

MINUTES OF REGULAR MEETING OF DIRECTORS OF SA F&P PROPERTY HOLDING CORP.

A regular meeting of the Board of Directors of SA F&P PROPERTY HOLDING CORP. ("Corporation") was held at the San Antonio Fire & Police Pension Fund Office on the 2nd day of November, 2017 at 11:30 a.m., in accordance with the provisions of the Bylaws of this Corporation.

At 11:30 a.m., Dean Pearson, President, called the meeting to order and Warren Schott, Secretary of the Corporation, called the roll and announced that a quorum was present. Directors Dean Pearson, J.T. Trevino and Warren Schott, were present. James Smith, Larry Reed, Jimmy Foster, Mark Gremmer, Matthew O'Reilly, Gail Jensen, Pete Tassos, Harold Shwiff, and Britney Brantley were also in attendance. The first order of business was the approval of the minutes of the July 12, 2017 regular meeting of the Board of Directors. Upon motion by Warren Schott, seconded by Dean Pearson, the minutes were approved unanimously.

Pete Tassos of Sullivan Commercial presented the Board with two proposals for appraisal services. The Board had requested that appraisals be conducted on the three buildings and asked Mr. Tassos to provide recommendations. Mr. Tassos provided bids from two firms and recommended CB Richard Ellis as the preferred choice. Both bids were approximately \$11,000. Upon motion by Warren Schott, seconded by Dean Pearson, CB Richard Ellis was selected as the appraiser at a cost of \$11,200.

Pete Tassos presented a leasing update (attached). Shavano IV is currently 100% leased, with pending activity/negotiations. Shavano III is currently over 90% leased, with pending activity/negotiations. There was also discussion regarding the Parkway Center building 2nd floor tenant and expansion potential of a 1st floor tenant. No action was taken.

Mr. Gremmer was asked to present the 2016 Annual Audit to the Board. The audit was conducted by BDO USA, LLP. Mr. Gremmer noted the Holding Corporation received an Unqualified Opinion which means the financial statements present fairly the financial position of the Property Holding Corporation. Mr. Schott motioned to approve the audit, Mr. Trevino seconded, and it passed unanimously.

Mr. Gremmer also presented the September 30, 2017 Financial Statements for the Property Holding Corporation. He noted the total assets are currently \$28,992,531.78. Net income for the year is \$811,094.74.

The last item of business was the election of officers. Mr. Trevino nominated Jimmy Foster as President, Dean Pearson as Vice President and Warren Schott as Secretary. Mr. Schott seconded the motion and it passed unanimously.

There being no further business, upon motion duly made by Warren Schott, and seconded by Dean Pearson, the meeting was adjourned at 12:29 p.m.

WARREN SCHOTT, Secretary

APPROVED:

Jimmy Foster, President