

CONFIDENTIALITY AGREEMENT

The undersigned Principal understand that **REOC Partners, Ltd., a Texas limited partnership d/b/a REOC Partners (“REOC San Antonio”)** has been retained on an exclusive basis by **SBK Horizon LLC (the “Seller”)** to provide confidential information and facilitate the sale of **Horizon Apartments** (the “Property”) located at 4848 Goldfield, San Antonio, TX 78218.

For purposes of this Confidentiality Agreement, this property may be hereinafter referred to as the “Building” or the “Property”. REOC will be representing the Seller in any potential transaction negotiations and requires Prospective Purchaser’s Representative to execute and return a copy of both this Confidentiality Agreement and the attached copy of the TREC Agency Disclosure Form, to receive a complete Confidential Offering Memorandum.

If this letter is co-signed by a licensed real estate broker (“Broker”), then Principal has engaged such Broker as its exclusive agent or advisor in connection with its negotiation for the possible acquisition of the Property. Seller agrees that it will pay Broker any commission, fee or other compensation to which Broker may be entitled as a result of any proposed or actual transaction relating to the Property discussed or entered into by Principal and Seller.

In its capacity as exclusive agent for Seller, REOC San Antonio has available a confidential information package concerning the Property, which Principal, and if applicable, Broker, requested, solely for Principal’s use in determining whether it has an interest in acquiring the Property. To induce REOC San Antonio and Seller to provide such confidential information package to us, Principal and Broker further represent and agree as follows:

1. The confidential information package and any other written materials or oral communications relating to the Property (collectively, the “Evaluation Materials”) that are or may in the future be furnished to Broker or Principal by REOC San Antonio or Seller, or any agent or representative thereof, will be kept confidential as set forth herein
2. Principal and Broker agree that the Evaluation Materials will not be used other than in furtherance of the purposes described above, and that the Evaluation Materials will be kept confidential and will not be disclosed by either of them except to those persons, agents, representatives, or employees who have a need to know such information and who are advised of the confidential nature thereof, or as otherwise required by law. The term “Evaluation Materials,” as used herein, does not include any information which is generally available to the public through independent sources.
3. Principal and Broker agree that they will not disclose to third parties the substance of any discussions or negotiations which might occur concerning the Property, the result of any investigation relating to the Property, or the terms, conditions, or other aspects of any proposed transaction involving the Property. Principal and Broker further agree that they will not reproduce the Evaluation Materials in whole or in part and will not distribute all or any portion of such Evaluation Materials to any other person or entity, other than as set forth above. Upon request by Seller or REOC San Antonio, Principal and Broker agree to return to REOC San Antonio all Evaluation Materials furnished to either of them, without retaining copies of all or any part thereof. Principal and Broker agree to indemnify, defend and hold Seller and REOC San Antonio harmless from and against any and all losses, costs, damages or expenses, including reasonable attorneys fees, directly sustained or incurred by either Seller or REOC San Antonio by reason of any unauthorized distribution or disclosure of the Evaluation Materials by Broker, Principal, or any of their officers, directors, employees, partners, agents, representatives or advisors.

4. Principal and Broker understand that the Evaluation Materials contain selected information pertaining to the Property and do not purport to contain all of the information that a prospective purchaser may need or desire. Principal and Broker agree to conduct their own independent investigation of the Property and to verify the accuracy and completeness of any and all information obtained from the Evaluation Materials. Principal and Broker hereby acknowledge that neither Seller nor REOC San Antonio, nor any person acting on their behalf, have made any representations or warranties, expressed or implied, as to the accuracy or completeness of the Evaluation Materials or their contents, or the suitability of the information contained therein for any purpose. The Evaluation Materials are subject to, among other things, correction of errors and omissions, addition or deletion of terms, change of price or terms, withdrawal from market without notice, and prior sale.
5. Principal and Broker agree that they will not contact the tenants, leasing brokers or property management staff of the Property in connection with Principal's review of the Evaluation Materials. Any and all questions relating to the Evaluation Materials or the Property shall be directed solely to REOC San Antonio, as listing broker. Property management and staff will be made available to Principal and Broker on a limited basis.
6. Principal and Broker acknowledge that they are not engaged by Seller in any manner or in any capacity. Seller reserves the right to negotiate with one or more prospective purchasers at any time and to enter into a definitive agreement for the sale of all or any part of the Property at any time, without prior notice. Seller also reserves the right to terminate, at any time, further negotiations with any party, to modify data and other procedures without disclosing any reason therefor, and to take any action, whether in or out of the ordinary course of business, which it deems necessary or prudent in connection with the Property.

The terms of this letter agreement shall apply to Broker, Principal, and its officers, directors, employees, partners, agents, representatives, advisors, and affiliates.

7. Principal and Broker acknowledge that Seller has no obligation to discuss or agree to the sale of all or any part of the Property. Furthermore, while Seller may discuss the purchase and sale of the Property with Principal, either party, in its sole and absolute discretion, may terminate discussions at any time and for any reason. The discussions may be lengthy and complex. Notwithstanding that the parties may reach one or more oral understandings or agreements on one or more issues under discussion, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, whether express or implied, shall arise or exist in favor of or be binding upon either Seller or Principal, except to the extent same are expressly set forth in a final, written agreement signed by both parties and delivered to Principal.
8. This letter agreement shall be governed and construed in accordance with the laws of the State of Texas. This letter agreement may be amended only by a written agreement signed by both parties.
9. The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, Property, or the subject matter of this Letter Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environment Response Compensation and Liability Act, and the Americans with Disabilities Act.

REOC San Antonio is providing Principal and, if applicable, Broker with this letter agreement as a condition to the commencement of negotiations with REOC San Antonio and Seller. Upon REOC San Antonio's receipt of an executed copy of this letter agreement, Principal and, if applicable, Broker, request that REOC San Antonio deliver the Evaluation Materials to Principal or, if a Broker has co-signed below, then to Broker.

Sincerely,

REOC PARTNERS, LTD.

By: REOC General Partner, L.L.C.,
a Texas limited liability company,
its General Partner

Name: Brian D. Harris
Title: Manager

Agreed and Accepted By: (Principal)

Company: _____ Date: _____

By: _____
Printed Name: _____
Title: _____
Address: _____

Email address: _____
Phone: _____
Fax: _____

Agreed and Accepted by: (Broker)

Company: _____ Date: _____

By: _____
Printed Name: _____
Title: _____
Address: _____

Email address: _____
Phone: _____
Fax: _____

Upon signing this confidentiality agreement return to C. Michael Morse
Fax: 210-524-4029
Email: mmorse@reocsanantonio.com



Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<u>REOC General Partner, LLC</u> Licensed Broker/Broker Firm Name or Primary Assumed Business Name	<u>493853</u> License No.	<u>bharris@reocsanantonio.com</u> Email	<u>(210) 524-4000</u> Phone
<u>Brian Dale Harris</u> Designated Broker of Firm	<u>405243</u> License No.	<u>bharris@reocsanantonio.com</u> Email	<u>(210) 524-4000</u> Phone
<u>N/A</u> Licensed Supervisor of Sales Agent/ Associate	<u>N/A</u> License No.	<u>N/A</u> Email	<u>N/A</u> Phone
<u>Christopher Michael Morse</u> Sales Agent/Associate's Name	<u>629643</u> License No.	<u>mmorse@reocsanantonio.com</u> Email	<u>(210) 524-4000</u> Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

TAR 2501

IABS 1-0

REOC San Antonio 1826 N. Loop 1604 W. Suite 250 San Antonio, TX 78248
Blake Bonner

Phone: 210.524.4000

Fax: 210.524.4029

IABS Form - Br

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com