

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 24th day of August 2021, in accordance with the provisions of the Bylaws of the Corporation.

At 9:05 a.m., Warren Schott called the meeting to order. Warren Schott, Secretary of the Corporation, called the roll and announced that a quorum was present. Vance Meade, Dean Pearson, and Warren Schott were present. Larry Reed, Jim Smith, Mark Gremmer, Gail Jensen, Nancy Ybarra, Jamie Sullivan, John Mansfield, and Harold Shwiff also were in attendance.

The first order of business was the approval of the Minutes of the June 24, 2021 Regular Meeting of the Board of Directors. Upon motion by Mr. Pearson, the Minutes were approved unanimously.

Mr. Schott invited Mr. Gremmer to present the Annual Audit for the Property Holding Corporation. The audit was conducted by BDO, the same auditors that audit the Pension Fund. Mr. Gremmer briefly reviewed the audit report and noted that the auditors stated the financials presented fairly the financial position of the Corporation. Mr. Schott moved to accept the audit report. The motion carried unanimously.

Sullivan Commercial was asked to provide a leasing update on the three buildings owned by the Corporation. Mr. Mansfield reported that Parkway Center remains 64% leased, Shavano III is 86% leased and Shavano IV is 100% leased.

The Corporation then discussed options with respect to dividing the 25,000 square feet vacant suite on the second floor of the Parkway Center building. Mr. Mansfield presented various estimates with respect to dividing the space into smaller blocks. He provided two models: dividing the space into four suites, each approximately 6,250 square feet; and dividing the space into nine suites, each approximately 2,800 square feet. The projected costs were \$175,000 and \$450,000, respectively. Mr. Mansfield noted that dividing the space would result in an overall loss of rentable square footage, as it would be necessary to construct hallways to allow access to the individual suites. Finally, Mr. Mansfield pointed out that the 25,000 feet space is a more competitive option in the geographic area, as there are only three other similarly large spaces within a three-mile radius; compared to forty-three spaces between 5,000 to 9,999 square feet and eighty-seven spaces between 2,500 to 4,999 square feet in the same geographic area. After a lengthy discussion, the Board agreed that in light of all of these factors, Sullivan should continue trying to lease the space as is. The Corporation will reassess the situation at the end of the year if the space has not leased.

Lastly, Sullivan reviewed the performance of the three buildings for the past year and since the time they were purchased. A copy of the Performance Report was provided. Discussion followed and no further action was needed.

There being no further business, upon motion duly made by Mr. Schott, the meeting was adjourned at 9:50 a.m.

WARREN SCHOTT, Secretary

APPROVED:

Vance Meade, President