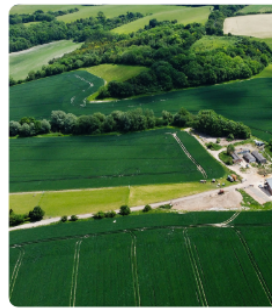


LAND BOOK

24-ACRE TRACT IN WALLER COUNTY



PRESENTED BY

Rachel Kersten &
Christopher Bontrager

LDEV 668-700



EXECUTIVE SUMMARY

We are looking to develop a 24.127-acre tract of land in Waller County, Texas into a single-phase subdivision with 103 single family lots. The proposed site is well positioned near the greater Houston area with various employment opportunities, highway access, and little finished lot inventory from neighboring nearby communities. Our price point will accommodate first time home buyers and potential move-up buyers.

Our due diligence has indicated that the path to development will be rather manageable with utilities readily available, no flood zones to navigate, and clear survey and title. The site is also located within the Waller City limits, so annexation and rezoning are not required.

Our financial projections also indicate a path forward with a base lot price of \$85,000, closing our first lots in July of 2026 and final lots closing in January of 2030. Sales will contribute to a projected profit of \$2.82 million and IRR of 22.46%, allowing for distribution of profits by the end of the project. These figures are shown in the DCF model attached.

Market conditions also support the proposal with strong local and regional economies. The potential risks include rising construction costs and slower than expected absorption rates. Overall, it is recommended that we move forward with development while maintaining a development schedule that aligns with market demand.

FINANCIAL ANALYSIS

The cashflow model shows the project is financially positive with about \$12.12 million in total revenue. This includes \$9.56 million from lot sales for the 103 lots and \$2.56 million from MUD reimbursement. The total estimated project cost is \$9.30 million. This amount covers land and development expenses, taxes, and financing costs leading to a projected profit of \$2.82 million.

The model puts the IRR at 22.46% indicating the project will have a strong rate of return. The equity requirement is \$2.008 million, which will be fully returned by the end of the project along with profit distribution.

- Total Cost breakdown of land, soft costs, hard costs, and interest expense)
\$8,578,507
\$449,147 in Interest
\$2,101,944 in land cost
\$6,027,416 in development costs
- Maximum Loan is \$7,291,731
- Equity requirement is \$2,008,044
- 22.46% IRR
- Profit is \$2,821,038

- Equity is returned in 3 increments: \$1,000,000 in July of year 4, \$1,000,000 in January of year 5, and \$8,044 in January of year 6. The profit is paid out in January of year 6.

MARKET ANALYSIS

General Market Overview:

The Houston MSA was named #2 on the list of fastest growing major metro economies from '22-'24 according to the U.S Bureau of Economic Analysis. Houston came in right behind Seattle with GDP growth of 10.6%, going from \$685.6 billion in 2022 to \$758.3 billion in 2024. According to the same source, Houston led the Nation in manufacturing output in 2024, clocking in \$126.9 billion.



Sub-Market Overview:

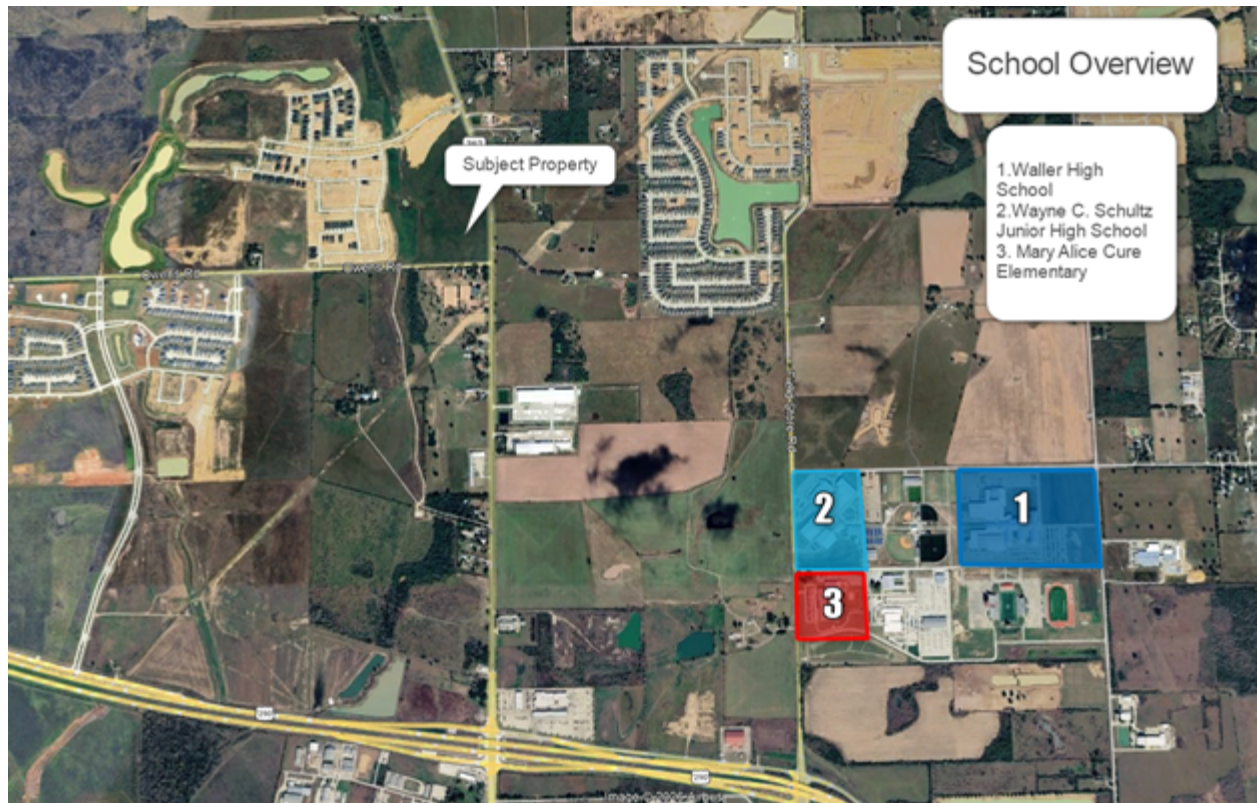
The primary competitors in the market are Chesmar and Tri-Pointe in the Jubilee development, and K Hovanian and Ashton Woods in the Oakwood Estates development. Oakwood Estates is located to the East on Knebel Rd and Field Store Road. Jubilee is located further southeast off Highway 290.

Jubilee is slated for 2,289 future lots before development completion while Oakwood Estates has completed its lot development. Jubilee has 62 finished vacant lots and are closing 32 lots a quarter. Oakwood Estates has 42 finished vacant lots and are closing 30 lots a quarter.

School Overview:

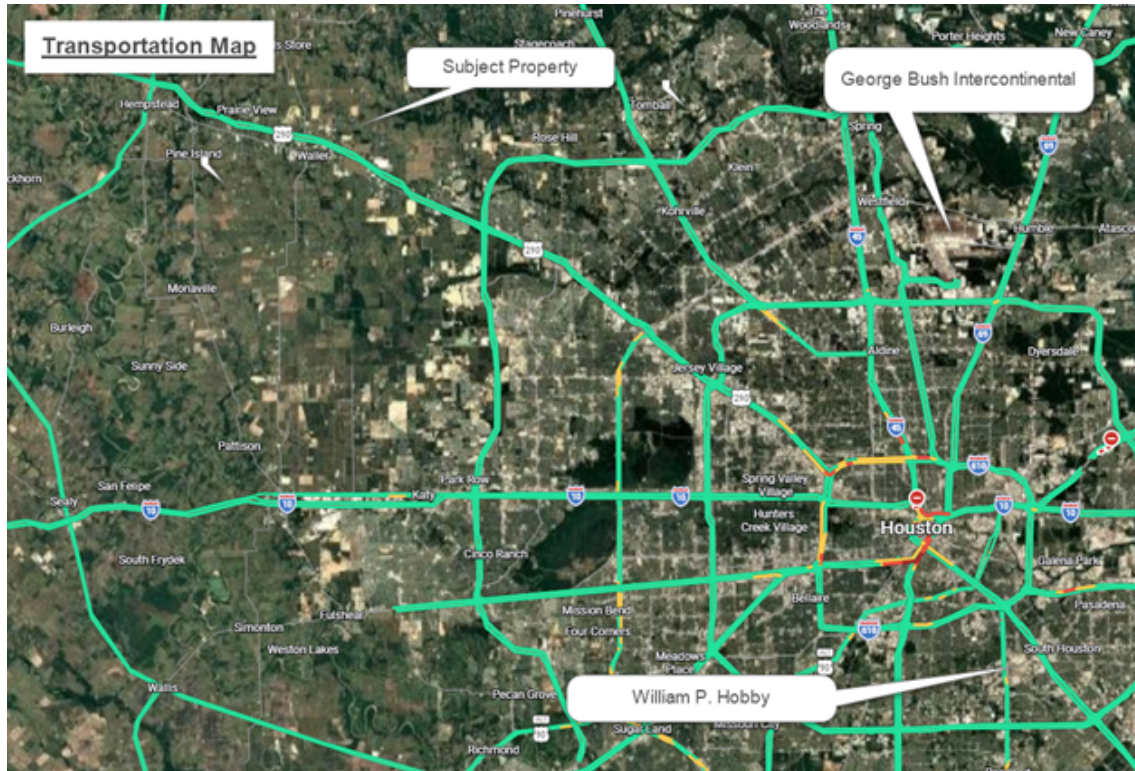
The property is located within the Waller Independent School District and is specifically zoned for Waller High School, Wayne C. Schultz Junior High School, and Mary Alice Cure Elementary. The campuses are conveniently located 2.9 miles away at the corner of Field Store Rd and Waller Spring Creek Rd.

According to the 2024-2025 Texas Academic Performance Report, all three of the campuses were rated with a “C” on their 2025 Campus Accountability Score.



Transportation Overview:

The property is located 2 miles from Hwy 290 and 15 miles from the Grand Parkway (99). The Grand Parkway provides direct access to Interstates I10 and I45. Hwy 290 provides direct access to the inner loop of Houston. George Bush Intercontinental Airport is located 46 miles from the site and William P. Hobby Airport is located 55 miles from the site.



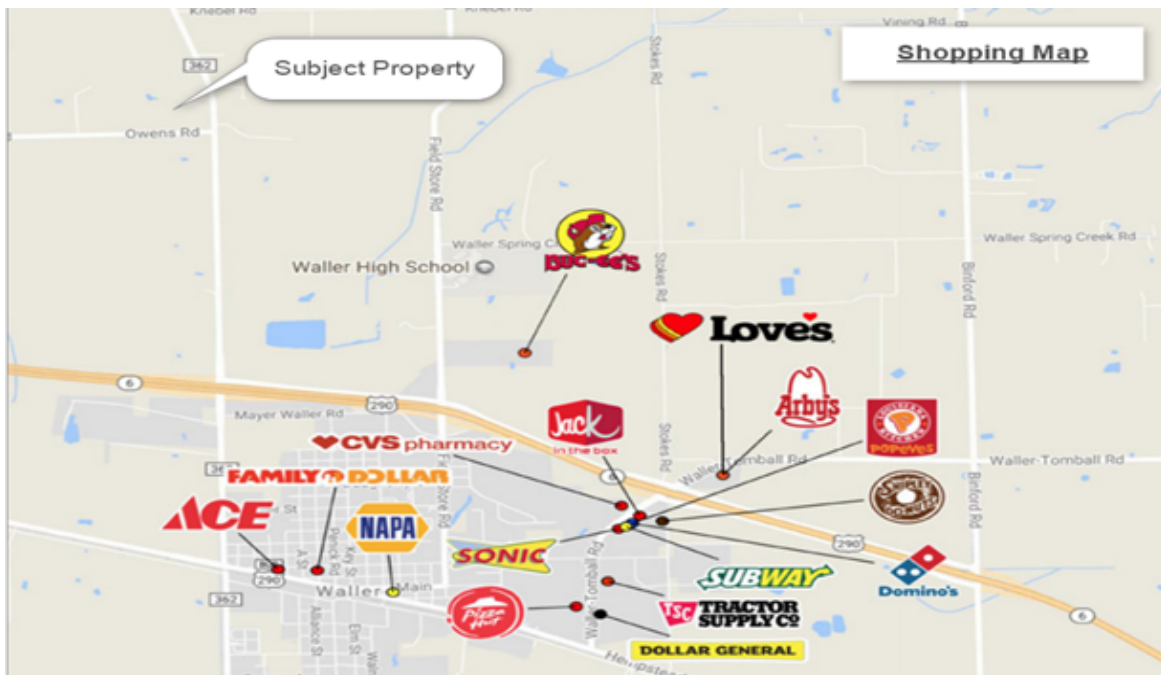
Employment Overview:

According to the latest Workforce Solutions report, dated January 20th, 2026, Waller County's total employment is 27,847 jobs with an average weekly wage of \$1,210. The major employment sectors in Waller County are Manufacturing, Trade, Education, and Public Administration. Major employers include Daikin Comfort Technologies, Igloo, Prairie View A&M University, and Waller ISD. Recently the Waller County Economic Development Partnership announced a new \$65 million dollar manufacturing facility by TMEIC Corporation, a Japanese electronics company. The subject property is located within close proximity to the Beacon Hill Business Park, the Alegacy Business Park, as well as the Daikin Campus.



Shopping Overview:

Within 5 miles of the subject property, there is a strong mix of shopping options, including general merchandise, restaurants, pharmacies, and home improvement goods. Located 13 miles from the site, the Houston Premium Outlets Center is in Cypress. The Outlet Center consists of a portfolio of 140+ stores and restaurants.



Subject Property Market Summary:

Subject Property Home Plans		
Plan	Sq Ft	Base Price
1754	1,754	\$324,990
1845	1,845	\$332,990
2167	2,167	\$351,990
2211	2,211	\$358,990
2550	2,550	\$373,990
2721	2,721	\$382,990
2796	2,796	\$393,990
2983	2,983	\$396,990
3037	3,037	\$405,990
3684	3,684	\$432,990
3924	3,924	\$443,990

The market's current supply & demand equates to the 103 lots outlined in the proposed development. The demand is matched with the supply rate of 10 lots a quarter starting in July of year 2. The timing on lot delivery allows the development to capitalize on the lack of lot inventory in the Oakwood Estates competitor development due to its development completion.

The prices in the Bohn Homes Attwater Community will range from \$324,990 for the 1,754-sf floor plan to \$443,990 for the 3,924-sf floor plan.

Competitive Price Graph:

LDEV 668 Competitive Price Graph Assignment

	HistoryMaker		Tri Pointe		K Hovnanian		Ashton Woods		Chesmar			
	Altwater		Jubilee	Price Adjustment	Oakwood Estates	Price Adjustment	Oakwood Estates	Price Adjustment	Jubilee	Price Adjustment		
Kitchen & Bath	Guttering	Front Only	Front Only	No	\$0	Front Only	No	\$0	Front Only	No	\$0	
	Covered Patio	No	No	No	\$0	No	\$0	No	No	\$0		
	Irrigation / Sod	Sod Front & Rear- Full Irrigation	Sod Front & Rear- Full Irrigation	No	\$0	Sod Front & Rear- Full Irrigation	No	\$0	Sod Front & Rear- Full Irrigation	No	\$0	
	Front Door Type	Fiberglass	Solid Wood		(\$750)	Fiberglass	No	\$0	Solid Wood		(\$750)	
	50-year shingles	No	No	No	\$0	No	\$0	Yes		(\$500)	\$0	
	Masonry	four sides first floor	four sides first floor	No	\$0	four sides first floor	No	\$0	four sides first floor	No	\$0	
	Ceiling Height	9' to 11' per plan (not sloped)	9' to 11' per plan (not sloped)	No	\$0	9' to 11' per plan (not sloped)	No	\$0	9' to 11' per plan (not sloped)	No	\$0	
	Ceiling Fans	up to three, per plan	up to three, per plan	No	\$0	up to three, per plan	No	\$0	up to three, per plan	No	\$0	
	6'8" Doors	6'8" doors	6'8" doors	No	\$0	6'8" doors	No	\$0	6'8" doors	No	\$0	
	Circadian Lighting	No	Yes		(\$500)	No	\$0	No	\$0	Yes		(\$500)
	Live Well Features	No	Yes		(\$2,500)	No	\$0	No	\$0	Yes		(\$2,500)
	Entry Floor	Tile	Tile	No	\$0	Tile	No	\$0	Tile	No	\$0	
	Utility Floor	Tile	Tile	No	\$0	Tile	No	\$0	Tile	No	\$0	
	Balusters	Metal Spindles	Metal Spindles	No	\$0	Metal Spindles	No	\$0	Metal Spindles	No	\$0	
	Tankless Water Heater	YES	YES	No	\$0	No	\$1,500	No	\$1,500	No	\$1,500	
	Security	Optional	Optional	No	\$0	Optional	No	\$0	Optional	No	\$0	
Security Prewire	YES	YES	YES	\$0	YES	No	\$0	YES	YES	\$0		
Kitchen & Bath	Master Bath Floor	Tile	Tile	No	\$0	Tile	No	\$0	Tile	No	\$0	
	Master Countertop	granite	granite	No	\$0	granite	No	\$0	granite	No	\$0	
	Master Plumbing	Chrome	Chrome	No	\$0	Chrome	No	\$0	Chrome	No	\$0	
	Secondary Bath Floor	Tile	Tile	No	\$0	Tile	No	\$0	Tile	No	\$0	
	Secondary Countertop	granite	granite	No	\$0	granite	No	\$0	granite	No	\$0	
	Kitchen Floor	Tile	Tile	No	\$0	Tile	No	\$0	Tile	No	\$0	
	Kitchen Cabinet Size	42" uppers	42" uppers	No	\$0	42" uppers	No	\$0	42" uppers	No	\$0	
	Range / Oven / Cooktop	30" Drop-In Ctop w/B-I Oven	30" Drop-In Ctop w/B-I Oven	No	\$0	30" Drop-In Ctop w/B-I Oven	No	\$0	30" Drop-In Ctop w/B-I Oven	No	\$0	
	Refrigerator	no	no	No	\$0	no	No	\$0	no	No	\$0	
	Dishwasher	yes	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	
	Microwave	yes	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	
	Reverse Osmosis Water	No	No		(\$1,500)	No	\$0	No	\$0	Yes		(\$1,500)
	Kitchen Countertops	Granite	Granite	No	\$0	Granite	No	\$0	Note Granite	No	\$0	
	Kitchen Faucet	chrome	chrome	No	\$0	chrome	No	\$0	chrome	No	\$0	
	Kitchen Backsplash	tile	tile	No	\$0	tile	No	\$0	tile	No	\$0	
	Separate Tub/Shower	No	Yes		(\$2,500)	Yes		(\$2,500)	Yes		(\$2,500)	
Kitchen & Bath	Shower Material	tile	tile	No	\$0	tile	No	\$0	tile	No	\$0	
	Powder	pedestal sink oval mirror	pedestal sink oval mirror	No	\$0	pedestal sink oval mirror	No	\$0	pedestal sink oval mirror	No	\$0	
	Master Bath Cabinets	Buyers Choice	Buyers Choice	No	\$0	Buyers Choice	No	\$0	Buyers Choice	No	\$0	
	Commodies	elongated throughout	elongated throughout	No	\$0	elongated throughout	No	\$0	elongated throughout	No	\$0	
	Study/Gameroom Standard	Yes	Yes	No	\$0	Yes	No	\$0	Yes	No	\$0	
	Upgraded Warranty	Yes	No		\$1,200	No	\$1,200	No	\$1,200	No	\$1,200	
	Home Automation	yes	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	
	Garage	2 car with opener	2 car with opener	No	\$0	3-Car with opener	No	\$0	2 car with opener	No	\$0	
	Pest Control	yes	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	
	Insulation	R-38 flat ceilings, R-22 sloped, R-13 ext	R-38 flat ceilings, R-22 sloped, R-13 ext	No	\$0	R-38 flat ceilings, R-22 sloped, R-13 ext	No	\$0	R-38 flat ceilings, R-22 sloped, R-13 ext	No	\$0	
	Blinds	no	no	No	\$0	no	No	\$0	yes		(\$3,600)	
	USB Charging	yes	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	
	SEER	16.0 SEER	16.0 SEER	No	\$0	16.0 SEER	No	\$0	16.0 SEER	No	\$0	
	TOTAL ADJUSTMENTS				(\$6,500)		\$200		(\$300)		(\$4,500)	
	Value	HistoryMaker	TriPointe	K Hovnanian	Ashton	Chesmar						
	\$1,500	Tankless Water Heater	Yes	No	No	No						
\$500	50 year shingles	No	No	Yes	No							
\$2,500	Tub & Shower	No	Yes	Yes	Yes							
\$1,200	Warranty	Yes	No	No	No							
\$3,500	Blinds	No	No	No	Yes							
\$750	Wood Front Door	No	No	No	No							
\$1,500	Reverse Osmosis	No	No	No	Yes							
\$500	Circadian Lighting	No	No	No	Yes							
\$2,500	Live Well Features	No	No	No	Yes							

LDEV 668

Product width	55'	50'	55'	55'	50'
Builder	Attwater	Jubilee	Oakwood Estates	Oakwood Estates	Jubilee
Community	HistoryMaker	Tri Pointe	K Hovnanian	Ashton Woods	Chesmar
Lot Size	55	55	55	55	50
Square Foot	2550	2558	2594	2543	2587
Configuration					
Base Price	\$373,990	\$421,900	\$344,950	\$370,000	\$409,990
Price per Foot	\$146.66	\$164.93	\$132.98	\$145.50	\$158.48
Location/Access	\$0	(\$2,500)	\$0	\$0	(\$2,500)
Amenity	\$0	(\$1,500)	\$0	\$0	(\$1,500)
Setting	\$0	(\$500)	\$0	\$0	(\$500)
Product width/elevations	\$0	\$0	\$0	\$0	\$0
Features (Spec Level/Plan Config)	\$0	(\$6,550)	\$200	(\$300)	(\$8,550)
Tax Rate	\$0	\$ 20,343	\$ 17,956	\$ 17,956	\$ 20,343
Schools	\$0	\$0	\$0	\$0	\$0
Incentive	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$9,293	\$18,156	\$17,656	\$7,293
Base price variance	\$373,990	\$431,193	\$363,106	\$387,656	\$417,283
Price per foot variance	\$0	\$169	\$140	\$152	\$161
SqFt Adjustment	0	(8)	(44)	7	(37)
SqFt Dollar Adjustment (\$180/Ft)	\$0	(\$1,440)	(\$7,920)	\$1,260	(\$6,660)
Base Price SqFt Variance	\$373,990	\$429,753	\$355,186	\$388,916	\$410,623
Sales Pace (Monthly Avg last 12 mos.)	0.00	0.00	0.00	0.00	0.00
Adjusted Price	\$373,990	\$429,753	\$355,186	\$388,916	\$410,623

Value

Location/Access at Jubilee are better than the Subject	2500
Location/Access at Oakwood Estates is equal to the Subject	0
Amenities at Jubilee are better than the Subject	1500
Amenities at Oakwood Estates are equal to the Subject	0
The Setting at Jubilee is better than the Subject	500
The Setting at Oakwood Estates is equal to the Subject	0

Loan Term	30	Attwater	Jubilee	Oakwood Estates	Oakwood Estates	Jubilee
Mortgage Rate	4.99%	HistoryMaker	Tri Pointe	K Hovnanian	Ashton Woods	Chesmar
Tax Rate		2.9600	3.3100	3.4200	3.4200	3.3100
Monthly HOA		100.00	100.00	52.92	52.92	\$100
Monthly P.I.D.		\$0	\$0	\$0	\$0	0
Monthly Taxes		\$922.51	\$1,031.59	\$1,065.87	\$1,065.87	\$1,031.59
Buying Power		(\$190,691.61)	(\$211,034.44)	(\$208,647.14)	(\$208,647.14)	(\$211,034.44)
Difference to Subject			\$20,342.83	\$ 17,956	\$ 17,956	\$ 20,343

Community	Annual Tax Rate	Annual HOA Assessment
Attwater	\$2.96	\$1,200
Jubilee	\$3.31	\$1,200
Oakwood Estates	\$3.42	\$635

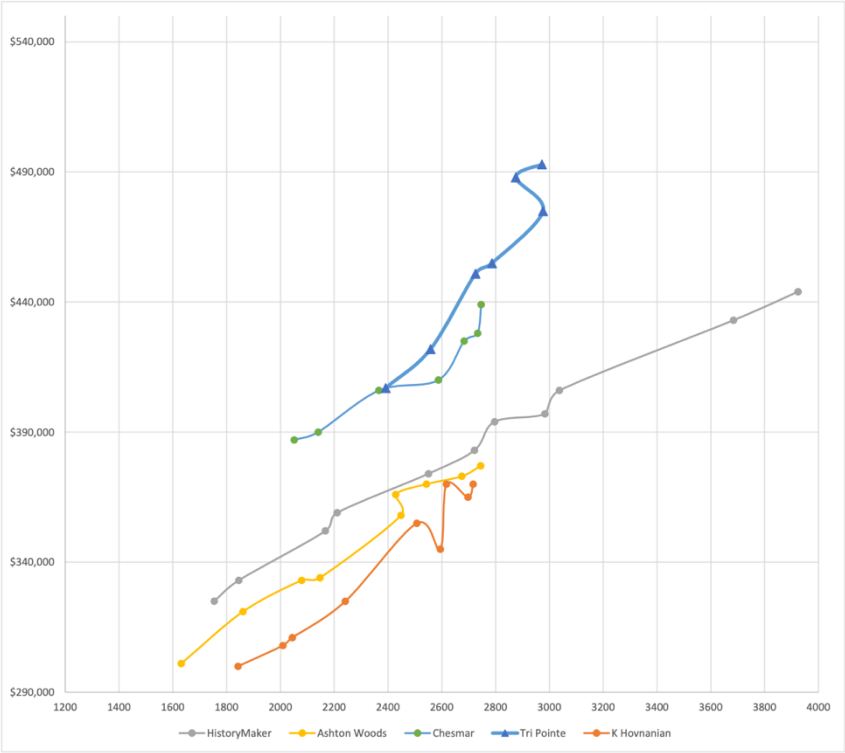
Tri Pointe	Jubilee	Adjusted Price
2391	\$406,900	\$416,193
2558	\$421,900	\$431,193
2725	\$450,900	\$460,193
2786	\$454,900	\$464,193
2976	\$474,900	\$484,193
2875	\$487,900	\$497,193
2972	\$492,900	\$502,193

HistoryMaker	Attwater	Adjusted Price
1754	\$324,990	\$324,990
1845	\$332,990	\$332,990
2167	\$351,990	\$351,990
2211	\$358,990	\$358,990
2550	\$373,990	\$373,990
2721	\$382,990	\$382,990
2796	\$393,990	\$393,990
2983	\$396,990	\$396,990
3037	\$405,990	\$405,990
3684	\$432,990	\$432,990
3924	\$443,990	\$443,990

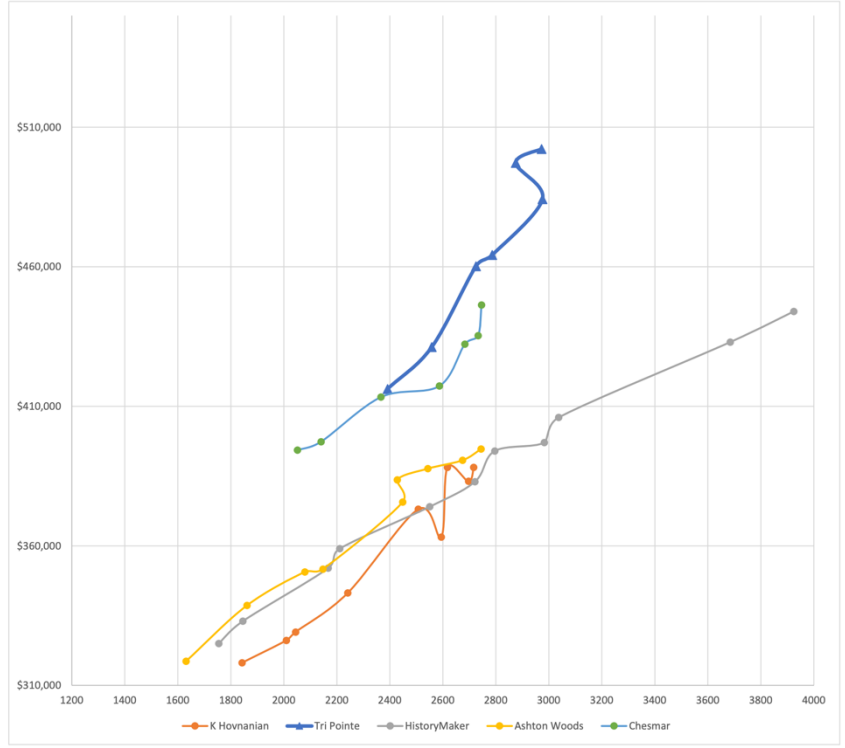
K Hovnanian	Oakwood Estates	
1842	\$299,950	\$318,106
2009	\$307,950	\$326,106
2044	\$310,950	\$329,106
2241	\$324,950	\$343,106
2507	\$354,950	\$373,106
2594	\$344,950	\$363,106
2617	\$369,950	\$388,106
2697	\$364,950	\$383,106
2716	\$369,950	\$388,106

Ashton Woods	Oakwood Estates	
1631	\$301,000	\$318,656
1861	\$321,000	\$338,656
2079	\$333,000	\$350,656
2147	\$334,000	\$351,656
2448	\$358,000	\$375,656
2428	\$366,000	\$383,656
2543	\$370,000	\$387,656
2674	\$373,000	\$390,656
2744	\$377,000	\$394,656

Chesmar	Jubilee	
2051	\$386,990	\$394,283
2140	\$389,990	\$397,283
2366	\$405,990	\$413,283
2587	\$409,990	\$417,283
2683	\$424,990	\$432,283
2733	\$427,990	\$435,283
2746	\$438,990	\$446,283



UNADJUSTED GRAPH



ADJUSTED GRAPH

Competition Market Summary:

Community	Builder	Lot Size	Base Price Range	Square Foot Range	Quarterly Closings
Jubilee	Tri-Pointe	55	\$406,900-\$492,900	2,391-2,972	15
Jubilee	Chesmar	50	\$386,990-\$438,990	2,051-2,746	10
Oakwood Estates	K Hovnanian	55	\$299,950-\$369,950	1,842-2,972	11
Oakwood Estates	Ashton Woods	55	\$301,000-\$377,000	1,631-2,744	15



Jubilee Community/Builder Summary:

The competing builders in the Jubilee development are Chesmar Homes and Tri-Pointe Homes. While both Chesmar and Tri-Pointe cater to the overall Jubilee community theme of wellness and joy, they vary in finishes and pricing. The Chesmar homes are geared for more value for space while the Tri-Pointe homes are geared higher end finishes. Per the competitive analysis, the pricing for the Tri-Pointe Homes have a Base Price Range of \$406,900- \$492,900 with a square footage range of 2,391 sf to 2,972 sf with quarterly closings of 15 units. The pricing for the Chesmar homes have a Base

Price Range of \$386,990-\$438,990 with a square footage range of 2,051 sf to 2,746 sf with quarterly closings of 10 units.

Jubilee: Tri-Pointe



Jubilee: Chesmar



Oakwood Estates Community/Builder Summary:

The competing builders in the Oakwood Estates development are K Hovnanian Homes and Ashton Woods Homes. The Oakwood Estates development is anchored by a 28-acre community lake with other amenities including an amenity center, a swimming pool, and a dog park. Ashton Woods Homes feature curated designs and customization while the K Hovnanian Homes aim for value and affordability. Per the competitive analysis, the pricing for the Ashton Woods homes have a Base Price Range of \$301,000- \$377,000 with a square footage range of 1,631 sf to 2,744 sf with quarterly closings of 15 units. The pricing for the K Hovnanian homes have a Base Price Range of \$299,000-\$369,950 with a square footage range of 1,842 sf to 2,972 sf with quarterly closings of 11 units.

Oakwood Estates: K Hovanian



Oakwood Estate: Ashton Woods

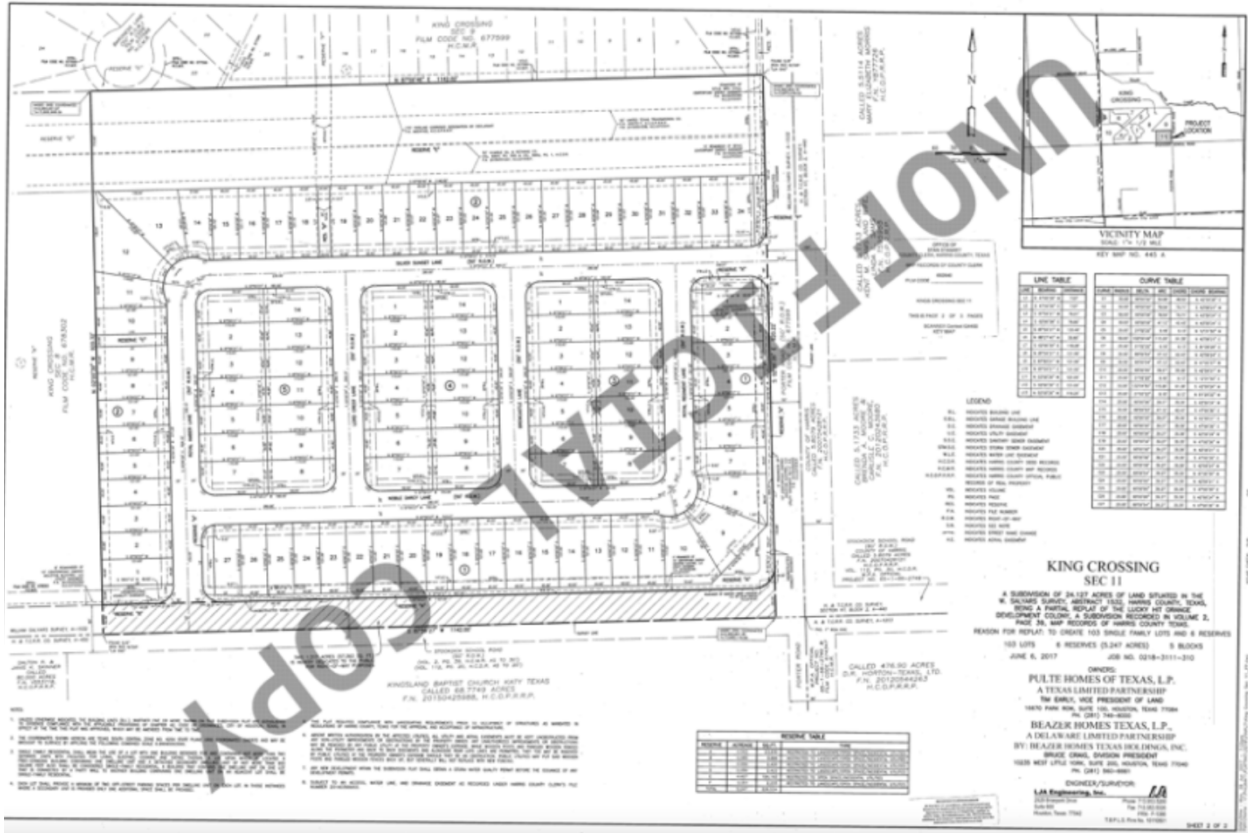


LAND SUMMARY AND RISK ASSESSMENT

The 24.127-acre site is to be developed into approximately 103 single-family lots, each measuring 45' x 120', to be delivered in a single phase. The initial takedown of 10 lots is scheduled to occur within 18 months of the effective date of the contract with subsequent quarterly lot closings outlined in Exhibit B. A mandatory HOA will be established with an annual assessment of \$1,200 to maintain common areas. Lot allocation will be divided between two builders.

This development has a low to moderate risk level, with the primary risk being market driven absorption rates.

Land Plan



Development Schedule

Task	Completion Date
Earnest Money Due	March 2025
Feasibility Expiration	June 2025
Clearing & Grubbing	November 2025
Grading/Detention	December 2025
WS&D	December 2025
Paving	February 2026
Dry Utilities	March 2026

Substantial Completion	July 2026
Initial Lot Closing	July 2026
Last Home Closed	Jan 2030

Land Summary

Land Use:

Since the property is located within the Waller City limits, annexation is not needed. The land use is consistent with applicable land use plans requiring no further approval process.

Zoning:

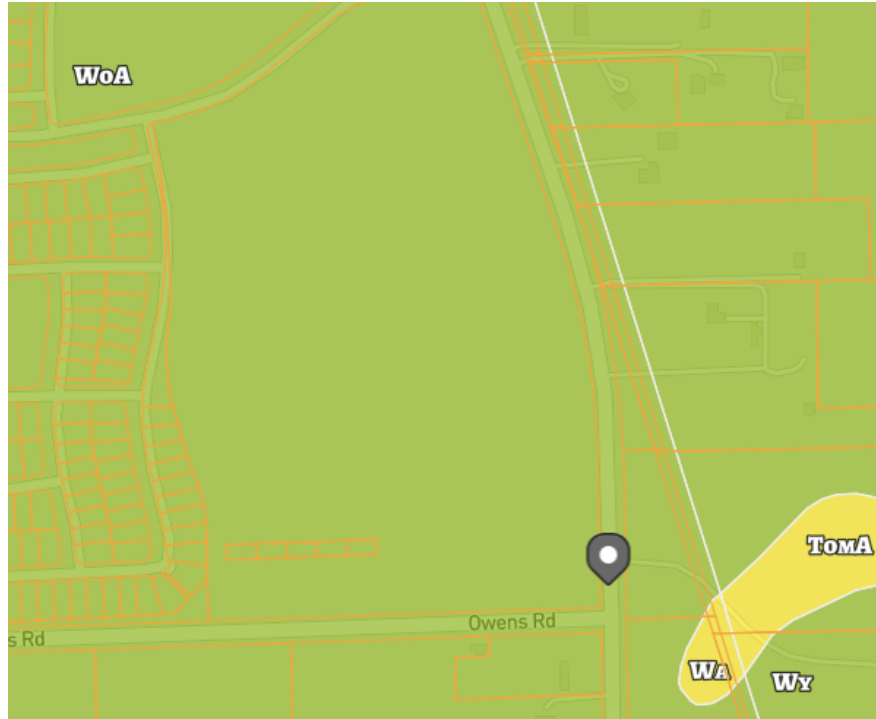
Waller County does not have a development zoning ordinance.

Water and Sewer Availability and Cost:

The property is in Waller County Municipal Utility District 38, which has sufficient water and wastewater treatment capacity to serve the property, with no concerns identified. The water and sewer mains are in easements along Owens Road adjacent to the south property line of the 24 acres. No offsite easements are required for water, sewer, or drainage. Detention is provided in the regional detention system and the cost of detention in the DCF model is the payment of the project's pro-rata cost of detention in the regional detention ponds in Attwater. All costs associated with provisioning utilities to the site have been included in the cost estimates and LDA budget.

Unsuitable Soils:

A geotechnical investigation consisting of three borings was conducted on the property and the results indicated that the soils are moderately expansive clay. Consultation with a foundation engineer indicated that based on the potential vertical rise (PVR) exhibited by the soil conditions, foundations for single-family homes would need additional width and depth costing an additional \$300 to \$500 per home. The additional cost to construct the foundations of homes within the proposed development is to be paid by the homebuilders. The soil conditions do not adversely impact the cost or construction schedule for land development.



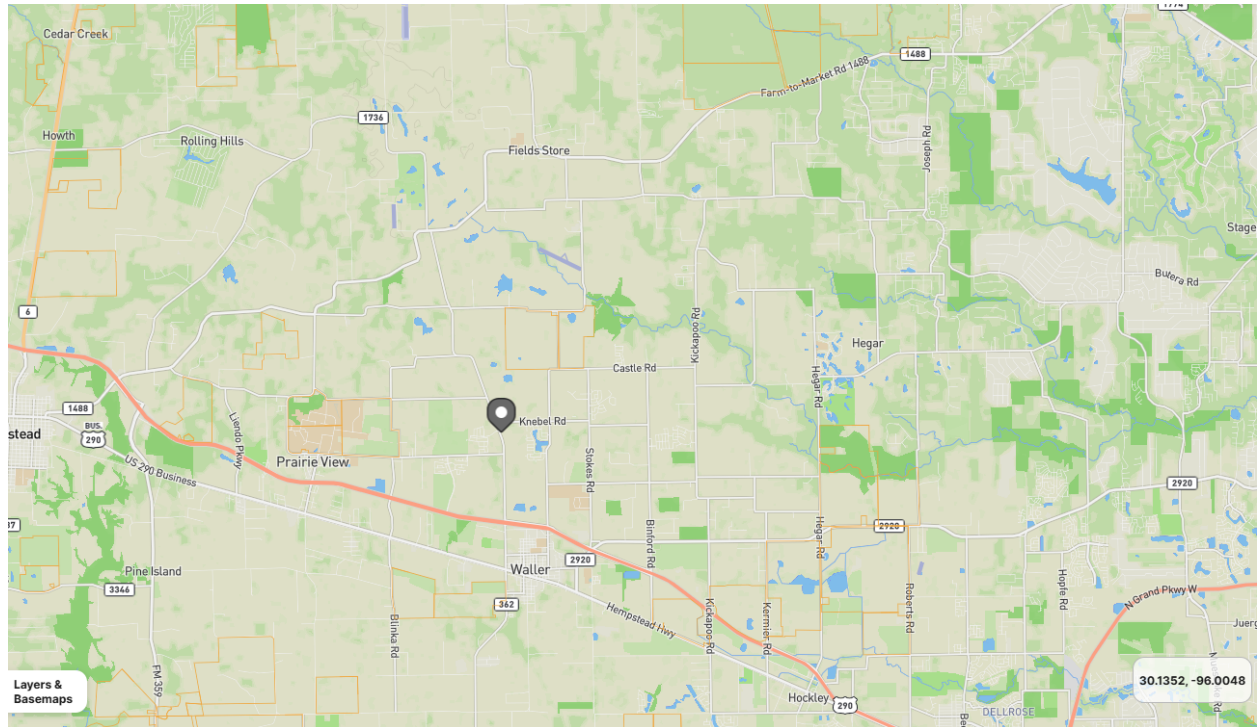
Environmental:

A phase one environmental site assessment dated April 10, 2026, by Acme Environmental Company was prepared for the property. The report also includes a threatened and endangered species assessment; cultural and archeological investigation; and wetland assessment- no recognized environmental conditions that warrant additional investigation and all the other investigations stated that no further investigation is recommended.

Transportation and Property Access:

FM 362 is the primary N/S corridor providing direct access to Waller and US 290. Owens Road is the E/W connection through the immediate area. US 290 is the nearest major highway linking Waller to Houston serving as the primary commuter route.

Access will be from Owens Road and FM 362. A general plan including this property (and access to Clay Road) was approved by Waller County. Given the approval, no traffic impact analysis or improvements will be required.



Survey and Title:

The division's attorney reviewed the survey and title. No issues that negatively affect the development of the site. No issues need to be disclosed to customers. The mineral estate is severed so a surface waiver will be required.

Existing/Proposed Land Encumbrance(s):

N/A

Adjacent Land Uses:

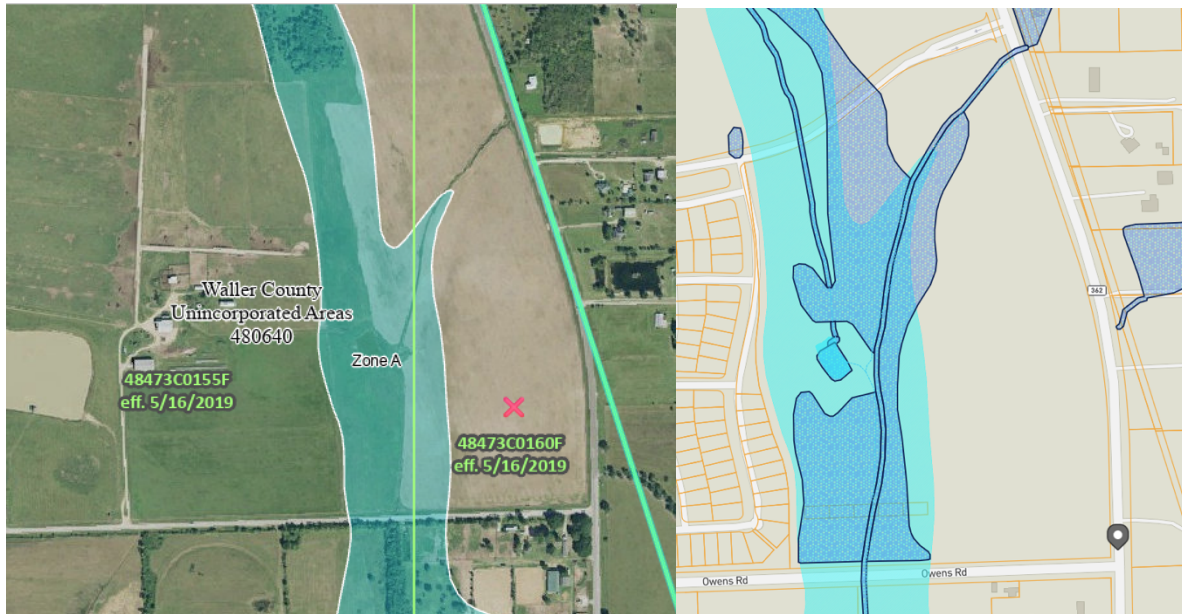
The current adjacent land uses are residential and vacant. There is a natural gas pipeline that runs adjacent to the insertion of Owens and FM 362, but it should not have any effect on the development.

Easements and Rights-of-Way Needed:

N/A

Flood Zones:

The property is not located in the 100-year flood plain. A topographic map was prepared during the feasibility period showing the site is relatively flat with existing grades less than 2%.



Unusual Storm Water, Detention, or SWPPP Costs / Requirements:

No easements or additional approvals are needed. A drainage report was approved by all governmental entities during feasibility.

Tax Incentive / Community Development Districts:

N/A

Fees and Bonds:

There are no impact fees, bonds, or other municipal fees.

Public Utility Availability:

Electricity- Centerpoint Electric will install all dry utilities at a nominal cost. The cost of dry utilities is included in the land development budget. No utility relocation is required and no concerns about timing. Existing facilities with sufficient capacity are located along the southern property line of the property.

Gas- Entex- Existing facilities on Owens Road and or FM 362.

Water- Waller County MUD 38

Sewer- Waller County MUD 38

Cable TV/Internet- AT&T- Existing facilities on Owens Road

Reclaimed Water- N/A

Municipal Finance/Reimbursements:

The property is in Waller County MUD 38. The reimbursement of costs for water, sewer, and drainage is limited by the assessed value created on the subject property. The district's financial obligation is perpetual. The tax rate is \$2.96 per \$100 of assessed value.

Recapture/Reimbursements:

N/A

PURCHASE AGREEMENT

RELATING TO PROPERTY IN WALLER COUNTY, TEXAS 77445

Dated: April 28, 2020

1. **Parties.** The parties hereto are as follows:

Seller: Westbound Investment, LLC, a Texas Limited Liability Company

Mailing Address: _____

_____ (phone)

_____ (e-mail)

Buyer: LDEV 668, Ltd., a Texas Limited Partnership

Mailing Address: _____

_____ (phone)

_____ (e-mail)

Copy To:

2. **Real Property.** Seller agrees to sell and Buyer agrees to purchase the following described real property in Waller County, Texas, subject to the terms outlined herein:

Approximately 24.127 acres located in ABS A308100 A-81 JOHN L BOATRIGHT TRACT, (the "City"), Texas. The exact legal description of the property being purchased by Buyer will be determined by survey as provided in Paragraph 9 hereof (the "Property").

3. **Purchase Price.** The total purchase price for the Property shall be approximately **Two Million One Hundred One Thousand Nine Hundred Forty-Four Dollars (\$2,101,944)** based upon Buyer paying to Seller **\$336,940.00** for each Gross Acre (as used herein the term "Gross Acre" or Gross Acreage" shall mean the total acreage of the Property less (i) all publicly-dedicated roads and highways, and (ii) all acreage construed to be "wetlands" (as that term is defined in the Wetland Conservation Act of 1991) for an estimated total of 24.127 Gross Acres of land (the "Purchase Price"). The Purchase Price shall be adjusted based upon the Gross Acreage of the Property. Should the survey show the Gross Acreage of the Property to be more or less than , the Purchase Price shall be adjusted upward or downward, as the case may be, to reflect the actual number of acres purchased by Buyer multiplied by \$2.00 per Gross Acre.

4. **Earnest Money.** Buyer hereby pays and Seller hereby acknowledges receipt thereof of the amount of **Twenty Five Thousand Dollars (\$25,000.00)** by surety bond (the "Initial Earnest Money"). The Initial Earnest Money shall be held in escrow by Charter Title Company ("Title Company") at 4265 San Felipe, Ste. 350 Houston, TX 77027. The Initial Earnest Money will be refundable to Buyer until the expiration of the Feasibility Period.

Unless prior thereto, Buyer has terminated this Agreement pursuant to Paragraph 11 hereof, on the date occurring ninety (90) days after the Effective Date (the "Feasibility Period"), Buyer shall pay to Seller the sum of **Fifty Thousand Dollars (\$50,000.00)** (the "Additional Earnest Money"). The Initial Earnest Money and Additional Earnest Money are hereinafter referred to as the "Earnest Money". Once paid, the Additional Earnest Money shall be nonrefundable to Buyer for any reason other than Seller's default under this Agreement or other circumstances specified herein. The Earnest Money and Additional Earnest Money shall be credited to the Purchase Price of the property.

5. **Closing Date.** The closing shall take place on the date occurring thirty (30) Business Days after the expiration of the Feasibility Period (as defined herein), or sooner, at Buyer's option (the "Closing Date").

6. **Obligations of Parties at Closing.** At closing:

(a) Seller shall:

- i) Execute and deliver a recordable Warranty Deed to the Property.
- ii) Provide a Seller's Affidavit concerning the absence of judgments, mechanics' liens and unrecorded interests.
- iii) Make any payments as required under this Agreement.
- iv) Deliver and record all documents necessary to clear title.
- v) Provide any documents required by the IRS including a form 1099B and/or FIRPTA affidavit.
- vi) Deliver all documents required to show that Seller has properly approved this conveyance and that all requisite authority has been given.

(b) Buyer shall:

- i) Make the necessary payments as required under this Agreement.
- ii) Deliver all resolutions or other documents required to show that Buyer has properly approved this conveyance and that all requisite authority has been given.

7. **Title.** At closing, Seller agrees to deliver marketable title to the Property by Warranty Deed subject only to:

- (a) Easements of record that do not materially and adversely affect Buyer's contemplated usage of the Property, which determination shall be made by Buyer's engineers in the event of a dispute between the parties.
- (b) Reservations of minerals or mineral rights by the State of Texas, if any.
- (c) Building, zoning and subdivision laws, ordinances and regulations, that allow for completion of Buyer's improvements which determination shall be made by the City in the event of a dispute between the parties (hereinafter "Permitted Encumbrances").

8. **Evidence of Title.** Within thirty (30) days of the Effective Date, Seller shall, at Seller's expense, cause to be prepared current evidence of title in the form of an ALTA Form B 1992 Owner's Policy of Title Insurance Commitment (the "Seller's Commitment"). The Seller's Commitment shall cover the entire Property and be issued by an insurer licensed to write title insurance in Texas. The Seller's Commitment shall:

- (i) list Buyer as the proposed insured;
- (ii) recite special assessments and Green Acres taxes due on the Property, if any;
- (iii) set forth requirements necessary for removal of the so-called "standard exceptions" related to parties in possession, and liens for labor, materials and services;
- (iv) set forth requirements necessary for issuance of affirmative insurance regarding appurtenant easements, separate real estate taxation and contiguity in the amount of the Purchase Price; and
- (v) include complete and accurate copies of all matters described in Schedule B-II thereof.

Within thirty (30) days of the Effective Date, Seller shall also deliver any Abstract of Title relating to the Property (the "Abstract") in its possession to Buyer. The Abstract shall be properly certified to date and shall include property searches covering bankruptcies, State and Federal tax liens, unpaid taxes and special assessments pending, levied or deferred. If Seller does not produce the Abstract within the time frame provided herein, Buyer shall, at Seller's expense, have performed a 40-year search of the title to the Property (the "40-year Search").

Buyer shall have twenty (20) days after receipt of the later of: (i) Seller's Commitment, (ii) the Abstract, or (iii) the 40-year Search to have its own title commitment ("Buyer's Commitment") prepared by Title Company, at Buyer's sole cost, covering the Property and binding Premier to issue at each closing a current form ALTA Owner's Policy of Title Insurance ("Title Policy") in the full amount of the applicable Purchase Price.

Buyer shall be allowed thirty (30) days after receipt of Buyer's Commitment for examination and the making of any objections to the marketability of title, such objections to be made in writing or

deemed to be waived. Any matter shown on Buyer's Commitment and not objected to by Buyer shall be a Permitted Encumbrance. If any objections are so made, Seller shall be allowed sixty (60) days to make title marketable (the "Cure Period"). Seller shall use Seller's best efforts to make title marketable as expeditiously as possible. If such defects are remedied within the Cure Period, Buyer shall be notified in writing of the curing of such defects, in which case the parties shall proceed to perform in accordance with the terms of this Agreement. If the title is not marketable and cannot be made marketable within the Cure Period, unless Buyer shall waive all objections in writing, the Agreement shall be null and void and the Earnest Money shall be refunded to Buyer. If Buyer chooses to waive all objections, the parties shall proceed to closing according to the terms of this Agreement. If notification by Seller of the fact that a title defect has been cured or notification by Buyer that it has waived all objections occurs at a point in time that is less than fifteen (15) days prior to the Closing Date, then closing shall be delayed until the date occurring thirty (30) days after such notification. If the Closing Date passes during the Cure Period and Seller cures all title defects prior to the end of the Cure Period, the Closing Date shall be the date occurring ten (10) days after expiration of the Cure Period.

Buyer shall pay all title insurance premiums due for issuance of the Title Policy. Seller shall not be obligated to update the Abstract or Seller's Commitment prior to the Closing Date.

9. **Survey.** Buyer shall, at Buyer's sole cost and expense, cause to be prepared by a surveyor registered under the laws of the State of Texas a survey of the Property in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys" as jointly established and adopted by ALTA, ACSM and NSPS in 1999 (the "Survey"). Such Survey shall be certified to Buyer and Charter Title Company ("Title Company") and shall show total acreage and square footage, gross acreage (meaning gross of currently existing dedicated roads and highways) all improvements on the Property, including fencing, all easements, encroachments, and utility rights upon the Property, showing the location of adjoining public streets so as to affirmatively show rights of ingress and egress to and from the Property. Buyer shall have ninety (90) days after receipt of the latter of (i) Buyer's Commitment, and (ii) the Survey to examine said Survey and to make objections to title based on the Survey and the rights of the parties shall be the same as stated in Paragraph 8 above.

10. **Deed Restrictions.** Prior to Closing, the Lots will be annexed by Developer into the jurisdiction of a Texas non-profit corporation property owners association created by Developer for the Community (the "Association") and made subject to the recorded Declaration of Covenants, Conditions and Restrictions for the Community (the "Deed Restrictions") by Developer's execution and recording of an appropriate instrument for such purpose (the "Declaration of Annexation").

11. **Seller's Deliveries.** Seller shall provide Buyer, within ten (10) days following the Effective Date, the following documents to the extent said documents are in Seller's possession:

(a) Existing title reports and title policies relating to portions or all of the Property.

(b) A copy of all underlying financing currently existing on the Property or any portion thereof, including mortgages, contracts for deed, leases or options.

(c) Any and all documents and information available to Seller relating to any substances defined as toxic or hazardous under state or federal laws or regulations affecting the Property. This shall include such substances regulated under state and federal law including the following:

- i) Underground storage tanks;
- ii) Asbestos;
- iii) PCB's;
- iv) Lead-based paint;
- v) Urea formaldehyde;
- vi) Radon;
- vii) Industrial/domestic waste; and
- viii) Any other toxic or hazardous substances.

(d) A copy of all surveys relating to the Property.

(e) A copy of any special use or conditional use permits currently applicable to the Property.

(f) Geotechnical Evaluation Reports.

(g) 79(G) Reports.

12. **Buyer's Contingencies.** Buyer's obligation to close on the Property is specifically contingent upon Buyer being satisfied, at Buyer's sole cost and expense, with each of the following matters on or before the date stated herein:

(a) Buyer's investigation and approval of the physical condition of the Property, including an environmental assessment of the Property. Buyer shall only withhold approval if Buyer reasonably believes the physical condition of the Property makes its development of the Property economically unfeasible. To this end, Buyer may enter upon the Property for the purpose of making soil tests, environmental tests including soil boring, and other tests necessarily contemplated by its proposed development of the Property, provided that Buyer shall hold Seller harmless from any and all liens therefrom. Buyer shall not be entitled to make any improvements upon the Property prior to closing.

Buyer will pay promptly, when due, all charges incurred by it for labor, materials, services or other items for which liens may be filed or assessed against the Property, but, if for any reason whatsoever any mechanic's liens are filed, Buyer shall take immediate steps to have same satisfied of record. However, in the event Buyer in its judgment deems a mechanic's lien to be unlawful or unjustified, it shall have the right to contest the validity of such lien or liens by court action, if necessary, provided that during the period that such mechanic's lien or liens remain on record, Buyer shall pay such sums into court as are required under _____ and cause the Property to be released from such lien.

Buyer shall hold Seller harmless from any and all claims, including damage to the Property arising out of any entry upon the Property by Buyer or its agents or employees. Buyer shall restore any damage to the Property resulting from such activity at its expense.

If requested, Buyer shall provide liability insurance equal to One Million Dollars (\$1,000,000.00) and shall name Seller as an additional named insured.

(b) Approval of Buyer's application for rezoning of the Property by the City (if necessary to accommodate Buyer's proposed use of the Property) effective upon Buyer's purchase of the Property to accommodate Buyer's proposed development. Rezoning shall be deemed to have taken place when all necessary public hearings have been conducted and all necessary ordinances rezoning the Property effective upon Buyer's purchase of the Property have been adopted.

(c) Buyer intends to develop the Property for residential use. Buyer shall prepare where necessary, at its own expense, a Preliminary Plan of Development for the Property and Preliminary Engineering therefore, for development and use of the Property for residential purposes under the Zoning Ordinance of the City for a project of residences (the "Preliminary Plat"), and obtain approval of such Preliminary Plat by the City. Approval by the City shall be deemed to have been completed with respect to the Preliminary Plat, when the City approves the same by resolution, ordinance, or other official action after all requisite hearings and proceedings and commits to approve any Final Plat(s) of Subdivision or Final Plan(s) of Development of the Property, provided the same are in substantial conformity with the Preliminary Plat (the "Final Plat").

(d) Receipt by Buyer for those permits and approvals from all governmental or quasi governmental authorities which may be necessary for Buyer to develop the Property and install those public improvements necessary to service the same, including water and sewer lines.

(e) Approval of the purchase of the Property by Buyer's corporate headquarters.

Buyer shall exert timely and diligently make efforts to accomplish the objectives set forth above, but shall not be required to resort to litigation, or to make contributions or dedications (other than the normal contributions for schools and parks called for under the City's Subdivision Ordinance) or to install off-site improvements not agreeable to Buyer as a condition to

accomplishing such objectives. Seller and/or the owner of the Property shall cooperate with Buyer, including, if appropriate, joining such applications, petitions, agreements, and similar procedures, including, specifically, joinder in a plat for the entire Property, to be prepared by Buyer at Buyer's expense; provided that Seller shall not be required thereby to undertake or pay any liability, obligation, fee or expense, or to undertake any affirmative obligations (unless the Seller and/or the owner of the Property shall become a developer of the Property) such joinder being intended solely for the purpose of satisfying the applicable laws and ordinances with respect to the owner of record joining in any such applications, petitions, agreements and procedures.

Buyer shall have until 5:00 p.m. on the Closing Date to exercise the contingencies set forth above. Should Buyer exercise any such contingency, this Agreement shall immediately become null and void. Nothing contained herein shall in any way restrict Buyer's right to terminate this Agreement pursuant to Paragraphs 8 and 9 hereof.

13. **Seller's Representations.** Seller hereby represents and warrants as follows:

(a) Seller is currently the owner or contract purchaser of the Property, subject only to the Permitted Encumbrances, except mortgage or contract for deed financing on the Property, which will be paid in full on the Closing Date.

(b) Seller has the full and complete authority to sell the Property and the person executing this Agreement on behalf of the Seller has full and complete authority to do so.

(c) The Property has not been cited as being in violation of any local ordinances and if any citations are issued prior to closing, Seller will take the necessary curative action in connection with such citations.

(d) From the date hereof through closing, Seller shall not create, suffer or assume any new or additional encumbrances on title to the Property.

(e) There are no actions, suits or proceedings pending or threatened against Seller which would adversely affect the title or interest of Seller to or in the Property.

(f) This Agreement, including the Exhibits attached hereto, does not include any untrue statement of a material fact or omit a statement of material fact necessary to make the statements made or to be made not misleading. Seller shall update any such statements as of the closing date, if necessary, to make them complete or accurate.

(g) There are no special understandings or agreements between Seller and the County in which the Property is located or the City (or any other governmental authority) limiting or defining (i) the use and development of the Property, (ii) the construction of improvements thereon, (iii) the availability to the Property of public improvements and municipal services, (iv) any requirement to share in the cost thereof by recapture, contribution, special assessment or otherwise, (v) any requirement to contribute in land or in cash to any school, library, park or other sort of county, municipal or governmental district or body (it is understood that the provisions of the Subdivision Ordinance of the

City calling for the normal contributions for schools and parks is not a "special understanding or agreement" covered by this warranty), or (vi) any other matter in relation to the zoning, subdivision and development of the Property; or if there are, all such obligations thereunder shall have been performed and satisfied in full by Seller prior to the closing of the Property.

(h) There are no parties in possession of the Property, nor are there any parties with possessory rights in the Property other than Seller and/or the owner of the Property.

(i) If applicable, attached hereto as Exhibit A and incorporated by this reference are Private Septic System and Well Disclosure Statements represented by Seller. Seller agrees to bear all cost of removal or capping of any well or septic system shown thereon.

(j) Seller hereby incorporates by reference and remakes any warranties and representations which are made elsewhere in this Agreement.

These representations are true as of the date hereof and will be true as of the date of closing and they shall survive the closing.

14. **FHA, VA or FNMA Financing.** The parties acknowledge that Buyer may intend to cause the development of the Property to qualify with and be approved by the Federal Housing Authority (FHA), the Veterans Administration (VA) and/or the Federal National Mortgage Association (FNMA) so that FHA or VA shall commit to provide guarantees for end mortgage loans made to persons who shall purchase dwelling units constructed thereon, and so the FNMA can provide assurances that the end mortgage loans made to persons who shall purchase dwelling units constructed thereon can be purchased on the secondary market. Seller and/or the owner of the Property shall, at any time and from time to time during the period of this Agreement, when required by Buyer, join in such applications for preliminary and final approvals as may be made by Buyer to FHA, VA or FNMA, provide such information or assistance as may be necessary for such applications to be processed and acted upon, and take such other reasonable steps and actions as may be necessary for such approvals to be given and kept in effect. No act taken by Seller under this paragraph shall require Seller and/or the owner of the Property to assume or perform any undertaking or obligation and Buyer shall indemnify and hold Seller and/or the owner of the Property harmless from any claims made against Seller or the owner of the Property by reason of any act taken by Seller or the owner of the Property and requested by Buyer under this paragraph.

15. **Estoppel Letters.** The parties hereto agree during the term of this Agreement upon request of the other party hereto to provide an estoppel letter setting forth the existence of this Agreement or option, any known defaults of the other party hereto and the status of contingencies contained herein.

15. **Hazardous Substances.**

(a) *Definitions.*

i) "Hazardous Substance" means a hazardous substance or waste, a toxic substance, polychlorinated biphenyls, asbestos or related materials and also includes, but is not limited to substances defined as "hazardous substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601, et seq., Hazardous Materials Transportation Act, 49 U.S.C. Sec. 6901, et seq., or as "hazardous substance", "hazardous waste" or "pollutant or contaminant" in the Environmental Response and Liability Act, Stat. Sec. et seq.

ii) Hazardous Substance Claim ("Claim") means discovery of Hazardous Substance on or under the Property or receipt of a notice, claim, demand or complaint, including notice or imposition of a "super fund" line, from any federal, state or local government agency or office or from any third party seeking, pursuant to federal, state or local law, the performance of response action(s) and/or the payment of damages, costs or expenses arising out of the release or threatened release of a Hazardous Substance deposited on or under the Property prior to the time that Buyer becomes an owner of the Property, including but not limited to, legal, engineering, testing and other fees.

iii) Hazardous Substance Liability ("Liability") means the occurrence of a claim, and all damages, costs and expenses in connection therewith, including but not limited to legal, investigating, engineering, testing and other fees, and including a final determination or judgment entered or agreed upon.

(b) *Pending Actions/Environmental Audit.* Seller shall provide to Buyer any previous, current or pending court actions or regulatory actions, environmental audit information, if any, and other such information regarding hazardous waste soil or ground water contamination on or around the Property.

(c) *Representation and Warranties.* Seller represents and warrants that, to the best of Seller's knowledge, the Property is free from Hazardous Substances other than the Fuel Oil Tank of releases therefrom and is not subject to any Claim. Seller has not received any notice nor is Seller aware of any notice having been given to prior owners of the Property from federal, state or local governmental agencies or other third parties of any claim or advising of any pending or contemplated search or investigation of the Property or any portion thereof with respect thereto.

(d) *Indemnification.* If Seller is found to be in breach of the warranty set forth in subsection (c) immediately above, Seller shall at all times indemnify and hold Buyer harmless from and against all liability which Buyer may, at any time, sustain or incur by reason of such breach, including, but not limited to the costs of removing, remediating or otherwise responding to a Claim. Seller shall pay, upon demand by Buyer, the amount of any Liability paid or incurred by Buyer to the extent caused by Seller's breach. Seller shall satisfy and discharge any judgment recovered against Buyer or the

Property by reason of such Liability to the extent caused by Seller's breach promptly after the entry thereof, unless an appeal is taken and any bonds required to stay the collection thereof are procured and filed by Seller. If a final judgment is entered against Buyer or the Property after appeal, Seller shall satisfy and discharge such judgment, to the extent caused by Seller's breach. Buyer may, in its reasonable discretion, make any payment as required pursuant to the preceding sentence, and Seller shall promptly repay to Buyer the amount of such payment, with interest at 9% per annum. Notwithstanding the foregoing, Buyer agrees it shall provide reasonably prompt notice to Seller upon its receipt of notice of a Claim and Seller shall have a reasonable opportunity to respond or contest such a Claim and manage any plan of remediation, litigation or settlement in connection therewith.

(e) If, after expiration of Buyer's contingency contained in Paragraph 11(a) herein, Buyer discovers Hazardous Substances on the Property, or if there is a change in the condition of the Property with regard to Hazardous Substances prior to either Phase closing, Buyer may, at its option, terminate this Agreement and all Earnest Money shall be refunded to Buyer.

16. **Buyer's Representations.** Buyer hereby represents and warrants that Buyer has the full and complete authority to enter into this Agreement and the person executing this Agreement on behalf of the Buyer has full and complete authority to do so.

17. **Real Estate Taxes and Assessments.** Seller agrees to pay any and all real estate taxes plus penalty and interest due and payable in all years prior to the year of closing for the Property at the time the Property is conveyed, if not sooner paid. The real estate taxes due and payable in the year of closing shall be prorated to the actual Closing Date. Seller shall pay all special assessments or similar governmental charges that are pending, levied or deferred on the Property as of the Closing Date. Buyer shall assume any special assessments that become pending or are levied against the Property after the Closing Date. Seller agrees to pay any deferred real estate taxes (i.e., Green Acres taxes, open spaces taxes) due for the Property on the Closing Date. Seller shall be responsible for property taxes, if any, associated with the change in use of the property.

18. **Condemnation; General Provisions.** If the Property is taken or if there is a threat of taking by eminent domain prior to the scheduled closing, this Agreement shall become null and void at Buyer's option. If Buyer elects to declare the Purchase Agreement null and void, Buyer shall notify Seller in writing and all earnest money shall be promptly refunded to Buyer. If Buyer elects to continue with its obligations under the Agreement, Buyer shall bear all costs relating to any negotiations with, or condemnation proceeding brought by such party pursuing the taking in the connection with the Property and shall be entitled to retain any payments, awards or proceeds paid pursuant to or arising in connection with the same to the extent they are paid on or after the actual Closing Date. If any monies are paid as a result of eminent domain prior to the actual Closing Date, they shall be placed in escrow with Charter Title Company ("Title Company") and

disbursed to Buyer upon Buyer's purchase of the Property or to Seller should the Buyer not close with Seller on the Property.

19. **Condition of Property.** Seller shall remove from the Property all refuse, debris and personal property prior to the Closing Date. Buyer shall then be responsible for the cost of removing any or all structures, including foundations, which remain. Seller shall maintain the Property during the term of this Agreement in substantially the same condition as exists on the date of this Agreement.

20. **Survival of Terms.** To the extent necessary to carry out the terms of this Agreement, this Agreement shall survive the closing of the transaction contemplated herein.

21. **Default.** If either party defaults, the rights of the parties are as follows:

(a) If Seller defaults, Buyer's sole remedy shall be the right to seek specific performance of this Agreement, provided such action is commenced within six (6) months of such default.

(b) If Buyer defaults, Seller's sole remedy shall be the right to terminate this Agreement and to retain all Earnest Money that has previously been paid and become nonrefundable to Buyer. Notwithstanding the foregoing, however, Buyer shall be allowed a period of seven (7) days from the date the Earnest Money would otherwise have been released to Seller to tender to Seller, in immediately available funds, the face amount of the surety bond comprising the Earnest Money. In the event of tender by Buyer of the face amount of such surety bond, the surety bond will then be cancelled by both parties. If Buyer does not tender funds for the surety bond as outlined herein within such seven (7) day period, the surety bond shall immediately be turned over to Seller by the Title Company.

22. **Agent.** Buyer represents that it has utilized the services of _____ ("Brokers") in this transaction. Seller represents that it shall pay any commissions due, if any, to Brokers on the Closing Date. Other than as set forth herein, each party represents they have not utilized the services of a real estate broker in this transaction. Each party hereby agrees to indemnify and hold the other harmless from any and all claims made by any party through them for a real estate commission or fee in connection with this transaction other than for those parties specifically mentioned herein.

23. **Costs; Fees of Attorneys/Consultants.** At the closing, Buyer shall be responsible for all costs required for the issuance of any title policy, mortgage registration tax, recording fees and one-half of the closing fee charged by Title Company. Seller shall be responsible for payment of the state deed tax, the costs of abstracting/issuance of Seller's

commitment, and one-half of the closing fee charged by the Title Company. Each party shall be responsible for payment of its own attorneys' fees and costs and the fees and costs of any consultant such party may engage. Buyer shall be responsible for all costs incurred by Buyer in developing the Property including, without limitation, recording of any Final Plat(s), extension of utilities and roads into the Property, user fees, dedication fees, utility access fees (SAC/WAC) and assessments caused by said development.

24. **Affidavit Regarding Foreign Transferor.** At the closing, Seller shall deliver to Buyer either:

- (a) An affidavit satisfying the requirements of Section 1445A of the Internal Revenue Code and rules and regulations promulgated thereunder ("Section 1445A"); or
- (b) A qualifying statement from the U.S. Treasury Department that the transaction contemplated herein is exempt from the withholding tax requirement imposed by Section 1445A.

In the event that Seller fails to deliver either the affidavit or the qualifying statement as aforesaid or in the event Seller delivers such affidavit or qualifying statement and Buyer has reason to believe that such affidavit or qualifying statement is false or incorrect, Seller agrees that Buyer may, at Closing, deduct and withhold from the proceeds that are due to Seller the amount necessary to comply with the withholding tax requirement imposed by Section 1445A. Buyer shall deposit the amounts so withheld pursuant to terms and conditions acceptable to Seller and Buyer, but in any event complying with Section 1445A.

25. **Notices.** Any notices required or contemplated hereunder shall be effective (a) when delivered personally, (b) when received by delivery or courier service or facsimile communication (provided, in the case of facsimiles, that a copy of such notice is deposited in the United States mail within one (1) business day of the facsimile transaction), or (c) two (2) business days after being deposited postage pre-paid in the United States mail (sent certified or registered mail, return receipt requested), in each case to the address of the respective party specified herein (or to such other address a party may designate in the manner set forth herein for the giving of notices). Notwithstanding the foregoing, written notice by facsimile shall be permissible and shall be deemed given upon transmission by the party giving notice.

26. **Possible Like-Kind Exchange.** Seller hereby represents, and Buyer acknowledges, that Seller may desire to structure the transaction evidenced hereby as part of an exchange of properties of like-kind within the contemplation of Section 1031 of the Internal Revenue Code. Buyer hereby agrees to cooperate with Seller in structuring such a like-kind exchange provided that; (i) such cooperation shall be without cost or expenses to Buyer; (ii) Seller shall structure the transaction as an exchange agreement involving a "Qualified Intermediary" as defined in the regulations issued under Section 1031 of the Internal Revenue Code; (iii) Buyer shall receive notice of the proposed structure of the transaction and the identity and organizational form of the Qualified Intermediary and a copy of any exchange agreement or other agreements pertinent to the transaction at least fifteen (15) days prior to the Closing Date; (iv) the structure of

the transaction (A) shall not require Buyer to hold title (as a conduit or otherwise) to any property other than the Property, and (B) shall be designated so that the Purchase Price hereunder is paid to Seller or Seller's designee on the Closing Date; and (v) nothing herein shall obligate the Buyer to take any action which Buyer believes, in its sole discretion, adversely affects Buyer's tax position; does not have a reasonable basis in the law; will place Buyer in the position of possessing any legal, equitable or beneficial ownership in any real property involved in the exchange other than the Property; or requires actions on the part of Buyer which cannot reasonably be accomplished by Buyer within the time frame necessary for the transaction to qualify as a like-kind exchange. Buyer makes no representations or warranties that the Seller's proposed transaction will qualify as a like-kind exchange under Internal Revenue Code Section 1031 and applicable regulations thereunder.

27. **Escrow**. Title Company is authorized and agrees by acceptance thereof to promptly deposit the Earnest Money as provided herein and to hold same in escrow and to disburse the same in accordance with the terms and conditions of this Agreement. The Earnest Money shall be (i) paid to Seller at closing; (ii) returned to Buyer in the event that the transaction contemplated herein does not close and Buyer is not in default under this Agreement, exclusively upon Title Company receiving written notice signed by Buyer and Seller directing such payment or refund of the Earnest Money or upon receiving from either party a certified copy of a final judgment of a court of competent jurisdiction ordering disposition of the Earnest Money; or (iii) paid to Seller pursuant to Paragraph 21(b) hereof in the event Buyer is in default under this Agreement and such default has not been cured prior to statutory cancellation of this Purchase Agreement by Seller. The sole duties of Title Company shall be those described herein, and Title Company shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. Title Company may conclusively rely upon and shall be protected in acting upon any notice, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties to this Agreement. Title Company may consult the advice of counsel with respect to any issue concerning the interpretation of its duties hereunder. Buyer and Seller hereby acknowledge such fact and indemnify and hold harmless Title Company from any action taken by it in good faith in reliance thereon. Title Company shall have no duty or liability to verify any such notice, consent, order or other document, and its sole responsibility shall be to act as expressly set forth in this Agreement. Title Company shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement unless first indemnified to its satisfaction. If any dispute arises with respect to the disbursement of any monies, Title Company may continue to hold the same or commence an action in interpleader and in conjunction therewith remit the same to a court of competent jurisdiction pending resolution of such dispute, and the parties hereto hereby indemnify and hold harmless Title Company for any action taken by it in good faith in the execution of its duties hereunder. The parties hereto agree that there may exist a potential conflict of interest between the duties and obligations of Title Company pursuant to this Agreement and as insurer of the title to the property after sale from Seller to Buyer. The parties hereto acknowledge such potential conflict of interest arising as a result of the exercise of its duties hereunder and in determining whether it can give its irrevocable commitment to insure title. Title Company shall execute this Agreement solely for the purposes of acknowledging this Paragraph 27. Title Company shall not be bound by any other terms or conditions of this Agreement, and this Agreement shall be deemed binding and effective on the date it has been executed by both Buyer and Seller even though signature by Title Company may not yet have occurred.

28. **Agreement as Offer.** It is understood that this Agreement constitutes an offer to purchase until executed by Seller. Seller shall have until _____ to accept this offer at which time, if not accepted, this offer shall become null and void unless ratified in writing by Buyer.

29. **Moratorium.** In the event the City or any other governmental agency shall declare or effect a moratorium during the term of this Agreement on building permits or development which affects the Property, then all dates set forth in this Agreement shall be extended for the same period as the moratorium shall be in effect.

30. **Headings.** The section and paragraph headings contained herein are for purposes of convenience only and are not intended to define or limit the contents of such section or paragraph

31. **Cooperation.** Each party hereto shall cooperate in a timely manner, shall take such further action, and shall execute and deliver such further documents as may be reasonably requested by any other party in order to carry out the provisions and purposes of this Agreement.

32. **Governing Law.** This Agreement shall be deemed to be a contract under the laws of the State of Texas and for all purposes shall be construed and enforced in accordance with the laws of such State.

33. **Successors and Assigns.** This Agreement shall be binding upon the parties along with their successors, heirs, executors, administrators, assignees, lessees, and transferees of any kind.

34. **Entire Agreement.** This document contains the entire agreement of Buyer and Seller with respect to the Property. Any modification of this Agreement must be made in writing and signed by Buyer and Seller. This Agreement supersedes and revokes all prior agreements or representations by and between Buyer and Seller, whether written or oral.

35. **Effective Date.** The effective date of this Agreement shall be the date on which it is last executed by both Buyer and Seller (the "Effective Date").

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on date appearing underneath their signatures.

SELLER:

Westbound Investment, LLC, a Texas Limited
Limited

Liability Company

BUYER:

LDEV 668, Ltd., a Texas

Partnership

By: _____
By: _____

Its: _____
Its: _____

Dated: _____

Dated:

As to Paragraph 27 hereof only:

CHARTER TITLE COMPANY

4625 SAN FELIPE, STE. 350

HOUSTON, TX 77027

By: Charter Title Company

Its: Kim Lavern

Dated: _____

EXHIBIT A

WELL AND SEPTIC SYSTEM DISCLOSURES

(attached)

EXHIBIT B

Takedown Schedule: Builder shall purchase ten (10) lots within thirty (30) days after the later of the date of Substantial Completion or the expiration of the Feasibility Period (the "Initial Closing"). An additional ten (10) lots shall be purchased within ninety (90) days of each subsequent closing until all remaining lots are closed.

Contract Critical Dates

Effective Date	March 2025
Initial Earnest Money Due	March 2025
Due Diligence Materials Due	March 2025
Title Commitment Due	April 2025
Additional Earnest Money Due	June 2025
Feasibility Expiration	June 2025
Substantial Completion	July 2026
Initial Lot Closing	July 2026
Last Home Closed	Jan 2030

NAME: Rachel Kersten/Christopher I668 Final Project: Kent Anderson DCF Model

DATE: Jan 15 Yr 1

ASSUMPTIONS

<u>Description</u>		Beginning Base Lot Price	Number of Lots	Sales Without Escalation	Sales with Escalation ¹	Loan Option 1	Loan Request	Total	% Financed	Initial Amount Financed
668 Final Project: Kersten/Bontrager DCF N						Loan Option 1	Estimated Appraised Value of Phase 1	\$8,755,000	85%	\$7,441,750
Phase 1		\$85,000	103	\$8,755,000	\$9,564,625	Loan Option 2	Estimated Cost of Phase 1	\$8,578,507	85%	\$7,291,731
Total			103	\$8,755,000	\$9,564,625					
Total Sales With Escalation ¹		Other Revenue*	Total Revenue	Total Cost	Profit					
\$9,564,625		+	\$2,556,192	= \$12,120,817	\$9,299,779	=	\$2,821,038			
						Loan Option 2	Estimated Cost of Phase 1	\$9,299,775	85%	Maximum Loan \$7,291,731
						Equity Requirement \$2,008,044				

PRELIMINARY BUDGET

24.127 Acres

PRELIMINARY ESTIMATE

<u>Estimated Development Costs</u>	<u>Total Amount</u>
1 Land Cost	2,101,944
2 Rollback Taxes	0
3 Boundary Survey, Topo, Land Plan, Environmental, Geotech, e	50,000
4 Clearing and Grubbing	36,191
5 WS&D Distribution	1,930,160
6 Detention Pond	0
7 Off-Site WS&D	50,000
8 Paving	1,930,160
9 Off-Site Paving	250,000
10 Engineering - WS&D	396,032
11 Engineering - Paving	436,032
12 Engineering - Drainage Study	50,000
13 Engineering - Miscellaneous	25,000
14 MUD Creation/Annexation	0
15 Materials Testing - WS&D	59,405
16 Materials Testing - Paving	65,405
17 Entries, landscaping, amenities, etc.	103,000
18 Removal of House, plugging of wells, etc...	50,000
19 Legal Fees	50,000
20 Development Management Fees	0
21 SWPPP	55,000
22 HOA Administration/Subsidy	75,000
23 Development Loan Interest	0
24 Property Taxes	0
25 Contingency	416,032
TOTALS	<u><u>\$8,129,360</u></u>
 <i>COST PER LOT</i>	 <u><u>\$78,926</u></u>
 <i>COST PER ACRE</i>	 <u><u>\$336,940</u></u>

MUD Reimbursement Percentage

100%

Acres	24.127
Net Acres	24.127
Lots	103
DU/AC	4.3

MUD	
Reimbursables	Developer
<u>Budget</u>	<u>Share</u>
0	2,101,944
0	0
0	50,000
18,095 *	18,095
1,930,160	0
0	0
50,000	0
0	1,930,160
0	250,000
396,032	0
0	436,032
50,000	0
25,000	0
0	0
59,405	0
0	65,405
0	103,000
0	50,000
0	50,000
0	0
27,500	27,500
0	75,000
0	0
0	0
0	416,032
<u>\$2,556,192</u>	<u>\$5,573,168</u>
<u>\$24,817</u>	<u>\$54,108</u>
<u>\$105,947</u>	<u>\$230,993</u>

Paid at Closing

N/A

Paid at Closing

Paid the month after Closing

Paid over 6 months- starts 3 months after CLOSING

N/A

Paid over 6 months- starts 3 months after CLOSING

Paid over 6 months- starts 5 months after CLOSING

Paid over 6 months- starts 5 months after CLOSING

Paid over 8 months- starts the month after CLOSING

Paid over 8 months- starts the month after CLOSING

Paid over 8 months- starts the month after CLOSING

Paid over 8 months- starts the month after CLOSING

N/A

Paid over 8 months- starts the month after CLOSING

Paid over 8 months- starts the month after CLOSING

Paid over 3 months- starts 10 months after CLOSING

Paid the month after Closing

Paid at Closing

N/A

Paid over 12 months- starts the month after CLOSING

Paid the same month as the first Lot Closing

N/A

Calculated in the Cash Flow worksheet

Paid over 12 months- starts 3 months after CLOSING

SALES PROCEEDS

	<u>Total</u>
668 Final Project: Kersten/Bontrager DCF Model	
Lot Closing Schedule	103
Cumulative Lot Absorption	
 668 Assignment	
Total Lots Sales	8,755,000
Escalation	<u>809,625</u>
Total Sales With Escalation	9,564,625
 MUD Reimbursement	 2,556,192
 TOTAL SALES w ESCALATION & MUD REIMB.	 9,564,625

Months of Interest

[illegible]

SALES PROCEEDS

		SC Initial Lot Close															
	<u>Total</u>	<u>Feb- Yr 2</u>	<u>Mar- Yr 2</u>	<u>Apr- Yr 2</u>	<u>May- Yr 2</u>	<u>Jun- Yr 2</u>	<u>Jul- Yr 2</u>	<u>Aug- Yr 2</u>	<u>Sep- Yr 2</u>	<u>Oct- Yr 2</u>	<u>Nov- Yr 2</u>	<u>Dec- Yr 2</u>	<u>Jan- Yr 3</u>	<u>Feb- Yr 3</u>	<u>Mar- Yr 3</u>	<u>Apr- Yr 3</u>	<u>May- Yr 3</u>
668 Final Project: Kersten/Bontrager DCF Model																	
Lot Closing Schedule	103	0	0	0	0	0	10	0	0	10	0	0	10	0	0	10	0
Cumulative Lot Absorption		0	0	0	0	0	10	10	10	20	20	20	30	30	30	40	40
668 Assignment								1	2	3	4	5	6	7	8	9	10
Total Lots Sales	8,755,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Escalation	809,625	0	0	0	0	0	850,000	0	0	850,000	0	0	850,000	0	0	850,000	0
Total Sales With Escalation	9,564,625	0	0	0	0	0	850,000	0	0	865,938	0	0	881,875	0	0	897,813	0
MUD Reimbursement	2,556,192	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SALES w ESCALATION & MUD REIMB.	9,564,625	0	0	0	0	0	850,000	0	0	865,938	0	0	881,875	0	0	897,813	0

SALES PROCEEDS																									
	Total	Lot Esc																							
		Jun- Yr 3	Jul- Yr 3	Aug- Yr 3	Sep- Yr 3	Oct- Yr 3	Nov- Yr 3	Dec- Yr 3	Jan- Yr 4	Feb- Yr 4	Mar- Yr 4	Apr- Yr 4	May- Yr 4	Jun- Yr 4	Jul- Yr 4	Aug- Yr 4	Sep- Yr 4	Oct- Yr 4	Nov- Yr 4	Dec- Yr 4	Jan- Yr 5	Feb- Yr 5			
668 Final Project: Kersten/Bontrager DCF Model																									
Lot Closing Schedule	103	0	10	0	0	10	0	0	10	0	0	10	0	0	10	0	0	10	0	0	3				
Cumulative Lot Absorption		40	50	50	50	60	60	60	70	70	70	80	80	80	90	90	90	100	100	100	103	103			
		11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30				
668 Assignment		0	0	0	0	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14				
Total Lots Sales	8,755,000	0	850,000	0	0	850,000	0	0	850,000	0	0	850,000	0	0	850,000	0	0	850,000	0	0	255,000	0			
Escalation	809,625	0	68,000	0	0	85,000	0	0	102,000	0	0	119,000	0	0	136,000	0	0	153,000	0	0	51,000	0			
Total Sales With Escalation	9,564,625	0	918,000	0	0	935,000	0	0	952,000	0	0	969,000	0	0	986,000	0	0	1,003,000	0	0	306,000	0			
MUD Reimbursement	2,556,192	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
TOTAL SALES w ESCALATION & MUD REIMB.	9,564,625	0	918,000	0	0	935,000	0	0	952,000	0	0	969,000	0	0	986,000	0	0	1,003,000	0	0	306,000	0			

SALES PROCEEDS														
	<u>Total</u>	Mar- Yr 5	Apr- Yr 5	May- Yr 5	Jun- Yr 5	Jul- Yr 5	Aug- Yr 5	Sep- Yr 5	Oct- Yr 5	Nov- Yr 5	Dec- Yr 5	Jan- Yr 6		
668 Final Project: Kersten/Bontrager DCF Model														
Lot Closing Schedule	103													
Cumulative Lot Absorption		103	103	103	103	103	103	103	103	103	103	103		
668 Assignment														
Total Lots Sales	8,755,000	0	0	0	0	0	0	0	0	0	0	0		
Escalation	809,625	0	0	0	0	0	0	0	0	0	0	0		
Total Sales With Escalation	9,564,625	0	0	0	0	0	0	0	0	0	0	0		
MUD Reimbursement	2,556,192	0	0	0	0	0	0	0	0	0	0	0	2556192.05	
TOTAL SALES w ESCALATION & MUD REIMB.	9,564,625	0	0	0	0	0	0	0	0	0	0	0	2,556,192	

Final Project: Kersten/Bortnager DCF Model			Total	Oct- Yr 3	Nov- Yr 3	Dec- Yr 3	Jan- Yr 4	Feb- Yr 4	Mar- Yr 4	Apr- Yr 4	May- Yr 4	Jun- Yr 4	Jul- Yr 4	Aug- Yr 4	Sep- Yr 4	Oct- Yr 4	Nov- Yr 4	Dec- Yr 4	Jan- Yr 5	Feb- Yr 5	Mar- Yr 5	Apr- Yr 5	May- Yr 5	Jun- Yr 5	Jul- Yr 5	Aug- Yr 5	Sep- Yr 5	Oct- Yr 5	Nov- Yr 5	Dec- Yr 5	Jan- Yr 6	
Cash Sources:																																
Total Lot Sales Proceeds			9,584,625	935,000	0	0	952,000	0	0	969,000	0	0	986,000	0	0	1,003,000	0	0	306,000	0	0	0	0	0	0	0	0	0	0	0	0	
Earned Money			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MUD Reimbursement			2,556,192	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,556,192		
Equity Contribution - Initial Contribution			2,659,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total			14,198,861	935,000	0	0	952,000	0	0	969,000	0	0	986,000	0	0	1,003,000	0	0	306,000	0	0	0	0	0	0	0	0	0	0	0	2,556,192	
Debt Proceeds - Phase 1 A&D Loan			7,172,750	21,974	13,157	13,263	224,678	8,393	8,455	11,016	1,884	1,888	4,412	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Cash Sources			21,371,610	956,974	13,157	13,263	1,176,678	8,393	8,455	980,016	1,884	1,888	390,412	0	0	1,003,000	0	0	306,000	0	0	0	0	0	0	0	0	0	0	0	2,556,192	
Cash Uses:																																
Land Acquisition																																
Land Acquisition			(2,101,944)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total			(2,101,944)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Development Costs																																
Rollback Taxes			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Boundary Survey, Topo, Land Plan, Easels, Geotech, etc.			(50,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Clearing and Grubbing			(96,191)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WSSD Distribution			(1,830,140)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Detention Pond			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
On-Site WSSD			(50,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Paving			(1,330,160)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
On-Site Paving			(250,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Engineering - WSSD			(396,032)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Engineering - Paving			(446,032)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Engineering - Drainage Study			(50,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Engineering - Miscellaneous			(25,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MUD Creation/Amortization			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Materials Testing - WSSD			(66,405)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Materials Testing - Paving			(66,405)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Erosion, Interdrainage, armatures, etc.			(100,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Removal of House, plugging of wells, etc.			(60,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Legal Fees			(60,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Development Management Fees			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SWPPP			(60,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HOA Administration/Subsidy			(75,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Development Loan Interest			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contingency			(46,032)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lot Closing Costs			(25,750)	(2,500)	0	0	(2,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Property Taxes			(366,852)	0	0	0	(200,820)	0	0	0	0	0	0	0	0	0	0	0	(100,160)	0	0	0	0	0	0	0	0	0	0	0	0	
Total			(6,422,968)	(2,500)	0	0	(211,328)	0	0	(2,500)	0	0	(2,360)	0	0	(2,500)	0	0	(168,938)	0	0	0	0	0	0	0	0	0	0	0	(7,548)	
Return of Capital			(2,008,044)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Profit Payoff			(2,821,038)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,821,038)	
Debt Service:																																
Scheduled Amortization - Phase 1 A&D Loan			(7,842,844)	(888,250)	0	0	(904,400)	0	0	(920,550)	0	0	(936,700)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unscheduled Amortization - Phase 1 A&D Loan			670,094	0	0	0	0	0	0	0	0	0	670,094	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest Expense - Phase 1 A&D Loan			(774,867)	(19,476)	(18,167)	(13,253)	(13,350)	(8,393)	(8,455)	(8,516)	(1,884)	(1,888)	(4,412)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
Total			(7,947,617)	(907,724)	(18,167)	(13,253)	(917,750)	(8,393)	(8,455)	(909,846)	(1,884)	(1,888)	(2,771,618)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
Total Cash Uses			(21,361,611)	(916,224)	(18,167)	(13,253)	(1,129,078)	(8,393)	(8,455)	(931,566)	(1,884)	(1,888)	(2,771,618)	(0)	(0)	(0)	(0)	(0)	(1,168,938)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(2,839,636)		
Net Cash Flow			(0)	48,750	0	0	47,600	0	0	48,450	0	0	(285,696)	(0)	(0)	1,000,500	(0)	(0)	(802,938)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)		
Cumulative Cash Flow				287,431	287,431	287,431	315,031	315,031	315,031	363,481	363,481	363,481	82,875	82,875	82,875	1,083,375	1,083,375	1,083,375	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	(0)		
Operating Account:																																
Beginning Balance			220,081	287,431	287,431	287,431	315,031	315,031	315,031	363,481	363,481	363,481	82,875	82,875	82,875	1,083,375	1,083,375	1,083,375	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437		
Monthly Net Cash Flow			48,750	0	0	0	47,600	0	0	48,450	0	0	(285,696)	(0)	(0)	1,000,500	(0)	(0)	(802,938)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(285,430)	
Ending Balance			287,431	287,431	287,431	315,031	315,031	315,031	363,481	363,481	363,481	363,481	82,875	82,875	82,875	1,083,375	1,083,375	1,083,375	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	280,437	(0)		
Partners' Capital (cash basis):																																
Beginning Balance			(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)	(2,008,044)		
Contributions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0															

DEBT SCHEDULE
668 Final Project: Kersten/Bontrager DCF Model

Leak's Coloured Toilet/Rinse

96%

ADD LESS	Debt Issuance																												
	Jan- Yr 1	Feb- Yr 1	Mar- Yr 1	Apr- Yr 1	May- Yr 1	Jun- Yr 1	Jul- Yr 1	Aug- Yr 1	Sep- Yr 1	Oct- Yr 1	Nov- Yr 1	Dec- Yr 1	Jan- Yr 2	Feb- Yr 2	Mar- Yr 2	Apr- Yr 2	May- Yr 2	Jun- Yr 2	Jul- Yr 2	Aug- Yr 2	Sep- Yr 2	Oct- Yr 2	Nov- Yr 2	Dec- Yr 2	Jan- Yr 3	Feb- Yr 3	Mar- Yr 3	Apr- Yr 3	
Beginning Balance - Phase 1 A&D Loan	0	0	0	0	0	0	0	193,981	416,032	991,539	1,083,719	1,088,437	2,432,187	3,338,037	4,211,220	5,102,873	5,941,429	6,917,627	6,133,838	5,020,872	5,084,646	5,088,980	4,885,980	4,885,980	4,885,980	4,885,980	4,885,980	4,885,980	4,885,980
93,981	0	0	0	0	0	0	0	93,981	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plus: Debt Issuance for Development Costs	6,363,592	0	0	0	0	0	100,000	219,798	133,568	488,264	488,264	881,624	881,624	881,624	422,813	428,946	73,598	101,598	34,889	34,889	2,500	0	0	32,609	0	0	2,500	0	2,500
774,987	0	0	0	0	0	0	1,373	2,940	3,907	7,464	11,048	17,227	23,559	29,829	36,164	39,252	42,625	43,448	38,106	38,629	40,155	34,630	34,875	35,122	29,888	29,878	30,000	30,000	
(7,842,844)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(807,503)	0	0	(622,641)	0	0	(807,781)	0	0	(62,622)	(62,622)
Less: Unscheduled Amortization	676,094	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total/Ending Balance	0	0	0	0	0	0	0	193,981	416,032	991,539	1,083,719	1,088,437	2,432,187	3,338,037	4,211,220	5,102,873	5,941,429	6,917,627	6,133,838	5,020,872	5,084,646	5,088,980	4,885,980	4,885,980	4,885,980	4,885,980	4,885,980	4,885,980	4,885,980
Interest Rate		8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Interest Expense	774,987	\$0	\$0	\$0	\$0	\$0	\$0	\$1,373	\$2,940	\$3,907	\$7,464	\$11,048	\$17,227	\$23,559	\$29,829	\$36,164	\$39,252	\$42,625	\$43,448	\$38,106	\$38,629	\$40,155	\$34,630	\$34,875	\$35,122	\$29,888	\$29,878	\$30,000	\$30,000