

Appraisal of Real Property

9.38 Acres of Land

7402 S. New Braunfels Ave.
San Antonio, Bexar County, Texas 78223

Prepared For:

City of San Antonio

Effective Date of the Appraisal:

August 2, 2018

Report Format:

Appraisal Report – Standard Format

IRR - San Antonio

File Number: 179-2018-0260





9.38 Acres of Land
7402 S. New Braunfels Ave.
San Antonio, Texas



August 13, 2018

Adrian Ramirez
Real Estate Supervisor
City of San Antonio
114 W. Commerce 8th floor
San Antonio, TX 78283

SUBJECT: Market Value Appraisal
 9.38 Acres of Land
 7402 S. New Braunfels Ave.
 San Antonio, Bexar County, Texas 78223
 IRR - San Antonio File No. 179-2018-0260

Dear Mr. Ramirez:

Integra Realty Resources – San Antonio is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as if vacant of the fee simple interest in the property. The client for the assignment is City of San Antonio, and the intended use is for internal decision making purposes.

The subject consists of 9.38 acres or 408,723 square foot site having multiple improvements with a parking lot. The site is located on the east side of South New Braunfels Avenue approximately 335 feet north of Southeast Military Drive. It is a hypothetical condition the site is vacant land and ready for development. Please see the hypothetical condition below for additional details.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of City of San Antonio. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As If Vacant	Fee Simple	August 2, 2018	\$1,940,000

The above value conclusion is exclusive of any non-realty components.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The appraisers noted various industrial machinery, gas tanks, chemical storage barrels, and other materials located on the subject site. It is an extraordinary assumption of this report that there are no environmental issues on the subject site.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The appraisers were requested to value the site as if vacant and ready for development. The site is currently improved with multiple improvements and a parking lot. Therefore, it is a hypothetical condition the site is vacant and ready for development.
2. The appraisers were requested to value the property to its highest and best use regardless of current zoning. The subject's site is currently zoned R-4 and it is our opinion that the highest and best use for the site is commercial use and a C-3, general commercial zoning district. It is a hypothetical condition within this report that the property is zoned C-3 or similar commercial zoning and our valuation within this report is predicated on the hypothetical commercial zoning.

Adrian Ramirez
City of San Antonio
August 13, 2018
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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - SAN ANTONIO



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Summary of Salient Facts and Conclusions

Property Name	9.38 Acres of Land	
Address	7402 S. New Braunfels Ave. San Antonio, Bexar County, Texas 78223	
Property Type	Land - Residential	
Owner of Record	City of San Antonio	
Tax ID	469652	
Legal Description	Being a 9.38 acre portion of Lot 45, N.C.B. 10934, City of San Antonio, Bexar County, Texas	
Land Area	9.38 acres; 408,723 SF	
Zoning Designation	R-4, Residential Single-Family	
Highest and Best Use	Commercial development	
Exposure Time; Marketing Period	6-12 months; 6-12 months	
Effective Date of the Appraisal	August 2, 2018	
Date of the Report	August 13, 2018	
Property Interest Appraised	Fee Simple	
Sales Comparison Approach		
Number of Sales	5	
Range of Sale Dates	May 15 to Jul 17	
Range of Prices per SF (Unadjusted)	\$3.38 - \$5.20	
Market Value Conclusion	\$1,940,000	(\$4.75/SF)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of San Antonio may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

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Quality Assurance

Delivering superior value is a top priority at IRR and we place a premium on feedback from our valued clients. By learning more about your experience with IRR, we will be better able to serve your needs – to enhance our products, service offerings, and client communications.

Attached is a short survey applicable to this appraisal report and the service that you received. Please take a few minutes to share your experience of IRR with us. Your feedback will be reviewed by our Quality Control team. If you desire a follow-up telephone call, please provide your contact information and a member of our Quality Control team will contact you.

Access the online survey here: quality.irr.com.

Thank you in advance for assisting us with this important endeavor. Please feel free to contact your Local Office using the contact information provided within the letter of transmittal or our Quality Control team at quality@irr.com, with any questions or suggestions you may have.

General Information

Identification of Subject

The subject consists of 9.38 acres or 408,723 square foot site having multiple improvements with a parking lot. The site is located on the east side of South New Braunfels Avenue approximately 335 feet north of Southeast Military Drive. It is a hypothetical condition the site is vacant land and ready for development. Please see the hypothetical condition below for additional details. A legal description of the property is provided in the following table.

Property Identification

Property Name	9.38 Acres of Land
Address	7402 S. New Braunfels Ave. San Antonio, Texas 78223
Tax ID	469652
Owner of Record	City of San Antonio
Legal Description	Being a 9.38 acre portion of Lot 45, N.C.B. 10934, City of San Antonio, Bexar County, Texas

Sale History

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value as if vacant of the fee simple interest in the property as of the effective date of the appraisal, August 2, 2018. The date of the report is August 13, 2018. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

“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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;

- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of As Is Market Value

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

Fee simple estate is defined as, “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)

Intended Use and User

The intended use of the appraisal is for internal decision making purposes. The client and intended user is City of San Antonio. The appraisal is not intended for any other use or user. No party or parties other than City of San Antonio may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any 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.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

We use only the sales comparison approach in developing an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length

nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Brandon Brehm, MAI, CCIM, conducted an on-site inspection of the property on August 2, 2018. William Robinson, MAI, was not present during the inspection.

Significant Appraisal Assistance

It is acknowledged that Joseph Walsh made a significant professional contribution to this appraisal, consisting of conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Economic Analysis

San Antonio MSA Analysis

The subject is located in the San Antonio-New Braunfels, TX Metropolitan Statistical Area, hereinafter called the San Antonio MSA, as defined by the U.S. Office of Management and Budget. The San Antonio MSA is 7,313 square miles in size, and is the 24th most populous metropolitan area in the nation.

Population

The San Antonio MSA has an estimated 2018 population of 2,499,295, which represents an average annual 1.9% increase over the 2010 census of 2,142,508. The San Antonio MSA added an average of 44,598 residents per year over the 2010-2018 period, and its annual growth rate exceeded the State of Texas rate of 1.6%.

Looking forward, the San Antonio MSA's population is projected to increase at a 1.6% annual rate from 2018-2023, equivalent to the addition of an average of 40,558 residents per year. The San Antonio MSA's growth rate is expected to exceed that of Texas, which is projected to be 1.4%.

Population Trends

	Population			Compound Ann. % Chng	
	2010 Census	2018 Estimate	2023 Projection	2010 - 2018	2018 - 2023
Bexar County, TX	1,714,773	1,978,695	2,134,954	1.8%	1.5%
San Antonio-New Braunfels, TX (Metro)	2,142,508	2,499,295	2,702,085	1.9%	1.6%
Texas	25,145,561	28,531,603	30,558,741	1.6%	1.4%

Source: Environics Analytics

Employment

Total employment in the San Antonio MSA is currently estimated at 1,056,300 jobs. Between year-end 2007 and the present, employment rose by 193,600 jobs, equivalent to a 22.4% increase over the entire period. There were gains in employment in nine out of the past ten years despite the national economic downturn and slow recovery. The San Antonio MSA's rate of employment growth over the last decade surpassed that of Texas, which experienced an increase in employment of 16.8% or 1,786,000 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the San Antonio MSA unemployment rate has been consistently lower than that of Texas, with an average unemployment rate of 5.2% in comparison to a 5.8% rate for Texas. A lower unemployment rate is a positive indicator.

Recent data shows that the San Antonio MSA unemployment rate is 3.4% in comparison to a 4.2% rate for Texas, a positive sign that is consistent with the fact that the San Antonio MSA has outperformed Texas in the rate of job growth over the past two years.

Employment Trends

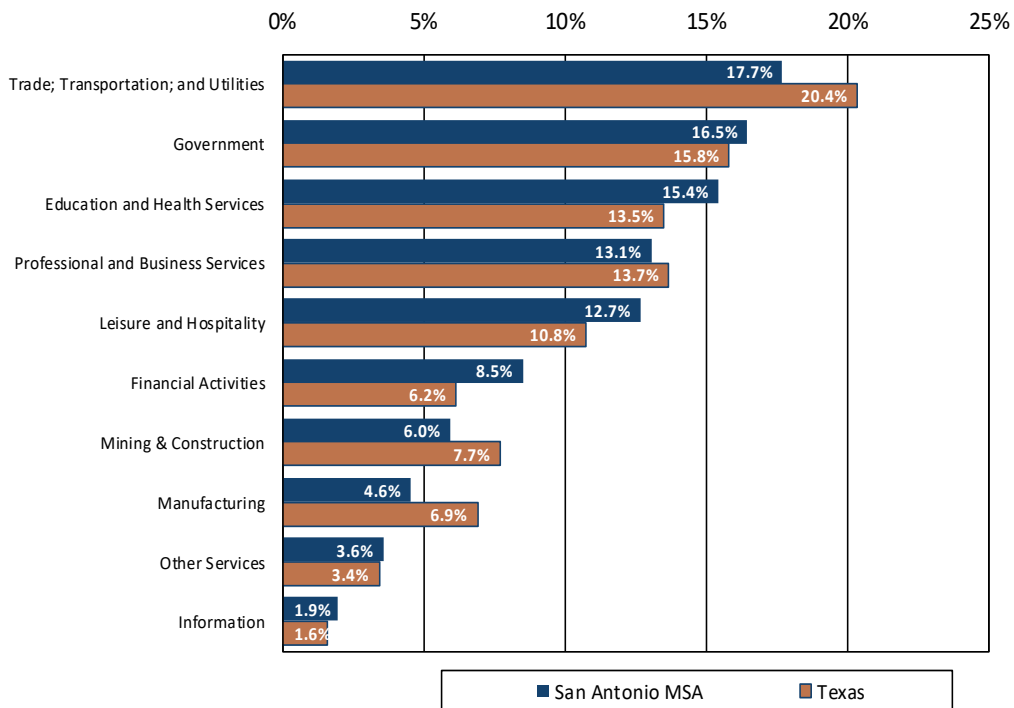
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	San Antonio		Texas		San Antonio	
	MSA	% Change		% Change	MSA	Texas
2007	862,700		10,649,600		4.0%	4.3%
2008	866,000	0.4%	10,703,200	0.5%	4.6%	4.8%
2009	852,600	-1.5%	10,330,700	-3.5%	6.7%	7.6%
2010	864,700	1.4%	10,546,500	2.1%	7.2%	8.2%
2011	883,100	2.1%	10,782,900	2.2%	7.1%	7.8%
2012	912,100	3.3%	11,157,300	3.5%	6.3%	6.7%
2013	938,900	2.9%	11,458,700	2.7%	5.8%	6.3%
2014	976,100	4.0%	11,879,100	3.7%	4.6%	5.1%
2015	1,005,500	3.0%	12,031,100	1.3%	3.8%	4.5%
2016	1,034,100	2.8%	12,177,300	1.2%	3.7%	4.6%
2017	1,056,300	2.1%	12,435,600	2.1%	3.6%	4.3%
Overall Change 2007-2017	193,600	22.4%	1,786,000	16.8%		
Avg Unemp. Rate 2007-2017					5.2%	5.8%
Unemployment Rate - January 2018					3.4%	4.2%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Current Employment Survey (CES). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the San Antonio MSA job market is depicted in the following chart, along with that of Texas. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of San Antonio MSA jobs in each category.

Employment Sectors - 2017



Source: Bureau of Labor Statistics and Economy.com

The San Antonio MSA has greater concentrations than Texas in the following employment sectors:

1. Government, representing 16.5% of San Antonio MSA payroll employment compared to 15.8% for Texas as a whole. This sector includes employment in local, state, and federal government agencies.
2. Education and Health Services, representing 15.4% of San Antonio MSA payroll employment compared to 13.5% for Texas as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Leisure and Hospitality, representing 12.7% of San Antonio MSA payroll employment compared to 10.8% for Texas as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
4. Financial Activities, representing 8.5% of San Antonio MSA payroll employment compared to 6.2% for Texas as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

The San Antonio MSA is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 17.7% of San Antonio MSA payroll



- employment compared to 20.4% for Texas as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Professional and Business Services, representing 13.1% of San Antonio MSA payroll employment compared to 13.7% for Texas as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
 3. Mining & Construction, representing 6.0% of San Antonio MSA payroll employment compared to 7.7% for Texas as a whole. This sector includes construction of buildings, roads, and utility systems, as well as mining, quarrying, and oil and gas extraction.
 4. Manufacturing, representing 4.6% of San Antonio MSA payroll employment compared to 6.9% for Texas as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

Major Employers

Major employers in the San Antonio MSA are shown in the following table.

Major Employers - San Antonio-New Braunfels, TX (Metro)	
Name	Number of Employees
1 Lackland Air Force Base	37,000
2 Fort Sam Houston	32,000
3 H-E-B	20,000
4 USAA	18,305
5 Randolph Air Force Base	11,000
6 Methodist Healthcare System	9,620
7 City of San Antonio	9,145
8 Baptist Health System	6,383
9 Wells Fargo Bank	5,073
10 Harland Clarke	5,000

Source: San Antonio Economic Development Department Foundation Website and 2017 SABI Book of Lists

Gross Domestic Product

The San Antonio MSA ranks 34 in Gross Domestic Product (GDP) out of the nation's 382 metropolitan statistical areas.

Economic growth, as measured by annual changes in GDP, has been considerably higher in the San Antonio MSA than Texas overall during the past eight years. The San Antonio MSA has grown at a 4.7% average annual rate while Texas has grown at a 3.5% rate. As the national economy improves, the San Antonio MSA continues to perform better than Texas. GDP for the San Antonio MSA rose by 3.1% in 2016 while Texas's GDP fell by 0.3%.

The San Antonio MSA has a per capita GDP of \$45,006, which is 15% less than Texas's GDP of \$53,129. This means that San Antonio MSA industries and employers are adding relatively less value to the economy than their counterparts in Texas.

Gross Domestic Product

Year	(\$ Mil)		(\$ Mil)	
	San Antonio MSA	% Change	Texas	% Change
2009	79,363		1,166,516	
2010	80,912	2.0%	1,197,006	2.6%
2011	83,814	3.6%	1,240,117	3.6%
2012	88,033	5.0%	1,310,522	5.7%
2013	93,734	6.5%	1,377,100	5.1%
2014	100,487	7.2%	1,424,694	3.5%
2015	106,032	5.5%	1,484,881	4.2%
2016	109,348	3.1%	1,480,304	-0.3%
Compound % Chg (2009-2016)		4.7%		3.5%
GDP Per Capita 2016	\$45,006		\$53,129	

Source: Bureau of Economic Analysis and Economy.com; data released September 2016. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

Household Income

The San Antonio MSA has a slightly lower level of household income than Texas. Median household income for the San Antonio MSA is \$59,843, which is 0.6% less than the corresponding figure for Texas.

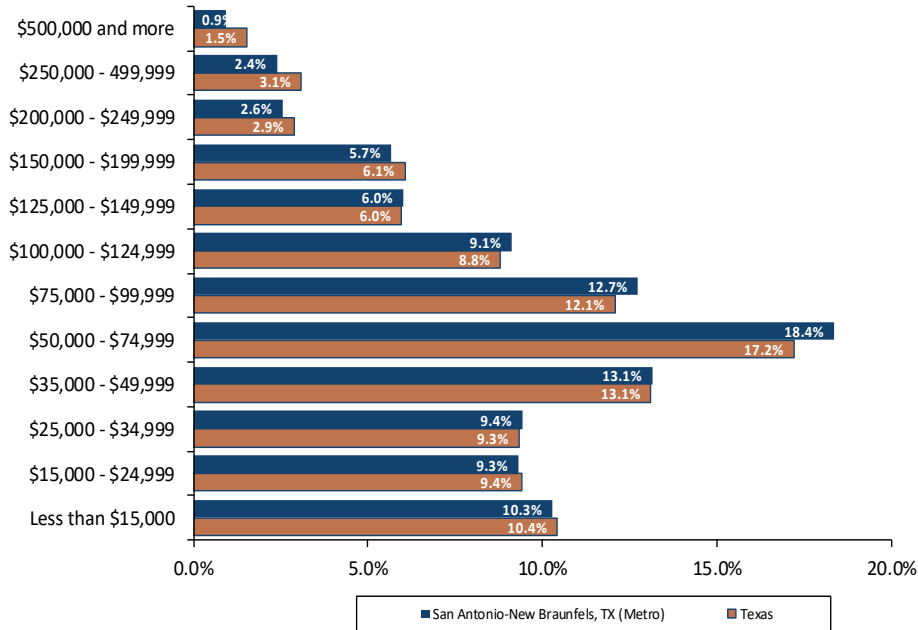
Median Household Income - 2018

	Median
San Antonio-New Braunfels, TX (Metro)	\$59,843
Texas	\$60,211
Comparison of San Antonio-New Braunfels, TX (Metro) to Texas	- 0.6%

Source: Environics Analytics

The following chart shows the distribution of households across twelve income levels. The San Antonio MSA has a greater concentration of households in the middle income levels than Texas. Specifically, 32% of San Antonio MSA households are between the \$35,000 - \$75,000 levels in household income as compared to 30% of Texas households. A lesser concentration of households is apparent in the higher income levels, as 39% of San Antonio MSA households are at the \$75,000 or greater levels in household income versus 40% of Texas households.

Household Income Distribution - 2018

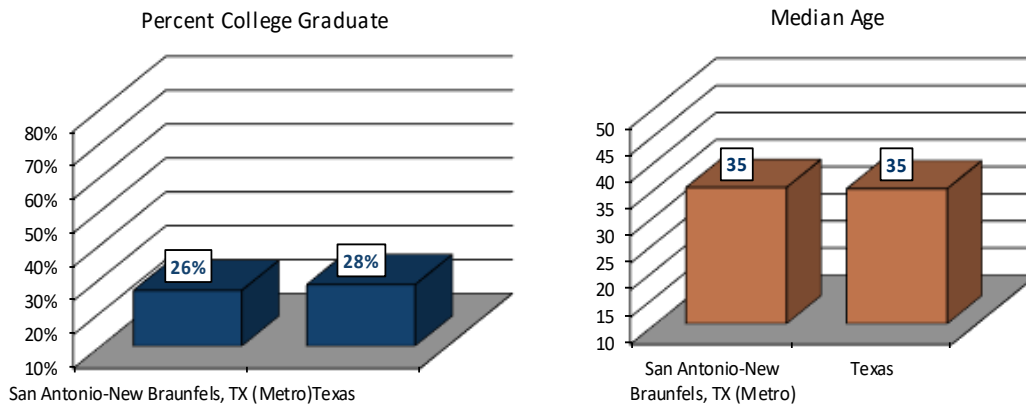


Source: Environics Analytics

Education and Age

Residents of the San Antonio MSA have a slightly lower level of educational attainment than those of Texas. An estimated 26% of San Antonio MSA residents are college graduates with four-year degrees, versus 28% of Texas residents. People in the San Antonio MSA are similar in age to their Texas counterparts. The median age of both the San Antonio MSA and Texas is 35 years.

Education & Age - 2018



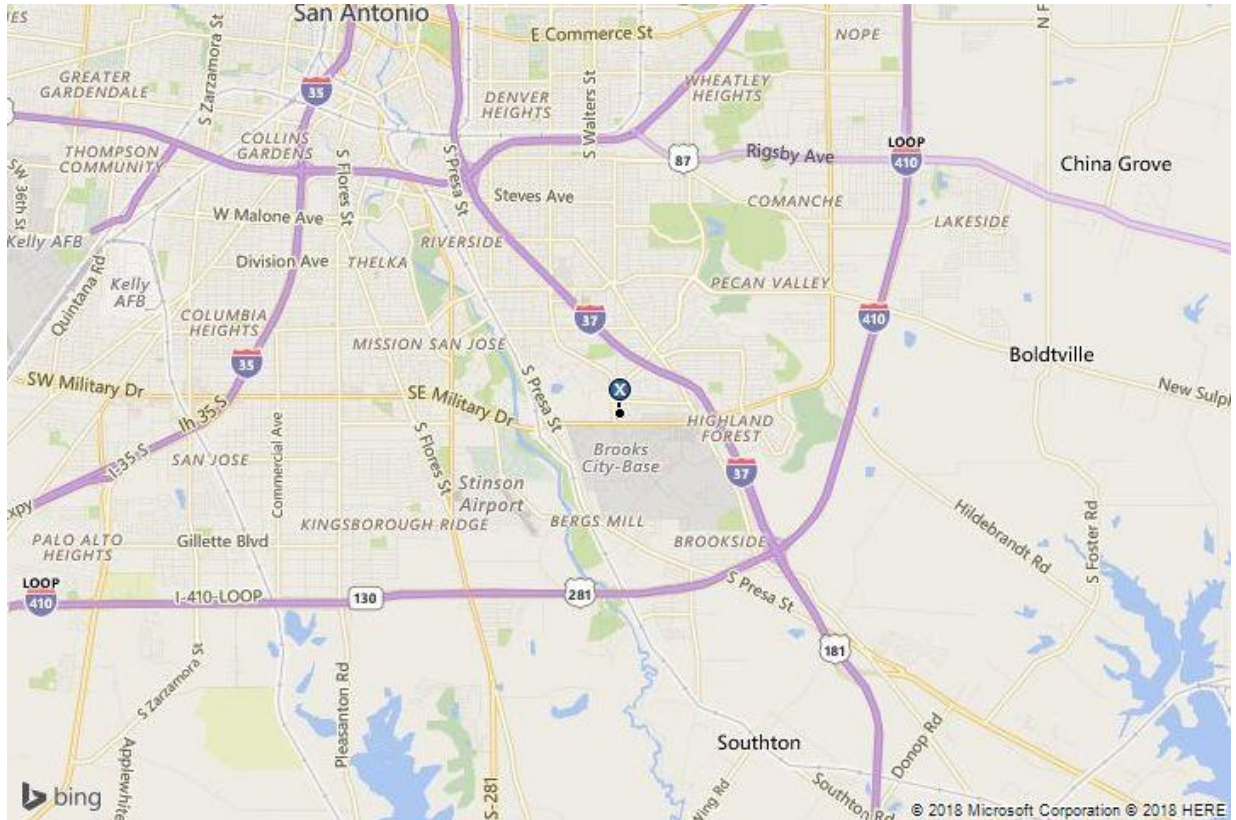
Source: Environics Analytics



Conclusion

The San Antonio MSA economy will be affected by a growing population base and lower income and education levels. The San Antonio MSA experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than Texas over the past decade. Moreover, the San Antonio MSA exhibits a higher rate of GDP growth than Texas overall. We anticipate that the San Antonio MSA economy will improve and employment will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

Location

The subject is located on the east side of South New Braunfels Avenue approximately 335 feet north of Southeast Military Drive and 6 ½ miles southeast of the Central Business District of San Antonio. There has been some recent commercial development in the immediate area including along Southeast Military Drive and within Brooks City-Base.

Access and Linkages

The subject is located in convenient distance to major expressway systems including Highway 281 and Loop 410. Other commercial traffic arteries in the neighborhood include Southeast Military Drive, South New Braunfels Avenue, Southcross Boulevard, Pleasanton Road, Roosevelt Avenue, South Flores Street, South Presa Street, and Zaramora Street.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2018 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	San Antonio MSA	Texas
Population 2010	9,979	79,705	194,806	2,142,508	25,145,561
Population 2018	10,891	86,735	211,438	2,499,295	28,531,603
Population 2023	11,540	92,350	224,345	2,702,085	30,558,741
Compound % Change 2010-2018	1.1%	1.1%	1.0%	1.9%	1.6%
Compound % Change 2018-2023	1.2%	1.3%	1.2%	1.6%	1.4%
Households 2010	3,512	27,366	65,045	763,022	8,922,933
Households 2018	3,856	30,218	72,117	898,490	10,131,556
Households 2023	4,106	32,375	77,166	976,105	10,866,516
Compound % Change 2010-2018	1.2%	1.2%	1.3%	2.1%	1.6%
Compound % Change 2018-2023	1.3%	1.4%	1.4%	1.7%	1.4%
Median Household Income 2018	\$34,525	\$39,442	\$38,036	\$59,843	\$60,211
Average Household Size	2.6	2.8	2.9	2.7	2.8
College Graduate %	7%	9%	10%	26%	28%
Median Age	32	33	34	35	35
Owner Occupied %	31%	59%	61%	64%	64%
Renter Occupied %	69%	41%	39%	36%	36%
Median Owner Occupied Housing Value	\$87,316	\$93,256	\$89,210	\$165,061	\$163,466
Median Year Structure Built	1973	1967	1965	1990	1988
Avg. Travel Time to Work in Min.	27	27	27	28	29

Source: Envirionics Analytics

As shown above, the current population within a 3-mile radius of the subject is 86,735, and the average household size is 2.8. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to the San Antonio MSA overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$39,442, which is lower than the household income for the San Antonio MSA. Residents within a 3-mile radius have a considerably lower level of educational attainment than those of the San Antonio MSA, while median owner occupied home values are considerably lower.

Land Use

Commercial properties are located along the major arterials and include multi-story office buildings, retail centers, apartment complexes, hotels/motels, and special purpose properties. Other commercial properties within the area include car dealerships, banks, restaurants, service stations, automotive repair, medical and professional services, and other small shops which cater to the local area.

The area has been built-up with commercial improvements for many years with redevelopment of older commercial properties on-going. Retail development east of Interstate Highway 35 along Southwest Military Drive is of mixed age and quality. There are several newer redevelopment areas at major intersections including Southeast Military Drive and Roosevelt Avenue, Southwest Military Drive and Pleasanton Road, Southeast Military Drive and Goliad Road, and at Southeast Military Drive and the area surrounding Brooks City-Base and Interstate Highway 37.

Brooks City-Base is a master-planned, mixed-use development spanning over 1,300 acres which includes over 400,000 square feet of office, retail, and light industrial space. In June 2011, the Baptist Health System relocated to a newly completed hospital building in Brooks City-Base. As of today, there are more than 38 businesses and organization located at Brooks City-Base of which provide over 3,000 jobs that average over \$50,000 in annual salary. Other major employers located in the development include DPT Laboratories, Grubb Engineering, Inc., and Texas A&M University–San Antonio. The Landing at Brooks City-Base, a 300-unit, Class “A” apartment complex, was recently completed at an approximate cost of \$27 Million.

Located at the southeast corner of Southwest Military Drive and Zarzamora Street is the South Park Mall. South Park Mall is anchored by Macy’s, J.C. Penney, and Sears. The mall was originally constructed in 1968, renovated in 2000, and contains a gross leasable area of 789,207 square feet.

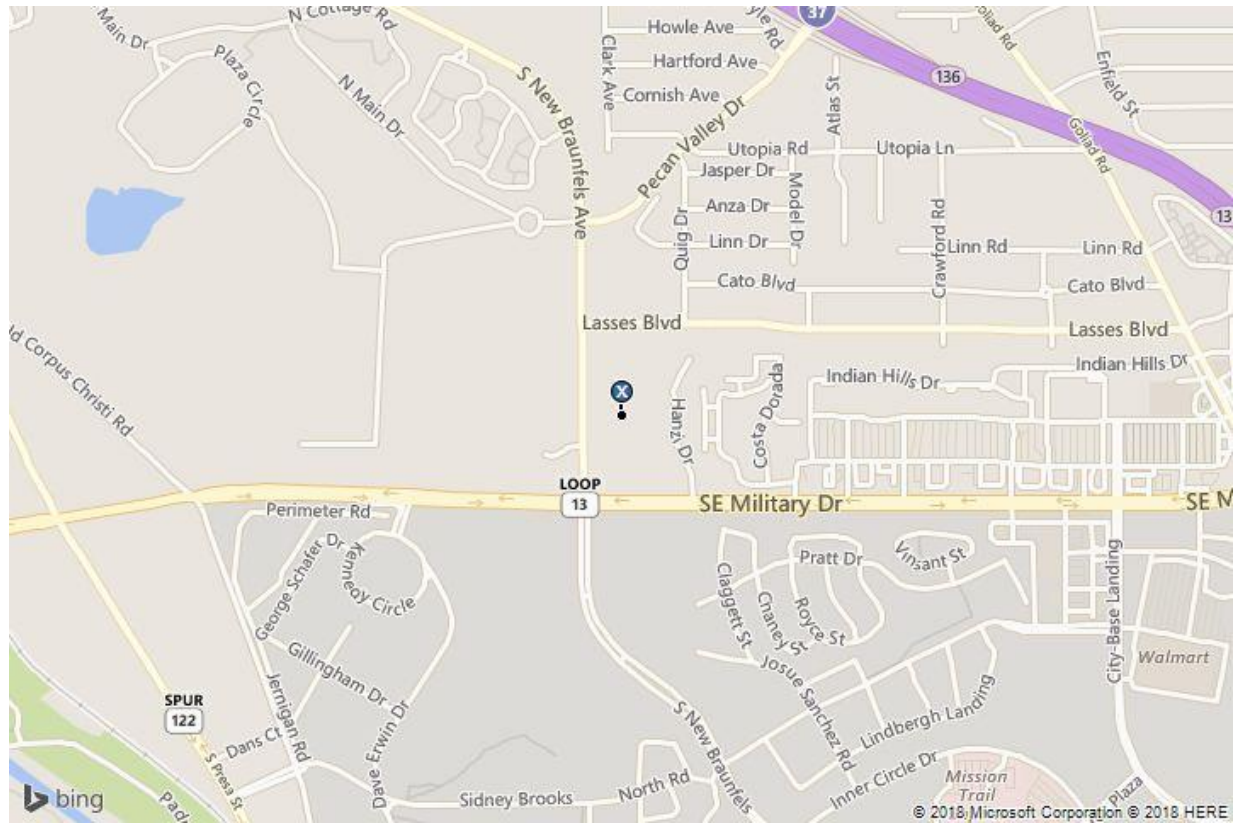
Employment Generators

The subject property is in proximity to the Central Business District of San Antonio, as well as, several other major employers for San Antonio including Lackland Air Force Base, Port San Antonio (former Kelly Air Force Base), the Mission Trails Baptist Hospital, Brooks City Base, and the Toyota Tundra Plant.

Outlook and Conclusions

The subject neighborhood is a stable, well established area of San Antonio in an area of surrounding single family residential development, as well as, retail commercial, office, and multi-family garden apartment complex development. The subject neighborhood is anticipated to maintain its existing population with lower to middle income demographics. Property values, as well as, rental rates and occupancy levels within the subject neighborhood should continue to slightly increasing inline with continued neighborhood growth and re-development along Military Drive.

Surrounding Area Map



Property Analysis

Land Description and Analysis

Land Description

Land Area	9.38 acres; 408,723 SF
Source of Land Area	Engineering Report
Primary Street Frontage	New Braunfels - 724 feet
Shape	Rectangular
Corner	Yes
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Flood Area Panel Number	48029C0580G
Date	September 29, 2010
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Zoning; Other Regulations

Zoning Jurisdiction	City of San Antonio
Zoning Designation	R-4
Description	Residential Single-Family
Legally Conforming?	Appears not to be legally conforming
Zoning Change Likely?	Yes
Permitted Uses	Various residential dwellings which include foster family home, nursery, public/private schools and single-family dwellings with a minimum lot size of 4,000 square feet and a minimum lot width of 35 feet

Utilities

Service	Provider
Water	San Antonio Water System
Sewer	San Antonio Water System
Electricity	CPS Energy
Natural Gas	CPS Energy
Local Phone	Multiple Providers

Per the request of the client, we have appraised the property to its highest and best use irregardless of current zoning. In this case, the highest and best use was determined to be commercial and we have utilized a hypothetical condition the property is zoned for C-3 or similar for commercial use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Easements, Encroachments and Restrictions

Based upon a review of the property survey, there appears to be a 14 foot gas and electric easement along the frontage of South New Braunfels Avenue. In addition, there is a 28 foot by 284 foot electric

easement located along the southern property line of the subject. Our valuation assumes no adverse impacts from encroachments or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses. We are not aware of any other particular restrictions on development.



Looking south along S. New Braunfels Ave. – subject at left



Looking north along S. New Braunfels Ave. – subject at right



View of subject



View of subject



View of subject



View of subject



View of subject



View of subject



View of subject



View of subject



View of subject



View of subject

Aerial Image



9.38 Acres of Land



Real Estate Taxes

The subject property is located in Bexar County, Texas. The Bexar Appraisal District (BAD) appraises all real property and business personal property according to the Texas Property Tax Code and the Uniform Standards of Professional Appraisal Practices (USPAP).

Properties are appraised between January 1 and April 30 of each year and are assessed at market value with an effective date of January 1 of that year. Local taxing units adopt tax rates in August and September, and the county tax assessor-collector sends tax bills to property owners on October 1 or as soon thereafter as practicable.

The subject's tax account is 469652 and has no real estate taxes due to the subject property having a tax exempt status. Therefore, there are no real estate taxes due and the subject property has not been assessed by the appraisal district.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as vacant, and as improved. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

Per scope of work, we have been instructed to value the property to its highest and best use as if the zoning could be changed to any use permissible. As indicated in the financially feasible section below, higher density commercial use is the highest and best use for the site. Therefore, we have utilized the C-3 commercial zoning category.

Permitted uses include a variety of commercial development including regional shopping centers, office buildings, power centers, and/or assembly of similar uses into a single complex. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only

commercial development is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for commercial development in the subject's area. It appears that a newly developed commercial development on the site would have a value commensurate with its cost. Therefore, commercial development is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than commercial development. Accordingly, it is our opinion that commercial development, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for commercial development is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as vacant.

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the probable buyer is a developer or investor.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

Our sales research focused on transactions within the following parameters:

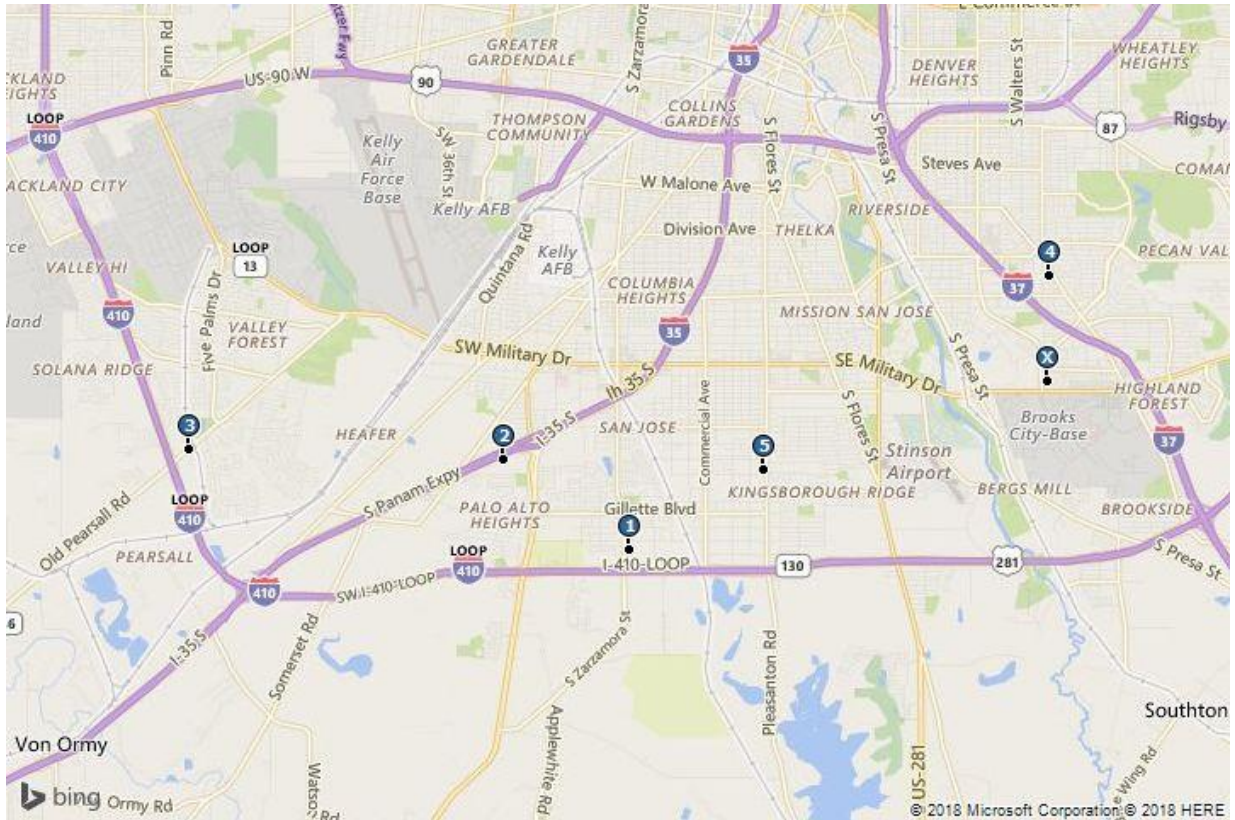
- Location: San Antonio
- Size: 5 to 15 acres
- Use: Commercial
- Transaction Date: 2015 to present

For this analysis, we use price per square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	South Zarzamora St. San Antonio	Jul-17 Closed	\$1,400,000	320,994 7.37	C-3	\$4.36	\$189,985
2	8730 IH 35 S. San Antonio	Jan-17 Closed	\$2,412,029	626,501 14.38	C-3	\$3.85	\$167,706
3	Old Pearsall Rd. San Antonio	Oct-16 Closed	\$894,342	264,540 6.07	C-3	\$3.38	\$147,265
4	1515 Goliad Rd. San Antonio	Oct-15 Closed	\$1,565,000	331,927 7.62	C-2	\$4.71	\$205,381
5	3847 Pleasanton Rd. San Antonio	May-15 Closed	\$1,200,000	230,781 5.30	C-2, C-3	\$5.20	\$226,415
	Subject 9.38 Acres of Land San Antonio, TX			408,723 9.38	Residential Single-Family		

Comparable Land Sales Map





Sale 1
S. Zarzamora St.



Sale 2
8730 IH 35 S.



Sale 3
Old Pearsall Rd.



Sale 4
1515 Goliad Rd.



Sale 5
3847 Pleasanton Rd.

9.38 Acres of Land



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Accounts for atypical economic transactions such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors.	Sale No. 4 required a plus adjustment for demolition cost at the time of sale.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	All sales have fee simple property rights and no adjustments were required.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	All sales sold on a cash-to-seller basis or terms comparable thereto and no adjustments were required.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	All of the sales were confirmed as being arm's length transactions and no adjustments were required.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Based on the date of the sales, we applied upward adjustments of 2% annually for appreciating market conditions through the effective date of the appraisal.
Location	Market or submarket area influences on sale price; surrounding land use influences.	All sales required plus adjustments for their inferior locations.
Street Frontage/Corner	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	Sale No. 2 required a plus adjustment for its inferior street frontage/corner. Sale Nos. 4 and 5 required minus adjustments for their superior street frontage/corner.

Size	Inverse relationship that often exists between parcel size and unit value.	Typically, larger properties sell for a lower prices per square foot of land area and smaller properties sell for a higher price per square foot of land area. Adjustments have been made on an adjustment factor of 10% for each doubling in size of the comparable land sales.
Shape	Primary physical factors that affect the utility of a site for its highest and best use.	Sale No. 4 required a plus adjustment for its inferior shape.
Topography	Topography factors that affect the utility of a site for its highest and best use.	No adjustments warranted.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	No adjustments warranted.
Easements	Type of easements or encumbrances on-site which could impact value.	Sale No. 3 required a plus adjustment for its easement on site.
Utilities	Availability of utilities to the site can have an effect on development cost.	All sales have similar access to utilities and no adjustments were warranted.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	7402 S. New Braunfels Ave. San Antonio	S. Zarzamora St.	8730 IH 35 S.	Old Pearsall Rd.	1515 Goliad Rd.	3847 Pleasanton Rd.
City		San Antonio	San Antonio	San Antonio	San Antonio	San Antonio
Sale Date		Jul-17	Jan-17	Oct-16	Oct-15	May-15
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$1,400,000	\$2,412,029	\$894,342	\$1,400,000	\$1,200,000
Price Adjustment		-	-	-	\$165,000	-
Description of Adjustment					Demolition Cost	
Effective Sale Price		\$1,400,000	\$2,412,029	\$894,342	\$1,565,000	\$1,200,000
Square Feet	408,723	320,994	626,501	264,540	331,927	230,781
Price per Square Foot		\$4.36	\$3.85	\$3.38	\$4.71	\$5.20
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
Conditions of Sale		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
% Adjustment		-	-	-	-	-
Market Conditions	8/2/2018	Jul-17	Jan-17	Oct-16	Oct-15	May-15
Annual % Adjustment	2%	2%	3%	4%	6%	6%
Cumulative Adjusted Price		\$4.45	\$3.97	\$3.52	\$5.00	\$5.51
Location		10%	5%	20%	5%	10%
Street Frontage/Corner		-	5%	-	-10%	-10%
Size		-3%	5%	-5%	-2%	-8%
Shape		-	-	-	5%	-
Topography		-	-	-	-	-
Zoning		-	-	-	-	-
Easements		-	-	15%	-	-
Utilities		-	-	-	-	-
Net \$ Adjustment		\$0.31	\$0.59	\$1.05	-\$0.10	-\$0.44
Net % Adjustment		7%	15%	30%	-2%	-8%
Final Adjusted Price		\$4.76	\$4.56	\$4.57	\$4.90	\$5.07
Overall Adjustment		9%	18%	35%	4%	-2%
Range of Adjusted Prices		\$4.56 - \$5.07				
Average		\$4.77				
Indicated Value		\$4.75				

Land Value Conclusion

Prior to adjustment, the sales reflect a range of \$3.38 - \$5.20 per square foot. After adjustment, the range is narrowed to \$4.56 - \$5.07 per square foot, with an average of \$4.77 per square foot. Based on the preceding analysis, we reach a land value conclusion as follows:

Land Value Conclusion

Indicated Value per Square Foot	\$4.75
Subject Square Feet	408,723
Indicated Value	\$1,941,434
Rounded	\$1,940,000

Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As If Vacant	Fee Simple	August 2, 2018	\$1,940,000

The above value conclusion is exclusive of any non-realty components.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The appraisers noted various industrial machinery, gas tanks, chemical storage barrels, and other materials located on the subject site. It is an extraordinary assumption of this report that there are no environmental issues on the subject site.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The appraisers were requested to value the site as if vacant and ready for development. The site is currently improved with multiple improvements and a parking lot. Therefore, it is a hypothetical condition the site is vacant and ready for development.
2. The appraisers were requested to value the property to its highest and best use regardless of current zoning. The subject's site is currently zoned R-4 and it is our opinion that the highest and best use for the site is commercial use and a C-3, general commercial zoning district. It is a hypothetical condition within this report that the property is zoned C-3 or similar commercial zoning and our valuation within this report is predicated on the hypothetical commercial zoning.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 6-12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 6-12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any 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.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Brandon Brehm, MAI, CCIM made a personal inspection of the property that is the subject of this report. William Robinson, MAI, did not personally inspect the subject.
12. Significant real property appraisal assistance was provided by Joseph Walsh and Sunny Reyna who did not sign this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Brandon Brehm, MAI, CCIM, and William Robinson, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



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Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – San Antonio, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. Integra Realty Resources – San Antonio is not a building or environmental inspector. Integra San Antonio does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

- appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – San Antonio, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The appraisers noted various industrial machinery, gas tanks, chemical storage barrels, and other materials located on the subject site. It is an extraordinary assumption of this report that there are no environmental issues on the subject site.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The appraisers were requested to value the site as if vacant and ready for development. The site is currently improved with multiple improvements and a parking lot. Therefore, it is a hypothetical condition the site is vacant and ready for development.
 2. The appraisers were requested to value the property to its highest and best use regardless of current zoning. The subject's site is currently zoned R-4 and it is our opinion that the highest and best use for the site is commercial use and a C-3, general commercial zoning district. It is a hypothetical condition within this report that the property is zoned C-3 or similar commercial zoning and our valuation within this report is predicated on the hypothetical commercial zoning.
-

Addendum A
Appraiser Qualifications



William Robinson, MAI

Experience

William C. Robinson is Managing Director for Integra Realty Resources - San Antonio. Prior to Integra, Mr. Robinson co-founded Meridia Appraisal Group (Meridia) in 2014. Mr. Robinson was instrumental in business development expanding the market footprint of Meridia throughout South and Central Texas. Through his leadership, Meridia experienced tremendous growth and success. In 2007, Mr. Robinson began his appraisal career at Weissler Appraisal Company. He was a top producer within his company and focused much of his time in the Laredo and South Texas market areas.

Mr. Robinson has been actively engaged in real estate appraisal and valuation since 2007. Mr. Robinson has completed a wide variety of real property valuation assignment on various property types to include vacant land, retail properties, apartment complexes, office buildings, industrial complexes, special purpose properties, and general commercial properties. In addition, Mr. Robinson has experience in appraising property in central and south Texas.

Clients served include lending institutions, investment firms, accountants, law firms, governmental agencies, and various private/public entities.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute

Licenses

Texas, William Conger Robinson III, 1380230 G, Expires May 2019

Education

Mr. Robinson graduated from Texas Tech University in 2007 with a Bachelor of Business Degree in Finance. While attending Texas Tech University, Mr. Robinson received the Distinguished Student Award.

In November 2013, Mr. Robinson received the MAI designation from the Appraisal Institute. Mr. Robinson is in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the ethics standards of the Appraisal Institute. In addition, Mr. Robinson regularly attends classes and seminars offered by the Appraisal Institute, CCIM Institute, and Risk Management Association, to name a few.

Integra Realty Resources
San Antonio

909 NE Loop 410
Suite 636
San Antonio, TX 78209

T 210-446-4444

irr.com



Texas Appraiser Licensing and Certification Board

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

Certified General Real Estate Appraiser


Number: **TX 1380230 G**

Issued: **05/09/2017**

Expires: **05/31/2019**

Appraiser: **WILLIAM CONGER ROBINSON III**

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



Brandon Brehm, MAI, CCIM

Experience

Brandon L. Brehm is Senior Managing Director for Integra Realty Resources - San Antonio. Prior to Integra, Mr. Brehm co-founded Meridia Appraisal Group (Meridia) in 2014. Meridia experienced tremendous growth and success under his guidance and leadership. In 2006, Mr. Brehm began his career with Noble & Associates, Inc. and quickly became a top producer while being trained in all aspects of appraisal.

Mr. Brehm has been actively engaged in real estate appraisal and valuation since 2006. Mr. Brehm has a vast array of general real estate appraisal experience including appraisals of partial interests, fundamental market analysis studies, and discounted cash flow analysis for various multi-tenant properties utilizing ARGUS software. A sampling of property types appraised include: neighborhood and community shopping centers, power centers, single and multi-tenant medical and standard office buildings, apartment complexes, industrial properties including warehouses and manufacturing facilities, special purpose properties, and other general commercial property types.

Clients served include lending institutions, investment firms, accountants, law firms, governmental agencies, and various private/public entities. Valuations have been performed for financing, estates, litigation support, and consulting purposes.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute
Certified Commercial Investment Member (CCIM) CCIM Institute

Licenses

Texas, Brandon Lee Brehm, 1380201 G, Expires December 2018

Education

Mr. Brehm graduated from the University of Texas in 2005 with a Bachelor of Arts degree in Government. During his career as an appraiser he has taken numerous appraisal related courses and seminars from various education providers including the Appraisal Institute and the CCIM Institute.

In October 2013, Mr. Brehm received the MAI designation from the Appraisal Institute and has remained in good standing. Mr. Brehm is in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the ethics and standards of the Appraisal Institute.

In October 2014, Mr. Brehm received the CCIM designation from the CCIM Institute. To earn the prestigious CCIM designation, Mr. Brehm completed more than 160 hours of case-study driven education, as well as, demonstrated proficiency in depth of commercial real estate experience, and passed a comprehensive examination.

Mr. Brehm also has extensive professional training in ARGUS software to include ACG Professionals – Week Long Boot Camp.

Integra Realty Resources
San Antonio

909 NE Loop 410
Suite 636
San Antonio, TX 78209

T 210-446-4444

irr.com



Texas Appraiser Licensing and Certification Board

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

Certified General Real Estate Appraiser

Number: **TX 1380201 G**

Issued: **12/12/2016**

Expires: **12/31/2018**

Appraiser: **BRANDON LEE BREHM**

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



About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

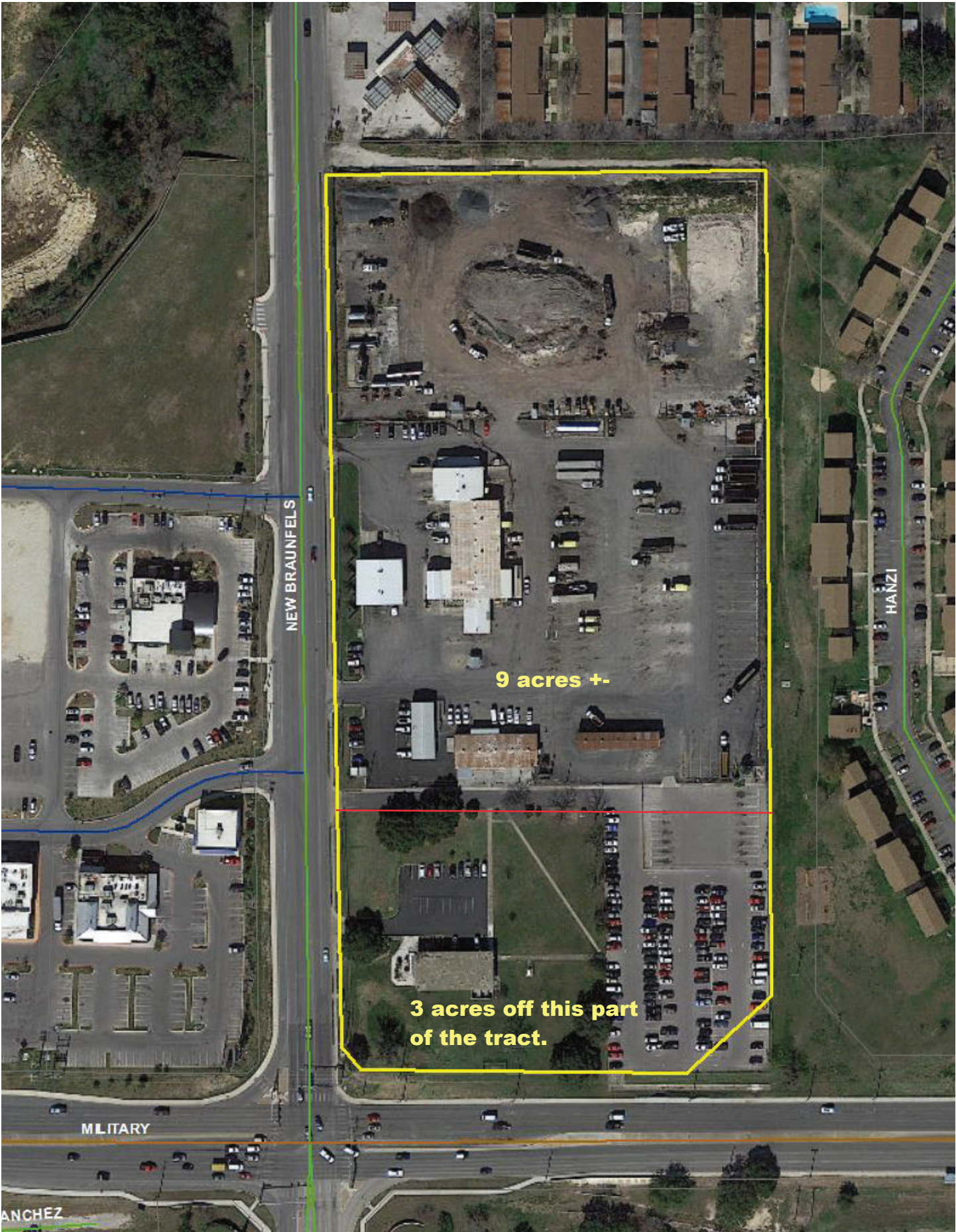
Local Expertise...Nationally!

irr.com



Addendum B
Property Information





NEW BRAUNFELS

HANZI

MILITARY

ANCHEZ

9 acres +/-

3 acres off this part of the tract.

PLAT NO. 970351
 SUBDIVISION PLAT OF
SOUTHEAST SERVICE CENTER

BEING A 12.502 ACRE TRACT OF LAND OUT OF THE
 A. GALAN SURVEY NO. 25, ABSTRACT NO. 259, SAN ANTONIO,
 BEXAR COUNTY, TEXAS.

THIS PLAT OF SOUTHEAST SERVICE CENTER HAS BEEN SUBMITTED
 TO AND CONSIDERED BY THE PLANNING COMMISSION OF THE CITY OF SAN ANTONIO,
 TEXAS AND IS HEREBY APPROVED BY SUCH COMMISSION.

DATED THIS 25 DAY OF August 1999
 BY *[Signature]* BY *[Signature]*
 REGISTRAR ATTORNEY

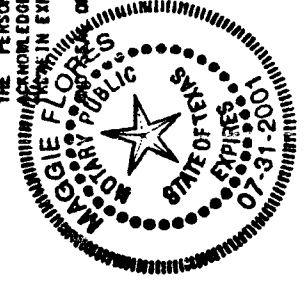
STATE OF TEXAS
 COUNTY OF BEXAR

THE OWNER OF THE LAND SHOWN ON THIS PLAT IN PERSON OR THROUGH A duly
 AUTHORIZED AGENT, DEEDGATE, OR THE USE OF THE PUBLIC THROUGH A DULY
 ALLEYS, PARKS, WATER COURSES, DRAINAGE, EASEMENTS AND PUBLIC PLACES THEREIN
 SHOWN FOR THE PURPOSE AND TO THE EXTENT EXPRESSLY THEREIN EXPRESSED.

[Signature]
 City of San Antonio
 Director of Public Works

STATE OF TEXAS
 COUNTY OF BEXAR

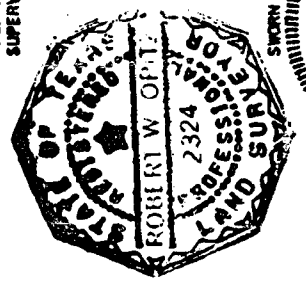
BEFORE ME, THE UNDERSIGNED AUTHORITY ON THIS DAY PERSONALLY APPEARED
JOHN L. GERMAN
 KNOWN TO ME TO BE
 THE OWNER OF THE LAND SHOWN ON THIS PLAT IN PERSON OR THROUGH A DULY
 AUTHORIZED AGENT, DEEDGATE, OR THE USE OF THE PUBLIC THROUGH A DULY
 ALLEYS, PARKS, WATER COURSES, DRAINAGE, EASEMENTS AND PUBLIC PLACES THEREIN
 SHOWN FOR THE PURPOSE AND TO THE EXTENT EXPRESSLY THEREIN EXPRESSED, GIVEN UNDER MY HAND
 AND SEAL OF OFFICE THIS 3 DAY OF JUNE 1999



[Signature]
 Notary Public, Bexar County, Texas

STATE OF TEXAS
 COUNTY OF BEXAR

I HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT AND WAS PREPARED
 FROM AN ACCURATE SURVEY OF THE PROPERTY MADE ON THE GROUND UNDER MY
 SUPERVISION.



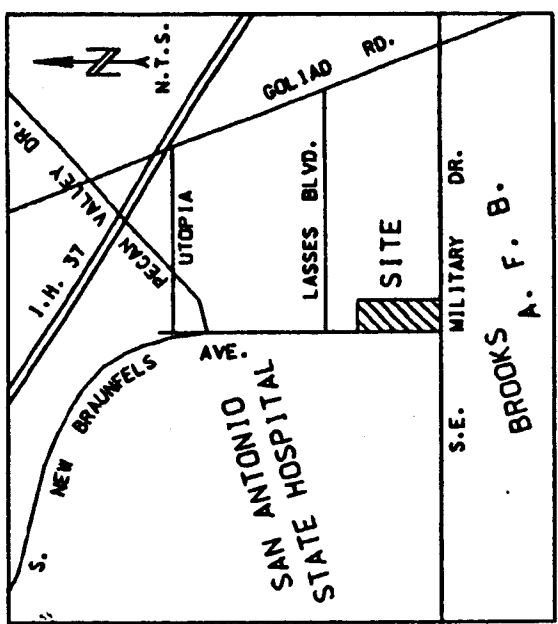
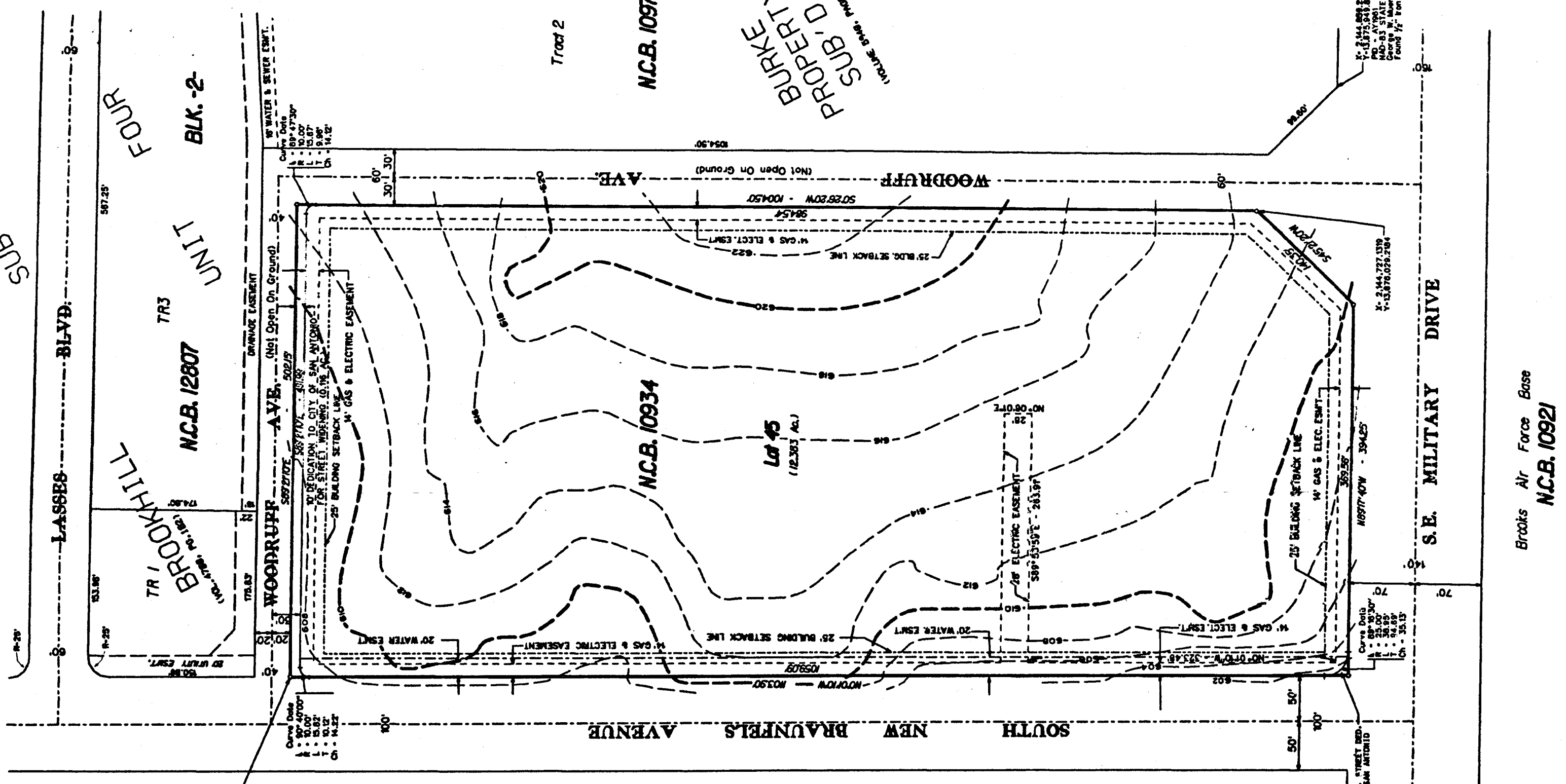
[Signature]
 Registered Professional Land Surveyor
 Notary Public in and for the State of Texas

STATE OF TEXAS
 COUNTY OF BEXAR

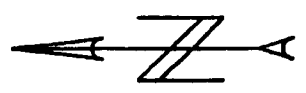
I HEREBY CERTIFY THAT THIS PLAT WAS FILED FOR RECORD IN MY OFFICE, ON THE
 1st DAY OF May A.D. 2000 AT 12:30 P.M.
 AND DULY RECORDED THE 2nd DAY OF May 2000 AT 2:45 A.M.
 VALUE 9547 ON PAGE 59 IN TESTIMONY WHEREOF, WITNESS MY
 HAND AND OFFICIAL SEAL OF OFFICE, THIS 4th DAY OF May A.D. 2000



[Signature]
 County Clerk, Bexar County, Texas
 BY *[Signature]*
 Deputy



LOCATION MAP



SCALE: 1"=100'

GENERAL NOTES

- 0 - INDICATES PROPERTY CORNER.
- IRON PIN SET.
- EXISTING CONTOUR LINES ARE SHOWN AT A 2 FOOT INTERVAL.

PREPARED BY:

City of San Antonio
 Department of Public Works
 Capital Programs Division
 File: H-2085 Date: May, 1999



WASTEWATER EDU NOTE:
 The number of wastewater Equivalent Dwelling Units (EDU's)
 provided for this subdivision plat are based on the information
 provided by the City of San Antonio Planning Department.

THE CITY OF SAN ANTONIO AS PART OF ITS ELECTRIC AND GAS SYSTEM FOR CITY PUBLIC
 UTILITY SERVICE FACILITIES IN THE AREAS DESTINED ON THIS PLAT
 FOR RESIDENTIAL DEVELOPMENT, HAS PROVIDED FOR THE INSTALLATION OF
 ELECTRIC AND GAS SERVICE FACILITIES, INCLUDING EASEMENTS, FOR THE
 PURPOSE OF INSTALLING, CONSTRUCTING, MAINTAINING, REMOVING, INSPECTING, PATROLLING,
 REPAIRING, REPLACING, AND TRANSFORMER EASEMENT, FOR THE
 TRANSMISSION FACILITY WITHIN THE NECESSARY APPROPRIATE AREAS TOGETHER WITH THE RIGHT
 OF ACCESS AND CROSS OVER ADJACENT LAND, THE RIGHT TO RELOCATE
 SERVICE FACILITIES FROM SAID LAND, ALL THEREON OR PARTS THEREOF, OR OTHER
 CONSTRUCTION, WHICH EASEMENTS, RIGHTS, INTERESTS AND PRIVILEGES SHALL BE IN FULL FORCE AND EFFECT
 UNLESS OTHERWISE SPECIFIED IN THE INSTRUMENTS AND INSTRUMENTS THAT NO BUILDINGS, CURBS, OR
 SLABS, OR WALLS WILL BE PLACED WITHIN SAID EASEMENT AREAS.
 ANY COSTS MONETARY LOSS RESULTING FROM MODIFICATIONS REQUIRED OF CPS EQUIPMENT
 LOCATED WITHIN SAID EASEMENT ARE TO BE PAID BY THE OWNER OF SAID EASEMENT
 UNLESS OTHERWISE SPECIFIED IN THE INSTRUMENTS AND INSTRUMENTS THAT NO BUILDINGS, CURBS, OR
 SLABS, OR WALLS WILL BE PLACED WITHIN SAID EASEMENT AREAS.
 THE CITY OF SAN ANTONIO HAS PROVIDED FOR THE INSTALLATION OF EASEMENTS FOR
 UTILITIES UNLESS THE CHANGES TO SUCH EASEMENTS ARE DESCRIBED AS FOLLOWS: NONE.

On May 01 2000
 At 12:35p
 Receipt #: 326035
 Recording #: 000000
 Doc/Inst #: 000000
 Doc/Inst #: 2000 000000
 Deputy - 000000

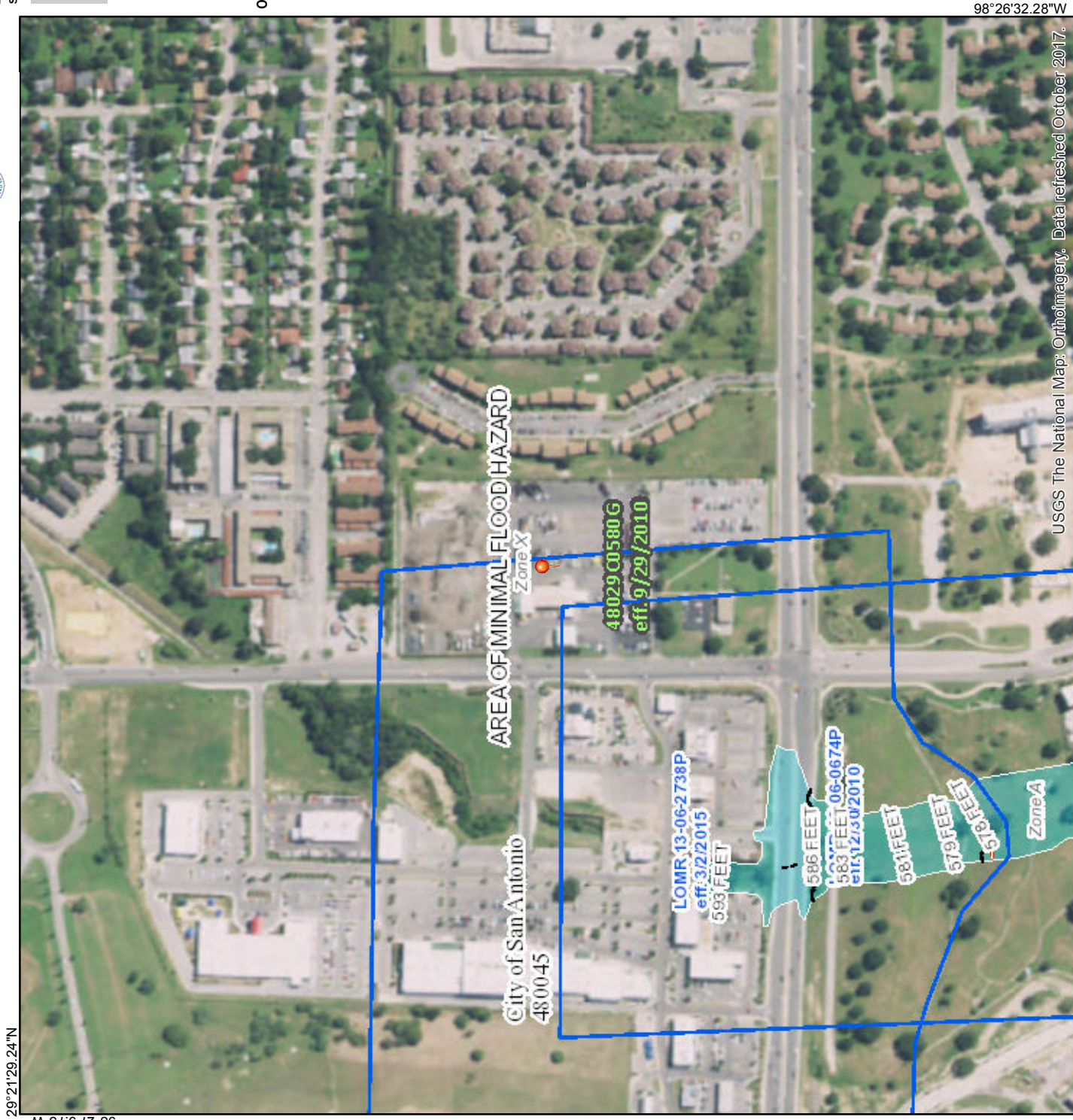
Errors Air Force Boss
 N.C.B. 10921

National Flood Hazard Layer FIRMette



29°21'29.24"N

98°27'9.73"W



USGS The National Map: Orthoimagery. Data refreshed October 2017.

29°20'57.88"N

1:6,000



98°26'32.28"W

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE)
Zone A, V, A99
- With BFE or Depth *Zone AE, AO, AH, VE, AR*
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile *Zone X*
- Future Conditions 1% Annual Chance Flood Hazard *Zone X*
- Area with Reduced Flood Risk due to Levee. See Notes. *Zone X*
- Area with Flood Risk due to Levee *Zone D*

OTHER AREAS

- Area of Minimal Flood Hazard *Zone X*
- Effective LOMRs *Zone D*
- Area of Undetermined Flood Hazard *Zone D*

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **7/30/2018 at 4:38:56 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Addendum C

Comparable Data



Location & Property Identification

Property Name: South Zarzamora St.
 Sub-Property Type: Commercial
 Address: S. Zarzamora St.
 City/State/Zip: San Antonio, TX 78224
 County: Bexar
 Submarket: South
 Market Orientation: Rural

 IRR Event ID: 1605707



Sale Information

Sale Price: \$1,400,000
 Effective Sale Price: \$1,400,000
 Sale Date: 07/11/2017
 Listing Price: \$1,650,000
 Sale Status: Closed
 \$/Acre(Gross): \$189,985
 \$/Land SF(Gross): \$4.36
 \$/Acre(Usable): \$189,985
 \$/Land SF(Usable): \$4.36
 Grantor/Seller: Gabriel Mendez, Inc
 Grantee/Buyer: Rio Zarzamora, LLC
 Assemblage: No
 Portfolio Sale: No
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 Financing: Cash to seller
 Document Type: Deed
 Verified By: Travis Schrader
 Verification Date: 09/26/2017
 Confirmation Source: Broker
 Verification Type: Confirmed-Seller Broker

Usable/Gross Ratio: 1.00
 Shape: Rectangular
 Topography: Level
 Vegetation: Minimal
 Corner Lot: No
 Frontage Type: 2 way, 1 lane each way
 Traffic Control at Entry: None
 Traffic Flow: Low
 AccessibilityRating: Average
 Visibility Rating: Average
 Zoning Code: C-3
 Zoning Desc.: Commercial
 Easements: No
 Environmental Issues: No
 Flood Plain: No
 Flood Zone Designation: X
 Utilities: Electricity, Water Public, Sewer, Gas, Telephone, CableTV

 Utilities Desc.: All Available
 Source of Land Info.: Broker

Improvement and Site Data

Legal/Tax/Parcel ID: NCB 11137 BLK 38 LOT S 679.3 FT OF 359

 Acres(Usable/Gross): 7.37/7.37
 Land-SF(Usable/Gross): 320,994/320,994

Location & Property Identification

Property Name: 8730 IH 35 S Commercial Land

Sub-Property Type: Commercial, Retail

Address: 8730 IH 35 S.

City/State/Zip: San Antonio, TX 78211

County: Bexar

Submarket: South

Market Orientation: Suburban

IRR Event ID: 1598958



Sale Information

Sale Price: \$2,412,029

Effective Sale Price: \$2,412,029

Sale Date: 01/26/2017

Sale Status: Closed

\$/Acre(Gross): \$167,706

\$/Land SF(Gross): \$3.85

Grantor/Seller: IH 35 @ Highway 16, LP

Grantee/Buyer: ANC Ventures, Ltd.

Assemblage: No

Portfolio Sale: No

Assets Sold: Real estate only

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Financing: Cash to seller

Document Type: Warranty Deed

Recording No.: 20170019139

Verified By: Melissa Stubblefield

Verification Date: 09/01/2017

Confirmation Source: Eldon Roalson

Verification Type: Confirmed-Seller Broker

Acres(Gross): 14.38

Land-SF(Gross): 626,501

Shape: Irregular

Corner Lot: No

Frontage Feet: 708

Frontage Desc.: FF S/S of IH 35 S

Zoning Code: C-3

Zoning Desc.: Commercial District

Easements: No

Environmental Issues: No

Flood Plain: No

Utilities: Electricity, Water Public, Sewer, Gas, Telephone, CableTV

Source of Land Info.: Public Records

Sale Analysis

Entitlement @ T.O.S.: No

Improvement and Site Data

Location & Property Identification

Property Name:	Old Pearsall Rd.
Sub-Property Type:	Commercial
Address:	Old Pearsall Rd.
City/State/Zip:	San Antonio, TX 78242
County:	Bexar
Submarket:	South
Market Orientation:	Suburban
Property Location:	Northwest side of Old Pearsall Rd., 748 ft SW of Old Sky Harbor
IRR Event ID:	1605719



Sale Information

Sale Price:	\$894,342
Effective Sale Price:	\$894,342
Sale Date:	10/04/2016
Sale Status:	Closed
\$/Acre(Gross):	\$147,265
\$/Land SF(Gross):	\$3.38
\$/Acre(Usable):	\$169,866
\$/Land SF(Usable):	\$3.90
Grantor/Seller:	Pearsall Road, LLC, et al
Grantee/Buyer:	BBA Health Realty, LLC
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	20160196467
Verified By:	Melissa Stubblefield
Verification Date:	09/26/2017
Confirmation Source:	First American-Drew Bubdrick
Verification Type:	Confirmed-Seller Broker

Sale Analysis

Entitlement @ T.O.S.: No

Improvement and Site Data

MSA:	San Antonio-New Braunfels, TX
Legal/Tax/Parcel ID:	6.07 acres out of the Maria F. Rodriguez Survey No. 4, Abstract 16, New City Block 15249, City of San Antonio, Bexar County, Texas / Prop ID 1178208, 1178211 & 1178213
Acres(Usable/Gross):	5.27/6.07
Land-SF(Usable/Gross):	229,343/264,539
Usable/Gross Ratio:	0.87
Shape:	Irregular
Topography:	Level
Vegetation:	Grass and shrubs
Corner Lot:	No
Frontage Feet:	418
Frontage Desc.:	NW/S Old Pearsall Rd.
Frontage Type:	2 way, 2 lanes each way
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Good
Zoning Code:	C-3R
Zoning Desc.:	Commercial Restrictive Alcohol Sale

Improvement and Site Data (Cont'd)

Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV
Utilities Desc.:	All Available
Source of Land Info.:	Public Records

Comments

Gross Acres 6.073 acres (of which 0.808 acres detention pond easement) for a Net Usable 5.265 acres

Location & Property Identification

Property Name: 1515 Goliad Rd
Sub-Property Type: Commercial
Address: 1515 Goliad Rd
City/State/Zip: San Antonio, TX 78223
County: Bexar
Submarket: South
Market Orientation: Suburban

IRR Event ID: 1471653



Sale Information

Sale Price: \$1,400,000
Effective Sale Price: \$1,565,000
Sale Date: 10/06/2015
Sale Status: Closed
\$/Acre(Gross): \$183,727
\$/Land SF(Gross): \$4.22
\$/Acre(Usable): \$183,727
\$/Land SF(Usable): \$4.22
Grantor/Seller: Maurice Alan Rosenstein, et al

Grantee/Buyer: TCSF Management I, LLC
Assemblage: No
Portfolio Sale: No
Assets Sold: Real estate only
Property Rights: Fee Simple
Financing: Cash to seller
Document Type: Warranty Deed
Recording No.: 17496/1763
Verification Type: Confirmed-Confidential

Sale Analysis

Current Use at T.O.S.: Land Value
Proposed Use Desc.: Charter School
Sale Price Includes FF&E? No

Improvement and Site Data

Legal/Tax/Parcel ID: SE IRR 1430.29 FT of Lot 7, NCB 10129, WMW Subdivision; 10129-000-0071

Acres(Usable/Gross): 7.62/7.62
Land-SF(Usable/Gross): 331,927/331,927
Usable/Gross Ratio: 1.00
Shape: Irregular
Topography: Level
Vegetation: Trees and grasses
Corner Lot: Yes
Frontage Desc.: 617 FF SW/S Goliad Road, 715 FF N/S Grecian Dr (Dr

Frontage Type: 2 way, 2 lanes each way
Traffic Control at Entry: None
Traffic Flow: High
AccessibilityRating: Above average
Visibility Rating: Good
Zoning Code: C-2
Zoning Desc.: Commercial District
Easements Desc.: No Known Adverse
Environmental Issues: No
Flood Plain: No
Flood Zone: None
Flood Zone Designation: X
Utilities: Electricity, Water Public, Sewer, Gas, Telephone, CableTV, Fiber Optics

Utilities Desc.: All Available
Source of Land Info.: Public Records

Comments

Subject represents a 7.641 acre tract of land in which the buyer intends to develop with a charter school. At time of sale, the site was improved with an older, 83,000 sf industrial building that will be demolished at an estimated cost of \$1650,000.

Location & Property Identification

Property Name: 3847 Pleasanton Road
 Sub-Property Type: Commercial
 Address: 3847 Pleasanton Road
 City/State/Zip: San Antonio, TX 78221
 County: Bexar
 Submarket: South
 Market Orientation: Suburban

IRR Event ID: 1471316



Sale Information

Sale Price: \$1,200,000
 Effective Sale Price: \$1,200,000
 Sale Date: 05/28/2015
 Sale Status: Closed
 \$/Acre(Gross): \$226,415
 \$/Land SF(Gross): \$5.20
 Grantor/Seller: Pasosan Properties, LP, et al
 Grantee/Buyer: Twister 5324 LLC
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 Financing: Cash to seller
 Document Type: Warranty Deed
 Verified By: Melissa Stubblefield
 Verification Date: 08/01/2018
 Verification Type: Confirmed-Confidential

Topography: Level
 Vegetation: Trees and grasses
 Corner Lot: Yes
 Frontage Desc.: 436 FF W/S Pleasanton, 536 FF N/S W Ansley
 Frontage Type: 2 way, 2 lanes each way
 Traffic Control at Entry: None
 Traffic Flow: Moderate
 AccessibilityRating: Average
 Visibility Rating: Good
 Zoning Desc.: C-2, C-3
 Easements: No
 Environmental Issues: No
 Flood Plain: No
 Flood Zone: None
 Utilities: Electricity, Water Public, Sewer, Gas, Telephone, CableTV
 Utilities Desc.: All Available
 Source of Land Info.: Broker

Sale Analysis

Current Use at T.O.S.: Vacant Land
 Proposed Use Desc.: Walmart Neighborhood Store

Comments

Future Walmart Neighborhood Store.

Improvement and Site Data

Legal/Tax/Parcel ID: Lots 55-59, Block 6, NCB 11099; 11099-006-0761
 Acres(Gross): 5.30
 Land-SF(Gross): 230,781
 Shape: Rectangular

Addendum D
Engagement Letter



APPRAISAL REQUEST

Time and Cost Estimates

Project: Southeast Service Center

<u>7/16/2018</u>			
Parcel Number	Legal or Address	Cost Estimate Per Parcel	Timelines
Southeast Service Center	7402 S. New Braunfels 9 acres residential acres	\$1,750	2 weeks
Southeast Service Center	7402 S. New Braunfels 3 acres for appraised for commercial site 469652	\$1,750	2 weeks
This request will require 2 separate appraisals.			
Total:>>>>>>>>>>		\$3,500	2 weeks

Comments: Please provide **ONE** hard copies and **ONE** email copy

The properties appear to be improved with structures; however, the quote appears to be for vacant tracts of land and have been quoted as such. If the improvements are to be considered in the valuation, please let me know and I will provide a revised quote.

Signature:	✓ <u>Will R</u>
Date:	✓ <u>7/20/18</u>