

**NON-BINDING
LETTER OF INTENT**

Via e-mail:

Date: _____

Mr. David W. Ley
Hannover Woods Retail Partners, LLC
4544 Post Oak Place Drive, Suite 375
Houston, Texas 77027

Re: Hannover Woods Shopping Center
2144 FM 1960 Road
Spring, Texas 77388

Dear David:

This letter is to serve as the letter of intent setting forth the basic business terms upon which **Hannover Woods Retail Partners LLC, a Texas limited liability company, as Owner (hereinafter referred to as "Seller")** and _____ are interested in negotiating the purchase and sale of the Property (as such term is defined below). The basic business terms are as follows:

1. Seller. **Hannover Woods Retail Partners LLC**, a Texas limited liability company
2. Buyer. _____.
3. Property. 2144 FM 1960 Road, Spring Texas
4. Purchase Price. For the property: _____ U.S. Dollars (\$_____). The Purchase Price shall be payable in full in immediately available funds at the Closing.
5. Due Diligence; As-Is Sale. Buyer understands that Buyer shall rely entirely upon its own due diligence in completing the purchase. Buyer shall be afforded until the date _____ (____) days after full execution of a contract for sale and purchase (the "Feasibility Date") to complete its inspections of the Property and undertake all due diligence.

A deposit of \$_____, of which \$_____ is non-refundable subject only to Seller default and standard casualty and condemnation provisions, shall be credited to the Purchase Price at closing and shall be paid to Old Republic National Title Insurance Company, 777 Post Oak Blvd, Suite 100, Houston, TX 77056, attention: Mari Maher (713) 552-7365 as Escrow Agent simultaneously upon Buyer's execution of a contract for sale and purchase. If Buyer is not satisfied with the Property the Buyer may terminate the contract at any time prior to or on the Feasibility Date and receive a refund of the remainder of the deposit. If Buyer does not terminate the contract prior to or on the Feasibility Date, an additional deposit of \$_____, which shall also be credited to the Purchase Price at closing, shall be paid to the Escrow Agent.

6. Closing. Closing shall occur on the date within _____ (____) days of the Feasibility Date.
7. Prorations; Expenses. Taxes and other customarily apportioned items shall be prorated or apportioned as of Closing. Buyer and Seller shall each pay one-half of all costs of

recording, all documentary stamp taxes, surtaxes, transfer taxes and recording taxes. Seller shall provide Buyer upon full execution of this Non-Binding Letter of Intent a copy of (i) the Title Commitment, (ii) Seller's ALTA/ASCM Land Title Survey dated December 6, 2011 and (iii) Seller's Phase I Environmental Assessment dated February 13, 2012. Buyer shall pay the cost of any survey update or other survey obtained by Buyer. Seller shall pay the cost of the owner's title insurance premium for a standard owner's title insurance policy to be delivered by Seller to Buyer at closing. Buyer shall pay the cost of any extended coverage and/or endorsements to the owner's title insurance policy requested or required by Buyer. Each party shall bear its own attorney's fees.

8. Conveyance. The Property shall be conveyed by Special Warranty Deed.
9. Brokerage. Buyer represents that it has dealt with no broker or finder other than Transwestern Property Company SW GP, L.L.C. (the "Disclosed Broker") in connection with the Property. Seller will pay the Disclosed Broker a commission pursuant to a separate agreement, which commission shall be paid only if, as, and when the closing actually occurs.
10. Confidentiality Agreement. Buyer has previously executed or shall simultaneously herewith execute a Confidentiality Agreement in the form delivered by Seller to Buyer. All terms thereof shall continue in full force and effect and shall survive Closing.

If the foregoing terms are acceptable to you, please execute a copy of this letter and return the same on or before April __, 2013. We will then start the preparation of a contract containing all terms and conditions of sale. This letter of intent shall not under any circumstances be deemed to be a contract. Furthermore no prior or subsequent correspondence or course of dealing between Buyer and Seller shall be construed to create any contract or to vest any rights in Buyer with respect to the Property. **No contract shall be deemed to exist unless and until a formal document containing all terms and provisions is prepared. Neither Buyer nor Seller shall have any rights or obligations to each other nor shall Buyer have any rights with respect to the Property unless and until a contract of sale and purchase is executed by both parties.**

Sincerely,

Buyer

By: _____

Name: _____

Title: _____

Date: _____

Acknowledged and Agreed:

Hannover Woods Retail Partners LLC,
a Texas limited liability company

By: _____
David W. Ley, Trustee