

December 1, 2010

Mr. Bill Kingman
Law Offices of William B. Kingman, P.C.
4040 Broadway, Suite 450
San Antonio, TX 78209

Re: 205.642 acres of land, wrapping the
northwest corner of IH-37 South and Loop
1604, Bexar County, Texas.

Dear Mr. Kingman:

At your request, we have completed an analysis and market value appraisal of the above referenced property. This is a Restricted Appraisal Report intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it does not present discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The appraiser is not responsible for unauthorized use of this report.

PURPOSE OF THE APPRAISAL: To conclude the "as is" market value of the above referenced property.

INTENDED USE/USER OF REPORT: For the sole purpose of assisting Hill Top Farms, Ltd., et al., in possible business decisions.

PROPERTY INTEREST APPRAISED: Fee simple estate.

EFFECTIVE DATE OF VALUATION: November 29, 2010

DATE OF REPORT PREPARATION: December 1, 2010

SCOPE OF WORK: In preparing this appraisal, I have completed a tour of the property, including viewing the property from IH-37 South, Loop 1604 as well as Liedecke Road (which borders the property) and listing and comparable land sales information has been gathered from the South Bexar County area. Local market participants and active real estate brokers have been contacted and interviewed. The valuation analysis has been completed primarily utilizing the Sales Comparison Approach.

REAL ESTATE APPRAISED: A 205.642 acre master planned development tract of vacant land located wrapping the northwest corner of IH-37 and Loop 1604, Bexar County, Texas

LEGAL DESCRIPTION: 205.642 acres of land, more or less, Abstract 129, Bexar County, Texas

HISTORY OF THE PROPERTY: The appraised property is currently owned by Hilltop Farms, Ltd., et al., and is essentially vacant; the property was assembled from several adjoining properties over the last several years. The property is currently available for sale. The asking price has recently been lowered to \$4,000,000 cash or \$4,500,000 with owner financing. When compared to recent sales the current asking price is judged to be slightly below market.

SITE DESCRIPTION:

Size: 205.642 acres

Frontage: Approximately 991 feet of frontage along the north side of Loop 1604, 825 feet of frontage along the east side of Liedecke Road and approximately 1,980 feet of frontage along the west side of IH-37.

Shape/Topography: Irregular/near rectangular; the site is largely near level to gently rolling, generally sloping downward to the south.

Utilities: Municipal water, sewerage and telephone service are available to the property reportedly in sufficient quantities for development of the whole property.

Master Plan: The property is part of a larger master planned proposed industrial commercial subdivision including commercial and industrial lots.

Access/Visibility: Excellent access and visibility.

Zoning: Not zoned, outside city limits.

Hazards: The site is not reportedly subject to adverse hazards/conditions.

DISCUSSION:

The San Antonio/Bexar County development land market has consistently performed well compared to other metropolitan markets in Texas over the past number of years. Factors influencing the market include continued population growth and desirability of the area. However, beginning with the national and regional economic downturn (in 2008) and the reduced demand for new homes, there have been few large land sales in the San Antonio area. However, sales of smaller commercial sites have continued with limited effect on price. It is reported that developers are reluctant to acquire larger acreage development tracts due to absorption uncertainty. In the analysis of the subject, we have utilized four comparable sales occurring both prior to the decline in land value in 2007 (considering downward adjustments for time), as well as several sales occurring in 2009 and 2010 as well as current listings. In the analysis we have considered the specific characteristics of the subject property.

HIGHEST AND BEST USE:

Future mixed use commercial/industrial/residential subdivision development.

MARKET VALUE CONCLUSION:

Based on our analysis and investigation, the concluded Market Value of the appraised 205.642 acre tract of land located wrapping the northwest corner of IH-37 and Loop 1604, Bexar County, Texas, as of November 30, 2010 is \$20,000 per acre, or:

**FOUR MILLION ONE HUNDRED TEN THOUSAND DOLLARS
(\$4,110,000)**

EXPOSURE TIME: Within 2.0 years.

Attached to this report are Contingent and Limiting Conditions, Certification and Qualifications of the appraiser. Thank you for the opportunity to have been of service in this valuation matter. If you have any questions pertaining to the analyses or conclusions, please contact our office.

Respectfully submitted,
GRUBB & ELLIS LANDAUER VALUATION ADVISORY SERVICES



Franklin L. Flato, MAI
TX-1321148G

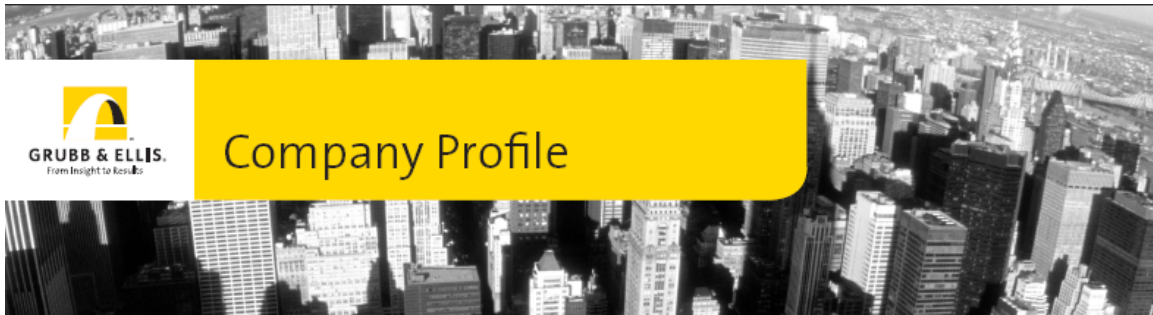
Certification Statement

I certify that, to the best of my 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 is my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. No one provided significant real property appraisal assistance to the persons signing this certification.
9. I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
10. Franklin Flato has made an inspection of the subject property.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Franklin Flato, MAI, has completed the continuing education program of the Appraisal Institute.



Franklin Flato, MAI
Texas-TX-1321148-G



Company Profile

Overview

Headquartered in Santa Ana, Calif., Grubb & Ellis Company (NYSE: GBE) was founded in 1958. Over the last half century, the company has grown from a single office in San Francisco into one of the largest and most respected commercial real estate services and investment firms in the world. Its 6,000 professionals in more than 100 company-owned and affiliate offices draw from a unique platform of real estate services, investment products and specialty practice groups to deliver integrated solutions to real estate owners, tenants and investors. The solutions Grubb & Ellis delivers to its clients are supported by proprietary market research and extensive local expertise.

From Fortune 500 multinational companies, institutional investors and government agencies to small and mid-sized businesses and individual investors, clients look to Grubb & Ellis for real estate solutions that meet their business objectives, whether it is selecting a location to do business, improving a property or portfolio's operating efficiency, increasing occupancy or otherwise maximizing the return on their investment. Our practice groups bring together professionals who have experience with particular property types and specific industries, seeking to ensure clients' needs are clearly understood and the most effective solutions are implemented.

Through its real estate investment and asset management subsidiaries, Grubb & Ellis is a leading sponsor of commercial real estate investment programs, including public non-traded real estate investment trusts (REITs), mutual funds and other real estate investment funds. Through the Grubb & Ellis Private Client Management program, Grubb & Ellis also offers institutional and high net-worth investors a comprehensive program to build or expand their commercial real estate portfolio. One of the nation's most active buyers and sellers of commercial real estate, Grubb & Ellis' investment arm has completed acquisition and disposition volume totaling more than \$11.6 billion on behalf of program investments since its founding in 1998; in excess of \$8.6 billion of this volume has been transacted since 2005.

Why We're Unique

When selecting a commercial real estate firm, the most important consideration is how well the company understands your needs. Grubb & Ellis is known for working with clients, not just for them. We partner with clients to create long-term relationships that are built upon a commitment to their business objectives.

What We Offer

Real Estate Services

- Property Sales and Leasing
- Account Management
- Transaction Management
- Property and Facility Management
- Project/Construction Management
- Lease Administration
- Valuation
- Strategic Consulting
- Capital Markets

Investment Programs

- Public Non-Traded Real Estate Investment Trusts
- Private Client Management
- Institutional Investments
- Grubb & Ellis AGA Mutual Funds

The direct or indirect purchase of real property involves significant risks, including market risk and risks specific to a given property or investment. Investors should consult their own tax advisors and legal counsel. Always remember that each property is unique and past performance is no guarantee of future results. Securities offered through Grubb & Ellis Securities, Inc., member FINRA/SIPC.



Key Statistics for Calendar Year 2009

- Total revenue: \$535.6 million
 - Number of owned and affiliate offices: 125
 - Employees: 6,000+*
 - Total consideration of brokerage transactions: \$10.2 billion*
 - Total number of lease and sale transactions: 14,489*
 - Total square feet leased: 111 million square feet*
 - Total square feet sold: 157 million square feet*
 - Square feet under management: 293 million square feet*
 - Investment assets under management: \$5.9 billion
- (*Includes affiliates)

Executive Team

The success of Grubb & Ellis is due in large part to the diligence and foresight of its management team, which directs the company's day-to-day operations and growth strategy.

Thomas D'Arcy
President and
Chief Executive Officer

Andrea Biller
Executive Vice President
General Counsel and Secretary

Michael Rispoli
Executive Vice President and
Chief Financial Officer

Matthew Engel
Executive Vice President, Finance

Jack Van Berkel
Executive Vice President
Chief Operating Officer
President, Real Estate Services

Jeffrey Hanson
Executive Vice President
President and Chief Executive Officer,
Grubb & Ellis Equity Advisors, LLC
Chairman and Chief Executive Officer,
Grubb & Ellis Healthcare REIT II, Inc.

Richard Arnitz
Interim President and Chief Executive Officer,
Grubb & Ellis Securities, Inc.

Jay Leupp
Executive Vice President
President, Grubb & Ellis Alesco Global Advisors, LLC

Stanley Olander, Jr.
Chairman and Chief Executive Officer,
Grubb & Ellis Apartment REIT, Inc.

Investor Relations

Michael Rispoli
Executive Vice President and
Chief Financial Officer
714.975.2861
michael.rispoli@grubb-ellis.com

Janice McDill
Senior Vice President,
Marketing and Corporate Communications
312.698.6707
janice.mcdill@grubb-ellis.com

Grubb & Ellis Company
1551 N. Tustin Avenue, Suite 300
Santa Ana, CA 92705
714.667.8252
www.grubb-ellis.com

For more information on how Grubb & Ellis can assist you with your commercial real estate needs, please visit our corporate website at www.grubb-ellis.com or contact your local Grubb & Ellis office.

Professional Profile



Franklin Flato, MAI
Vice President
Senior Appraiser
Grubb & Ellis Landauer Valuation Advisory Services
franklin.flato@grubb-ellis.com
210.804.4832 direct

CAREER SUMMARY

Franklin Flato is a Senior Appraiser for the Grubb & Ellis Landauer Valuation Advisory Services group in San Antonio, Texas. Mr. Flato has been involved in the appraisal and consultation of real estate since 1988. Prior to joining Grubb & Ellis, he was a senior commercial real estate appraiser from 1988 to 2010 at Dugger, Canaday, Grafe, Inc., a San Antonio commercial appraisal firm. Franklin's experience has included appraisal and counseling assignments for various purposes including lending, asset valuation, right-of-way, ad valorem tax valuation, corporate purchase allocation, estates, corporate portfolios, legal disputes and divorce proceedings.

Mr. Flato has analyzed properties that include retail (single tenant, pad site, community centers to regional malls), office buildings (single tenant to high rise developments), industrial developments (warehouse, manufacturing plants, etc.), vacant development tracts, mixed-use developments, commercial sites, rural land, apartment complexes, residential and commercial subdivisions, aircraft related buildings, automobile dealerships, hotels, golf courses and country clubs, resort developments, ranches and maquiladora plants.

Franklin's assignments have been completed in Texas, Louisiana, Florida, Oklahoma, New Mexico, New Jersey, Pennsylvania, Puerto Rico, Honduras and the Republic of Mexico (states of Tamaulipas, Jalisco, Sinaloa, Sonora, Baja California, Puebla, Guanajuato, Veracruz, Nuevo Leon, San Luis Potosi, Coahuila, Chihuahua, Colima, Quintana Roo, Distrito Federal and the State of Mexico). He has also qualified as an expert witness in San Patricio, Webb, Live Oak and Bexar Counties and has lectured at national and local Appraisal Institute meetings and International Right of Way functions.

PROFESSIONAL DESIGNATIONS/STATE & REGULATORY LICENSURE

- MAI Designation – Appraisal Institute, Certificate No. 11792
- Texas – State Certified General Real Estate Appraiser, License No. 1321148-G

PROFESSIONAL AFFILIATIONS

- Member, International Right of Way Association (IRWA)
- Treasurer, Union of PanAmerican Valuation Associations (UPAV) (2010-2012)
- Chief Delegate to Mexico, Appraisal Institute (2009)
- Member, Free Trade Alliance (2009)
- President, South Texas Chapter of the Appraisal Institute (2008)
- Ambassador to Mexico, Appraisal Institute (2004-2008)
- Director, San Antonio Chapter of the Appraisal Institute (2001-2004)

EDUCATION

Mr. Flato has successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute and the International Council of Shopping Centers (ICSC) as well as obtaining his BBA in Real Estate and Urban Land Development at the University of Texas at Austin.

He is currently certified under the Appraisal Institute's voluntary program of continuing education for designated members.

CONTINGENT AND LIMITING CONDITIONS
(Unless Otherwise Stated in this Report)

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

The legal description furnished the appraiser is assumed to be correct. No responsibility is assumed for matters legal in character, nor is any opinion rendered as to title. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report. All existing liens and encumbrances, if any, have been disregarded, and the property is analyzed as though free and clear and under responsible ownership and competent management.

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

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

All engineering is assumed to be correct. The plot plans and illustrative materials in this report are included only to assist the reader in visualizing the property.

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

No responsibility is assumed, nor is any guarantee made as to the structural soundness of the improvements. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a non-conformity has been stated, defined and considered in the appraisal report.

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

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

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

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

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

No attempt was made, unless otherwise noted in the attached report, to detect the presence of various potentially hazardous materials or conditions upon the subject site or within or upon the subject improvements, and the appraisers are not qualified to do so. These hazardous materials or conditions could include, but are not limited to, the existence of toxic waste (within or around the subject site, presently or in the past), UREA formaldehyde foam insulation, ACMs (asbestos containing materials), or communicable diseases from present or former occupants. The existence of any such hazardous materials or conditions could adversely affect the value of the property. Unless otherwise stated in the attached report, the appraiser has no knowledge of the existence of any such materials or conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert, if desired. The value estimate is predicated on the assumption that there are no such hazardous conditions or materials present that would cause a loss in value.

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