

GARDEN+CREEK  
APARTMENT HOMES

Boerne, Texas

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**E3 DEVELOPMENT, LLC**  
Next Generation in CRE Investing

***LIVE, WORK & PLAY IN BOERNE, TX***



INVESTMENT OPPORTUNITY

GARDEN CREEK  
APARTMENT HOMES  
Boerne, Texas



WE ARE PROUD TO OFFER THIS INCREDIBLE INVESTMENT OPPORTUNITY



NEW CONSTRUCTION 69 UNIT MULTIFAMILY APARTMENT COMPLEX

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# MULTIFAMILY OPPORTUNITY

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## LIMITING CONDITIONS

*This Offering Memorandum was prepared By E3 Development, LLC (herein "E3"). It contains selected information pertaining to the Property and does not purport to be all-inclusive nor contain all of the information that a prospective Party may desire. An opportunity to inspect the Property will be made available to qualified prospective Parties.*

*E3 expressly reserves the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice. E3 shall have no legal commitment or obligation to any Party reviewing this Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by E3 and any conditions to E3's obligations hereunder have been satisfied or waived.*

*Neither realtor, real estate agent, broker, nor E3's property manager/leasing agent, is authorized to make any representations or agreements regarding the proposed opportunity.*

Information submitted herein was received from sources deemed to be reliable. It is subject to errors, omissions, prior sale, and withdrawal from market without notice.



INVESTMENT OPPORTUNITY

## CONFIDENTIALITY AGREEMENT

The following "Investment Property Information" is being supplied to the Prospective Investor on a confidential basis and pursuant to the Confidentiality Agreement which is supplied herein, agree to the terms set forth in Confidentiality Agreement by proceeding with acceptance of viewing investment opportunity. If terms and conditions are not satisfactory under the Confidentiality Agreement, please return and delete all information regarding this investment opportunity stated in a written form that a disagreement of terms and conditions are unsatisfactory. Acceptance of terms and conditions are agreed upon as is, unless otherwise in written form.

See Exhibit "A" Attached

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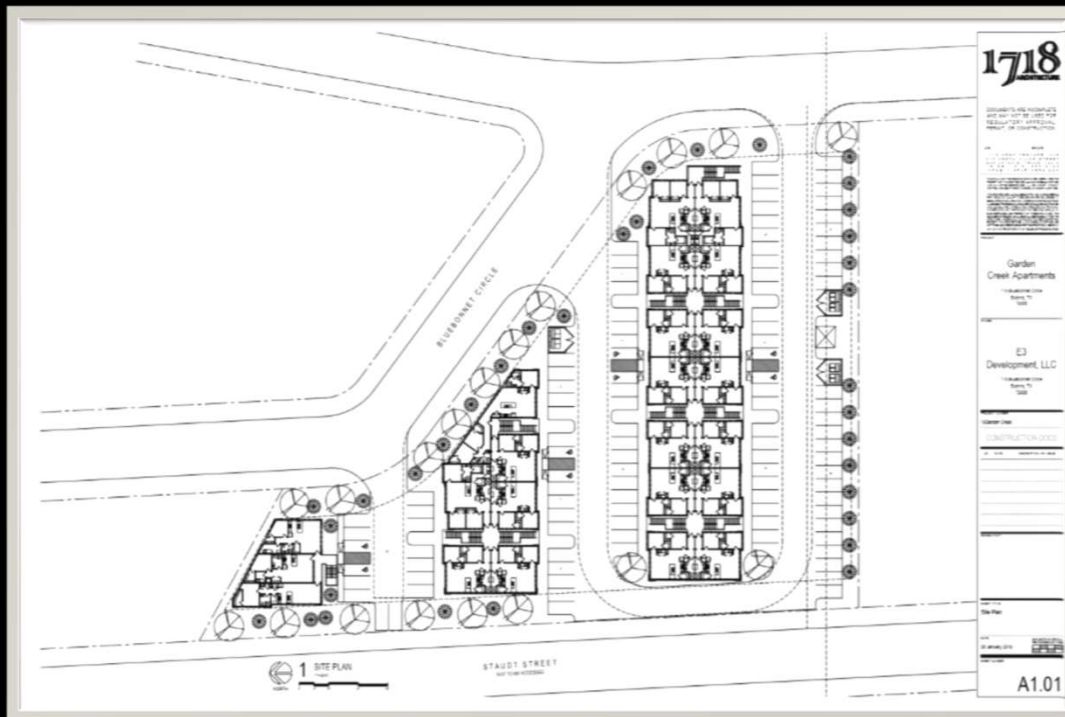


INVESTMENT OPPORTUNITY

# GARDEN CREEK APARTMENT HOMES

Boerne, Texas

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ADDRESS:	110 Bluebonnet Circle
CITY/STATE/ZIP:	Boerne, Texas 78006
NEAREST MAJOR METRO:	San Antonio, Texas
YEAR BUILT:	Anticipated 1st Qtr. 2020
TOTAL SF:	71,652
UNITS ASSUMPTIONS:	69 @ 3-Story
UNIT MIX:	1/1, 2/2 & 3/2
LAND AREA:	+/- 37.85 Units/Acre
PARKING SPACES:	106
INFRASTRUCTURE:	Water, Sewer, Streets, Fire Hydrants
PROJECTED TIMELINE:	18 Months from start date



## Executive Summary



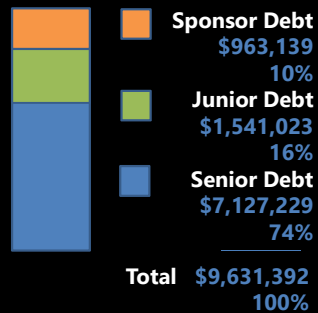
# GARDEN CREEK APARTMENT HOMES

Boerne, Texas

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## PREFERRED CAPITAL STACK



## GARDEN CREEK APARTMENTS

A 69-unit Class B+ newly constructed project located in Boerne, Texas

Targeted Investor IRR:	24.91
Targeted Equity Multiple:	2.06
Targeted Investment Period:	2 Years
Investment Profile:	Opportunistic
Minimum Investment:	NA
Targeted Average Investor Cash Yield:	8.0% - 10%
Property Type:	Class B+ Multifamily
Offers Due:	NA
Funds Due:	NA
Distribution Period:	Quarterly
Property Closing Date:	May 2018
Distribution Commencement:	NA
Construction Start:	January 2019
Construction Finish:	July 2020
Purchase Price:	\$9,631,391
Approximate Leasable SF:	71,652
Per Unit Cost/SF:	\$134.42
Unit Cost/SF:	\$128,228
Total Construction Cost/SF:	\$114.66

\*Capital Stack amounts, terms and conditions are negotiable items and can be structured to fit best investment offer(s).



## Executive Summary

## GARDEN CREEK APARTMENTS INVESTMENT HIGHLIGHTS



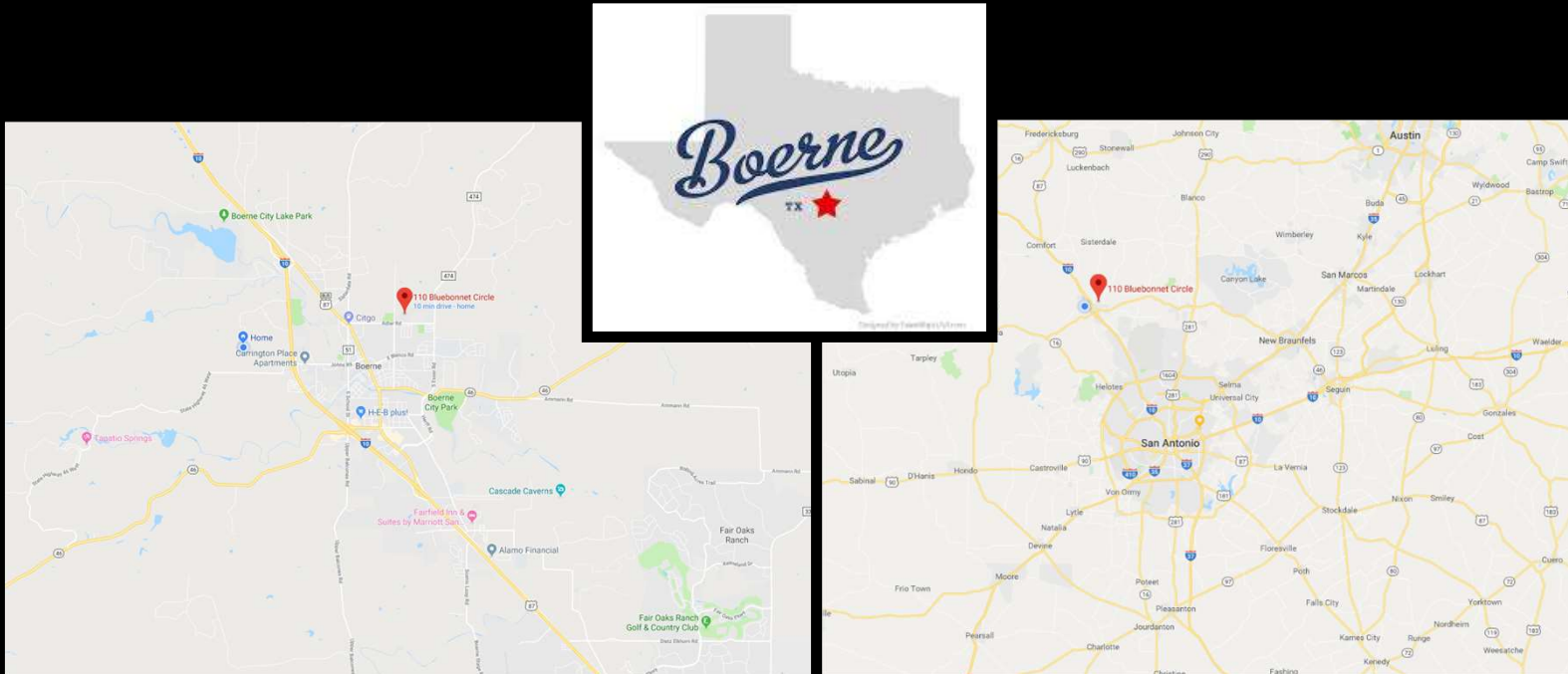
1. Land Acquisition Price = \$325k total cost vs. \$325/acre for commercial R4 property
2. Scarcity – Only R4 Multifamily Zoned infill property in the area at this time
3. Location – Walking distance to newly renovated YMCA
4. Location – Walking distance to newly built City Skate Board Park
5. Location – Walking distance to Curington Elementary
6. Location – Walking distance to City Soccer & Future Baseball Park
7. Protection – Neighbor to Newly Built Sherriff's (currently under construction) advantageous to working family with small children demographics
8. Infrastructure in Place – Sewer, Water, Drainage, Electrical, Cable, Fire hydrants, Streets, Curbs and now to the YMAC & Sherriff's department \$2 million dollar gas infrastructure deal we have the opportunity for \$50 k to offer natural gas deal with City of Boerne to our site.
9. Experience + Team - E3 Development, LLC is leveraging Mr. Rene Gonzalez's 29 years of Commercial General Contracting experience and is able to build at cost \$85/SF vs. \$155/SF + current market value. In addition, to Team roster powerhouse covering the gamut of skill sets for accountability, transparency and visibility.
10. After Build Value – Team E3 is creating a \$2+ Million dollars of equity at day one After Build Value.
11. Future Value – 6.5% Cap Rate, projected \$14.7M @ year 6
12. Future Value – Kendall Gateway Study and collaboration with Texas Department of Transportation (TxDOT) providing an alternative loop around the City of Boerne opening up more demand for project such as Garden Creek Apartments.



# GARDEN CREEK APARTMENT HOMES

Boerne, Texas

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Boerne, Texas 78006 is approximately 26.3 miles from the San Antonio International Airport.



Executive Summary





# FINANCIAL SUMMARY



# GARDEN CREEK APARTMENT HOMES

Boerne, Texas

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\*ABV in anticipated to be \$12.8M due to the cost of construction build at \$90/SF versus market value at \$125/SF. Allowing for sweat equity share at refinance.

## Garden Creek Apartments

### Property Information

Address: 110 Bluebonnet Circle  
City/State/Zip: Boerne, Texas 78006  
Nearest Major Metro: San Antonio, Texas  
Year Built: Anticipated 1st Qtr. 2020  
Total SF: 71,652  
Units: 69

Monthly Income	Monthly Expenses	Monthly Cash Flow	Proforma Cap Rate
\$ 1,057,652.64	\$ (867,442.55)	\$ 190,210.09	6.90%
NOI	Total Cash Needed	ROI	Build Cap Rate
\$ 664,991.94	\$ 1,800,000.00	\$ 2,427,061.89	10.98%

### Property Description

On behalf of E3 Development, LLC is offering a commercial real estate opportunity for investment at 110 Bluebonnet Circle, Boerne, Texas 78006. This is a multifamily apartment opportunity. The property is just off North of town near the new YMCA, soccer fields, skateboard park, Curington Elementary and multiple new sites building in that area. The property is an established zoned multifamily with all roads, utilities and fire hydrants so it makes for large part of the infrastructure. The demand is currently high with a 98%-100% occupancy on nearby competitors. In addition, positioning ourselves not only to meet the current needs but future needs allows for a great investment now and well into the future.

### Project Summary

Land Acquisition:	\$ 325,000.00	
Soft Cost:	\$ 670,912.83	
Site Cost:	\$ 505,576.45	
Development Cost:	\$ 1,050,495.05	
Construction Cost:	\$ 7,164,956.40	
Miscellaneous Cost:	\$ 420,027.33	
Total Project Cost:	\$ 9,631,391.62	
Investment Amount:	\$ 1,541,022.66	
Cap Rate:	6.90%	
Break -Even Ratio:	71.40%	
Debt Service Ratio:	1.40%	
*After Build Value (ABV):	\$ 12,800,000.00	32.90% Growth Factor 1st Year (Non-Stabilized)
Property Value @ 6 Yr. Hold:	\$ 14,482,025.13	50.36% Stabilized Value
Equity Multiplier:	\$ 2.06	
IRR Levered:	24.91%	
Investor's Share at 6 yr Sale/Exit:	\$ 3,455,021.43	ROI
Total ROI @ 6 Yr Hold:	\$ 4,854,123.77	50.40%
Investor's ROI @ 6 Yr:	\$ 1,727,510.71	
Total Net Cash Flow @ 6 Yr:	\$ 699,551.17	
Investor's ROI @ 6 Yr:	\$ 2,427,061.89	
Cash on Cash Return:	22.47%	

\*ABV showing is based on the current market value of construction cost @ \$125/SF. E3's projections are based on \$90/SF as the General Contractor.

\* Project Returns are determined and distributed as per Operating Agreement. The analysis is presented is based on estimates and evaluations made by the drafter of this document. The drafter is making no guarantees or providing any professional legal, accounting or investor advisement.



## Financial Overview

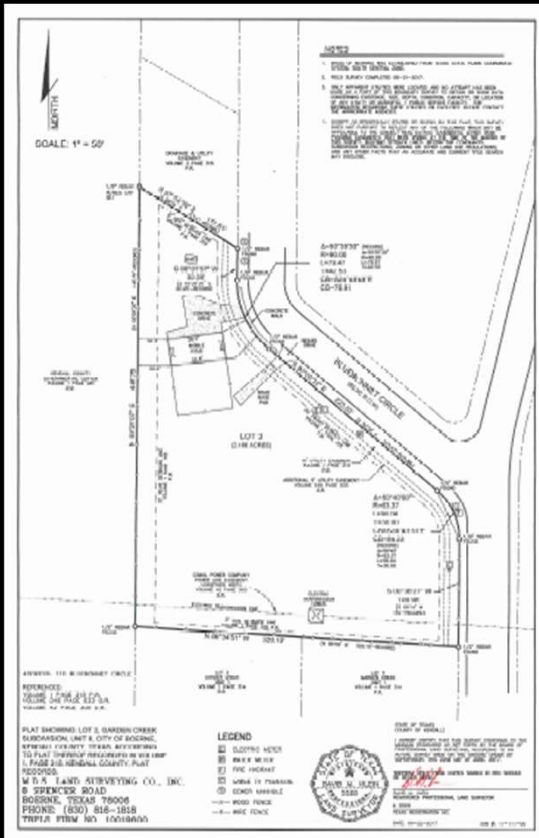




# GARDEN CREEK APARTMENT HOMES

Boerne, Texas

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LAND VALUE (Weighted Average)	TOTAL	\$/SF	PER UNIT
Negotiated Price/Acre	\$ 150,462.96	\$ 1.60	\$ 2,180.62
Total Land Price	\$ 325,000.00	\$ 3.45	\$ 4,710.14
Current Market Value (Average)	\$ 929,134.80	\$ 9.88	\$ 13,465.72
<b>ADDED VALUE FOR R-4 REZONING</b>	<b>\$ 604,134.80</b>	<b>\$ 6.42</b>	<b>\$ 8,755.58</b>



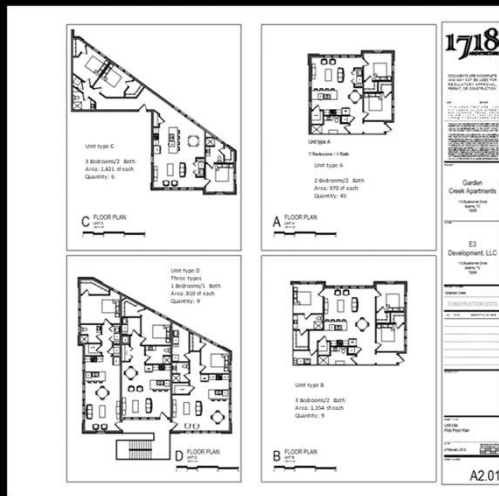
## Financial Overview

# GARDEN CREEK APARTMENT HOMES

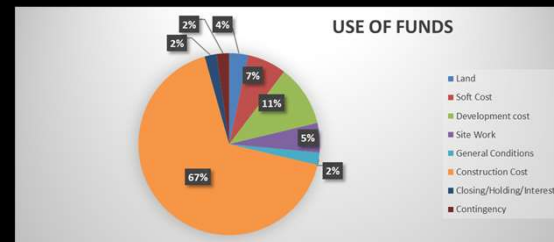
Boerne, Texas

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Description	Code	QTY	HVAC SF	Unit Rents	Rent/SF	Leasable/SF	Rent Roll/SF	\$ Yearly
2BR/2BA	A	45	970	\$ 1,212.50	\$ 1.25	43,650	\$ 54,562.50	\$ 654,750.00
3BR/2BA	B	9	1354	\$ 1,421.70	\$ 1.05	12,186	\$ 12,795.30	\$ 153,543.60
3BR/2BA	C	6	1421	\$ 1,492.05	\$ 1.05	8,526	\$ 8,952.30	\$ 107,427.60
1BR/1BA	D	9	810	\$ 1,012.50	\$ 1.25	7,290	\$ 9,112.50	\$ 109,350.00
<b>Total Units</b>		<b>69</b>	<b>1,139</b>	<b>\$ 1,284.69</b>	<b>\$ 1.15</b>	<b>71,652</b>	<b>\$ 85,422.60</b>	<b>\$ 1,025,071.20</b>
<b>Averages</b>			<b>1,139</b>	<b>\$ 1,284.69</b>	<b>\$ 1.15</b>			<b>\$ 1,025,071.20</b>



USE OF FUNDS	TOTAL	%	PER UNIT
Land	\$ 325,000.00	3.4%	\$ 4,710.14
Soft Cost	\$ 670,912.83	7.0%	\$ 9,723.37
Development cost	\$ 1,050,495.05	10.9%	\$ 15,224.57
Site Work	\$ 505,576.45	5.2%	\$ 7,327.19
General Conditions	\$ 210,699.95	2.2%	\$ 3,053.62
Construction Cost	\$ 6,448,680.00	67.0%	\$ 93,459.13
<b>GRAND TOTAL DEVELOPMENT</b>	<b>\$ 9,211,364.29</b>	<b>95.6%</b>	<b>\$ 133,498.03</b>
Closing/Holding/Interest	\$ 206,068.00	2.1%	\$ 2,986.49
Contingency	\$ 213,959.33	2.2%	\$ 3,100.86
<b>TOTAL USES OF FUNDS</b>	<b>\$ 9,631,391.62</b>	<b>100.0%</b>	<b>\$ 139,585.39</b>



## Financial Overview



GARDEN CREEK  
APARTMENT HOMES  
Boerne, Texas



# MARKET OVERVIEW

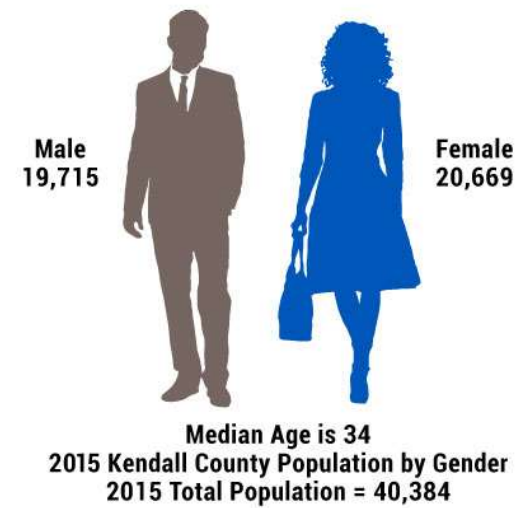
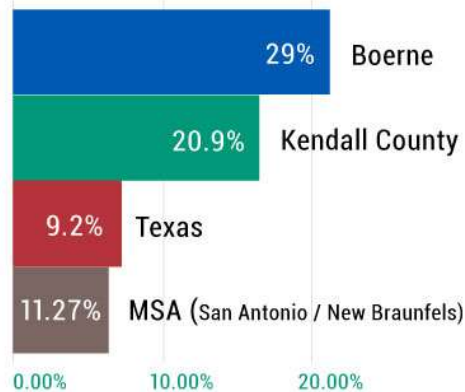
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The gem of the Texas Hill Country, Kendall County is growing rapidly. The City of Boerne has a population of 15,383 – an increase in population of 48.64%, from 10,471 (2010 census). The population is expected to continue to grow at a rapid rate from 2018-2023, as the estimated 2023 population is over 17,000 – a growth increase of 10.62%. Further estimates show this growth to continue at a fairly rapid rate. Kendall County has 44,580 residents, up from 33,410 (2010 census). Within the next 20 years, Kendall County's population is expected to grow nearly 28%.



### Population Change 2010-2015



GARDEN CREEK  
APARTMENT HOMES  
Boerne, Texas

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Kendall County  
Unemployment Rates

2015	3.4%
2014	4.0%
2013	5.0%
2012	5.4%
2011	6.1%
2010	6.2%
2009	5.7%
2008	3.8%
2007	3.4%
2006	3.9%
2005	4.2%

Kendall County  
2016 Population by Age

65+	7,851
60-64	2,754
50-59	6,051
40-49	5,233
30-39	4,123
20-29	3,941
5-19	8,554

Kendall County  
Largest Employers

1. Boerne ISD	997
2. HEB	347
3. Mission Pharmacal	249
4. Albany Engineered Composites	238
5. Kendall County	237
6. City of Boerne	233
7. Walmart Super Center	225
8. Toyota of Boerne	201

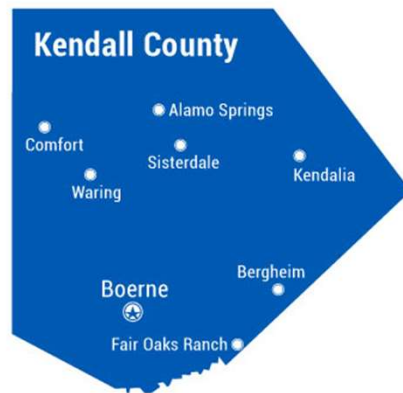


Market Overview

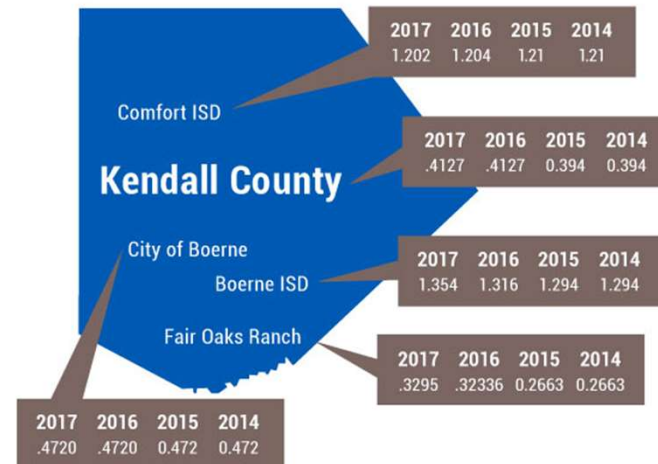
## 663 Square Miles

**POPULATION**

Year	Population
2015	40,384
2010	33,410
2000	23,743



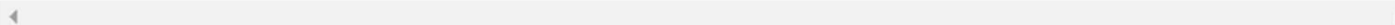
## Property Tax Rates



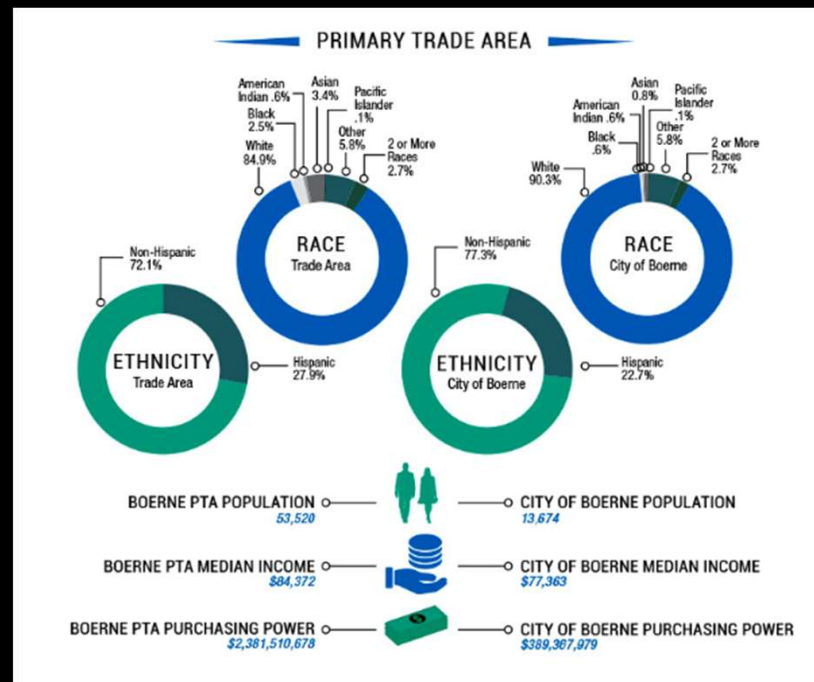


### City of Boerne Owner/Renter Occupied

CITY OF BOERNE	2014	2013	2012	2011	2010	2009
Owner Occupied	6,155	6,388	5,939	5,294	5,316	5,875
Renter Occupied	5,123	4,416	4,290	4,418	3,923	3,071
Total	11,248	10,804	10,229	9,712	9,239	8,946



Located 10 miles northwest of San Antonio, Boerne/Kendall County is prime territory for retail opportunities. The population of the Boerne Primary Trade Area is 53,520.

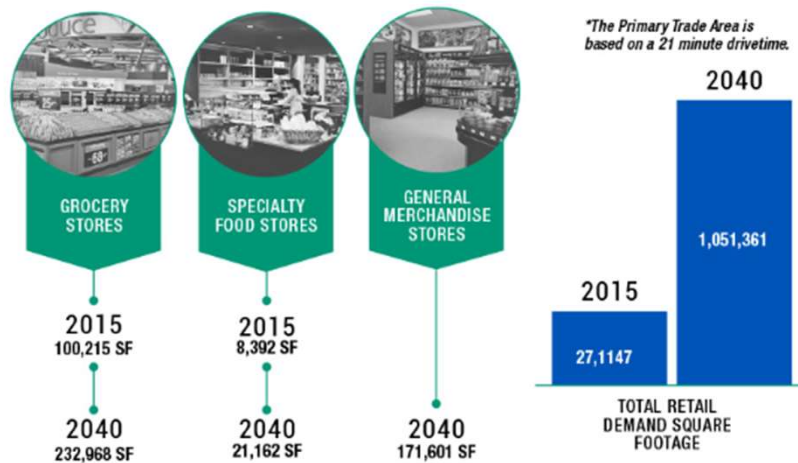


# GARDEN CREEK APARTMENT HOMES

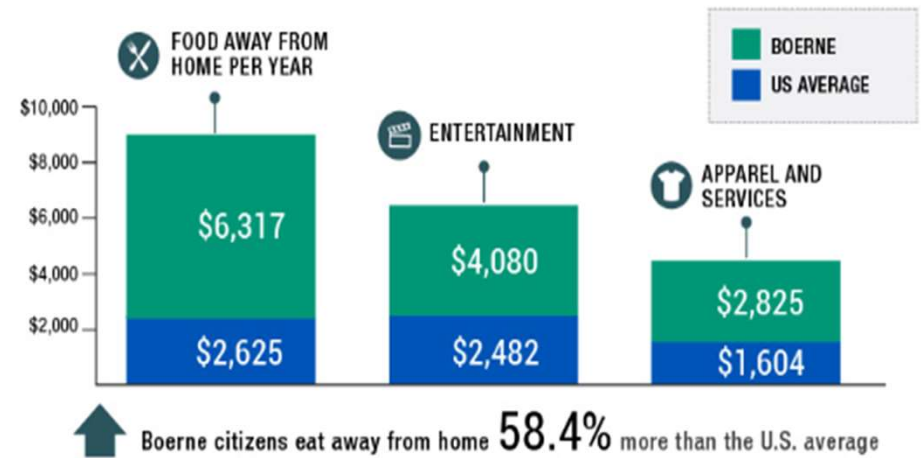
Boerne, Texas

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## PTA RETAIL DEMAND



## SPENDING PATTERNS



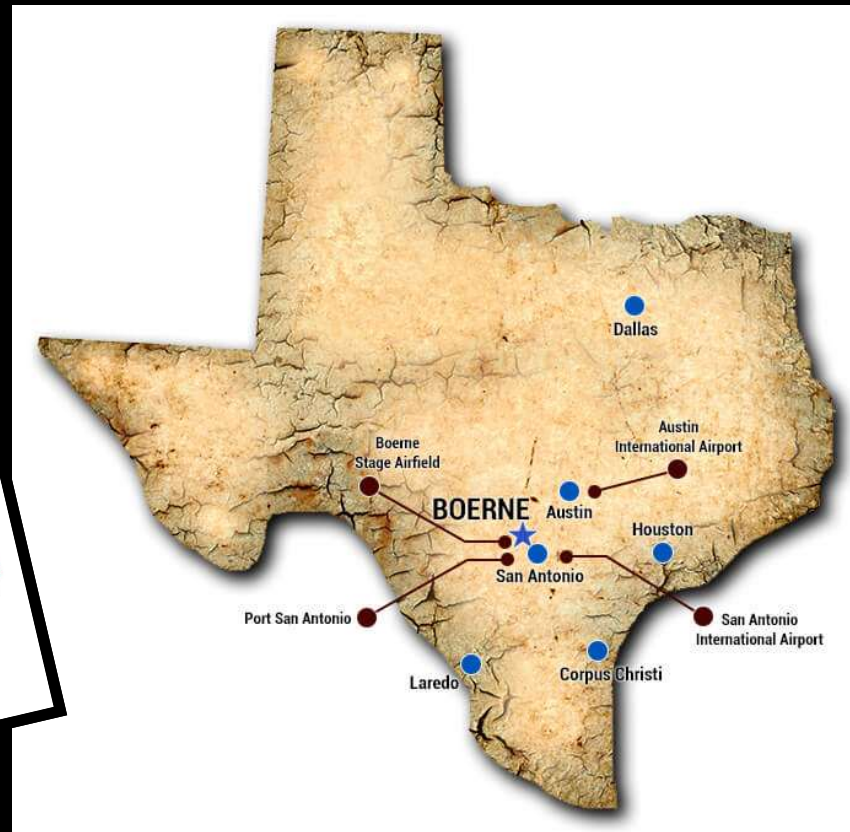
## Market Overview

## GARDEN CREEK APARTMENT HOMES

Boerne, Texas

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Kendall County is a 663 mile area located on the edge of the beautiful Texas Hill Country. The largest city in Kendall County, Boerne, is the County Seat.



Market Overview

# Garden Creek Apartments

## Boerne, Texas

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Located centrally in Texas, Boerne is within 10 miles of San Antonio, and a comfortable driving distance to Houston, Dallas/Fort Worth, Austin, the Gulf of Mexico and the Texas Coastline. With direct Interstate Highway access, the ease of doing business in these major cities are well within reach.



## Market Overview



The San Antonio International Airport is less than a 35 minute drive away and has frequent departures and arrivals to and from major national and international cities.



DESTINATION	FLIGHT TIME
Los Angeles, CA	3:05
San Francisco, CA	3:45
Chicago, IL	2:50
New York, NY	4:00
Miami, FL	3:05
Denver, CO	2:15
Seattle, WA	4:20
Washington, DC	3:35
Mexico City, Mexico	2:10





#### Community Links

- [City of Boerne](#)
- [Kendall County Government](#)
- [Boerne Convention and Visitor's Bureau](#)
- [Greater Boerne Chamber of Commerce](#)
- [Comfort Chamber of Commerce](#)
- [The Boerne Star](#)
- [Alamo Area Council of Governments](#)
- [Hill Country Weekly](#)



# GARDEN CREEK

## APARTMENT HOMES

Boerne, Texas

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### Hill Country Mile

Created in the early 2010s, the Hill Country Mile is a 1.1 mile long walking path following River Road Park and historic Main Street. The path was created as a catalyst to unify and preserve the rich cultural identity of downtown Boerne. It was also created to increase and foster economic growth through downtown shopping and culture centers.

### Cibolo Nature Center

Cibolo Nature Center (CNC) comprises over 100 acres of Hill Country trails and wilderness. The center was first opened to the public on Earth Day in 1990 after founder Carolyn Chipman Evans urged the City of Boerne to preserve marshland around Boerne City Park. CNC is maintained through a 501c3 non-profit organization called The Friends of the Cibolo Wilderness. Trails are open every day from 8 a.m. until 5 p.m. City Park is in a unique natural setting as it shares a border with Cibolo Creek.

### Nearby Attractions

Tapatio Springs Hill Country Resort and Spa is a 3.5 Star resort with 2 outdoor pools and a full-service spa and golfing. Located situated in the High of the Hill Country within 9 miles of River Road Park, and Boerne City Park and Cibolo Nature Center and Cascade Caverns (10.9 miles) away.

San Antonio is only 15 minutes away and is home to attractions such as Fiesta Texas, Sea World, the Alamo, the River Walk, La Cantera, and the Rim.



## Market Overview



# GARDEN CREEK APARTMENT HOMES

Boerne, Texas

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## LIVE, WORK AND PLAY IN BOERNE, TEXAS

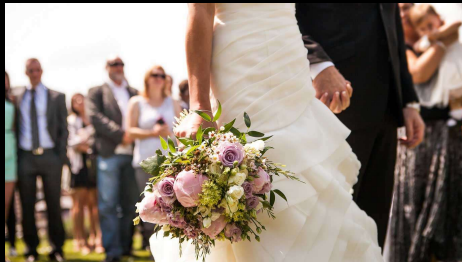


Market Overview

# TAPATIO SPRINGS

HILL COUNTRY RESORT

## HILL COUNTRY WEDDINGS



## THE RESORT COURSE



## NEW COUNTRY CLUB



## PURESÓL SPA



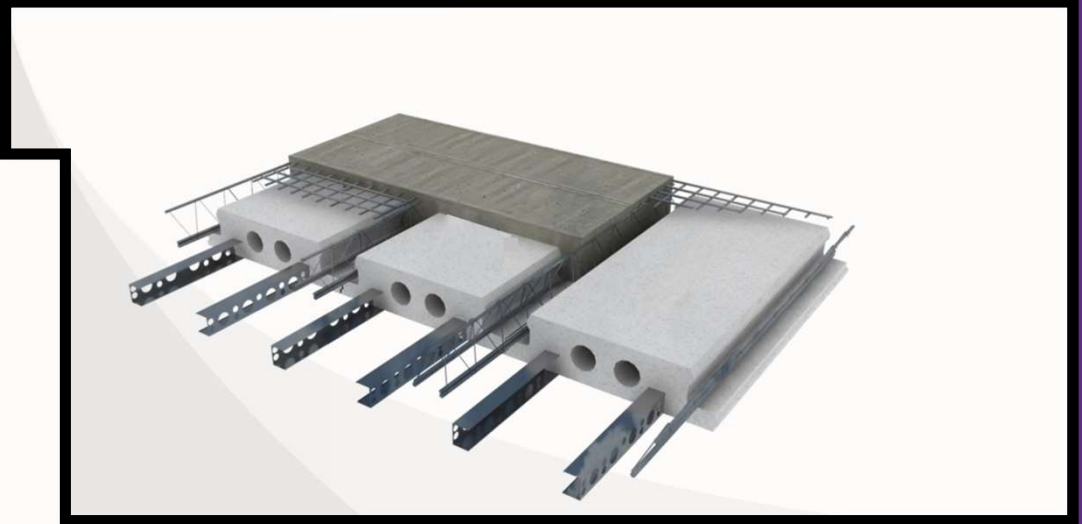
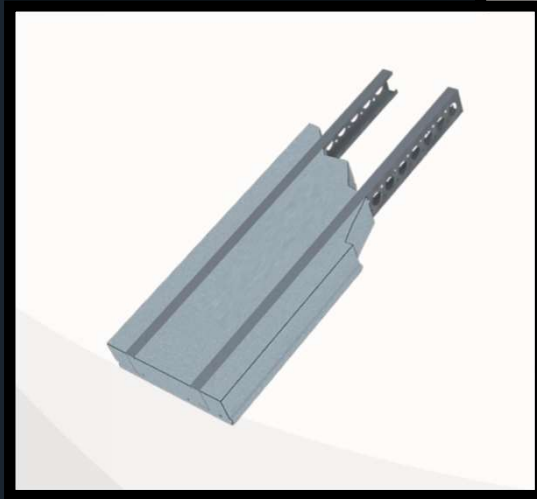
## DOUBLE L POOL BAR



## RESORT POOL







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# WELCOME TO E3 INNOVATION

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GARDEN CREEK  
APARTMENT HOMES  
Boerne, Texas

### What We Do

E3 Development, LLC is a real estate development and investment company.



### Our Market

E3 specializes in new development and has a broadbase of asset classes for diversity.



## Our Company

### Our Experience

Our commercial experience and team allow for a mix of opportunities. We see opportunities others don't.



### Our Process

E3 offers a maximum return on investments while hedging risk through our business process through property management. Creating a lean and efficient method for maximizing cash flow and minimizing risk.



“If you stop dreaming, you will stop advancing.”

Louis Twelve



Innovation

## Our Company

- 1 **EXPERIENCE** – 29 years of Commercial General Contracting and real estate (i.e. office, multifamily, churches, restaurants, retail, warehouse, etc.)
- 2 **EXCELLENCE** – Our goal is to develop and build to the highest quality while maximizing the profitability for our investors. When our investors succeed, we succeed.
- 3 **EFFICIENT** – In order to provide continuing excellence we are always seeking process & project management improvements to create a better more valuable product.

“Success is the progressive realization of a worthy goal or ideal.”



## E3's Success Formula



Innovation

## Executive Team



### Rene Gonzalez

Co-Founder, 29 Years of Commercial General Contracting, over \$3 Billion in commercial real assets in new construction & renovation, project managed and/or consulting. Graduate with Bachelor's degree in Construction Management



### Sherry Gonzalez

Co-Founder, Public Relations Manager, responsible for sourcing new investors and maintaining relationships, social media and marketing. Sherry has owned and operated multiple businesses, as well as, been part of the E3's evolution from General Contractor to Development & Financial Service Firm

“Why do we consider ourselves primarily a Financial Services Company? Because at E3 Development, LLC we teach private lenders how to reach higher returns in commercial real estate than any other asset class. E3's investments are one of the best investment vehicles for building and retaining wealth. Maximizing your ROI and your tax strategies safely and securely.”





## Our Team

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### Joe Flores

Director of Operations, Senior Project Manager, 25 + years in Construction in charge of Project Controls, B.S. 1987 Texas A&M, Building Construction. Will provide oversight of overall construction, Licensed Real Estate Agent, EB2&5 Funds Manager

### Jose Rivera, CUS, CAS, CFS CPAMS

Director of Acquisitions, Lead Value Add and rehab analysis, Project Document Controls Manager in charge of ProCure 360 and daily online portal project management.



### Leticia Reyna

Director of Capital Markets, Responsible for sourcing new investors and emerging markets such as Cryptocurrency to Real Estate, Syndications, Self-Directed IRAs & 401Ks, as well as 1031 Exchanges & Qualified Zoned Exchanges



## Design Team



### Marcello Martinez, Architect

AIA Architect License #18417,  
USGBC LEED AP, Graduate of UT  
Austin 1996, Design Team Lead, in  
charge of all design new and  
renovation, Chaired Planning  
Commission for City of San Antonio,  
Texas



### Manhard Consulting, Engineering

Manhard Consulting is a full-service  
civil engineering and surveying firm  
that serves public and private clients  
nationwide



### Bexar Engineer & Associates

Bexar Engineering is a full-service civil &  
MEP engineering firm, projects range  
from conceptual design to construction,  
17 years in the private & government  
sector, managing multiple hydrology and  
hydraulic related designs and studies,  
including master planning of large  
watersheds



## Strategic Team



### Brad Dower, CPA

Certified Public Accountant, providing tax services, payroll solutions, accounting, bookkeeping and consulting.



### Hance Realty, Property Mgt.

Charles T. Hance - Principal, has been a licensed Realtor since 2003 and has been a member of the San Antonio Board of Realtors, Texas Association of Realtors and National Association of Realtors, Hance Realty & Team currently manage 250+ investment properties.



### Mike Ahlers, Financial Advisor

Financial and Business Consulting, responsible for overseeing financials, HR and administrative functions.



### Gregory Van Cleave, Attorney

Greg Van Cleave is an experienced attorney with a background in Real Estate and Development, has been in practice 13 years and is a graduate of St. Mary's University School of Law, Doctor of Law (JD),



## Our Company Through Time



**1988**

### **B.S. Construction Management**

Graduated with a 2<sup>nd</sup> Degree in Business Management & Marketing



**1992**

### **Our First Company**

Launched 1st General Contracting Company



**1999**

### **Our First Manufacturing Process**

Started utilizing high-tech computer 3D animated design for production of light gauge steel framing for commercial & residential.



**Innovation**

## Our Company Through Time



**2010**

### **CreteSteel™ Foundation**

Developed and improved "Pier & Beam" foundation system using concrete and steel. Allowing rainwater harvesting and grey water reclamation under slabs.



**2013**

### **Modified Smart Panel System**

Recreated and modified panel system to include multiple construction application in commercial and residential.



**2017**

### **E3 Development, LLC**

E3 Smart Homes, LLC, E3 Smart Panels™ 3.0 and E3 SmartTech, LLC Launched!!!  
Bringing together an entirely new generation of building standards.



**Innovation**



## Four areas where we are focused

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"E3 Smart Panels™ is literally changing the way we live, work and play."



Innovation



### The Envelope System

E3 Smart Panels™ are built with super durable energy efficient walls and roof (envelope)



### Smart Technology

E3 Smart Panels™ is utilizing proprietary technology and current technology to create the best product on the planet



### Healthy Products

E3 Smart Panels™ are healthy because of the technology we use.



### Attainable

E3 Smart Panels™ are an affordable investment now and well into the future.

## Join E3 in this New Standard for Development



### NEXT GENERATION OF CRE INVESTING!



#### Address

215 West Bandera, Ste. 114-238,  
Boerne, Texas 78006



#### Contact Info

Email: [e3developmentllc@gmail.com](mailto:e3developmentllc@gmail.com)  
Sales: [rene@e3developmentllc.com](mailto:rene@e3developmentllc.com)  
Support: [sherry@e3developmentllc.com](mailto:sherry@e3developmentllc.com)



#### Telephone

Office Phone: +1 (210) 254 2369  
Sales: +1 (210) 254 2369  
Support: +1 (210) 836 7606



## EXHIBIT A - CONFIDENTIALITY AGREEMENT

The following "Investment Property Information" is being supplied to the Prospective Investor on a confidential basis and pursuant to the Confidentiality Agreement which is supplied herein, agree to the terms set forth in Confidentiality Agreement by proceeding with acceptance of viewing investment opportunity. If terms and conditions are not satisfactory under the Confidentiality Agreement, please return and delete all information regarding this investment opportunity stated in a written form that a disagreement of terms and conditions are unsatisfactory. Acceptance of terms and conditions are agreed upon as is, unless otherwise in written form.

This Confidentiality Agreement (this "Agreement") is made and entered into the date reviewed by and between E3 Development, LLC ("Sponsor") and Interested Party ("Party").

**WITNESSETH:**

WHEREAS, Sponsor desires to consider a business arrangement or transaction; and WHEREAS, Party requires certain confidential information concerning Sponsor for the purpose of evaluating such business arrangement or transaction; and WHEREAS, Sponsor is agreeable to supplying certain information to Party subject to the terms and conditions hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1) Party shall hold in confidence unless compelled to disclose by judicial order or by other requirements of the law, all information received from Sponsor in connection with the proposed transaction, except to the extent such information can be shown to have been (a) previously known on a non-confidential basis by Party, (b) developed independently by Party, (c) in the public domain through no fault of Party, or (d) later lawfully acquired by Party from sources other than Sponsor; provided that Party may disclose such information to its directors, officers, employees, accountants, legal counsel, and agents in connection with the proposed transaction, so

long as such persons are informed by Party of the confidential nature of such information and are directed to treat such information confidentially. In this regard, Party shall limit distribution of such information solely to those persons who, in Party's sole discretion, must be involved in the analysis of the transaction. If the transaction is not consummated, Party agrees that it will, at the direction of Sponsor, either return such information to Sponsor or destroy the same. Party further agrees that it will, under the direction of Sponsor, permanently delete all computer files and destroy such analyses, compilations, studies or documents prepared by Party, which contain or otherwise, reflect such information

2) Party acknowledges and agrees that Sponsor would suffer irreparable loss and damage if Party should breach or violate any of the provisions contained in this Agreement. Party further acknowledges and agrees that each of the terms contained herein is reasonably necessary to protect and preserve the business and the assets of Sponsor. Party therefore agrees and consents that in addition to any other remedies available to Sponsor shall be entitled to injunctive relief to remedy a breach or contemplated breach by Party of any of the terms of this Agreement.

3) This Agreement shall be and is for the express benefit of Sponsor and any successors and assigns thereto.

4) Party acknowledges that Owner nor Broker make, nor have either of them made, any representation or warranty to you as the accuracy or completeness of the Property Evaluation Materials. You agree that Owner and Broker will not have any liability as a result of your use of the Evaluation Material and that you will perform your own studies and are responsible for such due diligence investigations and inspections of the Property, including investigation of any environmental conditions, on which you intend to rely and as you deem necessary or desirable to make your investment decision.

5) The provisions of this Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions to the extent enforceable shall nevertheless be binding and enforceable.

6) The waiver by one party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach of the same or any other provision by the other party.

7) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have agreed to this Confidentiality Agreement as executed unless written otherwise.

**Information submitted herein was received from sources deemed to be reliable. It is subject to errors, omissions, prior sale, and withdrawal from market without notice.**

