of the

**CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION
CONTRACT REVENUE EMPOWERMENT ZONE BONDS
(DRURY SOUTHWEST HOTEL PROJECT), SERIES 2005
(CUSIP No. 79625Q AA9)**

NOTICE IS HEREBY GIVEN that the CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION (the "*Issuer*") has called for optional redemption on **Monday, December 2, 2013** (the "*Redemption Date*") all of its outstanding **CONTRACT REVENUE EMPOWERMENT ZONE BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2005**, dated as of October 1, 2005 (the "*Refunded Bonds*") at the redemption price equal to par plus accrued interest to the Redemption Date, all in accordance with the provisions of the Indenture of Trust authorizing the issuance of the Refunded Bonds (the "*2005 Indenture*"). The Refunded Bonds are scheduled to mature on October 1, 2035, have been assigned CUSIP No. 79625Q AA9, and are held in the book-entry-only system of the Depository Trust Company ("*DTC*"). Subject to the provisions of the following paragraph, the Refunded Bonds shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after such date.

As permitted by Section 4.03(A) of the 2005 Indenture, the redemption of the Refunded Bonds is conditioned on the issuance and delivery by the Issuer of \$21,900,000 in aggregate principal amount of its Contract Revenue Empowerment Zone Refunding Bonds (Drury Southwest Hotel Project), Series 2013A (the "*Series 2013A Bonds*"), the proceeds of which will be used to provide a portion of the funds required to redeem the Refunded Bonds on the Redemption Date. In the event the Series 2013A Bonds are not delivered on or before the redemption date for any reason, this notice shall be of no further force and effect and the Refunded Bonds will not be redeemed on the Redemption Date.

NOTICE IS FURTHER GIVEN THAT the Refunded Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

Overnight Courier or Hand Delivery

U.S. Bank Corporate Trust Services
Attn: Original Issuances, 2nd floor
60 Livingston Ave.
St. Paul, MN 55107

First Class/Registered/Certified Mail

U.S. Bank Corporate Trust Services
Attn: Original Issuances
P.O. Box 64111
St. Paul, MN 55164-0111

To avoid a backup withholding tax required by Section 3406 of the Internal Revenue Code of 1986, holders must submit a properly completed IRS Form W-9.

*The above referenced CUSIP number is provided for the convenience of the Bondholders. Neither the Issuer nor the Trustee and Paying Agent for the Refunded Bonds is responsible for any error of any nature relating to the CUSIP number.

CONDITIONAL NOTICE OF REDEMPTION

To the Holders of the

**CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION
CONTRACT REVENUE EMPOWERMENT ZONE BONDS
(DRURY SOUTHWEST HOTEL PROJECT), SERIES 2007
(CUSIP No. 79625Q AB7)**

NOTICE IS HEREBY GIVEN that the CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION (the "*Issuer*") has called for optional redemption on **Monday, December 2, 2013** (the "*Redemption Date*") all of its outstanding **CONTRACT REVENUE EMPOWERMENT ZONE BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2007**, dated as of November 1, 2007 (the "*Refunded Bonds*") at the redemption price equal to par plus accrued interest to the Redemption Date, all in accordance with the provisions of the Indenture of Trust authorizing the issuance of the Refunded Bonds (the "*2007 Indenture*"). The Refunded Bonds are scheduled to mature on October 1, 2037, have been assigned CUSIP No. 79625Q AB7, and are held in the book-entry-only system of the Depository Trust Company ("*DTC*"). Subject to the provisions of the following paragraph, the Refunded Bonds shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after such date.

As permitted by Section 4.03(A) of the 2007 Indenture, the redemption of the Refunded Bonds is conditioned on the issuance and delivery by the Issuer of \$18,000,000 in aggregate principal amount of its *Contract Revenue Empowerment Zone Refunding Bonds (Drury Southwest Hotel Project), Series 2013B* (the "*Series 2013B Bonds*"), the proceeds of which will be used to provide a portion of the funds required to redeem the Refunded Bonds on the Redemption Date. In the event the Series 2013B Bonds are not delivered on or before the redemption date for any reason, this notice shall be of no further force and effect and the Refunded Bonds will not be redeemed on the Redemption Date.

NOTICE IS FURTHER GIVEN THAT the Refunded Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

Overnight Courier or Hand Delivery

U.S. Bank Corporate Trust Services
Attn: Original Issuances, 2nd floor
60 Livingston Ave.
St. Paul, MN 55107

First Class/Registered/Certified Mail

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Attn: Original Issuances
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