



**City of Tomball**  
**Annexation Packet: Request of Owner**  
**Property Owner Attestation Checklist**

For the annexation request to be valid and complete under this application and process, the following must be true:

- Property in the Extraterritorial Jurisdiction of Tomball (land is contiguous and adjacent to the City).
- The property is not appraised for ad valorem tax purposes as land for:
  - Agricultural management use; OR
  - Wildlife management use; OR
  - Timber land; OR
- The landowner declines (waives) to make a development agreement with the City.
- All landowners are in consent of and are signatories on the annexation.

These attestations will be made as part of the Petition.

**City of Tomball**  
**Annexation Packet: Request of Owner**  
**Property Value & Anticipated Development Information Worksheet**

1. Agent's Contact Information

Please list any agents acting on behalf of the annexation property owner(s) that should be notified of information pertaining to this annexation request.

Name: Jonathan Sellers

Company Name: RevKo Commercial Real Estate

Mailing Address: 18803 Hamish Road, Suite F, Tomball, TX 77377

Phone Number: 832.360.5086 | 832.748.1283

E-mail Address: jonathan.sellers@revkocre.com | trevor.hudson@revkocre.com

(Attach a list of additional agents, if necessary.)

2. Property Addresses (List all property addresses associated with the proposed annexation property. Attach a list of additional property addresses, if necessary.)

a. 21103 Telge Rd, Tomball, TX 77377 ( +/- 8.053 AC)

b. 0 Telge, Tomball, TX 77377 (+/- 6.00 AC)

c. \_\_\_\_\_

d. \_\_\_\_\_

e. \_\_\_\_\_

f. \_\_\_\_\_

3. Nature of Existing Property

Property Location: 21103 Telge Rd | 0 Telge Rd Number of Acres: 14

Current Assessed Valuation of Land: 8 AC Tract: \$701,578 | 6 AC Tract: \$263,159

Current Assessed Valuation of Improvements: \$0 for both

Total: \$964,737

Does this property current contain any structures?

Yes (continue with subsection a through d)

No (skip to #4)

a. Residential

Are there existing residential structures on the property?

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\_\_\_ No (skip to b)  
\_\_\_ Yes (continue)  
\_\_\_ Total Units  
\_\_\_ Lots or \_\_\_ Acres

Number of Units by Type:

\_\_\_ Single Family  
\_\_\_ Duplexes  
\_\_\_ Four-Plex  
\_\_\_ Patio Homes  
\_\_\_ Townhouses  
\_\_\_ Apartments

b. Office and Commercial

Are there existing Office or Commercial structures on the property?

\_\_\_ No (skip to c)  
\_\_\_ Yes (continue)  
Size (Sq. Ft.) \_\_\_\_\_  
Structure Description \_\_\_\_\_  
Exterior Site Improvements \_\_\_\_\_  
\_\_\_\_\_  
Total Site Coverage \_\_\_\_\_

c. Institutional

Are there existing Institutional structures on the property?

\_\_\_ No (skip to d)  
\_\_\_ Yes (continue)  
Size (Sq. Ft.) \_\_\_\_\_  
Structure Description \_\_\_\_\_  
Exterior Site Improvements \_\_\_\_\_  
\_\_\_\_\_  
Total Site Coverage \_\_\_\_\_

**City of Tomball**  
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- d. Industrial  
Are there existing Industrial structures on the property?  
 No (skip to 4)  
 Yes (continue)  
Size (Sq. Ft.) \_\_\_\_\_  
Structure Description \_\_\_\_\_  
Exterior Site Improvements \_\_\_\_\_  
Total Site Coverage \_\_\_\_\_

4. Anticipated Development

- a. Platting Status (check the applicable box below)  
 A plat pertaining to this property **HAS BEEN** submitted to the Community Development Department for review.  
 A plat pertaining to this property **WILL BE** submitted to the Community Development Department for review in the near future.  
 A plat pertaining to this property **WILL NOT BE** submitted within the next six (6) months.

- b. Zoning Status – NOTE: PROPERTIES ARE ANNEXED AS AGRICULTURAL (“AG”) ZONING, UNLESS ZONING RECLASSIFICATION IS REQUESTED BY THE PROPERTY OWNER IN CONJUNCTION WITH ANNEXATION.

Is zoning reclassification requested in conjunction with the annexation process?

- YES (ensure you contact the Community Development Department)  
 NO

Will zoning changes be required and requested in the future to accommodate anticipated development?

- YES (Describe: \_\_\_\_\_ acres of \_\_\_\_\_ acres will be rezoned)  
 NO

- c. Residential  
Are Residential structures anticipated on the proposed property?

- NO (skip to d)  
 YES (continue)  
\_\_\_\_\_ Number of Units                      \_\_\_\_\_ Value of Units (individual)  
\_\_\_\_\_ Number of Lots or Acres            \_\_\_\_\_ Estimate Total Value  
Number of Units by Type  
\_\_\_\_\_ Single-Family  
\_\_\_\_\_ Duplexes  
\_\_\_\_\_ Four-Plex

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\_\_\_\_\_ Patio Homes  
\_\_\_\_\_ Townhouses  
\_\_\_\_\_ Apartments

d. Office and Commercial

Are Office and/or Commercial structures anticipated on the proposed property?

\_\_\_\_\_ NO (skip to e)  
 YES (continue)  
Size (Sq. Ft.) N/A  
Unit Value (\$/Sq. Ft.) N/A  
Total Estimated Value N/A  
Structure Description N/A  
Exterior Site Improvements N/A  
Total Site Coverage N/A

e. Institutional

Are Institutional structures anticipated on the proposed property?

\_\_\_\_\_ NO (skip to f)  
\_\_\_\_\_ YES (continue)  
Size (Sq. Ft.) \_\_\_\_\_  
Unit Value (\$/Sq. Ft.) \_\_\_\_\_  
Total Estimated Value \_\_\_\_\_  
Structure Description \_\_\_\_\_  
Exterior Site Improvements \_\_\_\_\_  
Total Site Coverage \_\_\_\_\_

f. Industrial

Are Industrial structures anticipated on the proposed property?

\_\_\_\_\_ NO (skip to g)  
\_\_\_\_\_ YES (continue)  
Size (Sq. Ft.) \_\_\_\_\_  
Unit Value (\$/Sq. Ft.) \_\_\_\_\_  
Total Estimated Value \_\_\_\_\_  
Structure Description \_\_\_\_\_  
Exterior Site Improvements \_\_\_\_\_  
Total Site Coverage \_\_\_\_\_

**City of Tomball**  
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g. Staging of Anticipated Development (in percentages (%))

	Current Yr	Yr2	Yr3	Yr4	Yr5	Yr10	Yr20
Residential							
Office/Commercial							
Institutional							
Industrial							

**PETITION REQUESTING ANNEXATION BY AREA LANDOWNERS**

TO THE MAYOR AND CITY COUNCIL OF THE GOVERNING BODY OF TOMBALL, TEXAS:

The undersigned owners of the hereinafter described tract of land, which represents each and every owner of the land in the area requesting annexation, hereby waive, if required, a development agreement pursuant to Section 43.016, Texas Local Government Code, and petition your honorable Body to extend the present city limits so as to include as part of the City of Tomball, Texas, the following described territory, to wit:

[DESCRIBE THE TERRITORY COVERED BY THE PETITION IN METES AND BOUNDS. A SURVEY AND/OR DESCRIPTION CAN BE ATTACHED AS A SEPARATE DOCUMENT AND REFERENCED AS AN EXHIBIT – DELETE THIS AFTER EDITS]

We certify that the above described tract of land is contiguous and adjacent to the City of Tomball, Texas, and that this petition is signed and duly acknowledged by each and every person having an interest in said land.

[USE AS MANY OR AS FEW SIGNATURE LINES AS NECESSARY FOR EACH PROPERTY OWNER – DELETE THIS AFTER EDITS]

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

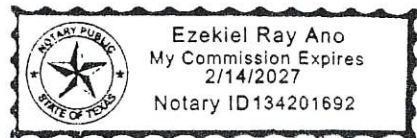
Signed: \_\_\_\_\_

THE STATE OF TEXAS    §  
  §  
COUNTY OF HARRIS    §

BEFORE ME, the undersigned authority, on this day personally appeared Jonathan Sellers, and \_\_\_\_\_, known to me to be the persons whose names are subscribed to the foregoing instrument and each acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 9<sup>th</sup> day of October, 2025.

[Signature]  
\_\_\_\_\_  
Notary Public in and for Harris County, Texas



## PETITION REQUESTING ANNEXATION BY AREA LANDOWNERS

application or a petition, may require that fees or charges be paid, and may include eligibility requirements or other similar provisions.

3. **Extension Policy.** The following information is a summary of the City's policies respecting water, wastewater and gas service extensions. This summary is made in compliance with Texas Local Government Code, which requires that each annexation plan include a summary of the service extension policy. Nothing herein shall repeal any provisions of the Code of Ordinances of the City, as amended, or any of the uncodified ordinances that contain the City's policies and procedures.

The City extends water, wastewater, and gas services to existing unserved development as follows:

Construction of such service lines is based on a priority schedule that considers potential health hazards, population density, the number of existing buildings, the reasonable cost of providing service, and the desires of the residents of the unserved areas.

Extensions built by the City at its cost are included in its Capital Improvements Plan, which is updated annually. Placement of an extension or enlargement of any water and/or wastewater lines into the Capital Improvement Plan is based primarily on the following requirements: (1) to provide service to unserved areas, (2) and to provide adequate capacity for projected service requirements.

Persons or entities desiring to develop land within unserved areas must construct water, wastewater, and gas service lines and extensions to connect to City trunk lines to serve the new development.

- B. **General Services Program.** The following services will be provided within the Tract within the period required by State law: police protection, fire protection, solid waste collection, operation and maintenance of water, wastewater, and gas facilities, operation and maintenance of roads and streets, including lighting, operation and maintenance of parks, playgrounds, and swimming pools, and maintenance of any other publicly owned facility, building or service. The General Services Program plan is as follows:

1. Police Protection. The Police Department of the City will provide protection and law enforcement within the Tract. These activities will include routine patrols and responses, handling of complaints and incident reports, and, as appropriate, support by special units. In order to provide the above services, the Police Department will operate from a city facility.

## PETITION REQUESTING ANNEXATION BY AREA LANDOWNERS

which may be constructed or located by the City within the Tract, will be operated and maintained by an appropriate City department at levels of service and maintenance comparable to those available to other such facilities in other parts of the City with similar topography, load use, and population density as those reasonably contemplated or projected within the Tract.

- C. Capital Improvement Program. It is the intent of the City to provide full City services within the Tract not less than four and one-half (4-1/2) years after the effective date of annexation of the Tract, in accordance with the Texas Local Government Code, § 43.056(e).

The City will initiate the acquisition and construction of the capital improvements necessary to provide municipal services adequate to serve the Tract. Any necessary construction or acquisition is indicated below, and any such construction or acquisition shall begin within two (2) years of the effective date of this Plan and shall be substantially completed within 4-1/2 years, except as otherwise indicated:

1. Police Protection. No capital improvements are necessary at this time to provide police protection services within the Tract. The Tract will be included with other City territory in connection with planning for new, revised, or expanded police facilities.
2. Fire Protection. No capital improvements are necessary at this time to provide fire protection services within the Tract. The Tract will be included with other City territory in connection with planning for new, revised, or expanded fire facilities.
3. Solid Waste Collection. No capital improvements are necessary at this time to provide solid waste collection services within the Tract. The Tract will be included with other City territory in connection with planning for new, revised, or expanded solid waste facilities and/or services.
4. Wastewater Facilities. The Tract will be included with other City territory in connection with planning for new, revised, or expanded public wastewater facilities. Wastewater services will be provided according to the standard policies and procedures of the City's Department of Public Works. A summary of the City's policies with regard to the extension of wastewater services is attached to and made a part of this Plan.
5. Water Distribution. The Tract will be included with other City territory in connection with planning for new, revised, or expanded public water facilities. Water services will be provided according to the standard policies and procedures of the City's Department of Public Works. A summary of

**PETITION REQUESTING ANNEXATION BY AREA LANDOWNERS**

- VI. **Force Majeure.** In the event the City is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Plan, notice shall be given with full particulars of such force majeure, in writing, as soon as reasonably possible after the occurrence of the cause relied on, and the City’s obligations, so far as effected by such force majeure, shall be suspended during the continuance of such inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch; provided, however, City shall not be required to settle a strike or dispute with workmen when such settlement is against the will of the City. The term “force majeure” shall mean acts of God, strikes, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, explosions, breakage or accident to machinery or lines of pipe, droughts, hurricanes and tornadoes, and any other inability of either party, whether similar to those enumerated or otherwise, not within the control of the City, which, by the exercise of reasonable diligence, the City shall not have been able to avoid.
- VII. **Entire Plan.** This document contains the entire and integrated Plan relating to the Tract and supersedes all other negotiations, representations, plans, and agreements, whether written or oral.

If one or more provisions of this Plan is held to be invalid, unenforceable, or illegal in any respect, the remainder of the Plan shall remain valid and in full force and effect.

**SIGNATURES**

For the City:

\_\_\_\_\_  
Name [Signature]

\_\_\_\_\_  
Name [Printed]

\_\_\_\_\_  
Position

\_\_\_\_\_  
Date

For the Property Owner:

  
\_\_\_\_\_  
Name [Signature]

Jonathan Sellers  
\_\_\_\_\_  
Name [Printed]

Shoppes at Willowcreek, LLC  
\_\_\_\_\_  
Company [if applicable]

10/09/2025  
\_\_\_\_\_  
Date

SERVICE AGREEMENT NOT VALID UNTIL SIGNED BY CITY REPRESENTATIVE AND  
PROPERTY HAS BEEN ANNEXED

**City of Tomball  
Annexation Packet: Request of Owner  
City Department Review Page**

**To be filled by Requestor(s)**

Property Description: 14 Acres total, two separate tracts. One is 8 acres the other is 6 acres.

Requestor / Owner: Trevor Hudson / Jonathan Sellers

Requestor / Owner: \_\_\_\_\_

Requestor / Owner: \_\_\_\_\_

Date complete packet filed: 10/09/2025

**To be filled by City Departments**

Directions: Review the packet for completeness and concurrence with request.

**For: Police Department**

\_\_\_\_\_  
Name [Printed]

\_\_\_\_\_  
Name [Signature]

\_\_\_\_\_  
Position

\_\_\_\_\_  
Date

**For: Community Development**

\_\_\_\_\_  
Name [Printed]

\_\_\_\_\_  
Name [Signature]

\_\_\_\_\_  
Position

\_\_\_\_\_  
Date

**For: Fire Department**

\_\_\_\_\_  
Name [Printed]

\_\_\_\_\_  
Name [Signature]

\_\_\_\_\_  
Position

\_\_\_\_\_  
Date

**For: Public Works / Engineering**

\_\_\_\_\_  
Name [Printed]

\_\_\_\_\_  
Name [Signature]

\_\_\_\_\_  
Position

\_\_\_\_\_  
Date

Return to City Secretary



# CITY OF HOUSTON

Planning & Development Department

**John Whitmire**

Mayor

Vonn Tran  
Director  
P.O. Box 1562  
Houston, Texas 77251-1562

T. 832.393.6600  
F. 832.393.6661  
[www.houstontx.gov](http://www.houstontx.gov)

Jonathan Sellers  
22914 Rosehollow Trail  
Tomball, TX 77377

October 3, 2025

Subject: Petition for Release of 14 Acres of Land from City of Houston's Extraterritorial Jurisdiction

Dear Jonathan Sellers:

The Planning and Development Department received your petition for the release of 14 acres of land from the City of Houston's extraterritorial jurisdiction ("ETJ") on **October 2, 2025**. After reviewing the petition in accordance with Texas Senate Bill 2038 and associated state and local laws, the Planning and Development Department staff has deemed your petition to be complete.

If you have any additional questions, please contact the Department at (832) 393-6600, or [planningdepartment@houstontx.gov](mailto:planningdepartment@houstontx.gov).



Shoppes at Willow Creek - 14 AC

Drilex

ASAP Trailer Services & Supply

Waller-Tomball Rd

2920

Lutheran Church Rd

Waller-Tomball Rd

2920

Doe's Small Engine Repairs

Hillwood Family Dental - To

Treichel Rd

W Champagne Cir

Pigs Unlimited International

Prista's Automotive

Legacy Precision Engraving

Foxmoor Pet Care

Teige Rd

Kirahn Ln

Parker Rd

Burns RV Park



Find address or place

0 TELGE  
TOMBALL, 77377

HCAD Account:	0430430000330
Owner Name:	SHOPPES AT WILLOWCREEK LLC
State Class:	D2
Appraised Value:	\$263,159.00
Market Value:	\$263,159.00
Address:	0 TELGE

Zoom to

SUBDIV  
SITEMAC AT TOMBALL  
700317

SUBDIV  
CORNER STORE NO 1917  
655-278

SUBDIV  
PIGSUNLIMITED INTERNATIONAL  
488-206

SUBDIV  
TELGE PARK  
605-196

Parcel Basemap 2025

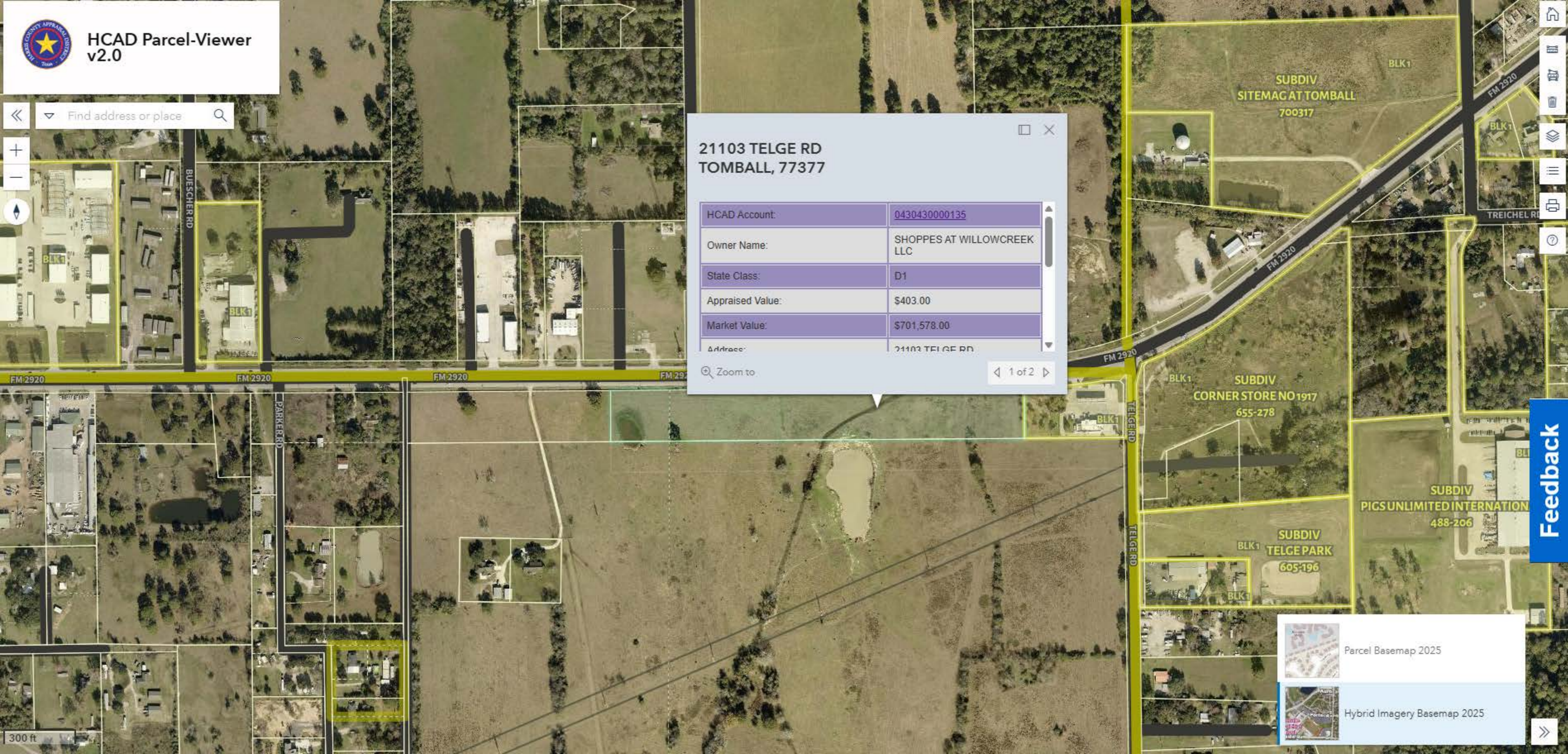
Hybrid Imagery Basemap 2025

Feedback

300 ft



Find address or place



21103 TELGE RD  
TOMBALL, 77377

HCAD Account:	0430430000135
Owner Name:	SHOPPES AT WILLOWCREEK LLC
State Class:	D1
Appraised Value:	\$403.00
Market Value:	\$701,578.00
Address:	21103 TELGE RD

Zoom to

1 of 2

Feedback

Parcel Basemap 2025

Hybrid Imagery Basemap 2025

300 ft

**Exhibit A**  
**Property**

Tract 1 – 8.053 acres of land owned by Willow Creek Plaza, LP

Field Notes for a 8.053 acre tract of land, out of a 14.2194 acre tract of land described under Harris County Clerk's File Number S391992, Exhibit "D", situated in the East one-half (1/2) of the William Hurd Survey, Abstract 377, Harris County. Bearings are based on the North line of the said 14.2194 acre tract of land South 89°42'00" East. The said 8.053 acre tract of land being more fully described as follows:

COMMENCING: At a set 3/4 inch iron rod with plastic cap in the South right-of-way line of FM 2920, based on 120' width, said rod marking the Northwest corner of said 14.2194 acre tract of land, from which a found 1/2 inch iron bears South 00°30'22" West, a distance of 0.85 feet;

THENCE: South 89°42'00" East, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, a distance of 834.47 feet to a set 3/4 inch iron rod with plastic cap for the Northwest corner of the herein described tract and the PLACE OF BEGINNING;

THENCE: Continuing South 89°42'00" East, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, a distance of 1680.78 feet to a found 3/4 inch iron rod for the beginning of a curve from which a found 1/2 inch iron rod bears North 77°18'07" East, a distance of 7.02 feet;

THENCE: A distance of 17.88 feet along the arc of a curve to the left (Delta angle= 00°41'11, Radius=1492.40 feet, Chord=North 89°57'25" East, a distance of 17.88 feet, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, to a set 3/4 inch iron rod with plastic cap for the Northeast corner of the herein described tract from which a found inch iron rod bears North 87°46'59" East, a distance of 41.01 feet;

THENCE: South 00°18'00" West, departing said right-of-way line, a distance of 208.82 feet to a set 3/4 inch iron rod with plastic cap for the Southeast corner of the herein described tract in the North line of a 113,2797 acre tract of land described under said Harris County Clerk's File Number S391992, Exhibit "A", Tract One and the South line of the said 14.2194 acre tract of land;

THENCE: North 89°42'00" West, with the North line of the said 113.2797 acre tract and the South line of the said 14.2194 acre tract of land, a distance of 1680.78 feet to a set 3/4 inch iron rod with plastic cap for the Southwest corner of the herein described tract;

THENCE: North 00°18'00" East, a distance of 208.71 feet. to the PLACE OF BEGINNING, containing 8.053 acres of land.

**Exhibit B**  
**Property**

Tract 2 – 6.0413 acres of land owned by Festival Properties, Inc.

Being a tract or parcel containing 6.0413 acres (263,162 square feet) of land situated in the William Hurd Survey, Abstract Number 377, Harris County, Texas; being out of and a part of the remainder of a called 114.9706 acre tract of record in the name of Festival Properties, Inc., and Silvestri Investments of Florida, Inc., in Harris County Clerk's File (H.C.C.F.) Number RP-2020-302036; said 6.0413 acre tract being more particularly described as follows (Bearings described herein are referenced to the Texas Coordinate System, South Central Zone No. 4204 (NAD83):

COMMENCING at a 5/8 inch iron rod with "Frontier" cap found for the northwest corner of a called 8.053 acre tract of record in the name of Willow Creek Plaza, LP in H.C.C.F. Number RP-2018-421683, and being on the south Right-of-Way (R.O.W.) line of F.M. 2920 (120 feet wide), and on the north line of remainder of aforesaid 114.9706 acre tract, from which a bent 1/2 inch iron rod found bears South 08 Degrees 11 Minutes 41 Seconds East, a distance of 1.90 feet, and having coordinates of X: 3,021,251.48 and Y: 13,954,991.49;

THENCE, coincident with the west line of aforesaid 8.053 acre tract, South 02 Degrees 00 Minutes 28 Seconds East, a distance of 208.71 feet to a 5/8 inch iron rod with "Frontier" cap found for the northwest corner and POINT OF BEGINNING of the herein described tract and the southwest corner of said 8.053 acre tract, and having coordinates of X: 3,021,258.79 and Y: 13,95,782.91;

THENCE, coincident with the north line of the herein described tract and the south line of aforesaid 8.053 acre tract, North 87 Degrees 59 Minutes 32 Seconds East, at a distance of 1,680.78 feet pass a 5/8 inch iron rod with "Frontier" cap found for the southeast corner of said 8.053 acre tract and the southwest corner of Restricted

Reserve "A", Block 1 in Jack in the Box #3980, a subdivision duly of record in Film Code Number 568095, in the Map Records of Harris County (H.C.M.R.), Texas, and continue at a distance of 2,084.45 feet pass a 5/8 inch

iron rod with "Frontier" cap found for the southeast corner of said Reserve "A", being on the west R.O.W. line of Telge Road (width varies), and continue for an overall distance of 2,104.87 feet to the northeast corner of the

herein described tract, being on the west R.O.W. line of said Telge Road, from which a 3/4 inch iron rod found bears South 00 Degrees 00 Minutes 31 Seconds East, a distance of 0.92 feet;

THENCE, coincident with the east line of the herein described tract and the west R.O.W. line of aforesaid Telge Road, South 02 Degrees 23 Minutes 39 Seconds East, a distance of 125.00 feet to a 1/2 inch iron rod with "Villa 6751" cap set for the southeast corner of the herein described tract, being on the east line of said 114.9706 acre tract and the west R.O.W. line of said Telge Road;

THENCE, through and across aforesaid 114.9706 acre tract the following two (2) courses:

1. South 87 Degrees 59 Minutes 32 Seconds West, a distance of 2,105.72 feet to a 1/2 inch iron rod with "Villa 6751" cap set for the southwest corner of the herein described tract;
2. North 02 Degrees 00 Minutes 28 Seconds West, a distance of 125.00 feet to the POINT OF BEGINNING and containing 6.0413 acres (263,162 square feet) of land.

ANNETTE RAMIREZ  
 TAX ASSESSOR-COLLECTOR & VOTER REGISTRAR  
 P.O. BOX 3547  
 HOUSTON, TEXAS 77253-3547  
 TEL: 713-274-8000



2024 Property Tax Statement  
 Web Statement

Statement Date:	August 18, 2025
Account Number	043-043-000-0135



SHOPPES AT WILLOWCREEK LLC  
 336 1/2 N MAIN ST STE 214  
 CONROE TX 77301-3379

Taxing Jurisdiction	Exemptions	Taxable Value	Rate per \$100	Taxes
Harris County	0	362	0.385290	\$1.39
Harris County Flood Control Dist	0	362	0.048970	\$0.18
Port of Houston Authority	0	362	0.006150	\$0.02
Harris County Hospital District	0	362	0.163480	\$0.59
Harris County Dept. of Education	0	362	0.004799	\$0.02
Lone Star College System	0	362	0.107600	\$0.39
Emergency Service Dist #21 (Fire)	0	362	0.100000	\$0.36
Emergency Service Dist #3 (EMS)	0	362	0.100000	\$0.36

Property Description	
21103 TELGE RD 77377 .50 U/D INT IN TRS 3G & 4B (8.053 AC) ABST 377 W HURD 4.0265 AC	
Appraised Values	
Land - Market Value	613,879
Impr - Market Value	0
Total Market Value	613,879
Less Capped Mkt Value	613,517
Appraised Value	362
Exemptions/Deferrals	
Open Space Farm Productivity	

<i>Page: 1 of 1</i>	
<b>Total 2024 Taxes Due By January 31, 2025:</b>	<b>\$3.31</b>
<b>Payments Applied To 2024 Taxes</b>	<b>\$3.31</b>
<b>Total Current Taxes Due (Including Penalties)</b>	<b>\$0.00</b>
<b>Prior Year(s) Delinquent Taxes Due (If Any)</b>	<b>\$0.00</b>
<b>Total Amount Due For July 2025</b>	<b>\$0.00</b>

Penalties for Paying Late	Rate	Current Taxes	Delinquent Taxes	Total
By February 28, 2025	7%	\$0.00	\$0.00	\$0.00
By March 31, 2025	9%	\$0.00	\$0.00	\$0.00
By April 30, 2025	11%	\$0.00	\$0.00	\$0.00
By May 31, 2025	13%	\$0.00	\$0.00	\$0.00
By June 30, 2025	15%	\$0.00	\$0.00	\$0.00



Tax Bill Increase (Decrease) from 2019 to 2024: Appraised Value 67%, Taxable Value 67%, Tax Rate -1%, Tax Bill 66%.

PLEASE CUT AT THE DOTTED LINE AND RETURN THIS PORTION WITH YOUR PAYMENT.



SHOPPES AT WILLOWCREEK LLC  
 336 1/2 N MAIN ST STE 214  
 CONROE TX 77301-3379

PAYMENT COUPON

Account Number	043-043-000-0135
Amount Enclosed	\$ _____ . _____

Make check payable to:

Web Statement - Date Printed: 08-18-2025

IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED AND THE PROPERTY DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE APPRAISAL DISTRICT REGARDING ANY ENTITLEMENT YOU MAY HAVE TO A POSTPONEMENT IN THE PAYMENT OF THESE TAXES.

ANNETTE RAMIREZ  
 TAX ASSESSOR-COLLECTOR  
 P.O. BOX 4622  
 HOUSTON, TEXAS 77210-4622


04304300001353 2024 000000000 000000000 000000000 000000000

**WRITTEN CONSENT OF THE MEMBERS OF  
THE SHOPPES AT WILLOW CREEK, LLC,  
A TEXAS LIMITED LIABILITY COMPANY**

On this 17th day of July, 2025, at Conroe, Texas, the undersigned, constituting all the members of Shoppes at Willow Creek, LLC., a Texas Limited Liability Company, hereby unanimously adopt, approve, and consent to the following resolutions of all the members of this company, duly adopted by written consent of all said members in accordance with the operating agreement of the company and Texas Business and Organizations Code § 6.201.

RESOLVED, that Jonathan Sellers is authorized to sign any and all documents on behalf of The Shoppes at Willow Creek, LLC, including—but not limited to—acting in the company’s capacity as general partner for The Shoppes at Willow Creek, LLC.

This Written Consent of the Members may be executed simultaneously in counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. A facsimile signature shall be treated as an original.

  
\_\_\_\_\_  
Jody Czajkoski

  
\_\_\_\_\_  
Mitchell Oxman

  
\_\_\_\_\_  
Stephanne Davenport

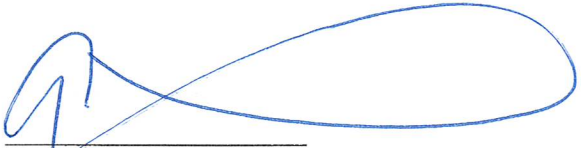
\_\_\_\_\_  
Jonathan Sellers

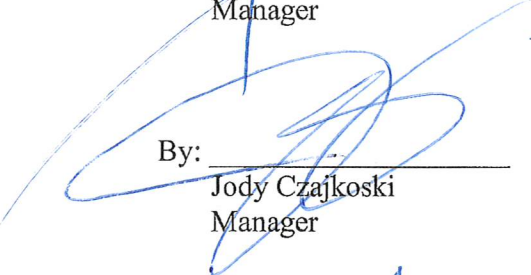


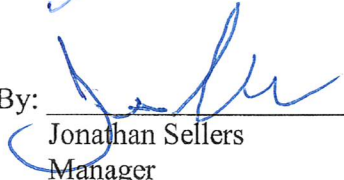
IN TESTIMONY WHEREOF, this instrument is executed to be effective as of the 22  
day of OCTOBER, 2024.

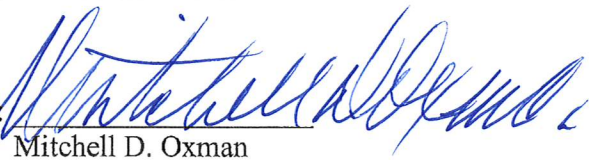
GRANTOR:  
WILLOW CREEK PLAZA, LP

By MHW Willow Creek Plaza LLC,  
Its General Partner

By:   
\_\_\_\_\_  
Guy Barrios  
Manager

By:   
\_\_\_\_\_  
Jody Czajkoski  
Manager

By:   
\_\_\_\_\_  
Jonathan Sellers  
Manager

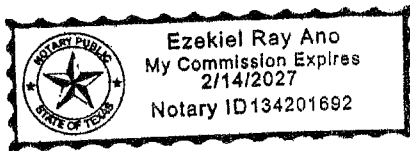
By:   
\_\_\_\_\_  
Mitchell D. Oxman  
Manager

ACKNOWLEDGEMENTS

STATE OF TEXAS

COUNTY OF Harris

The foregoing instrument was acknowledged before me on this 12<sup>th</sup> day of October, 2024 by Guy Barrios, manager of MHW Willow Creek Plaza LLC, as general partner for Willow Creek Plaza, LP, a Texas limited partnership, on behalf of said partnership.

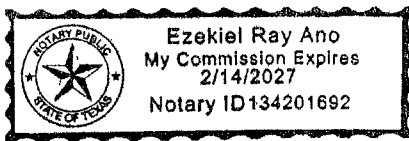


[Signature]  
NOTARY PUBLIC

STATE OF TEXAS

COUNTY OF Montgomery

The foregoing instrument was acknowledged before me on this 22<sup>nd</sup> day of October, 2024 by Jody Czajkoski, manager of MHW Willow Creek Plaza LLC, as general partner for Willow Creek Plaza, LP, a Texas limited partnership, on behalf of said partnership.

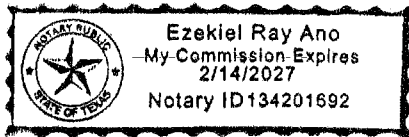


[Signature]  
NOTARY PUBLIC

STATE OF TEXAS

COUNTY OF Harris

The foregoing instrument was acknowledged before me on this 22<sup>nd</sup> day of October, 2024 by Jonathan Sellers, manager of MHW Willow Creek Plaza LLC, as general partner for Willow Creek Plaza, LP, a Texas limited partnership, on behalf of said partnership.

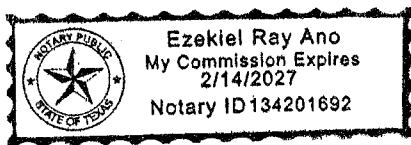


  
NOTARY PUBLIC

STATE OF TEXAS

COUNTY OF Montgomery

The foregoing instrument was acknowledged before me on this 22<sup>nd</sup> day of October, 2024 by Mitchell D. Oxman, manager of MHW Willow Creek Plaza LLC, as general partner for Willow Creek Plaza, LP, a Texas limited partnership, on behalf of said partnership.



  
NOTARY PUBLIC

## EXHIBIT "A"

Field Notes for a 8.053 acre tract of land, out of a 14.2194 acre tract of land described under Harris County Clerk's File Number S391992, Exhibit "D", situated in the East one-half (1/2) of the William Hurd Survey, Abstract 377, Harris County. Bearings are based on the North line of the said 14.2194 acre tract of land South 89°42'00" East. The said 8.053 acre tract of land being more fully described as follows:

COMMENCING: At a set 3/4 inch iron rod with plastic cap in the South right-of-way line of FM 2920, based on 120' width, said rod marking the Northwest corner of said 14.2194 acre tract of land, from which a found 1/2 inch iron bears South 00°30'22" West, a distance of 0.85 feet;

THENCE: South 89°42'00" East, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, a distance of 834.47 feet to a set 3/4 inch iron rod with plastic cap for the Northwest corner of the herein described tract and the PLACE OF BEGINNING;

THENCE: Continuing South 89°42'00" East, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, a distance of 1680.78 feet to a found 3/4 inch iron rod for the beginning of a curve from which a found 1/2 inch iron rod bears North 77°18'07" East, a distance of 7.02 feet;

THENCE: A distance of 17.88 feet along the arc of a curve to the left (Delta angle= 00°41'11, Radius=1492.40 feet, Chord=North 89°57'25" East, a distance of 17.88 feet, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, to a set 3/4 inch iron rod with plastic cap for the Northeast corner of the herein described tract from which a found inch iron rod bears North 87°46'59" East, a distance of 41.01 feet;

THENCE: South 00°18'00" West, departing said right-of-way line, a distance of 208.82 feet to a set 3/4 inch iron rod with plastic cap for the Southeast corner of the herein described tract in the North line of a 113.2797 acre tract of land described under said Harris County Clerk's File Number S391992, Exhibit "A", Tract One and the South line of the said 14.2194 acre tract of land;

THENCE: North 89°42'00" West, with the North line of the said 113.2797 acre tract and the South line of the said 14.2194 acre tract of land, a distance of 1680.78 feet to a set 3/4 inch iron rod with plastic cap for the Southwest corner of the herein described tract;

THENCE: North 00°18'00" East, a distance of 208.71 feet, to the PLACE OF BEGINNING, containing 8.053 acres of land.

**LIMITED PARTNERSHIP AGREEMENT**

**OF**

**WILLOW CREEK PLAZA, LP**

Dated as of \_\_\_\_\_, 2018

THE LIMITED PARTNERSHIP INTERESTS THAT ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THE INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, TRANSFERRED, OR OTHERWISE DISPOSED OF UNTIL THE HOLDER THEREOF PROVIDES EVIDENCE SATISFACTORY TO THE GENERAL PARTNER (WHICH, IN THE DISCRETION OF THE GENERAL PARTNER, MAY INCLUDE AN OPINION OF COUNSEL SATISFACTORY TO THE GENERAL PARTNER) THAT SUCH OFFER, SALE, PLEDGE, TRANSFER, OR OTHER DISPOSITION WILL NOT VIOLATE APPLICABLE FEDERAL OR STATE SECURITIES LAWS.

THE PARTNERSHIP INTERESTS THAT ARE THE SUBJECT OF THIS AGREEMENT ARE SUBJECT TO RESTRICTIONS ON THE TRANSFER, SALE, PLEDGE, OR OTHER DISPOSITION AS SET FORTH IN ARTICLE 10 OF THIS AGREEMENT.

**LIMITED PARTNERSHIP AGREEMENT  
OF  
WILLOW CREEK PLAZA, LP**

THIS LIMITED PARTNERSHIP AGREEMENT (this "Agreement") is made and entered into as of MARCH 14, 2018, by and between MHW WILLOW CREEK PLAZA, LLC, a Texas limited liability company, as general partner (the "General Partner"), and the persons or entities named as limited partners on Exhibit A (each a "Limited Partner", and together, the "Limited Partners") (the General Partner and the Limited Partners being sometimes referred to, collectively, herein as the "Partners"), in accordance with the provisions of the Texas Business Organizations Code (the "Act").

WITNESSETH:

WHEREAS, the Partnership is being formed for the purposes set forth in Section 3.1 hereof, including (i) acquisition of the Land (as defined below) and (ii) the construction thereon of the Project (as defined below); and

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements contained herein, the Partners hereby agree as follows:

**ARTICLE I  
ORGANIZATION**

- 1.1 Formation of Limited Partnership. The Partners do hereby form and establish a limited partnership (the "Partnership") under and pursuant to the Act, subject to the terms and provisions of this Agreement.
- 1.2 Name. The name of the Partnership shall be "WILLOW CREEK PLAZA, LP".
- 1.3 Principal Office of the Partnership. The principal office and place of business of the Partnership shall be located at the location designated in the Certificate of Formation. The business of the Partnership may also be conducted at such other or additional place or places as the Partners may from time to time determine.
- 1.4 Name and Business Address of Each Partner. The names and business addresses of the Partners are set forth on Exhibit A.
- 1.5 Registered Office and Registered Agent. The Partnership's registered office and agent for service of process in the State of Texas shall be as set forth on the Certificate. The General Partner may change the Partnership's registered agent or registered office or both, at any time, in accordance with the Act.

**ARTICLE II  
DEFINITIONS**

When used in this Agreement, the following terms shall have the meanings set forth below:

- 2.1 Affiliate. “Affiliate” means, with respect to any Person or Entity (the “specified Person or Entity”), (a) another Person or Entity that controls, is controlled by or is under common control with the specified Person or Entity (for the purposes of the foregoing clause (a), a Person or Entity is presumed to control any Person or Entity of which it owns fifty percent (50%) or more of the outstanding ownership interests in such other Person or Entity), and (b) another Person or Entity in which an officer, director, partner or member of the specified Person or Entity is an officer, director, partner or member of such other Person or Entity.
- 2.2 Allocation Year. “Allocation Year” means (i) the period beginning on the Effective Date of this agreement and ending on December 31, 2018, (ii) any subsequent period beginning on January 1 and ending on the following December 31, or (iii) any portion of the periods described in clauses (i) or (ii) for which Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction.
- 2.3 Annual Budget. “Annual Budget” is defined in Section 8.4(c).
- 2.4 Approved Person. “Approved Person” means a Person approved by the General Partner in its reasonable discretion to whom a Limited Partner may be permitted to Transfer its interest in the Partnership pursuant to Section 10.2.
- 2.5 Bona Fide Offer. “Bona Fide Offer” means a written offer from a third party for the purchase of a Partner’s Capital Percentage from the Partner or the Project from the Partnership containing (i) the aggregate amount of cash and non-monetary consideration to be paid by the prospective acquiror; (ii) the name and address of the prospective acquiror and of any Person(s) controlling the prospective acquiror; (iii) sufficient detail concerning any non-monetary portion of the consideration offered by the proposed acquiror in the offer in order that the other Partners may reasonably determine the fair market value of any such non-monetary consideration; (iv) a statement by the Disposing Partner of its good faith valuation of any such non-monetary consideration and its statement therein of such value shall be its representation that the value ascribed by it was calculated in good faith; (v) a list of any contingencies to closing of the offer with such closing to occur no later than ninety (90) days from the date of the offer, it being understood that any financing contingency shall cause the offer to not constitute an offer that may trigger a transaction under this Article X; (vi) copies of any available proposed transaction documents; and (vii) reasonable evidence of the prospective acquiror’s net worth and ability to close pursuant to the terms of the offer.
- 2.6 Change of Control. “Change of Control” means any direct or indirect transfer, sale, assignment, encumbrance, mortgage, transfer, conveyance, gift, exchange or other disposition of more than fifty percent (50%) of the equity or voting interests of a Partner or of any Entity which directly or indirectly owns more than fifty percent (50%) of the equity or voting interests of a Partner.
- 2.7 Capital Contributions. “Capital Contributions” means the aggregate amount of cash contributed to the capital of the Partnership by a Partner or all Partners, as the case may be pursuant to Section 5.1.

- 2.8 Capital Percentages. "Capital Percentage" represents a Partner's interest in the Partnership and means with respect to each Partner, a percentage equal to (x) one hundred percent (100.0%), multiplied by (y) a fraction, the numerator of which shall be equal to such Partner's Capital Contributions actually made by such Partner, and the denominator of which shall be equal to the aggregate amount of Capital Contributions made by all Partners.
- 2.9 Cash from Operations. "Cash from Operations" means, with respect to any Fiscal Year or portion thereof, the revenues received by the Partnership (on the cash basis of accounting) from operations of the Project, less the following:
- (a) amounts disbursed or to be disbursed during such Fiscal Year, or portion thereof, in payment of all expenses in operating the Partnership and in owning and operating the Project;
  - (b) amounts disbursed or to be disbursed during such Fiscal Year, or portion thereof, to creditors of the Partnership for debt service, debt principal reduction and repayment obligations (including, without limitation, Construction Loans, Third Party Loans, Partner Loans and Contribution Loans); and
  - (c) as determined by the General Partner, reserves for amounts owing, anticipated to become owing or contingent obligations of the Partnership, including, but not limited to, expenses in owning and operating the Project, costs in connection with the development and construction of the Project, repairs and improvements to the Project, debt principal reductions, taxes resulting from operating the Partnership and in owning the Project, other contingencies, and working capital.
- 2.10 Cash from Refinancing. "Cash from Refinancing" means any surplus cash proceeds received by the Partnership from any loan secured by the Project or by other assets of the Partnership (excluding disbursements advanced pursuant to draw requests by the Partnership under any Construction Loans), less the following:
- (a) expenses of the Partnership incident to such refinancing, including the cost of retiring any existing loan or secured indebtedness in accordance with its terms;
  - (b) amounts disbursed or to be disbursed to creditors of the Partnership for debt service, debt principal reduction and repayment obligations (including, without limitation, Construction Loans, Third Party Loans, Partner Loans and Contribution Loans) and;
  - (c) as determined by the General Partner, reserves for amounts owing, anticipated to become owing or contingent obligations of the Partnership, including, but not limited to, expenses in owning and operating the Project, costs in connection with the development and construction of the Project, repairs and improvements to the Project, debt principal reductions, taxes resulting from operating the Partnership and in owning the Project, other contingencies, and working capital.
- 2.11 Cash from Sale. "Cash from Sale" means the cash realized by the Partnership from a sale or other disposition of all or any part of the Project or other assets of the Partnership,

including net cash realized from insurance proceeds or condemnation awards to the extent not reinvested in Partnership property, less the following:

- (a) the costs and expenses of any such sale or other disposition;
  - (b) amounts used to pay creditors and sums due under mortgages or loans, contracts, agreements and other obligations of the Partnership, including, without limitation, Construction Loans, Third Party Loans, Partner Loans and Contribution Loans; and
  - (c) as determined by the General Partner, reserves for amounts owing, anticipated to become owing or contingent obligations of the Partnership, including, but not limited to, expenses in owning and operating the Project, costs in connection with the development and construction of the Project, repairs and improvements to the Project, debt principal reductions, taxes resulting from operating the Partnership and in owning the Project, other contingencies, and working capital.
- 2.12 Code. “Code” means, at any time, the Internal Revenue Code of 1986, as amended, or, from and after the date any successor statute becomes, by its terms, applicable to the Partnership, such successor statute, in each case as amended at such time by amendments that are, at that time, applicable to the Partnership. All references to sections of the Code include any corresponding provision or provisions of any such successor statute.
- 2.13 Construction Loans. “Construction Loans” means any loan or loans obtained by the Partnership to be used in (i) the acquisition of the Land and/or (ii) the construction of the Project.
- 2.14 Contribution Loan. “Contribution Loan” is defined in Section 5.6.
- 2.15 Development Budget. “Development Budget” means the budget for the costs necessary for the acquisition, construction and development of the Project, a preliminary copy of which is attached hereto as Exhibit C and by reference made a part hereof and which the Partners have approved. General Partner shall have the right from time to time to make revisions to the Development Budget that in the reasonable judgment of General Partner are necessary for the acquisition, construction or development of the Project. Any revised Development Budget for acquisition, construction and development of the Project prepared by General Partner and furnished to the Limited Partner shall thereafter constitute the “Development Budget,” as that term is used in this Agreement until such time as a further revised Development Budget is prepared by General Partner. In the event of a revision to the Development Budget by the General Partner resulting in a change to the “Total Development Costs” line item, a copy of such revised Development Budget shall be furnished to each of the Limited Partners. In addition, in the event of a revision to the Development Budget by the General Partner resulting in a change to the “Total Development Costs” of more than ten percent (10%), then no such change shall be effective unless and until the General Partner has obtained the written approval of each Limited Partner to such change.

- 2.16 Depreciation. “Depreciation” means, for each Fiscal Year or other period, an amount equal to depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation will be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis, provided that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.
- 2.17 “Entity” means any foreign or domestic general partnership, limited partnership, limited liability company, corporation, joint enterprise, trust, business trust, employee benefit plan, cooperative or association.
- 2.18 Event of Default. “Event of Default” is defined in Section 11.1.
- 2.19 Excess Capital Account Deficit. “Excess Capital Account Deficit” means, for any Partner, the excess of (x) the deficit balance in the Capital Account of such Partner (after giving effect to adjustments, allocations or distributions described in clauses (4), (5) and (6) of Treasury Regulations Section 1.704-1(b)(2)(ii)(d)), over (y) the sum of (i) the amount of the Capital Account deficit which such Partner is obligated to restore, (ii) such Partner’s allocable share of Minimum Gain and (iii) such Partner’s allocable share of Partner Minimum Gain. The foregoing definition of Excess Capital Account Deficit is intended to comply with Treasury Regulations Sections 1.704-1(b)(2)(ii)(d), 1.704-2(g)(1) and 1.704-2(i)(5) and shall be interpreted consistently therewith.
- 2.20 Fiscal Year. Fiscal Year means the Partnership’s fiscal year ending on December 31 of each year.
- 2.21 Gross Asset Value. “Gross Asset Value,” with respect to any asset, means the asset’s adjusted basis for federal income tax purposes, except as follows:
- (a) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership in connection with the execution and delivery of this Agreement and the initial Gross Asset Value of any other asset contributed by a Person to the Partnership will be the gross fair market value of such asset, as determined by the contributing Person and the General Partner.
  - (b) The Gross Asset Values of all Partnership assets will be adjusted to equal their respective gross fair market values, as determined by the General Partner, as of the following times: (i) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Partnership to a Partner of more than a *de minimis* amount of property as consideration for an interest in the Partnership; (iii) the liquidation of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations; or (iv) a grant of an interest in the Partnership as

consideration for the provision of services to or for the benefit of the Partnership; provided, however, that the adjustments pursuant to clauses (i) and (ii) above will only be made if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership.

- (c) The Gross Asset Value of any Partnership asset distributed to any Partner will be adjusted to equal the gross fair market value of such asset, as determined by the General Partner, on the date of the distribution.
- (d) The Gross Asset Value of an asset shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such asset pursuant to Code Sections 732, 734 or 743, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Value shall not be adjusted pursuant to this provision to the extent the Partners determine that an adjustment pursuant to subparagraph (b) above is necessary or appropriate in connection with the transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to this definition, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profit and Net Loss.

- 2.22 Land. "Land" means that certain tract of land described in Exhibit B hereto and all currently existing easements, rights-of-way and other appurtenances thereto.
- 2.23 Minimum Gain. "Minimum Gain" and each Partner's allocable share thereof shall mean the amounts computed from time to time under Treasury Regulations Sections 1.704-2(d) and 1.704-2(g)(2) or any regulations issued in replacement thereof.
- 2.24 Net Profit or Net Loss. "Net Profit" or "Net Loss" means, for each Fiscal Year or other period, an amount equal to the Partnership's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (and, for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:
  - (a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Profit or Net Loss pursuant to this definition shall be added;
  - (b) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(1), and not otherwise taken into account in computing Net Profit or Net Loss pursuant to this definition, shall be subtracted;

- (c) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraphs (b) or (d) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profit or Net Loss;
- (d) Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;
- (e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with this Agreement; and
- (f) Notwithstanding any other provisions of this definition, any items which are specially allocated pursuant to this Agreement shall not be taken into account in computing Net Profit or Net Loss.

If the Partnership's taxable income or loss for a Fiscal Year or other period, as adjusted in the manner provided above, is a positive amount, such amount shall be the Partnership's Net Profit for such year or period; and if negative, such amount shall be the Partnership's Net Loss for such year or period.

- 2.25 Nonrecourse Deductions. "Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b) of the Treasury Regulations. The amount of Nonrecourse Deductions for a Partnership Fiscal Year equals the excess, if any, of the net increase, if any, in the amount of Partnership Minimum Gain during that Fiscal Year over the aggregate amount of any distributions during that Fiscal Year of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined according to the provisions of Section 1.704-2(c) of the Treasury Regulations. The Nonrecourse Deductions of a year shall consist first of depreciation with respect to each item of Partnership property to the extent of the increase in Partnership Minimum Gain attributable to nonrecourse liabilities of the Partnership secured by such Partnership property, with the remainder of any Nonrecourse Deductions made up of a pro rata portion of the Partnership's other items of loss.
- 2.26 Nonrecourse Liability. "Nonrecourse Liability" has the meaning set forth in Section 1.752-1(a)(2) of the Treasury Regulations.
- 2.27 Partner. "Partner" shall mean each Limited Partner and the General Partner, as the case may be.
- 2.28 Partner Loans. "Partner Loans" shall have the meaning set forth in Section 5.2(b).
- 2.29 Partner Minimum Gain. "Partner Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result

if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i) of the Treasury Regulations.

- 2.30 Partner Nonrecourse Debt. "Partner Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Treasury Regulations.
- 2.31 Partner Nonrecourse Deductions. "Partner Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(i)(2) of the Treasury Regulations. The amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Fiscal Year equals the excess, if any, of the net increase, if any, in the amount of Partner Minimum Gain attributable to such Partner Nonrecourse Debt during that Fiscal Year over the aggregate amount of any distributions during that Fiscal Year to the Partner that bears the economic risk of loss for such Partner Nonrecourse Debt to the extent such distributions are from the proceeds of such Partner Nonrecourse Debt and are allocable to an increase in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(2) of the Treasury Regulations.
- 2.32 Person. "Person" means any individual or Entity, and any heir, executor, administrator, legal representative, successor or assign of such "Person" where the context so admits.
- 2.33 Presumed Tax Liability. "Presumed Tax Liability" of each Partner means, for each year, an amount equal the product of (a) the capital gain rate or ordinary income rate applicable to the cumulative amount of net income allocated to such Partner for the prior tax year, and (b) the cumulative amount of net income allocated to such Partner for the prior tax year.
- 2.34 Project. "Project" means the land and improvements to be constructed as shown in Exhibit D.
- 2.35 Required Consent. "Required Consent" means the written consent of the majority of Managers of MHW Willow Creek Plaza, LLC.
- 2.36 Stabilized. "Stabilized" means any date on which the Project is over fifty percent (50%) occupied with tenants paying rent in accordance with written leases.
- 2.37 "Treasury Regulations" or "Regulations" means, at any time, the federal income tax regulations promulgated under the Code that are in effect at such time and that, by their terms, are applicable to the Partnership at such time. All references to sections of the Treasury Regulations include any corresponding provision or provisions of any such successor regulations.
- 2.38 Unrecovered Contribution Account. "Unrecovered Contribution Account" means with respect to any Partner, the initial capital contribution of such Partner, if any, increased by any additional capital contributions made by such Partner and decreased by the amount of any cash distributions received by such Partner.

ARTICLE III  
PURPOSES AND POWERS OF PARTNERSHIP

3.1 Purposes. The purposes of the Partnership shall be:

- (a) The purchase of the Land and development of the Project.
- (b) For the General Partner to obtain construction financing for the importation of site improvements, utilities and other master plan related constructions. Such financing shall be non-recourse to the Limited Partners.
- (c) To construct the Project and to hold for development and, eventually, sell the same, directly or indirectly.
- (d) To exercise all powers necessary to or reasonably connected with the Partnership's business, which may be legally exercised by a limited partnership under the Act.
- (e) To conduct such other activities as may be necessary, advisable or convenient to the promotion or conduct of the business of the Partnership.

3.2 Powers. Subject to Section 8.3, in furtherance of the foregoing purposes, the Partnership shall have the power and authority to:

- (a) acquire real or personal property or any interest therein and enter into contracts for the development and construction of the Project;
- (b) borrow money and, as security therefor, mortgage, pledge or grant a security interest in all or any part of its property, obtain any replacement of any such mortgage or mortgages, prepay in whole or in part, refinance, recast, increase, or modify any mortgages or security affecting its property, all for terms that may extend beyond the duration of the Partnership;
- (c) sell, assign, or convey all or any part of its property or assets;
- (d) lease all or any part of its property or assets;
- (e) enter into contracts related to the Project (which may be with Affiliates), including, without limitation, to acquire, develop, construct, operate, lease, repair and maintain the same upon any real property that may belong to the Partnership, or the construction of additional improvements thereon and to employ such persons, firms or companies in connection therewith on such terms and for such compensation as the General Partner shall determine; the General Partner is specifically permitted to enter into agreements with the MHW Affiliates;
- (f) retain counsel, accountants, financial advisers, and other professional personnel; and

- (g) engage in such other activities and incur such other expenses as may be necessary or appropriate for the furtherance of the Partnership's purposes, and execute, acknowledge, and deliver any and all instruments necessary to the foregoing.

#### ARTICLE IV TERM

- 4.1 Term. The term of the Partnership shall commence upon the date of the filing of the Partnership's Certificate of Formation and shall continue in perpetuity, unless the Partnership is sooner wound up under Section 12.1 hereof.

#### ARTICLE V CAPITAL CONTRIBUTIONS BY THE PARTNERS

- 5.1 Initial Capital Contributions. Upon the execution of this Agreement, the Limited Partners shall each be required to make capital contributions to the Partnership in such amounts as are set forth on **Exhibit "A"**, and the Capital Accounts and Unrecovered Contribution Accounts of the Partners shall be credited by the amount of any such contributions at the time same are made pursuant to this Section 5.1.
- 5.2 Additional Capital Contributions. If the General Partner, in its reasonable good faith discretion, determines after taking into account the capital contributions required to be made pursuant to Section 5.1 and available cash flow, that the Partnership is, or is expected to be, unable to pay its cash obligations as they come due, and, therefore, has an actual or projected cash flow deficit, the General Partner shall give written notice of such actual or projected cash flow deficit to the other Partners, which shall summarize with reasonable particularity the Partnership's actual and projected cash obligations, cash on hand, and projected sources and amounts of future cash flow, and which shall specify a contribution date ("Contribution Date") (which shall not be less than 10 business days following the giving of such notice) upon which each Partner shall be obligated to contribute to the capital of the Partnership, in cash, such Partner's Percentage Interest (as of the Contribution Date) of such cash flow deficit. The obligations of each Partner to make an additional Capital Contribution which is required and authorized in the manner herein prescribed shall be a non-recourse obligations which is enforceable only against the Partnership Interest of the Partner failing to make such additional Capital Contribution as provided below.
- 5.3 Remedies on Default. If a Partner ("Defaulting Partner") fails to make all or any portion of the capital contributions required to be made by such Partner pursuant to Sections 5.1 and/or 5.2 on or before the due date thereof ("Delinquent Contribution"), and provided that one or more of the other Partners ("Contributing Partners") have contributed to the capital of the Partnership all of the capital contributions required as of such date to be made by such Partners, if any, pursuant to Sections 5.1 and/or 5.2, then such Contributing Partners may exercise one of the following options:

- (a) The Contributing Partners may advance to the Partnership, in cash within 10 days following the Contribution Date, pro rata to the Percentage Interests of the Contributing Partners electing to so advance (or as such Contributing Partners otherwise

agree), all or any portion of the Delinquent Contribution, and such advance shall be treated as a loan by the Contributing Partners to the Defaulting Partner ("Contribution Loan"), bearing interest at the lesser of the Default Rate, or the maximum rate then permitted by law for such loans, and due and payable, in full, 6 months from the date advanced and thereafter on demand. Notwithstanding the provisions of Article V and Section 9.3, until such loan (and interest thereon) is paid in full, the Defaulting Partner shall draw no further distributions from the Partnership and all cash or property otherwise distributable with respect to the Partnership Interest of such Defaulting Partner under this Agreement shall be distributed to the Contributing Partners as a reduction of the amount of such loan, with such cash or property being applied first to reduce any interest accrued on such loan and then to reduce the principal amount of such loan.

(b) The Contributing Partners may advance to the Partnership, in cash within 10 days following the Contribution Date, pro rata to the Percentage Interests of the Contributing Partners electing to so advance (or as such Contributing Partners otherwise agree), all or any portion of the Delinquent Contribution, and such advance shall be treated as additional capital of the Partnership (the "Default Contribution"), whereupon (i) such Contributing Partner's Unrecovered Contribution Account and Capital Account shall each be credited in an amount equal to the principal amount of the Default Contribution, and (ii) the Percentage Interest of the Defaulting Partner shall be decreased and the Percentage Interest of the Contributing Partner shall be increased accordingly.

#### 5.4 Partner Loans and Affiliate Loans.

(a) In the event the Partnership from time to time or at any time requires funds in excess of the then existing Capital Contributions, the proceeds of Construction Loans, Third Party Loans, prior Partner Loans, prior Contribution Loans, prior Affiliate Loans and revenues, that in the sole and absolute judgment of the General Partner are necessary to provide for the payment of the Partnership's actual or anticipated expenses or capital expenditures or to otherwise enable the Partnership to cause the Project to be developed, constructed, maintained, operated, leased and owned or any of the assets of the Partnership to be properly operated and maintained and to discharge Partnership debt, including, without limitation, any renewal, repayment, refinancing, restructuring or extending of any Partnership debt, then the General Partner may notify the Partners (or an Affiliate of a Partner) of the need for additional funds (a "Funding Request") pursuant to this Section 5.2 (collectively, the "Partner Loan Amounts"), which notice and request for such Partner Loan Amounts must include a statement in reasonable detail of the proposed uses of the Partner Loan Amounts and a date (the "Funding Date") by which the Partner Loan Amounts will be required. Any requests for Partner Loan Amounts made to all of the Partners must be made to the General Partner and the Limited Partners in accordance with their respective Capital Percentages as among themselves at the time of each such request. No Partner shall be obligated to fund all or any portion of any Partner Loan Amounts requested of such Partner pursuant to this Section 5.2.

(b) All Partner Loan Amounts actually funded shall be "Partner Loans." Any Affiliate of a Partner may fund a Partner Loan Amount (in such case, an "Affiliate

Loan"); provided, however, that such Affiliate shall not be a Partner of the Partnership by virtue of funding such Partner Loan Amount. Any Partner Loan Amount funded by an Affiliate of a Partner shall be referred to herein as a Partner Loan. Each Partner Loan shall bear cumulative interest at a rate selected by the General Partner for the period commencing on the date such Partner Loan is funded until the date on which the Partner Loan's outstanding balance is reduced to zero; provided that such rate shall be (i) no less than the applicable federal short-term rate, compounded semi-annually, in effect as of the date of such Partner Loan as promulgated by the United States Department of Treasury, and (ii) no greater than fifteen percent (15%) per annum with no compounding. Partner Loans shall not be considered Capital Contributions unless all Partners elect to fund such Partner Loans in accordance with their respective Capital Percentages. In such case, such Partner Loans actually funded by all Partners may be considered Capital Contributions if so determined in the sole discretion of the General Partner within thirty (30) days after the funding of such Partner Loans.

- (c) If as of the close of business on the Funding Date any Limited Partner or the General Partner does not fund the entirety of such Partner's proportionate share of the Partner Loan Amounts requested (the "Nonfunding Partners", whether one or more), then each Partner other than a Nonfunding Partner and any Affiliate of each such Partner (the "Funding Persons") shall have the option, but not the obligation, to fund as a Partner Loan the amount a Nonfunding Partner declined to loan to the Partnership. If there is more than one Funding Person, such Funding Persons may loan such amounts to the Partnership in such proportions as they may agree, and failing any such agreement, in relative proportion to their then-existing Capital Percentages (determined in the case of any Affiliate with reference to the Capital Percentage of the Partner of which the Affiliate is an Affiliate).
- (d) Any payment of principal or interest by the General Partner or any Affiliate of the General Partner under a guaranty of the Partnership's indebtedness or to or for its benefit shall not constitute a Capital Contribution but shall instead constitute a Partner Loan in the amount of such payment by the General Partner or its Affiliate, as determined by the General Partner in its sole discretion.

5.5 Third Party Loans. In the event that the Partnership from time to time or at any time requires funds in excess of the then existing Capital Contributions, the proceeds of Construction Loans, existing Third Party Loans, prior Partner Loans, prior Contribution Loans, prior Affiliate Loans and revenues, that in the sole and absolute judgment of the General Partner are necessary to provide for the payment of the Partnership's actual or anticipated expenses or capital expenditures or to otherwise enable the Partnership to cause the Project to be developed, constructed, maintained, operated, leased and owned or any of the assets of the Partnership to be properly operated and maintained and to discharge Partnership debt, including, without limitation, any renewal, repayment, refinancing, restructuring or the extending of any loan of the Partnership, and regardless of whether Partner Loan Amounts have been called pursuant to Section 5.4, the General Partner shall be authorized, at any time and from time to time, to cause the Partnership to

borrow additional funds from any Person, including, without limitation, any Affiliate or any financial institution, as shall in the judgment of the General Partner be sufficient for such purposes and upon such terms as the General Partner may deem advisable, including, without limitation, the admission of a partner to the Partnership and otherwise amending this Agreement to incorporate or change any terms herein necessary for purposes of obtaining such third party loans (any such loan being referred to herein as a "Third Party Loan").

- 5.6 Partner Liability for Contributions. Except as provided in this Article V and as otherwise provided by law with respect to third-party creditors, no Partner shall be obligated to advance or contribute any funds to the Partnership, or to incur any cost, expense, or obligation, in order to preserve or protect the Partnership's properties and assets, or to cover operating deficits of the Partnership, or of any limited liability company, partnership or joint venture in which the Partnership directly or indirectly owns an interest.
- 5.7 Withdrawal and Return of Contributions: Interest on Contributions. No Partner shall have the right to demand the return of or otherwise withdraw its Capital Contribution or to receive any funds or property of the Partnership except as specifically provided in this Agreement. No Partner shall have the right to demand and receive property other than cash in return for its Capital Contribution. No Partner shall be entitled to interest on its Capital Contribution except as specifically provided in this Agreement. No Partner shall have any personal liability for the repayment of any other Partner's Capital Contribution.
- 5.8 Contribution Loans. The General Partner may elect under this Section 5.8 to loan funds to the Partnership or to cause such loan to be made by an Affiliate of the General Partner (any such loan by the General Partner or an Affiliate thereof is herein called a "Contribution Loan"). Each Contribution Loan shall accrue interest on unpaid principal at a rate per annum equal to the lesser of (i) 3.0% above the prime rate of interest as published in *The Wall Street Journal* as it changes from time to time, (ii) 7.0% and (iii) the maximum non-usurious rate allowed by applicable law. Each Contribution Loan shall be payable to the extent of Partnership funds available, prior to any distributions to Partners, and be senior to Partner Loans.

#### ARTICLE VI INCOME TAX ALLOCATION OF NET PROFITS AND NET LOSSES

- 6.1 Allocation of Net Profits and Net Losses from Operations, Refinancing or Sale. After giving effect to the allocations set forth in Section 6.2 below for any Allocation Year (including a year of liquidation of the Partnership), Net Profits and Losses shall be allocated among the Partners in a manner so as to produce Capital Account balances for the Partners at the end of each Allocation Year (including a year of liquidation of the Partnership) such that the Capital Account balances of the Partners are (as of the end of such Allocation Year, after reflecting allocations of other Capital Account items for the Allocation Year, including gain or loss from the sale of the Property) as closely as possible proportional to the excess, if any, of (i) the amounts that would be distributed to the respective Partners if, at the end of such Allocation Year, the Partnership were dissolved and its affairs wound up, its assets were sold for cash in amounts equal to their

respective Gross Asset Values, all liabilities of the Partnership were satisfied in accordance with their terms (limited, with respect to any Nonrecourse Liabilities, to the Gross Asset Values of the assets securing each such liability), and the remaining assets of the Company were distributed to the Partners in accordance with the rights and priorities set forth in Section 12.2, over (ii) the Partners' respective shares of Minimum Gain and Partner Nonrecourse Minimum Gain.

6.2 Other Allocations. The following allocations shall be made in the order set forth below:

- (a) Notwithstanding any other provision of this Article VI, each Partner shall be specially allocated items of Partnership income and gain in compliance with and to the extent required by the minimum gain chargeback provisions of Treasury Regulations Sections 1.704-2(f) and 1.704-2(i)(4).
- (b) In the event any Partner unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section § 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain (consisting of a pro rata portion of each item of Partnership income, including gross income, and gain for such year) shall be specially allocated to any such Partner in an amount and manner sufficient to eliminate, to the extent required by Treasury Regulations Section 1.704-1(b)(2), any deficit balance in such Partner's Capital Account as quickly as possible.
- (c) All Nonrecourse Deductions shall be allocated among the Partners in the same manner provided for allocation of deductions and losses in Section 6.1 above. Partner Nonrecourse Deductions for any taxable year shall be allocated among the Partners in accordance with Treasury Regulation Section 1.704-2(i)(1).
- (d) Net Losses allocable under Section 6.1(b) shall not be allocated to a Partner if and to the extent such allocation would result in such Partner having an Excess Capital Account Deficit. Any item of Net Losses not allocated to a Partner by reason of the immediately preceding sentence shall be reallocated to the other Partners proportionately in accordance with their Capital Percentages to the extent such allocation would not cause any other Partner to have an Excess Capital Account Deficit but, to the extent that the reallocation of such item would cause every Partner to have an Excess Capital Account Deficit, such item shall be reallocated in a manner consistent with the provisions of Treasury Regulations Section 1.704-1 and 1.704-2.
- (e) The allocations set forth in Sections 6.2(a) through 6.2(d) (the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulations Section 1.704-1(b). Notwithstanding any other provision of this Article VI (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income, gain, deduction and loss among the Partners so that, to the extent possible, the net amount of such allocations of other profits, losses and other items and the Regulatory Allocations to each Partner shall be equal to the net amount that

would have been allocated to each such Partner if the Regulatory Allocations had not occurred.

- 6.3 Modification. The Partners intend that the provisions in Article VI and elsewhere in this Agreement providing for the distribution of Cash from Operations, the proceeds of a sale or refinancing of the Partnership's property, and all other distributions from the Partnership will govern the economic relations among the Partners, and have designed the allocations of profits and losses in this Article VI so that such allocations will have substantial economic effect under Section 704(b) of the Code and support the desired distributions to the Partners. To the extent such allocations of profits and losses are inconsistent with such objective, the Partners agree to amend this Article VI so that the allocation of profits and losses (including items of income, gain, deduction or loss) will be consistent with the distributions provided for in this Agreement.
- 6.4 Capital Accounts. A Capital Account shall be maintained in the books and records of the Partnership for each Partner. The Capital Account of each Partner shall be increased by (i) the amount of cash contributed by it to the Partnership, (ii) the fair market value of property contributed by it to the Partnership (net of liabilities secured by such contributed property that the Partnership is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to it of Partnership income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Treasury Regulations Section 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treasury Regulations Section 1.704-1(b)(4)(i); and decreased by (iv) the amount of cash distributed to it by the Partnership, (v) the fair market value of property distributed to it by the Partnership (net of liabilities secured by such distributed property that such Partner is considered to assume or take subject to under Section 752 of the Code), (vi) allocations to it of expenditures of the Partnership described in Section 705(a)(2)(B) of the Code, and (vii) allocations of Partnership loss and deduction (or items thereof), including loss and deduction described in Treasury Regulations Section 1.704-1(b)(2)(iv)(g), but excluding items described in (vi) above and loss or deduction described in Treasury Regulations Section 1.704-1(b)(4)(i) or (b)(4)(iii); and otherwise adjusted in accordance with the additional rules set forth in Treasury Regulations Section 1.704-1(b)(2)(iv).
- 6.5 Contributed Property. In accordance with Section 704(c) of the Code and applicable Treasury Regulations, income, gain, loss and deduction with respect to any property contributed to the Partnership (or any predecessor thereto) shall, solely for tax purposes, be allocated between the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership (or any predecessor thereto) for federal income tax purposes and the fair market value of such property for federal income tax purposes at the time of contribution. In addition, in the event that any asset of the Partnership is revalued pursuant to the provisions of Section 704(b) of the Code and the Treasury Regulations thereunder, subsequent allocations of income, gain, loss and deduction for tax purposes with respect to such asset shall take account of any variation between the adjusted basis of such assets for federal income tax purposes and its adjusted value, in the same manner as under Section 704(c) of the Code and the applicable Treasury Regulations. Any elections or other decisions relating to such allocations shall be made by the General Partner with the approval of the Required Consent in any manner that reasonably reflects the purpose and intention of this Agreement.

ARTICLE VII  
DISTRIBUTIONS

7.1 Cash from Operations. At the sole discretion of the General Partner, Cash from Operations may be distributed by the Partnership and shall be distributed to the Partners in the following order of priority:

- (a) to the Limited Partners in proportion to and to the extent of the excess of (i) each Limited Partner's aggregate Capital Contributions, over (ii) the aggregate amount distributed to each Limited Partner pursuant Sections 7.1 (a) and 7.2 (a);
- (b) thereafter, to the Partners in proportion to their respective Capital Percentages.

The General Partner may make distributions of Cash from Operations at such time or times as the General Partner shall determine, subject to any restrictions of the Partnership concerning Cash from Operations or distributions that may be imposed by the Partnership's obligations under loan agreements with its lenders.

7.2 Cash from Refinancing and Cash from Sale. At the sole discretion of the General Partner, Cash from Refinancing and Cash from Sale may be distributed by the Partnership and shall be distributed to the Partners in the following order of priority :

- (a) to the Limited Partners in proportion to and to the extent of the excess of (i) each Limited Partner's aggregate Capital Contributions, over (ii) the aggregate amount distributed to each Limited Partner pursuant Sections 7.1 (a) and 7.2 (a);
- (b) thereafter, to the Partners in proportion to their respective Capital Percentages.

The General Partner may make distributions of Cash from Refinancing and Cash from Sale at such time or times as the General Partner shall determine, subject to any restrictions that may be imposed by the Partnership's obligations under loan agreements with its lenders. The General Partner shall, within sixty-days (60) days after the close of escrow on the final sale of the Project, distribute the Cash from Sale to the Partners according to the aforementioned priority.

7.3 Tax Distributions. In addition to Section 7.1 and 7.2, if (a) net profits are allocated to a Partner under Section 6.1 for any year, and (b) the product of (x) cumulative allocated net profits of the Partnership to a Partner in a calendar year, multiplied by (y) the capital gain rate or ordinary income rate applicable to such allocated income, exceeds the cumulative amount of distributions to such Partner from the formation of the Partnership through the end of such calendar year, the Partnership shall make a distribution of cash to its Partners from available cash, as determined by the General Partner in its sole discretion, in an amount equal to such Partner's Presumed Tax Liability for such year at least fifteen (15) days before the due date of any filer estimated federal or state income tax payment, whichever is earlier, with respect to such net profits. All such distributions under this Section 7.3 shall be offset against the earliest future distributions to which a Partner is entitled under this Agreement.

ARTICLE VIII  
GENERAL PARTNER/MANAGEMENT OF PARTNERSHIP

- 8.1 Management. Subject to the provisions of Section 8.3, the General Partner shall manage and control the affairs of the Partnership.
- 8.2 Powers of the General Partner. Subject to the provisions of Section 8.3 and the other terms and conditions of this Agreement, the General Partner as it deems appropriate or considers necessary shall have the exclusive authority to act on behalf of the Partnership in all matters respecting the operations of the Partnership and its property. Without limiting the generality of the foregoing, the General Partner is expressly authorized on behalf of the Partnership to:
- (a) perform any and all acts necessary or appropriate to the acquisition, development, construction, operation, leasing, financing, refinancing and sale of the Partnership's property as the General Partner deems necessary or appropriate;
  - (b) procure and maintain such insurance as may be available in such amounts and covering such risks as are deemed appropriate by the General Partner;
  - (c) take and hold all property of the Partnership in the Partnership's name;
  - (d) coordinate all accounting and clerical functions of the Partnership that the General Partner considers necessary and appropriate and employ such accountants, attorneys, and other service personnel as the General Partner may from time to time consider necessary to carry on the business of the Partnership;
  - (e) open and close bank accounts in which all Partnership funds shall be deposited and from which payments shall be made, and invest any excess Partnership funds in savings accounts, government securities, money market funds or like investments as the General Partner deems appropriate;
  - (f) commence, prosecute and settle any litigation involving the Partnership or otherwise material to the assets and property of the Partnership; negotiate and execute any and all documents (including, but not limited to, notes, deeds of trust, mortgages and security agreements, and assignments of rents and leases and environmental indemnification agreements) necessary to consummate the funding and closing of any loan, purchase money or otherwise, including, without limitation, Partner Loans, Third Party Loans, Construction Loans, or any advance of funds in any way related to the Partnership's property and the operations of the Partnership; and
  - (g) pay any and all fees, invoices and commissions due in connection with the development and sale of the Project.
- 8.3 Restriction on Powers of the General Partner. In addition to the restriction contained in Section 2.16 hereinabove, the General Partner has no authority without the Required Consent:

- (a) to do any act which would make it impossible to carry on the ordinary business of the Partnership;
- (b) to confess judgment against the Partnership;
- (c) to possess Partnership property or assign the rights of the Partnership in specific Partnership property for other than Partnership purposes;
- (d) subject to Section 5.3, to amend, alter, or change this Agreement;
- (e) to merge or consolidate the Partnership with any other entity;

8.4 Duties of the General Partner. The General Partner may perform or cause to be performed all acts that the General Partner deems appropriate or considers necessary for the conduct of the Partnership's business, which shall include the overall management, the financial business planning and, without limitation of the foregoing, the following services:

- (a) Books, Records and Monthly Financial Statements. In order to conduct the business of the Partnership, and to keep the Partners informed, the General Partner shall keep, maintain and preserve all Partnership accounts, books, records and other relevant documents of the Partnership at the principal place of business of the Partnership and make available to the Limited Partners annual financial statements within ninety (90) days following the end of the Fiscal Year, upon written request from any Limited Partner. The General Partner shall keep and preserve the foregoing information during the term of the Partnership and for four (4) years thereafter.
- (b) Income Tax Returns. The General Partner, on behalf of the Partnership, shall file any and all income tax (state and federal) returns of the Partnership necessary to be filed and in such a manner as is consistent with the classification of the Partnership for income tax purposes of the United States. Each Limited Partner shall be furnished all information annually, after the close of the Partnership's tax year, or more often, as may be necessary to enable such Limited Partner to file all returns with any government having jurisdiction to levy taxes with respect to the income of the Partnership. The General Partner shall furnish such annual tax information not later than ninety (90) days after the end of the Fiscal Year unless an extension has been requested for the date of filing of such return, in which event the date by which the General Partner is to furnish such annual tax information shall be extended for a comparable period. The General Partner shall provide the Limited Partners with quarterly estimates of taxable income to permit the Limited Partners to pay any Federal, state and local taxes related thereto.
- (c) Annual Budget. For each year, the General Partner shall prepare and deliver to the Limited Partners an Annual Budget (the "Annual Budget") for the operations of the Project for the next Fiscal Year. Each Annual Budget will include a forecast of the following which are expected to be received or incurred during the Fiscal Year for the Project: (i) expenses, including costs, expenses and charges of

every kind and nature, (ii) revenue, including rates to be charged for leased space and reimbursements, (iii) cash flow, (iv) capital expenditures and (v) payments to reserve funds. If, at any time, the General Partner is of the opinion that expenditures in addition to those authorized under the then current Annual Budget will be necessary for such Fiscal Year, the General Partner shall have the right to submit to the Limited Partners a revised Annual Budget for the remainder of the Fiscal Year.

(d) Tax Controversies.

- (i) The General Partner shall designate a partnership representative (the "Partnership Representative") and the Partnership Representative will apply the provisions of subchapter C of Chapter 63 of the Code, as amended by the Bipartisan Budget Act of Act ("2015 Act") (or any successor rules thereto) with respect to any audit, imputed underpayment, other adjustment, or any such decision or action by the Internal Revenue Service (the "Service") with respect to the Partnership or the Partners for such taxable years, in the manner determined by the Partnership Representative. For the avoidance of doubt, the Partnership Representative may, with the approval of the General Partner, (a) elect to apply the rules in subchapter C of Chapter 63 of the Code, as amended by the 2015 Act, for taxable years prior to January 1, 2018, or (b) elect to apply Section 6221(b) (if applicable) or Section 6226 of the Code or elect to file an administrative adjustment pursuant to Section 6227 of the Code, in each case as amended by the 2015 Act and in the manner determined by the Partnership Representative. Notwithstanding the foregoing, if during any fiscal year or other allocation period the Partnership is eligible to elect out of the provisions of the 2015 Act, the General Partner may in its discretion require the Partnership Representative to make such an election on behalf of the Partnership.
- (ii) The Partnership Representative is authorized and required to represent the Partnership (at the expense of the Partnership) in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner shall cooperate with the Partnership Representative, and do or refrain from doing any or all things reasonably required by the Partnership Representative to conduct such proceedings.
- (iii) Notwithstanding anything contained herein to the contrary, each Partner does hereby agree to indemnify and hold harmless the Partnership from and against any liability with respect to its share of any tax deficiency paid or payable by the Partnership that is allocable to the Partner (as reasonably determined by the General Partner) with respect to an audited or reviewed taxable year for which such Partner was a Partner of the Partnership (for the avoidance of doubt, including any applicable interest and penalties).

- (iv) Each Partner will provide such cooperation and assistance, including executing and filing forms or other statements and providing information about the Partner as is reasonably requested by the Partnership Representative, as applicable, to enable the Partnership to satisfy any applicable tax reporting or compliance requirements, to make any tax election to qualify for an exception from or reduced rate of tax or other tax benefit or be relieved of liability for any tax regardless of whether such requirement, tax benefit or tax liability existed on the date such Partner was admitted to the Partnership. If a Partner fails to provide any such forms, statements or other information requested by the Partnership Representative, such Partner will indemnify and hold harmless the Partnership for the share of any tax deficiency paid or payable by the Company due to such failure (as reasonably determined by the General Partner).
- (v) To the extent that any Partner does not indemnify or hold harmless the Partnership with respect to the liabilities described in Section 8.4(d)(iii) and Section 8.4(d)(iv), the General Partner shall have the authority in its discretion to offset such amounts by reducing the amount of cash or any other amounts owing to such Partner under this Agreement or otherwise until the entire amount of such liabilities has been recovered by the Partnership.
- (vi) The obligations set forth in this Section 8.4(d) will survive such Partner's ceasing to be a Partner of the Partnership and/or the termination, dissolution, liquidation and winding up of the Partnership.

8.5 Indemnity. Subject in all cases to the Act, the Partners shall be indemnified and held harmless by the Partnership from and against any and all claims, demands, liabilities, costs, damages and causes of action of any nature whatsoever (specifically including costs of litigation, attorneys' fees, and amounts paid in settlement of any such claims) arising out of or incidental to the Partner's management of the Partnership's affairs; provided that, except as provided in Section 5.8, no Partner shall have any liability to the Partnership or to any other Partner for any loss suffered by the Partnership which arises out of any action or inaction of the Partner, if such Partner, in good faith, determined that such course of conduct was in the best interest of the Partnership and such conduct did not constitute fraud, gross negligence or intentional misconduct of such Partner. No Partner shall be entitled to indemnification for any action that constitutes fraud, gross negligence, intentional misconduct of such Partner or a false representation under Section 5.7.

Any indemnity under this Section 8.5 shall be paid from, and only to the extent of, Partnership assets, and no Partner shall have any personal liability on account thereof.

8.6 Other Activities of Partners. Each Partner shall be free to engage in, to conduct or to participate in any business or activity whatsoever, including, without limitation, the acquisition, development, management, rental, sale and exploitation of real property, without any accountability, liability or obligation whatsoever to the Partnership or to any

other Partner, even if such business or activity competes with or is enhanced by the business of the Partnership.

- 8.7 Third Party Reliance upon Authority of General Partner. No person dealing with the General Partner shall be required to determine its authority to make any commitment or undertaking on behalf of the Partnership, nor to determine any fact or circumstance bearing upon the existence of its authority.
- 8.8 Management Fee, Developer's Fee, and Listing Agreement. In addition to fees set forth in the Development Budget or in any other agreement, the Partnership shall:
- (a) pay to CZXM, Series LLC an assignment fee, as shown in the Development Budget.
  - (b) pay to MHW Brokerage Services, LLC a builder delivery fee for the sale of all or part of the Project. Such fee shall not exceed \$100,000.00.

#### ARTICLE IX LIMITED PARTNERS/MEETINGS OF PARTNERS

- 9.1 Limited Partners Shall Not Act; Limitation of Responsibility. Except as may otherwise be provided herein, the Limited Partners shall have no control over the management of the Partnership and shall have no power to transact any Partnership business. The Limited Partners shall not be personally liable for all or any part of the debts or other obligations of the Partnership. Except as set forth in Article VII and Article XII hereof, the Limited Partners shall not have any right to priority of distribution from the Partnership over any other Partner.
- 9.2 Limited Partner Rights. Each Limited Partner shall have the following special rights and privileges:
- (a) access at all reasonable times and at its own risk and expense to the Partnership's assets with the right to observe all operations thereon; and
  - (b) the right to inspect and audit, with reasonable prior written notice to the General Partner, at the expense of the Limited Partner, the books, records and invoices of the General Partner pertaining to any matters of accounting, managing or operating the Partnership's assets.
- 9.3 Meetings of the Partners. Meetings of the Partners may be called (i) at any time by the General Partner or (ii) by the General Partner within fifteen (15) days after receipt by the General Partner of a written request for a meeting from Limited Partners owing a minimum of fifty percent (50%) of the total Capital Percentages. The General Partner shall give written notice of any such meeting to each Partner, either personally or by mail, setting forth (i) the date and time of the meeting, which shall be held not less than fifteen (15) nor more than sixty (60) days from the date of the General Partner's written notice, (ii) the place of the meeting (which shall be held at the principal place of business of the Partnership as described in Section 1.3 hereof) and (iii) the purposes of the meeting. Notwithstanding the foregoing, if all of the Partners shall meet at any time and

place and consent in writing to the holding of a meeting at such time and place, the meeting shall be valid without call or notice. Any matter related to the Partnership for which the specific approval or consent of the Limited Partners is required under Section 8.3 hereof may, at the election of the General Partner, be decided either (i) at a meeting of the Partnership or (ii) by written consent signed by all of the Limited Partners, without a meeting. Meetings of the Partners shall only be for the purposes set forth in the notice of such meeting, and nothing herein, and no action conducted at any such meeting, shall create any rights in the Limited Partners not otherwise existing under this Agreement.

ARTICLE X  
ADMISSION OF PARTNERS, TRANSFERS OF INTEREST,  
WITHDRAWALS

10.1 Restrictions on Transfers.

- (a) Except upon the written approval of all Partners, or as expressly permitted or required pursuant to this Agreement herein, no Partner may (i) Dispose of all or any portion of its Capital Percentage or any beneficial right or interest therein, or contract to do or permit any of the foregoing, whether voluntarily or by operation of law, and any attempt to do so shall be void; or (ii) cause or suffer a Change of Control with respect to such Partner. Each Partner hereby acknowledges the reasonableness of the restrictions on a Disposition imposed by this Agreement in view of the Partnership purposes and the relationship of the Partners. Accordingly, the restrictions on Disposition contained herein shall be specifically enforceable. Each Partner hereby further agrees to indemnify and hold the Partnership and the other Partners (and each such other Partner's successors and assigns) wholly and completely harmless from and against any cost, liability, or damage (including, without limitation, liabilities for income taxes and costs of enforcing this indemnity) incurred by any such indemnified party or parties as a result of a Disposition or an attempted Disposition in violation of this Agreement.
- (b) Each Partner shall be entitled to Dispose of all of its Capital Percentage to any other Partner without regard to any Disposition restrictions in this Agreement, except with respect to the provisions of Section 10.7 hereof.
- (c) For purposes of this Agreement, "Disposition," "Disposing," "Dispose," or "Disposed" means, with respect to any Capital Percentage or any portion thereof, a sale, assignment, encumbrance, mortgage, transfer, conveyance, gift, exchange or other disposition of such Capital Percentage.

- 10.2 Permitted Transfers of Capital Percentages. A Partner (hereinafter referred to as a "Transferring Partner") may Dispose of all, but not less than all, of its Capital Percentage without the consent of the other Partners, if such Disposition is to a "Permitted Transferee", as herein defined. For purposes hereof, a "Permitted Transferee" is any corporation, limited liability company, or partnership controlled by such Transferring Partner or another Person controlling, controlled by, or under common control with such Transferring Partner. Unless such Permitted Transferee is admitted as a Partner of the Partnership pursuant to the provisions hereof, any such Disposition to a Permitted

Transferee shall vest in such Permitted Transferee only the rights herein as an assignee. Any Disposition under this Section 10.2 shall be subject to, and shall be required to comply with, the provisions of this Agreement.

- 10.3 Third Party Offers Regarding Capital Percentages. At any time during which the Project is Stabilized, a Partner ("Disposing Partner") who receives a Bona Fide Offer from an Approved Person and desires to Dispose of all of its Capital Percentage to such Approved Person shall first offer to sell to the other Partners of the Partnership all of the Capital Percentage which such Disposing Partner proposes to Dispose to such Approved Person. Such offer shall be made by an irrevocable written offer ("Offer Notice") to the Partners, other than the Disposing Partner, to Dispose of all, but not less than all, of the Capital Percentage which the Disposing Partner proposes to Dispose of for the same price and on the same terms which the Partner proposes to Dispose of such Capital Percentage. The Offer Notice shall include the Bona Fide Offer. The other Partners shall have the first right for sixty (60) days after they receive notification from the Disposing Partner to purchase the Capital Percentage of the Disposing Partner. Each such other Partner shall have the right to purchase such portion of the Capital Percentage offered for sale as the Capital Percentage owned by such Partner at such time shall bear to the total Capital Percentages owned by all the Partners, excluding the Disposing Partner. If any Partner does not elect to purchase its full portion of such Capital Percentage offered for sale, the remaining Capital Percentages may be purchased by the other Partners, pro rata, in the same manner. If the other Partners decline to purchase all of such offered Capital Percentage in accordance with this Section 10.3, the Partners shall not be entitled to purchase any of such Capital Percentage, and the Disposing Partner shall then have thirty (30) days within which to Dispose of such Capital Percentage to the Approved Person named in the Offer Notice, upon the terms described in such Offer Notice. If the sale of such Capital Percentage to the Approved Person is not so completed within such thirty (30) day period, the Offer Notice given to the non-Disposing Partners shall be deemed to have terminated and a new Offer Notice shall be required before any Disposition may be made of any Capital Percentage of a Disposing Partner. Any Disposition of a Capital Percentage to an Approved Person shall be subject to all of the terms and provisions of this Agreement. The Approved Person shall then execute a written supplement to this Agreement and shall be bound by all of the terms and provisions of this Agreement.
- 10.4 Buy-Sell Rights. Each Limited Partner shall have the right at any time to purchase all of the Partnership Interest of any other Limited Partner or Limited Partners in accordance with the terms and provisions of this Article. The Limited Partner electing to exercise this right (the "Electing Partner") shall give notice (the "Purchase/Sale Notice") in writing to the General Partner and other Limited Partners of his election. A Limited Partner may only issue a Purchase/Sale Notice no more than once in any calendar year. The Limited Partner or Limited Partners receiving the notice of election shall be hereinafter referred to as the "Responding Partner," whether one or more.
- (a) Terms of Offer. The Purchase/Sale Notice shall state that the Electing Partner is exercising his option to purchase the Partnership Interest of the Responding Partner under the terms of this Article. The Purchase/Sale Notice shall set forth the Partnership Interest to be transferred, the Purchase Price (as calculated below) for the Partnership Interest, the date (not to exceed 90 days from date of the

Purchase/Sale Notice) for the closing of the transfer, and all other terms and conditions of the proposed transfer.

- (b) Purchase Price. The Purchase Price for the Partnership Interest to be conveyed under the terms of this Article shall be calculated and stated in terms of the net fair market value of the Partnership assets, if liquidated and distributed to the Partners, as provided in Section 12.2 below. The Purchase Price shall equal the amount the selling Limited Partner would receive if the Partnership assets were sold, the Partnership liquidated, and the proceeds distributed to the Partners as provided in Section 12.2 below. Because of the difficulty of calculating the expenses associated with sale of the Partnership assets and liquidation of the Partnership, the Partners agree that for the purposes of this Section, the expenses of sale shall equal 5% of the gross fair market value and the liquidation cost are estimated to be \$5,000.00.
- (c) Election by Responding Partner. Upon receipt of the Purchase/Sale Notice, the Responding Partner shall have the following rights and options, which election shall be final, conclusive, and binding on all parties:
  - A. To sell to the Electing Partner his Partnership Interest upon the terms and conditions designated in the Purchase/Sale Notice; or
  - B. To purchase all of the Partnership Interest of the Electing Partner upon the same terms and conditions as designated in the Purchase/Sale Notice, or for cash.
- (d) Multiple Responding Partners. If there is more than 1 Responding Partner, the election shall be made by a majority vote, with each Responding Partner having one vote for each Partnership Interest percentage held by him/her/it. In the event of a majority of the Responding Partners elect to purchase the Partnership Interest of the Electing Partner, unless agreed otherwise by the Responding Partners unanimously, each of the Responding Partners that voted in favor of purchasing the Partnership Interest of the Electing Partner shall purchase a pro-rata percentage of the Partnership Interest held by the Electing Partner.
- (e) Notice of Election. The Responding Partner shall notify the General Partner and Electing Partner within 30 days from the receipt of the Purchase/Sale Notice of his decision whether to purchase or sell (the "Notice of Election"). In the event the Responding Partner fails to timely give the Notice of Election, it shall be conclusively presumed that the Responding Partner has elected to sell his Partnership Interest to the Electing Partner.
- (f) Closing. The transfer of the Partnership Interest covered by such election shall take place at the time and in the manner specified in the Purchase/Sale Notice or within 60 days of the Notice of Election. The selling Limited Partner(s) shall transfer and assign to the purchasing Limited Partner(s), free and clear of all liens, claims, and encumbrances, with covenants of general warranty, the applicable Partnership Interest and shall execute and deliver to the purchasing Limited Partner(s) all documents which may be required to be given effect the disposition

and acquisition of such Partnership Interest. Notwithstanding anything herein to the contrary, the transfer of Partnership Interest shall be conditioned upon each selling Limited Partner receiving a release of any liability, including guaranty, incurred on behalf of the Partnership.

- (g) Enforcement. In the event any Limited Partner shall fail or refuse to consummate the sale of the Partnership Interest pursuant to this Article, the General Partner or non-defaulting party may either (i) enforce specific performance hereof and seek such other relief as may be provided by law, or (ii) be entitled to an amount equal to 50% of the total Purchase Price of the Partnership Interest to be conveyed as liquidated damages. In the event a Limited Partner who is required to sell his Partnership Interest fails or refuses to do so, the Purchase Price upon enforcement by specific performance shall be reduced by 50% of the original Purchase Price thereof.

10.5 Third Party Offers Regarding Partnership Property. In the event that one or more Partners which own, individually (if only one Partner) or collectively (if more than one Partner), thirty percent (30%) or more of the Capital Percentages of the Partnership shall receive a Bona Fide Offer to purchase all, but not less than all, of the Project and such Partner(s) wish to accept such offer (the "Willing Partner", whether one or more), the Willing Partner shall provide prompt notice to the other Partners to that effect. Such notice shall be in writing and shall set forth the full terms of and any conditions to such offer (the "Offer") in reasonable detail. The Offer shall include the Bona Fide Offer. Each of the other Partners shall, within ten (10) business days after receipt of said notice, either:

- (a) advise the Willing Partner of its consent to said sale, accept such Offer and thereafter diligently and in good faith assist the Willing Partner and the General Partner in consummating such sale, or
- (b) notify the Willing Partner that for a period not to exceed thirty (30) days (the "Marketing Period"), the other Partners may evaluate the Offer and then-existing market conditions, and/or market the Project for sale. Upon the expiration of the Marketing Period, each of the other Partners shall either:
  - (i) together with the General Partner, proceed diligently and in good faith with the negotiation and sale of the Project, but only for a purchase price not less than the price set forth in the Offer; or
  - (ii) agree to purchase the Capital Percentage(s) of the Willing Partner for a price equal to the amount the Willing Partner would receive if the Project were sold for the purchase price set forth in the Offer, all debts, liabilities and other obligations were fully paid and satisfied or adequate provision was made therefor (including, without limitation, estimated costs to the Partnership that would be incurred in connection with such sale and the disposition fee set forth in Section 8.3. The other Partners shall be provided sixty (60) days after the expiration of the Marketing Period to arrange for the purchase of the Willing Partner's Capital Percentage, and

such purchase shall close within thirty (30) days after the expiration of such sixty (60) day period. Such purchase shall otherwise provide the Willing Partner all the benefits (including, without limitation, releases of all liability for the debts and obligations of the Willing Partner) which would have been received by the Willing Partner had a sale pursuant to the Offer been consummated.

In the event a Partner elects under clause (b)(ii) above but thereafter fails to satisfy its obligations to the Willing Partner and the other purchasing Partners fail to agree to perform for such defaulting Partner, the Willing Partner shall thereafter be entitled to consummate, within a six (6) month period thereafter, a sale of the Project, without the necessity of complying with the terms and provisions of this Section 10.5 and without the necessity of obtaining any consent from the other Partners, so long as the same is for a purchase price not less than the price set forth in the Offer.

10.6 Release of Disposing Partner from Partnership Debt. Notwithstanding anything herein to the contrary, except with respect to a Disposition of a Capital Percentage in accordance with the provisions of Section 10.2 hereof, no Disposition by a Partner of its Capital Percentage shall occur or be effective until the Partner Disposing of its Capital Percentage (and any of its Affiliates) is released from all personal liability as a guarantor of any Partnership indebtedness or obligations to any third party.

10.7 Assignees.

(a) Except as may otherwise be provided in this Article X, the Partnership shall not recognize for any purpose any purported Disposition of all or any fraction of a Capital Percentage of a Partner unless the provisions of this Article X have been satisfied, all costs of such assignment have been paid by the assigning Partner, such Disposition is exempt from registration under the Securities Act of 1933, as amended, the Texas Securities Act, as amended, and any other applicable state or federal securities laws, and there is delivered to the General Partner of the Partnership, upon request of the General Partner, an opinion of counsel reasonably acceptable with respect thereto, and there is filed with the Partnership, a written and dated notification of such Disposition, in form reasonably satisfactory to the General Partner executed and acknowledged by both the seller, assignor or transferor and the purchaser, assignee or transferee and such notification (1) contains the acceptance by the purchaser, assignee or transferee of and agreement to be bound by all the terms and provisions of this Agreement, and (2) represents that such Disposition was made in accordance with all applicable federal and state securities laws and regulations (including suitability standards). Any Disposition shall be recognized by the Partnership, as effective on the date such notification is filed with the Partnership.

(b) Any Partner who assigns all of its Capital Percentage shall cease to be a Partner in the Partnership, except that, unless and until a substituted Partner has been admitted into the Partnership, such assigning Partner shall retain the statutory rights of the assignor of a limited partner's interest under the Texas Limited Partnership Law, as amended; provided, however, that such assigning Partner

shall have no right to vote on, consent to or approve any matter or decision (it being intended that the voting interest of such assigning Partner shall be ignored in determining whether the requisite vote, consent or approval of the Partners of the Partnership have been obtained).

- (c) A Person who is the assignee of all or any fraction of the Capital Percentage of a Partner, but does not become a substituted Partner, and desires to make a further assignment of such interest, shall be subject to all the provisions of this Agreement to the same extent and in the same manner as any Partner desiring to make an assignment of its interest.

#### 10.8 Substituted Partners.

- (a) Except as otherwise provided in this Article X, no Partner shall have the right to substitute in its place a purchaser, assignee, transferee, or other recipient of all or any portion of a Capital Percentage of such Partner, and any such purchaser, assignee, transferee, donee, legatee, distributee or other recipient of an interest shall be admitted to the Partnership, as a substituted Partner, only with the consent of all of the Partners, which consent may be granted or withheld by each such Partner in its sole discretion.
- (b) No Person shall become a substituted Partner until such person has satisfied the requirements of this Article X; provided, however, that for the purpose of allocating profits, losses and other items under the Partnership Agreement and distributing cash available for distribution, a person shall be treated as having become, and as appearing in the records of the Partnership as a Partner on such date as the Disposition to such person was recognized by the Partnership pursuant to Section 10.7.
- (c) Any purchaser, assignee, transferee, or other recipient of all or any portion of a Capital Percentage who is not admitted to the Partnership as substituted Partner (1) shall be entitled only to allocations and distributions with respect to such Capital Percentage in accordance with this Agreement, (2) shall not have any right to vote on, consent to or approve any matter or decision (it being intended that the voting interest of such person or entity under this Agreement shall be ignored for purposes of determining whether the requisite vote, consent or approval of the Partners has been obtained), (3) shall not have any other rights of a partner under the Texas Revised Limited Partnership Act, as amended, or this Agreement, except as expressly provided in this Section 10.8, but (4) shall be subject to all of the duties, obligations and restrictions applicable to a Partner under this Agreement as it applies to such person, including but not limited to, the provisions of Article X to the same extent and in the same manner as any Partner.

#### 10.9 Additional Partners. Except as provided in this Agreement, no additional Partners will be admitted to the Partnership without the consent of each of the Partners.

ARTICLE XI  
EVENT OF DEFAULT

11.1 Event of Default. For purposes hereof, an “Event of Default” shall be the following:

- (a) A Capital Contribution Default (as defined in Section 5.1(c) above), with respect to which no grace or notice shall be applicable, or a default in the performance of any other duties or obligations of a Partner under this Agreement (a “Non-Capital Contribution Default”), which Non-Capital Contribution Default is not cured within any applicable grace or cure period specifically provided for herein, or if no grace or cure period is specifically provided for herein and such Non-Capital Contribution Default is not cured within fifteen (15) days after written notice thereof to the defaulting Partner (or within such longer period of time as may be required to cure the same if the nature of the Non-Capital Contribution Default is such that the same cannot reasonably be cured within fifteen (15) days and the defaulting Partner has commenced the curing thereof within said time period and thereafter prosecutes the curing thereof diligently to completion, without interruption, provided that in no event shall such period of time exceed six (6) months without the prior written consent of the Limited Partners, if the General Partner is the defaulting Partner, or of the General Partner, if the defaulting Partner is other than the General Partner, in either event such consent not to be unreasonably withheld);
- (b) The commission of any fraud, gross negligence, recklessness or intentional misconduct upon the Partnership or the other Partners; or
- (c) The Disposition of an interest in the Partnership or Change of Control in violation of Article X.

11.2 Consequences of Event of Default. Notwithstanding anything to the contrary contained in the Act, if a Partner suffers an Event of Default, then in addition to any other remedies available under other provisions of this Agreement, or by contract or at law or in equity against the defaulting Partner:

- (a) at the option of the non-defaulting Partner(s) made by notice to the defaulting Partner within ninety (90) days of discovery of the Event of Default by the non-defaulting Partner(s), the defaulting Partner shall have no further power to act for or bind the Partnership, and shall thereafter have no consensual, voting, or approval rights pursuant to, or granted by this Agreement (or by law to the fullest extent such rights, if granted by law, can be contractually waived) unless and until the Event of Default, if capable of cure, is cured within the time specified herein;
- (b) the non-defaulting Partner(s) shall continue to have the right to possess the Partnership’s property and goodwill and to conduct its business and affairs;
- (c) the defaulting Partner shall be liable in damages, without requirement of a prior accounting, to the Partnership for all costs and liabilities that the Partnership

and/or the non-defaulting Partner(s) may incur as a result of such Event of Default;

- (d) the Partnership may apply any distributions otherwise payable currently or in the future with respect to such defaulting Partner's interest in partial satisfaction (and not in accord and satisfaction) of any claims it may have against the defaulting Partner (for Partnership accounting purposes, the distributions so applied shall be treated as a distribution to the defaulting Partner);
- (e) the defaulting Partner shall continue to be liable to the Partnership for its obligations or guaranties to the Partnership pursuant to this Agreement or any agreement ancillary hereto; and
- (f) the defaulting Partner and its Affiliates shall remain liable under all contracts with the Partnership unless such contract is otherwise terminated under the terms of this Agreement or such contract.

## ARTICLE XII TERMINATION OF PARTNERSHIP

12.1 Events Requiring Winding Up. The Partnership shall be wound up in the manner hereinafter provided upon the first to occur of any of the following events:

- (a) upon the expiration of the term of the Partnership stated in this Agreement;
- (b) upon the mutual agreement of the Limited Partners and the General Partner to wind up the Partnership;
- (c) upon the sale of the Project or all or substantially all of the assets or properties of the Partnership;
- (d) upon the voluntary filing by the Partnership in a court of competent jurisdiction of a petition seeking relief under the United States Bankruptcy Code;
- (e) upon the acquisition of all interests in the Partnership by any Partner; provided, however, that the Partnership will not be wound up if such Partner elects to continue the Partnership;
- (f) upon termination of the Partnership by order of a court of competent jurisdiction; or
- (g) upon the voluntary filing by the General Partner in a court of competent jurisdiction of a petition seeking relief under the United States Bankruptcy Code; provided, however, that the Partnership will not be wound up if any Limited Partner elects, within 90 days after the filing of such petition by the General Partner, to continue the Partnership with a substitute general partner.

12.2 Method of Liquidation. Upon the happening of any of the events specified in Section 12.1 above which require the Partnership to be wound up, the General Partner shall wind

up the affairs of the Partnership, shall prepare and file all instruments or documents required by law to be filed to reflect the wind up of the Partnership, shall sell the Project and sell or collect all other assets of the Partnership and, to the extent feasible, convert the same into cash within a period of one (1) year from the date of winding up. Thereupon, the General Partner shall apply and distribute the Partnership's assets in the following manner and in the following order of priority:

- (a) to the payment of the debts, liabilities and obligations of the Partnership, other than to Partners, in the order of priority as provided by law;
- (b) to the establishment of any reserves deemed reasonably necessary by the General Partner (or a majority in interest of the Partners if there is no General Partner) for the payment of any contingent or unforeseen liabilities or obligations of the Partnership and, at the expiration of such period as the General Partner (or a majority in interest of the Partners if there is no General Partner) deems advisable, the balance of such reserves shall be applied and distributed in the manner hereinafter provided in this Section;
- (c) to the payment of any debts or liabilities, other than Capital Accounts, of the Partnership to any of the Partners, including Partner Loans; and
- (d) to the payment of distributions pursuant to the priorities of Section 7.2. For this purpose, the determination of the Partners' Capital Accounts shall be made after adjustment to reflect the allocation of all Net Profits, Net Losses, and items of income, gain, expense or loss under Article VI hereof. All distributions pursuant to this subsection (d) shall be made by the end of the Fiscal Year of winding up or, if later, within ninety (90) days after the date of such winding up; however, the Partnership may withhold (i) reserves established in accordance with this Agreement and (ii) receivables of the Partnership for the purposes of collecting any amounts due thereunder. Any amounts so withheld (or the proceeds of the collection of receivables so withheld) shall be distributed as soon as practicable to, and allocated among, the Partners pursuant to the priorities of Section 7.2.

If, after realization by the Partnership of all income and payment by the Partnership of all liabilities and expenses, the Capital Account of any Partner shows a deficit balance, such Partner shall not be required to contribute to the Partnership the amount of such deficit, provided that the General Partner shall continue to have the right and power after winding up to require that Partners contribute additional capital to the Partnership pursuant to Section 5.2. The Partners shall look solely to the Project and any other assets of the Partnership for the return of their Capital Contributions. If the Project and all other assets of the Partnership or the proceeds therefrom remaining after payment or discharge of the debts, obligations and liabilities of the Partnership are insufficient to return its Capital Contributions, no Partner shall have any recourse therefor against any other Partner.

ARTICLE XIII  
GENERAL PROVISIONS

- 13.1 Waiver of Right to Partition. As a material inducement to each Partner to execute this Agreement, each Partner covenants and represents to the other Partner that, during the entire term of this Agreement, no Partner nor any Partner's successors or assigns shall attempt to make any partition whatever of the Project or any interest therein or any other Partnership assets whether now owned or hereafter acquired, and each Partner waives all rights of partition provided by statute or principles of law or equity, including partition in kind and partition by sale. The Partners agree that irreparable damage would be done to the goodwill and reputation of the Partnership if any Partner should bring an action in court to wind up the Partnership. The Partners agree that there are fair and just provisions for payment and liquidation of the interest of each Partner and fair and just provisions to prevent a Partner from selling or otherwise alienating its interest in the Partnership. Accordingly, each Partner hereby waives and renounces its right to seek a court decree of winding up or termination or to seek the court appointment of a liquidator or receiver for the Partnership.
- 13.2 Notices. Any and all notices, elections, demands, requests and responses thereto permitted or required to be given under this Agreement shall be in writing, signed by or on behalf of the party giving the same, and shall be deemed to have been properly given and shall be effective upon being personally delivered or delivered by internationally recognized courier service, such as Federal Express, which maintains a record of receipt and delivery, to the other party at the address of such other party set forth below or at such other address as such other party may designate by notice specifically designated as a notice of change of address and given in accordance herewith; provided, however, that the time period in which a response to any such notice, election, demand or request must be given shall commence on the earlier of the date of actual or deemed receipt thereof; and provided further that no notice of change of address shall be effective until the earlier of the date of actual or deemed receipt thereof. Personal delivery to a party or to any officer, agent or employee of such party at said address shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed as set forth in Section 1.4.
- 13.3 Modifications. Except to the extent otherwise provided for in this Agreement, no change or modification of this Agreement shall be valid or binding upon the Partners, unless such change or modification shall be in writing and signed by each Partner.
- 13.4 Binding Effect. Except as herein otherwise provided to the contrary, this Agreement shall be binding upon, and shall inure to the benefit of, the Partners and their respective legal representatives, successors and assigns.
- 13.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute but one and the same agreement.

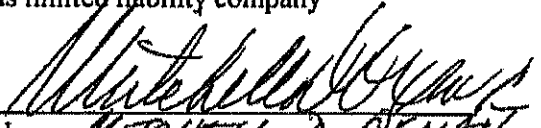
- 13.6 Construction. This Agreement shall be interpreted and construed in accordance with the laws of the State of Texas. The titles of the articles and sections herein have been inserted as a matter of convenience and reference only and shall not control or affect the meaning or construction of any of the terms or provisions hereof. Whenever used herein, the masculine gender shall be deemed to include the feminine or neuter, the singular shall be deemed to include the plural, and vice versa.
- 13.7 Power of Attorney. Subject to the General Partner's obtaining any necessary consents and approvals of the Limited Partners as provided in this Agreement, including but not limited to the approvals required under Section 8.3 hereof, for the purpose of permitting the General Partner to exercise the powers granted pursuant to this Agreement, MHW WILLOW CREEK PLAZA, LLC as the General Partner, shall have the power of attorney, and each Limited Partner hereby makes, constitutes, and appoints MHW WILLOW CREEK PLAZA, LLC as the General Partner, with full power of substitution, as its true and lawful agent and attorney-in-fact, in its name, place, and stead, to execute such deeds, mortgages and other documents on behalf of the Partnership as may be necessary for MHW WILLOW CREEK PLAZA, LLC as the General Partner to exercise the powers granted to it pursuant to this Agreement.
- 13.8 Business Day. The term "business day" as used in this Agreement shall mean a day that is not a Saturday, Sunday or day on which federal banks in Houston, Texas, are not transacting business in their primary banking facility.
- 13.9 Integration. This Agreement constitutes the entire agreement and understanding between the Partners and supersedes all prior agreements and understandings, if any, between the Partners relating to the subject matter hereof.
- 13.10 Severability. If any provision of this Agreement or any application thereof shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.
- 13.11 Further Assurances. Each Partner agrees to execute and deliver all such further agreements and to do all such further acts as the Partners deem advisable to effectuate this Agreement.
- 13.12 No Third Party Beneficiaries. The benefits of this Agreement shall not inure to any third party, nor shall this Agreement be construed to make or render any Partner liable to any creditor or any materialmen, subcontractors, contractors, laborers or others for goods and materials supplied or work and labor furnished in connection with the construction of the Project or for debts or claims accruing to any third-party against the Partnership or the General Partner.

*[Remainder of Page Intentionally Left Blank  
Signatures Follow on Next Pages]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed  
as of the day and date first above written.

GENERAL PARTNER:

MHW WILLOW CREEK PLAZA, LLC, a  
Texas limited liability company

By:   
Name: MICHAEL D. ORMAN  
Title: MANAGER

Signature Page

**LIMITED PARTNER SIGNATURE PAGE TO  
WILLOW CREEK PLAZA, LP  
LIMITED PARTNERSHIP AGREEMENT**

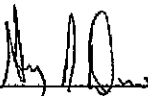
IN WITNESS WHEREOF, the Limited Partners identified below have executed this Limited Partner Signature Page to be attached to the Limited Partnership Agreement of WILLOW CREEK PLAZA, LP, a Texas limited partnership, and agree to be bound by all of its terms, provisions, representations, and warranties.

NAME: BOGAKE Partners

ADDRESS: 6059 South Loop East, Houston, TX. 77087

TELEPHONE NUMBER: (713) 673-7701

PARTNERSHIP INTEREST: 3.125% - \$113,000.00

By:  \_\_\_\_\_

Name: Gary S. Davis

Title: Manager

**LIMITED PARTNER SIGNATURE PAGE TO  
WILLOW CREEK PLAZA, LP  
LIMITED PARTNERSHIP AGREEMENT**

**IN WITNESS WHEREOF**, the Limited Partners identified below have executed this Limited Partner Signature Page to be attached to the Limited Partnership Agreement of **WILLOW CREEK PLAZA, LP**, a Texas limited partnership, and agree to be bound by all of its terms, provisions, representations, and warranties.

NAME: Bruce Burianek

ADDRESS: 1815 Sherwood Forest

TELEPHONE NUMBER: 713-722-7800

PARTNERSHIP INTEREST: 1 unit

By: \_\_\_\_\_



Name: Bruce Burianek

**LIMITED PARTNER SIGNATURE PAGE TO  
WILLOW CREEK PLAZA, LP  
LIMITED PARTNERSHIP AGREEMENT**

IN WITNESS WHEREOF, the Limited Partners identified below have executed this Limited Partner Signature Page to be attached to the Limited Partnership Agreement of WILLOW CREEK PLAZA, LP, a Texas limited partnership, and agree to be bound by all of its terms, provisions, representations, and warranties.

NAME: Bruce Ingram

ADDRESS: 13050 Wood Harbour Dr Montgomery TX 77356

TELEPHONE NUMBER: 77356

PARTNERSHIP INTEREST: 3.125%

By: Bruce Ingram

Name:  datloop verified  
08/17/18 9:10PM CDT  
J3K3-REIF-QMKF-DXZR

Title: \_\_\_\_\_

**LIMITED PARTNER SIGNATURE PAGE TO  
WILLOW CREEK PLAZA, LP  
LIMITED PARTNERSHIP AGREEMENT**

IN WITNESS WHEREOF, the Limited Partners identified below have executed this Limited Partner Signature Page to be attached to the Limited Partnership Agreement of WILLOW CREEK PLAZA, LP, a Texas limited partnership, and agree to be bound by all of its terms, provisions, representations, and warranties.

NAME: Carlotta Lansford  
ADDRESS: 12418 Longmire Way Conroe TX 77304  
TELEPHONE NUMBER: 936,760.5403  
PARTNERSHIP INTEREST: 3,125%

By: Carlotta Lansford  
Name: Carlotta Lansford  
Title: \_\_\_\_\_

**LIMITED PARTNER SIGNATURE PAGE TO  
WILLOW CREEK PLAZA, LP  
LIMITED PARTNERSHIP AGREEMENT**

IN WITNESS WHEREOF, the Limited Partners identified below have executed this Limited Partner Signature Page to be attached to the Limited Partnership Agreement of WILLOW CREEK PLAZA, LP, a Texas limited partnership, and agree to be bound by all of its terms, provisions, representations, and warranties.

NAME: Dharamdas Nankani

ADDRESS: PO Box 7278, Spring, TX 77387

TELEPHONE NUMBER: 210-204-1779

PARTNERSHIP INTEREST: 1.5625%

By: 

Name: Dharamdas Nankani

Title: Self

**LIMITED PARTNER SIGNATURE PAGE TO  
WILLOW CREEK PLAZA, LP  
LIMITED PARTNERSHIP AGREEMENT**


**IN WITNESS WHEREOF**, the Limited Partners identified below have executed this Limited Partner Signature Page to be attached to the Limited Partnership Agreement of WILLOW CREEK PLAZA, LP, a Texas limited partnership, and agree to be bound by all of its terms, provisions, representations, and warranties.

**NAME:** Eric W. Erickson

**ADDRESS:** 2616 Silver Shadow, Conroe, TX 77304

**TELEPHONE NUMBER:** 832-515-5451

**PARTNERSHIP INTEREST:** 1.5625%

**By:**  \_\_\_\_\_

**Name:** Eric W. Erickson \_\_\_\_\_

**Title:** \_\_\_\_\_

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NAME: Farrell Road Properties, Ltd

ADDRESS: 1815 Sherwood Forest

TELEPHONE NUMBER: 713-722-7800

PARTNERSHIP INTEREST: 1 unit

By: \_\_\_\_\_

 4-26-18

Name: \_\_\_\_\_

Bruce Burianek

Title: \_\_\_\_\_

Manager

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NAME: GARY LEE JR

ADDRESS: 11885 Park Slope Dr, Willis, TX 77318

TELEPHONE NUMBER: 281 799 1466

PARTNERSHIP INTEREST: 1.5625

By: 

Name: GARY LEE JR

Title: \_\_\_\_\_

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NAME: Guy D. Barrios

ADDRESS: 20131 Stone Lake Circle, Tomball, TX 77377

TELEPHONE NUMBER: 281-304-6138

PARTNERSHIP INTEREST: 9.3750%

By: 


Name: GUY D BARRIOS

Title: \_\_\_\_\_

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NAME: HENRY H. HARDMAN  
ADDRESS: 2 Wedgewood Blvd. Comroe, TX 77304  
TELEPHONE NUMBER: (713) 446-5368  
PARTNERSHIP INTEREST: 3.125%

By:   
Name: HENRY H. HARDMAN  
Title: \_\_\_\_\_

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NAME: Jody Czajkoski

ADDRESS: 6107 Canyon Creek Ln, Conroe, TX 77304

TELEPHONE NUMBER: 713-560-6069

PARTNERSHIP INTEREST: 1.5625%.

By: 

Name: Jody Czajkoski

Title: \_\_\_\_\_

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NAME: Louis B. Chapman  
ADDRESS: 190 High Street . Passaic NJ 07058  
TELEPHONE NUMBER: (973) 632-8400  
PARTNERSHIP INTEREST: 3.125 %

By: Louis B. Chapman  
Name: Louis B. Chapman  
Title: individual with Elaine Chapman  
JTURP

**LIMITED PARTNER SIGNATURE PAGE TO  
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NAME: Elaine Chapman  
ADDRESS: 190 High Street - Passaic NJ 07055  
TELEPHONE NUMBER: (903) 779-8348  
PARTNERSHIP INTEREST: 3.125%

By: Elaine Chapman  
Name: Elaine Chapman  
Title: Individual with 6003B Chapman  
5 Shares

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NAME: MARVIN HORELICA

ADDRESS: 291 SCENIC HARBOUR DR  
LAKE HILLS, TX 78063

TELEPHONE NUMBER: 832-599-3284

PARTNERSHIP INTEREST: 3.125%

By: Marvin Horelica

Name: MARVIN HORELICA

Title: \_\_\_\_\_

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NAME: Mathew & Kristin Minor

ADDRESS: 2 Wedgewood Blvd, Conroe TX 77304

TELEPHONE NUMBER: 972-800-5722

PARTNERSHIP INTEREST: 3.125%

By: 

Name: Mathew Minor

Title: \_\_\_\_\_

**LIMITED PARTNER SIGNATURE PAGE TO  
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LIMITED PARTNERSHIP AGREEMENT**

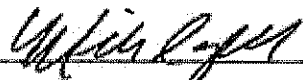
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NAME: Michael J. Rozell

ADDRESS: 8702 Chipping Rock Dr., Sugar Land, TX 77479

TELEPHONE NUMBER: 832-794-2090

PARTNERSHIP INTEREST: 0.553%

By:   
Name: Michael J. Rozell  
Title: Sr. VP

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NAME: PETERSON LAND & MINERAL

ADDRESS: 11131 McCracken Cir., Suite A, Cypress, TX 77429

TELEPHONE NUMBER: (281) 970-7070

PARTNERSHIP INTEREST: 3.125%

By: Charles Peterson  
Name: Charles S Peterson  
Title: General Partner

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NAME: Philip Kirtley Jr.

ADDRESS: 36532 High Chaparral Magnolia, TX 77355

TELEPHONE NUMBER: 281 541 7646

PARTNERSHIP INTEREST: 3.125% ( 113,000.00

By: 

Name: Philip Kirtley Jr.

Title: \_\_\_\_\_

LIMITED PARTNER SIGNATURE PAGE TO  
WILLOW CREEK PLAZA, LP  
LIMITED PARTNERSHIP AGREEMENT

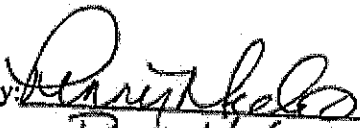
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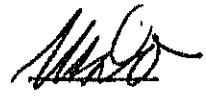
NAME: Quest IRA, Inc. FBO John P. Page IRA # 11872-11


ADDRESS: 17171 Park Row, Ste 100, Houston, TX 77084

TELEPHONE NUMBER: 800-320-5950

PARTNERSHIP INTEREST: ~~0.25719%~~ 2.5719%

By:   
Name: Dany Medeiros  
Title: Real Estate Supervisor




real estate approved 

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NAME: Timothy P. Schier  
ADDRESS: 80 La Mirada Dr, Montgomery, Tx 77356  
TELEPHONE NUMBER: 713-858-0081  
PARTNERSHIP INTEREST: 3.125%

By:   
Name: Timothy P. Schier  
Title: Individual

LIMITED PARTNER SIGNATURE PAGE TO  
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NAME: WALTER B. GLASS

ADDRESS: 3221 BENDA PLACE, LA, CA. 90068

TELEPHONE NUMBER: (323) 599-8357

PARTNERSHIP INTEREST: 1.5625%

By: Walter B. Glass

Name: WALTER B. GLASS

Title: Limited Partner / MLP

**LIMITED PARTNER SIGNATURE PAGE TO  
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LIMITED PARTNERSHIP AGREEMENT**

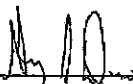
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NAME: Xun Davis Partners

ADDRESS: 6059 South Loop East, Houston, TX. 77087

TELEPHONE NUMBER: (713) 673-7701

PARTNERSHIP INTEREST: 3.125% - \$113,000.00

By: 

Name: Gary S. Davis

Title: Manager

**EXHIBIT "A"**

	<b><u>Percentage Interest</u></b>	<b><u>Capital Contribution</u></b>	
<b><u>General Partner</u></b>			
MHW Willow Creek Plaza, LLC	1.000%	\$	-
<b><u>Limited Partner</u></b>			
BOGAKE Partners	3.125%	\$	113,000
Bruce Burianek	3.125%	\$	113,000
Bruce Ingram III	3.125%	\$	113,000
Carlotta Lansford	3.125%	\$	113,000
Dharamdas A. Nankani	1.563%	\$	56,500
Dharamdas A. Nankani (Promote)	7.300%	\$	-
Eric W. Erickson	1.563%	\$	56,500
Farrell Road Properties, Ltd	3.125%	\$	113,000
Gary Lee Jr.	1.563%	\$	56,500
Guy Barrios (Promote)	7.300%	\$	-
Guy Barrios	9.375%	\$	339,000
Henry H. Hardman	3.125%	\$	113,000
Jody Czajkoski	1.563%	\$	56,500
Jody Czajkoski (Promote)	7.300%	\$	-
Jonathan Sellers (Promote)	7.300%	\$	-
Louis B. Chapman and Elaine Chapman JTWRs	3.125%	\$	113,000
Marvin Horelica	3.125%	\$	113,000
Matthew and Kristin Mlinar	3.125%	\$	113,000
Michael J. Rozell	0.553%	\$	20,000
Mitchell Oxman (Promote)	7.300%	\$	-
Peterson Land and Mineral	3.125%	\$	113,000
Philip & Karen Kirtley	3.125%	\$	113,000
Quest IRA, Inc. FBO John P. Page IRA # 11872-11	2.572%	\$	93,000
Timothy P. Schier	4.687%	\$	169,500
Walter B. Glass	1.563%	\$	56,500
Xun Davis Partners	3.125%	\$	113,000
<b>Total:</b>	<b>100.000%</b>	<b>\$</b>	<b>2,260,000</b>

**EXHIBIT B**  
**LAND**

**LEGAL DESCRIPTION**

Field Notes for a 8.053 acre tract of land, out of a 14.2194 acre tract of land described under Harris County Clerk's File Number S391992, Exhibit "D", situated in the East one-half (1/2) of the William Hurd Survey, Abstract 377, Harris County. Bearings are based on the North line of the said 14.2194 acre tract of land South 89°42'00" East. The said 8.053 acre tract of land being more fully described as follows:

COMMENCING: At a set ¾ inch iron rod with plastic cap in the South right-of-way line of FM 2920, based on 120' width, said rod marking the Northwest corner of said 14.2194 acre tract of land, from which a found 1/2 inch iron bears South 00°30'22" West, a distance of 0.85 feet;

THENCE: South 89°42'00" East, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, a distance of 834.47 feet to a set 3/4 inch iron rod with plastic cap for the Northwest corner of the herein described tract and the PLACE OF BEGINNING;

THENCE: Continuing South 89°42'00" East, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, a distance of 1680.78 feet to a found 3/4 inch iron rod for the beginning of a curve from which a found 1/2 inch iron rod bears North 77°18'07" East, a distance of 7.02 feet;

THENCE: A distance of 17.88 feet along the arc of a curve to the left (Delta angle=00°41'11", Radius= 1492.40 feet, Chord=North 89°57'25" East, a distance of 17.88 feet, with the said South right-of-way line and the North line of the said 14.2194 acre tract of land, to a set 3/4 inch iron rod with plastic cap for the Northeast corner of the herein described tract from which a found inch iron rod bears North 87°46'59" East, a distance of 41.01 feet;

THENCE: South 00°18'00" West, departing said right-of-way line, a distance of 208.82 feet to a set 3/4 inch iron rod with plastic cap for the Southeast corner of the herein described tract in the North line of a 113,2797 acre tract of land described under said Harris County Clerk's File Number S391992, Exhibit "A", Tract One and the South line of the said 14.2194 acre tract of land;

THENCE: North 89°42'00" West, with the North line of the said 113.2797 acre tract and the South line of the said 14.2194 acre tract of land, a distance of 1680.78 feet to a set 3/4 inch iron rod with plastic cap for the Southwest corner of the herein described tract;

THENCE: North 00°18'00" East, a distance of 208.71 feet. to the PLACE OF BEGINNING, containing 8.053 acres of land.

NOTE: The company is prohibited from insuring the area or the quantity of the land described herein. Any statement in the above legal description of the area or quantity' of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes, and does not override Item 2 of Schedule "B" hereof.

## Willow Creek Plaza

Three Buildings  
42,000 SF Class A Retail  
FM 2920 and Telge Roads  
TOMBALL, TX

ESTIMATED CONSTRUCTION COSTS			
<b>LAND COST</b>	+/-8.053 acres @ \$5.70 PSF	\$ 47.62	\$ 2,000,000
	\$5.70 PSF		
<b>BUILDING COST</b>			
	Estimated Retail Construction Costs 42,000 SF	\$ 85.00	\$ 3,570,000
	Tenant Improvements Allowance \$40.00 PSF	\$ 40.00	\$ 1,680,000
	Horizontal Work (Concrete Parking, utilities and detention)	\$ 9.33	\$ 392,040
	3% Hard Cost Contingency	\$ 4.03	\$ 169,261
<b>TOTAL LAND &amp; BUILDING COSTS</b>		\$ 185.98	\$ 7,811,301
<b>SOFT COSTS</b>			
	<u>Construction</u>		
	Architectural & Engineering	\$	84,000
	Construction Interest (assumes 5.000% Interest rate)	\$	168,853
	Construction Loan Inspections	\$	4,770
	Legal & Closing	\$	23,250
	Loan Fee (0.50%)	\$	33,771
	Surveys, Enviro, Platting, and Geotech Reports	\$	50,000
	Permits	\$	12,500
	Utility Fees ( Centerpoint/Annex/Water/Septic)	\$	85,000
	Construction Soft Costs	\$ 11.00	\$ 462,144
	<u>Overhead</u>		
	Lease-up carry costs (6mo Interest)	\$	168,853
	Lease Commissions	\$	239,400
	Marketing Costs Signage	\$	75,000
	Development Fee (2%)	\$	156,226
	Taxes	\$	37,486
	5% Soft Cost Contingency	\$	55,081
	Leasing & Overhead Soft Costs	\$ 17.43	\$ 732,046
<b>TOTAL SOFT COSTS</b>		\$ 28.43	\$ 1,194,190
<b>TOTAL CONSTRUCTION COST &amp; LAND</b>		\$ 214.42	\$ 9,005,491
<b>ESTIMATED SOURCE OF FUNDS</b>			
<b>CONSTRUCTION / MINI-PERM FINANCING</b>			
<b>TOTAL PROJECTED COSTS</b>			\$ 9,005,491
Less:	Estimated Loan Amount (75% LTC)		\$ (6,754,118)
pmt:	5% Interest Only 18mo	\$ (28,142.16)	
<b>EQUITY REQUIRED FOR CONSTRUCTION</b>			\$ 2,251,373
	(additional cash over land)	\$ 251,372.71	
<b>TOTAL EQUITY RAISED</b>			\$ 2,260,000
<b>MINI-PERM FINANCING PERIOD</b>			
pmt:	Mini-perm 42mo @5.25%		\$45,512.23

**PRO FORMA CASH FLOW**

RENTAL INCOME	Size	NNN Rate	Monthly Rental	Stabilized Year 1 (Mini-perm)	Stabilized Year 1 (Permanent)
Building 2	14,000	\$ 1.58	\$ 22,167	\$ 266,000	\$ 266,000
Building 3	28,000	\$ 1.58	\$ 44,333	\$ 532,000	\$ 532,000
<b>POTENTIAL GROSS INCOME</b>	<b>42,000</b>			<b>\$ 798,000</b>	<b>\$ 798,000</b>

	Commission %	Annual Rent	60 Mo Consideration	Commissions
<b>EXPECTED LEASE COMMISSIONS</b>	<b>6%</b>	<b>\$ 798,000.00</b>	<b>\$ 3,990,000.00</b>	<b>\$ 239,400</b>

EXPENSES			
Tax Base 2.334% tax rate			\$ 210,593
Insurance			\$ 37,800
Common Area Repair/Maintenance (3%)			\$ 23,940
Pro Mgmt. & Admin. ( 5.0% )			\$ 39,900
Other Expenses			\$ 31,920
<b>TOTAL EXPENSES</b>			<b>\$ 344,153</b>

43%

<b>POTENTIAL OPERATING RECOVERY</b>	<b>100%</b>		<b>\$ 344,153</b>	<b>\$ 344,153</b>
<b>NET OPERATING INCOME</b>			<b>\$ 798,000</b>	<b>\$ 798,000</b>

CASH FLOW ESTIMATES	YR1	YR2	YR3	YR4
Avg Vacancy by Year	50%	25%	15%	10%
GPR w/ 1.5% Increases per Year	\$ 798,000	\$ 809,970	\$ 822,120	\$ 834,451
Eff Rent	\$ 399,000	\$ 607,478	\$ 698,802	\$ 751,006
Tax Base 2.334% tax rate	\$ 147,415	\$ 210,593	\$ 214,805	\$ 219,101
Insurance	\$ 37,800	\$ 38,556	\$ 39,327	\$ 40,114
Common Area Repair/Maintenance	\$ 11,970	\$ 18,224	\$ 20,964	\$ 22,530
Pro Mgmt. & Admin. ( 4.0% plus \$1,000 per year )	\$ 19,950	\$ 30,374	\$ 34,940	\$ 37,550
Other Expenses	\$ 15,960	\$ 24,299	\$ 27,952	\$ 30,040
Total Expenses	\$ 233,095	\$ 322,047	\$ 337,989	\$ 349,336
Expense Ratio	58%	53%	48%	47%
Potential Operating Recovery	116,548	241,535	287,290	314,402
Net Operating Income	\$ 282,452	\$ 526,966	\$ 648,103	\$ 716,073
Debt Service (YR1 I/O)	\$ 337,706	\$ 546,147	\$ 546,147	\$ 546,147
Lease Up Allowance	\$ 168,853			
LAND SALES (62,560 SF @\$10) (net closing costs)	\$ 588,064			
Cash Flow	\$ 701,663	\$ (19,181)	\$ 101,957	\$ 169,926
Return of Capital Payouts	\$ -	\$ 682,482	\$ 101,957	\$ 169,926

	SALE IN YR 5	ASSUMPTIONS
NOI	\$ 716,073	<sup>1</sup> All buildings built at once
CAP RATE	7.00%	<sup>2</sup> Construction \$85 for Retail
SALE VALUE	\$ 10,229,609	
REMAINING LAND (±2ac @ \$15/psf)	\$ 1,500,000	
	\$ 11,729,609	
COST OF SALE 5%	\$ (511,480)	
NET PROCEEDS	\$ 11,218,129	
DEBT PAYDOWN (MONTH 49)	\$ (6,133,191)	
REMAINING EQUITY PAYDOWN	\$ (1,305,635)	
<b>TOTAL NET PROCEEDS</b>	<b>\$ 3,779,302</b>	

	Initial Investment	IRR
	\$ 2,251,373	17.90%