Copy No.: _____ To: _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

$50,000,000

The maximum Offering may be increased, in the sole discretion of the General Partner, up to but not exceeding $100,000,000

WALTON U.S. LAND FUND 3, LP

a Delaware limited partnership

Up to 5,000,000 Class A Units

at $10.00 per Unit

Dated: August 1, 2012

Walton U.S. Land Fund 3, LP (the "***Issuer***") is offering by means of this confidential private placement memorandum (the "***Memorandum***") up to 5,000,000 (which may be increased to, but not exceed 10,000,000) of its Class A limited partnership interest units (as applicable, the "***Units***") to eligible investors at $10.00 per Unit (the "***Offering***"). The Issuer is a single-purpose entity formed by Walton International Group (USA), Inc., an Arizona corporation ("***Walton USA***") to acquire interests in various strategically selected parcels of land, with potentially varying degrees of planning, entitlement and development, including land with partially or completely finished lots or improvements, situated in high-growth markets identified to be in the "path of development" in the United States (collectively, the "***Properties***," and individually, a "***Property***"). Although the Issuer expects to focus on investments in strategic sub-markets in southern and western states, the Issuer will be permitted to make investments throughout the United States. The Offering is a blind pool offering in that we have not yet identified specific Properties that will be acquired with the net proceeds from the Offering.

The Issuer will invest in the Properties through single-purpose subsidiaries. When we refer to the Issuer in this Memorandum, we are also referring to its subsidiaries unless the context otherwise requires and when we refer to the interests held by the Issuer, we are referring to the interests in the Properties to be held indirectly by the Issuer through its single-purpose subsidiaries.

Certain wholly owned subsidiaries of Walton USA (each, a "***Walton Acquisition Entity***") will acquire or obtain the right to acquire the Properties under contract. For each Property, it is anticipated that the respective Walton Acquisition Entity and the Issuer will be the co-owners of such Property, with the Walton Acquisition Entity acquiring at least a 5% undivided fractional interest in such Property and the Issuer acquiring up to a 95% undivided fractional interest in such Property (the "***Interests***"). The Issuer and the Walton Acquisition Entities will pay their proportionate share of all costs and expenses with respect to maintaining the Properties, including planning and entitlement expenses. The Issuer expects to acquire interests in Properties that it believes are well suited for development and well positioned in the path of economic and population growth, and that it believes will appreciate over time because of such factors. The terms "***we***", "***our***", "***us***" and similar terms refer to the Issuer and Walton USA, except where the context otherwise requires.

The Units are being offered on a best efforts basis on behalf of the Issuer through broker-dealers registered with the Financial Industry Regulatory Authority, Inc. ("***FINRA***"), who may be selected by us, and by any other agents or sub-agents as we may appoint (the "***Selling Group***"). Walton Securities, Inc., a FINRA registered broker-dealer and affiliate of Walton USA and the Issuer, will act as the managing broker-dealer of the Offering (the "***Managing Broker-Dealer***" or "***Walton Securities***"). We may also sell Units directly to clients of investment advisers unaffiliated with FINRA-registered members of the Selling Group.

INVESTMENT IN THE UNITS WILL BE SUBJECT TO NUMEROUS RISKS. INVESTORS MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD AND BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS."

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE UNITS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE UNITS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND ARE BEING OFFERED AND SOLD WITHIN THE UNITED STATES ONLY IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF SUCH LAWS UNDER SECTION 4(2) OF THE SECURITIES ACT AND RULE 506 OF REGULATION D UNDER THE SECURITIES ACT, AND ONLY TO PERSONS MEETING THE DEFINITION OF "ACCREDITED INVESTOR" UNDER REGULATION D. THE UNITS MAY ALSO BE OFFERED AND SOLD OUTSIDE THE UNITED STATES PURSUANT TO RULES 901 THROUGH 905 OF REGULATION S UNDER THE SECURITIES ACT IN TRANSACTIONS TO WHICH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT DO NOT APPLY. SEE "WHO MAY INVEST."

THIS IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY UNITS IN ANY JURISDICTION TO ANY NATURAL PERSON, ANY CORPORATION, COMPANY, ASSOCIATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, TRUST, UNINCORPORATED ORGANIZATION OR OTHER ENTITY, OR ANY GOVERNMENT, POLITICAL SUBDIVISION, AGENCY OR INSTRUMENTALITY OF A GOVERNMENT (EACH A "PERSON") TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH AN OFFER OR SALE.

THIS MEMORANDUM HAS BEEN PREPARED BY THE ISSUER AND SERVES AS AN OFFER OF THE UNITS ONLY IF THE ISSUER HAS CAUSED A COPY NUMBER TO BE INSERTED IN THE UPPER LEFT CORNER OF THE FRONT COVER PAGE AND THE NAME OF A SPECIFIC OFFEREE TO BE INSERTED IN THE UPPER RIGHT CORNER OF THE FRONT COVER PAGE. THIS MEMORANDUM IS BEING SUBMITTED TO OFFEREES CONFIDENTIALLY SOLELY TO HELP THEM TO DECIDE WHETHER OR NOT TO INVEST IN THE UNITS. DELIVERY OF THIS MEMORANDUM TO ANYONE OTHER THAN SUCH AN OFFEREE AND THE OFFEREE'S PROFESSIONAL ADVISORS IS UNAUTHORIZED. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, EACH OFFEREE AGREES NOT TO REPRODUCE ANY PART OF THIS MEMORANDUM WITHOUT OUR PRIOR WRITTEN CONSENT, AND TO RETURN IT TO US OR A FINRA-REGISTERED BROKER-DEALER SELECTED BY US UPON OUR REQUEST, AND IN ANY EVENT PROMPTLY SHOULD THE OFFEREE DECIDE NOT TO PURCHASE UNITS.

THE UNITS WILL NOT BE LISTED FOR TRADING OR QUOTED ON ANY SECURITIES MARKET. THE UNITS ARE ILLIQUID AND WILL BE SUBJECT TO RESTRICTIONS ON RESALE AND TRANSFER. THE GENERAL PARTNER (DEFINED BELOW) MAY WITHHOLD ITS CONSENT TO TRANSFER THE UNITS. THE UNITS OFFERED HEREBY MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE UNITED STATES OR TO "U.S. PERSONS" (AS SUCH TERM IS DEFINED IN REGULATION S), EXCEPT PURSUANT TO (1) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (2) REGULATION S, (3) RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), SUBJECT TO RECEIPT BY THE ISSUER OF SUCH EVIDENCE (INCLUDING, WITHOUT LIMITATION, OPINIONS OF COUNSEL) ACCEPTABLE TO IT THAT SUCH REOFFER, RESALE, TRANSFER, PLEDGE OR OTHER DISPOSITION WILL BE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (4) ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE RECEIPT OF SUCH CERTIFICATION AS THE ISSUER MAY REQUEST, IF APPLICABLE, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. HEDGING TRANSACTIONS INVOLVING THE UNITS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. YOU MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN CONNECTION WITH THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFER OR SALE OF THE UNITS. SEE "RESTRICTIONS ON TRANSFER AND RESALE OF UNITS."

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFER AND SALE OF THE UNITS MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS MEMORANDUM OR ANY OF THE UNITS COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE ANY SUCH RESTRICTIONS.

EACH PURCHASER OF THE UNITS OFFERED HEREBY WILL BE REQUIRED TO REPRESENT THAT SUCH PURCHASER IS AN "ACCREDITED INVESTOR," AS SUCH TERM IS DEFINED IN RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT, OR IS A "NON U.S. PERSON" AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT. SEE "ELIGIBLE INVESTORS." EACH PURCHASER WILL BE REQUIRED TO REPRESENT THAT SUCH PURCHASER IS PURCHASING THE UNITS OFFERED HEREBY FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF.

YOU ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS INVESTMENT, LEGAL OR TAX ADVICE. YOU SHOULD CONSULT YOUR OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO LEGAL, TAX, BUSINESS, FINANCIAL AND RELATED ASPECTS OF A PURCHASE OF THE UNITS. THE ISSUER IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE UNITS OFFERED HEREBY REGARDING THE LEGALITY OF ANY INVESTMENT THEREIN BY SUCH OFFEREE OR PURCHASER UNDER APPROPRIATE LEGAL INVESTMENT OR SIMILAR LAWS.

IN MAKING AN INVESTMENT DECISION REGARDING THE UNITS OFFERED BY THIS MEMORANDUM, YOU MUST RELY ON YOUR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING, WITHOUT LIMITATION, THE MERITS AND RISKS INVOLVED. THE OFFERING IS BEING MADE ON THE BASIS OF THIS MEMORANDUM. ANY DECISION TO PURCHASE UNITS IN THE OFFERING MUST BE BASED ON THE INFORMATION CONTAINED IN THIS MEMORANDUM.

CERTAIN INFORMATION CONTAINED IN THIS MEMORANDUM HAS BEEN FURNISHED TO THE ISSUER BY OTHER SOURCES THEY BELIEVE TO BE RELIABLE. ALTHOUGH THE ISSUER BELIEVES THAT SUCH INFORMATION IS RELIABLE, IT HAS NOT INDEPENDENTLY VERIFIED SUCH DATA AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. NO SUCH INFORMATION CONTAINED IN THIS MEMORANDUM IS OR SHALL BE RELIED UPON AS A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE. THIS MEMORANDUM CONTAINS SUMMARIES, BELIEVED TO BE ACCURATE, OF SOME OF THE TERMS OF SPECIFIC DOCUMENTS, BUT REFERENCE IS MADE TO THE ACTUAL DOCUMENTS FOR THE COMPLETE INFORMATION CONTAINED IN THOSE DOCUMENTS. COPIES OF THESE DOCUMENTS WILL BE MADE AVAILABLE UPON REQUEST. ALL SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THIS REFERENCE.

NO PERSON HAS BEEN AUTHORIZED TO MAKE REPRESENTATIONS OR GIVE ANY INFORMATION WITH RESPECT TO THE UNITS IN THE ISSUER BEING OFFERED HEREBY, AND NO OFFERING LITERATURE OR ADVERTISING IN WHATEVER FORM MAY BE EMPLOYED IN THE OFFERING, EXCEPT FOR THIS MEMORANDUM, THE SUBSCRIPTION DOCUMENTS RELATED HERETO, AND ANY SUPPLEMENTARY OFFERING LITERATURE PREPARED AND DISTRIBUTED BY THE GENERAL PARTNER OR THE ISSUER. ONLY THOSE REPRESENTATIONS EXPRESSLY SET FORTH IN THIS MEMORANDUM, THE SUBSCRIPTION DOCUMENTS AND SUPPLEMENTARY OFFERING LITERATURE PREPARED AND DISTRIBUTED BY THE GENERAL PARTNER OR THE ISSUER MAY BE RELIED UPON IN CONNECTION WITH THIS OFFERING, AND ANY OTHER INFORMATION OR REPRESENTATION, IF GIVEN OR MADE MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US. THIS MEMORANDUM IS AS OF THE DATE HEREOF AND SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. THE DELIVERY OF THIS MEMORANDUM SHALL NOT CREATE, UNDER ANY CIRCUMSTANCES ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH IN THIS MEMORANDUM OR IN OUR AFFAIRS SINCE THE DATE OF THIS MEMORANDUM.

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE OFFERING OF THE UNITS AT ANY TIME, THE RIGHT TO REJECT ANY COMMITMENT TO SUBSCRIBE FOR THE UNITS, IN WHOLE OR IN PART, AND THE RIGHT TO ALLOT TO YOU LESS THAN THE FULL AMOUNT OF UNITS SUBSCRIBED FOR BY YOU. THE ISSUER IS MAKING THIS OFFERING SUBJECT TO THE TERMS DESCRIBED IN THIS MEMORANDUM AND THE LIMITED PARTNERSHIP AGREEMENT OF THE ISSUER (THE "*PARTNERSHIP AGREEMENT*").

FORWARD-LOOKING STATEMENTS

Some of the information in this Memorandum may contain forward-looking statements. Such statements include, in particular, statements about our plans, strategies and prospects. You can generally identify forward-looking statements by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. Although the Issuer believes that its plans, intentions and expectations reflected in the forward-looking statements are reasonable, forward-looking statements are subject to numerous risks and uncertainties, including those discussed below in "Risk Factors," many of which are beyond the Issuer's control, and could cause its actual results to differ materially from those projected in any forward-looking statement it makes. The Issuer will not update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

INDUSTRY AND MARKET DATA

The Issuer obtained the industry, market and competitive position data used throughout this Memorandum from its own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. Although the Issuer believes that each of these studies and publications is reliable, it has not independently verified such data and makes no representations as to the accuracy of such information. Similarly, the Issuer believes its internal research is reliable but it has not been verified by any independent sources.

WHO MAY INVEST

Who May Invest in Units

Units are a speculative investment. To benefit fully from an investment in Units, you should meet the following general criteria:

- you are able to hold your Units indefinitely and able to bear the risk of a complete loss of your investment,
- you have a diversified portfolio of which an investment in Units comprises only a small part,
- you will be able to pay annual income taxes on gains attributed to your investment, if any, even though no distributions have been made, and
- you have read this Memorandum and are able to evaluate the merits and risks of investing in the Units and in undeveloped real estate.

Eligible Investors

The suitability standards referred to below represent minimum suitability requirements for prospective purchasers, and the satisfaction of such standards by a prospective purchaser does not necessarily mean that the Units are a suitable investment for such person. In circumstances we deem appropriate, we may modify such requirements.

The General Partner may, in its sole discretion, reject any subscription for Units. We intend to restrict ownership of the Units in the Issuer as is necessary to avoid having to register the Units under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***").

U.S. Persons

The Offering is being made in the United States to a limited number of accredited investors in a private placement without registration under the Securities Act or state securities laws pursuant to Rule 506 of Regulation D under the Securities Act. To be eligible to subscribe for Units, each investor who is in the United States or who is a "U.S. Person" (defined below) must meet one of the definitions of "accredited investor" set forth in Rule 501(a) of Regulation D under the Securities Act, as described below.

The definition of "***Accredited Investor***" set forth in Rule 501(a) includes, among others:

(a) a natural person whose individual net worth, or joint net worth with that person's spouse, exceeds $1,000,000, excluding the value of the person's primary residence, and subtracting the amount of indebtedness secured by such primary residence in excess of its value;

(b) a natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

(c) any corporation, partnership, limited liability company or business trust not formed for the specific purpose of acquiring the Units with total assets in excess of $5,000,000;

(d) any trust, with total assets in excess of $5,000,000 not formed for the specific purpose of acquiring the Units, whose purchase is directed by a sophisticated person;

(e) an entity in which all of the equity owners are Accredited Investors;

(f) any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees with total assets in excess of $5,000,000;

(g) any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended *(*"***ERISA***"*)*, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are Accredited Investors; and

(h) an "individual retirement account" *(*or "***IRA***"*)* as defined in Section 408(a) of the Internal Revenue Code of 1986, as amended *(*the "***Code***"*)* owned by and for the benefit of an Accredited Investor.

Non-U.S. Persons

We may offer and sell the Units outside the United States in reliance on Regulation S under the Securities Act. Regulation S provides an exemption from the registration and qualification provisions of the Securities Act with respect to investors that meet the eligibility requirements set forth in Rule 902 of the regulation. To meet these requirements, an investor must certify that:

(a) The Units offered under this Memorandum are being offered and sold outside the United States to an entity or person located outside the United States, which is not a U.S. Person and which is not purchasing for the benefit or the account of a U.S. Person. A "***U.S. person***" is (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. person; (iv) any trust of which any trustee is a U.S. person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (A) organized or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts; all as further defined and pursuant to the rules contained in Regulation S of the Securities Act.

(b) Neither any offer nor the sale of the Units to the investor under this Memorandum was accomplished by means of advertising in any publication or by means of "***directed selling efforts***" in the United States, as such term is defined under Rule 902(c) of Regulation S under the Securities Act. "Directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Units being offered in reliance on Regulation S. Such activity includes placing an advertisement in a publication "with a general circulation in the United States" that refers to the offering of securities being made in reliance upon Regulation S.

(c) Neither the offer nor the sale of the Units was consummated in the United States.

(d) With respect to the offer and sale of the Units under this Memorandum and at all times contemplated herein, the investor was and continues to remain located outside the United States.

(e) None of the Units nor any portion or component thereof may be sold, transferred or assigned, or offered for sale, transfer or assignment to a U.S. Person or for the account or benefit of a U.S. Person.

(f) None of the Units nor any portion or component thereof may be sold, transferred or assigned, or offered for sale, transfer or assignment, in the United States or in any transaction consummated in the United States (in whole or in part).

(g) Further, without limiting the acknowledgment set forth above, none of the Units nor any portion or component thereof may be sold, transferred or assigned, or offered for sale, transfer or assignment, before the expiration of the one-year distribution compliance period (as such term is defined in Rule 902(f) of Regulation S) unless each of the following conditions is satisfied: (1) each prospective subsequent purchaser thereof certifies that such purchaser is not a U.S. Person and is not acquiring such securities for the account or benefit of any U.S. Person; (2) each such prospective subsequent purchaser agrees to resell such securities in accordance with Regulation S, pursuant to a registration under the Securities Act or pursuant to an available exemption from registration (other than Regulation S); and (3) each certificate evidencing such securities to be transferred contains a legend to the effect that transfer of such securities is prohibited except in accordance with Regulation S.

SUBSCRIBING FOR UNITS

If you meet the suitability standards described above under "Who May Invest," you may offer to purchase Units by:

(1) reading this entire Memorandum, the form of Partnership Agreement for the Issuer, appended to this Memorandum as **Exhibit C**, and the other exhibits hereto;

(2) filling out and signing the Subscription Agreement, substantially in the form appended hereto as **Exhibit E** (the "***Subscription Agreement***"**)**;

(3) *if paying by check*: sending your completed Subscription Agreement, together with your check, made payable to "*U.S. Bank, N.A. / WUSF3 Escrow*", to your account representative; or

(4) *if paying by wire transfer*: sending your completed Subscription Agreement to your participating broker-dealer, and contacting your account representative to obtain specific wiring instructions.

By purchasing Units, you confirm that you meet the suitability standards for purchasers of Units and agree to be bound by all of the terms of the Subscription Agreement and the Partnership Agreement. The Subscription Agreement contains, among other things, representations and warranties of the subscribing Unitholders. Prospective investors who are not domiciled within the United States should contact the General Partner to obtain an appropriate Subscription Agreement.

Subscription funds will be deposited with U.S. Bank, N.A., in its capacity as escrow agent (the "***Escrow Agent***"), which will hold them in escrow pending the closing on the subscription. Funds raised by the Issuer will be deposited in an interest bearing bank account and any interest on the funds will be deposited into the Reserve (defined below) except as described herein. The General Partner reserves the right to accept or reject, on behalf of the Issuer, subscriptions in whole or in part in its sole discretion and to close the subscription books at any time without notice. Subscription funds for subscriptions that the General Partner does not accept will be returned, with interest, promptly after the General Partner has determined not to accept such subscription.

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EXHIBITS

SUMMARY

This is a summary of information described in greater detail elsewhere in this Memorandum. It may not contain all of the information that is important to you. To understand this Offering fully, you should read this entire Memorandum carefully (especially the "Risk Factors" section) before making a decision whether to invest in Units. Do not construe the contents of this Memorandum as legal advice. Consult your own independent counsel, accountant or business advisor as to legal and related matters concerning an investment in the Units. Amounts set forth in the Memorandum are in U.S. dollars unless otherwise indicated.

The Sponsor

Walton USA is a Scottsdale, Arizona based land research, acquisition and syndication company. It is a wholly owned, indirect subsidiary of Walton Global Investments Ltd., an Alberta corporation ("***Walton Global***") and is a member of the Walton group of companies ("***Walton***"). Walton is a family-owned and operated collection of asset management and real estate related companies concentrating on the acquisition of strategically located undeveloped land in North America. Walton has been in the real estate business for over 30 years, and currently manages approximately 66,000 acres of land in North America. Walton is currently implementing its business strategy to accumulate assets during this economic downturn and prepare them for disposition at a point in the future when the economy is expected to rebound.

Walton's development team provides expertise in facilitating entitlements, obtaining approvals and coordinating horizontal land development for Walton projects across North America. It is comprised of a team of experts with over 784 years of combined experience in real estate planning and development, and has demonstrated a high level of efficiency in the entitlement and development of master planned residential communities, mixed use, recreational, industrial and commercial developments. See "The Walton Group."

The Investment Strategy and the Properties

The Properties will consist of strategically selected parcels of land with potentially varying degrees of planning, entitlement and development, including land with partially or completely finished lots or improvements ("***Lots***"), situated in high-growth markets identified to be in the path of development in the United States. Although the Issuer expects to focus on investments in strategic sub-markets in southern and western states, including Walton's current sub-markets in Arizona, Texas, Georgia, Virginia, Maryland, North Carolina and South Carolina, the Issuer will be permitted to make investments throughout the United States. In particular, the Issuer intends to target areas that have historically experienced generally favorable long-term trends with respect to core underlying fundamentals including, without limitation, long-term population and job growth, net domestic migration and single-family residential permits. See "Target Areas."

The Issuer intends to acquire Interests in a minimum of two Properties located in different sub-markets, hold the Interests for two to eight years and then sell the Interests to developers or other purchasers. It is anticipated that the Issuer will acquire up to a 95% interest in each Property sequentially. The respective Walton Acquisition Entity will retain the remaining 5% interest in each Property, and will pay its proportionate share of third-party all costs and expenses with respect to maintaining the Properties, including Concept Planning Expenses. The Issuer's Interests in the Properties will likely be acquired in

multiple transactions, as described in more detail in the section of this Memorandum entitled "Plan of Operation – Acquisition of the Interests in the Properties." The Issuer currently does not own Interests in any Properties, and because we have not yet identified any specific assets to acquire, we are considered to be a blind pool. We will supplement this Memorandum to provide information regarding each material acquisition we make.

The Offering

The Issuer is offering to eligible investors up to 5,000,000 Units of the Issuer at $10 per Unit, which can be increased at the General Partner's discretion up to a maximum of 10,000,000 Units. The minimum investment in the Issuer is $50,000, which minimum may be waived by the General Partner in its sole discretion. We plan to have an initial closing (the "***First Closing***") as soon as practicable after we have received duly completed Subscription Agreements and subscription funds for at least $3,000,000 (the "***Minimum Offering***"). We anticipate that the First Closing will occur on or about January 31, 2013. After the First Closing, we plan to continue the Offering and hold additional closings from time to time (each, a "***Subsequent Closing***" and each of the First Closing and any Subsequent Closing, a "***Closing***"). We will continue to hold Subsequent Closings until the earliest of (i) the receipt of subscriptions for the Offering in an aggregate amount equal to $50,000,000 (which may be increased up to a maximum of $100,000,000) (the "***Maximum Offering***"; references herein to the Maximum Offering shall mean $50,000,000, unless noted to the contrary), (ii) such earlier date that we terminate the Offering in our sole discretion, and (iii) December 31, 2013 (or such later date after December 31, 2013, to which the Offering is extended), at which point we will have a closing on all subscriptions that we have received since the most recent Subsequent Closing (the "***Final Closing***"). We may extend the Offering for successive periods of up to three calendar months each, but in any event the Offering will terminate no later than the close of business on December 31, 2014. If the First Closing does not occur prior to July 31, 2013, the Offering will be terminated and, if so, any subscription funds received from prospective investors will be returned, with interest, and their subscriptions terminated. To the extent that we have not received sufficient subscriptions for the Maximum Offering on or before the Final Closing, unsold interests in any of the Properties may be offered to other investors of Walton USA or one of its affiliates (a "***Subsequent Co-Owner***") at a purchase price per acre that will not be less than the equivalent purchase price per acre at which the Issuer will acquire the Interests as described in this Memorandum. Members of Walton, and their respective executive officers, directors, employees or affiliates, may purchase Units in the Offering.

All sales commissions, placement agent fees, diligence allowances and other amounts payable to members of the Selling Group (together "***Selling Commissions***") with respect to the offer and sale of the Units will be paid from the gross proceeds of the Offering (the "***Gross Proceeds***"). Walton USA will advance all expenses associated with the formation of the Issuer and the Offering other than Selling Commissions (the "***Offering Expenses***") and will be reimbursed for such advances from the proceeds of the Offering, up to a maximum of 0.9% of the Gross Proceeds. See "Estimated Use of Proceeds."

Investment Objectives

Our investment objectives are to:

- acquire the Interests for cash without acquisition financing and hold the Interests for potential long-term capital appreciation;
- protect the value of the Properties, in part by managing Concept Planning for each such Property;
- implement an exit strategy for each Property when presented with an opportunity to do so that is accepted by Extraordinary Action or approved by the General Partner, as applicable; and
- dispose of the Interests, thereby providing Unitholders with a return on their investment in the Issuer. See "Plan of Operation - Investment Objectives."

Property Ownership and Management

The Issuer's Interests will be in the form of undivided fractional interests in each of the Properties. The Issuer will jointly own each Property along with the Walton Acquisition Entity, and the respective rights of the Issuer and the Walton Acquisition Entity as joint owners of each Property will be governed by a separate Co-Ownership Agreement ("***Co-Ownership Agreement***"), a form of which is attached hereto as **Exhibit D**. Pursuant to each Co-Ownership Agreement, the Issuer will act as manager of the Property. However, the Issuer will engage Walton USA to perform, at the Issuer's direction, the Issuer's duties as manager of the Property, and to act as the Issuer's agent in such capacity. See "Plan of Operation – Co-Ownership and Management of the Properties."

Under the Co-Ownership Agreement, certain decisions affecting a Property can only be made upon receipt of "***Special Consent,***" which means the consent of the Issuer; provided, that if there is a Subsequent Co-owner, then Special Consent means the consent of two out of (i) the Issuer, (ii) the Walton Acquisition Entity and (iii) the Subsequent Co-Owner. In the event the Subsequent Co-Owner is not an entity but is instead comprised of multiple individual purchasers, the approval of such purchasers holding 60% or more of the aggregate interests in the Property held by all such purchasers shall constitute the approval of the Subsequent Co-Owner as a single group. Special Consent is required to approve any sale of all or any portion of a Property constituting, in the aggregate, over 10% of the aggregate acreage of such Property; provided that if the Walton Acquisition Entity owns 50% or more of the interest in such Property, its consent shall also be required. Special Consent and the consent of the Walton Acquisition Entity will be required to extend the activities relating to the Property beyond Concept Planning, and participating in the development of the Property, and permitting, creating or recording an encumbrance, other than a Permitted Encumbrance, on or against a Property or the Participating Interests therein in favor of any Person, other than (i) the security granted to Walton USA under the provisions of the Funding Agreement; (ii) any encumbrance created by the Walton Acquisition Entity or one of its affiliates with respect to its undivided fractional interest in a Property; and (iii) security granted in connection with a permitted third-party financing (see "Plan of Operation – The Funding Agreement").

The Issuer will engage Walton Development & Management (USA), Inc. ("***WDMI***"), an affiliate of Walton USA and the General Partner, to perform a variety of preliminary development activities, intended to protect the value of each of the Properties and prepare such Properties for physical development as

set forth in the Preliminary Development Concept Planning Services Agreement for each Property (each such agreement collectively referred to as the "***PDCP Agreement***"). These activities, which we refer to in this Memorandum as "***Concept Planning***" or "***preliminary development***" may include one or more of the following without limitation: performing development feasibility assessments, preparing a conceptual master plan for each Property, seeking appropriate planning, land use and other regulatory approvals, formation of improvement districts, obtaining and maintaining bonds and/or letter of credit (secured or unsecured) in connection with the ownership and maintenance of the Properties, negotiating service agreements, and preparing and seeking approval of subdivision plats. The Issuer will be responsible for paying its pro rata share of such third-party costs, based on its interests in the Property, out of funds set aside for such purpose in the Reserve (defined below), however Walton USA will pay the Issuer's share of fees payable to WDMI for services it performs under the PDCP Agreement, which fees will be commercially reasonable, until such time as either (i) WUSF 3 GP, LLC no longer serves as the general partner of the Issuer, or (ii) Walton USA is no longer performing the duties of the manager of the Property on behalf of the Issuer under the Co-Ownership Agreement. See "Plan of Operation – Concept Planning." See "Conflicts of Interest."

The Issuer and the General Partner

The Issuer is a special purpose limited partnership formed to acquire an interest in each Property. The Issuer will acquire its interest in each of the Properties indirectly through wholly owned special-purpose subsidiaries. As the Issuer raises capital through the Offering, it will contribute to its subsidiaries such funds as are necessary for the subsidiaries to purchase the Issuer's proportionate interests in the Properties, and retain the remaining capital in the Reserve (discussed in detail below). See "Entity Organizational Chart."

WUSF 3 GP, LLC, a Delaware limited liability company, is the general partner of the Issuer (the "***General Partner***"). Walton Land Management (USA), Inc., a Delaware corporation and wholly owned subsidiary of Walton USA, is the manager and sole member of the General Partner. The General Partner will manage the affairs of the Issuer under its Partnership Agreement, substantially in the form attached hereto as **Exhibit C**. See "Management" and "Summary of the Partnership Agreement; Rights of Unitholders; Description of Units." The Issuer does not expect any Property to generate significant current income, and the Issuer will not be classified as a real estate investment trust, or REIT.

The Reserve

The Issuer expects to incur carrying costs throughout the hold period. These carrying costs include administrative expenses in connection with the administration of the Issuer and the ownership of the Interests in the Properties (collectively, "***Issuer Expenses***"). Issuer Expenses are expected to include, without limitation, legal, accounting and audit expenses, title insurance, and transaction costs relating to the ultimate disposition of the Interests and dissolution of the Issuer, as well as the Issuer's proportionate share of the expenses associated with the ownership and maintenance of each Property through the hold period for such Property, including without limitation, property taxes, consulting services with respect to property taxes, and maintenance. Issuer Expenses do not include Selling Commissions, Offering Expenses, Concept Planning Expenses (defined below), the Management Fee (defined

below) and real estate commissions payable upon the ultimate disposition of the Interests.

The Issuer will establish the "***Reserve***" to fund Issuer Expenses and its collective share of the expenses for Concept Planning for all of the Properties (the Issuer's share of Concept Planning expenses is hereafter referred to as "***Concept Planning Expenses***"). As each Property is identified, the Issuer will establish a budget for the Issuer Expenses and for the Concept Planning Expenses for such Property (each, a "***Project Budget***"), and will set aside from the Gross Proceeds such amounts in the Reserve upon acquisition of the Interest. In order to ensure adequate funds are deposited in the Reserve for anticipated Issuer Expenses, a portion of the Gross Proceeds from the First closing will be deposited into the Reserve to be used for Issuer Expenses (the "***Minimum Issuer Expense Reserve***"). The Minimum Issuer Expense Reserve represents the expected minimum amount of issuer Expenses required in order to operate the Issuers through the anticipated hold period. The funds for the Reserve will be deposited by the Issuer into a non-interest bearing bank account in the name of the Issuer, and will not thereafter be commingled with the Issuer's other funds. Once the Reserve is established, the Issuer may use such funds only for Issuer Expenses, Concept Planning Expenses and the Management Fee (defined below). Funds set aside for Issuer Expenses and Concept Planning Expenses may be used to pay either of such expenses. Any portion of the Reserve that remains after the disposition of the final Interest will be distributed to the Issuer.

Under the Co-Ownership Agreement with respect to each Property, expenses associated with Concept Planning and with the ownership and maintenance of such Property will be shared by the Issuer and the respective Walton Acquisition Entity in proportion to their respective ownership interests in such Property at the time such expenses are incurred. Notwithstanding the foregoing, reasonably promptly after the Issuer's final acquisition of its Interests in a particular Property, the Issuer will make a one-time payment to the Walton Acquisition Entity that is the co-owner of such Property in such amount as will result in the Issuer and such Walton Acquisition Entity having paid all expenses associated with Concept Planning and with the ownership and maintenance of such Property incurred between the Issuer's initial acquisition of its Interest in the Property and the Issuer's final acquisition of its Interest in such Property in proportion to its final ownership Interest in such Property (with respect to each Property, the "***True-Up Payment***"). See "Plan of Operation – Concept Planning." See "Conflicts of Interest."

Management Fee

The Issuer will also set aside in the Reserve funds for an annual fee (the "***Management Fee***") equal to 2% of the Net Purchase Price (defined in "Plan of Operation – The Management Fee"), to be paid annually in advance to Walton USA for managing the Issuer's investment in each Property through the projected hold period; provided, however, that, Walton USA shall not be entitled to the Management Fee with respect to any Property after the projected eight-year hold period from the date of acquisition of such Property, and provided, further, that Walton USA shall refund the applicable pro rata amount of the Management Fee paid in advance for any year in which either of the following occurs: (i) WUSF 3 GP, LLC no longer serves, for any reason, as the

general partner of the Issuer, or (ii) the Issuer no longer owns any direct or indirect interest in any of the Properties. Once the Issuer has sold or otherwise disposed of its Interest in a particular Property, the Management Fee to which Walton USA would be entitled in subsequent years, if any, will be reduced proportionately based on the acquisition price of such Property relative to the aggregate acquisition price paid for all Properties held by the Issuer immediately prior to such sale. In such event, the remaining funds set aside for purposes of paying the Management Fee, if any, will be distributed to the Issuer as provided in the Partnership Agreement. Funds set aside for payment of the Management Fee may not be used to pay Issuer Expenses or Concept Planning Expenses without the consent of Walton USA in its sole and absolute discretion. The Management Fee will commence to accrue on the date of the First Closing.

Funding Agreement Although the General Partner believes that the funds to be set aside in the Reserve will be sufficient to cover, among other items, the Issuer Expenses and Concept Planning Expenses that the Issuer is expected to incur, the Issuer will enter into a funding agreement with Walton USA ("***Funding Agreement***"), whereby Walton USA will agree to fund from time to time the Issuer's share of Issuer Expenses and Concept Planning Expenses to the extent the amounts set aside in the Reserve to cover such expenses are insufficient; provided, however, that Walton USA's obligation to fund under the Funding Agreement Issuer Expenses and Concept Planning Expenses in excess of the amounts set aside in the Reserve for such expenses will be limited to an amount not exceeding at any one time an aggregate of 2.0% of the Gross Proceeds raised by the Issuer, to a maximum of $1,000,000. To the extent combined Issuer Expenses and Concept Planning Expenses exceed such amount, the Issuer may have to procure alternative financing to pay such excess and Walton USA will have no further funding obligations to the Issuer; however Walton USA may, in its sole discretion, elect to pay or fund amounts beyond its maximum revolving funding obligation. Any sums borrowed by the Issuer under the Funding Agreement will be repaid, with interest, to Walton USA prior to the Issuer making distributions to Unitholders.

Issuer Distributions The Issuer does not intend to make any distributions to Unitholders prior to the sale, in whole or in part, of its Interests in one or more of the Properties. Upon the sale of an Interest, after allowing for expenses and liabilities (including amounts, if any, owed by the Issuer to Walton USA under the Funding Agreement, and amounts the General Partner deems necessary or advisable to supplement the Reserve to fund future anticipated Issuer Expenses and Concept Planning Expenses associated with the Issuer's remaining Interests), the Issuer will distribute the net proceeds to Unitholders, to the extent that there is cash available for distribution. The Issuer cannot determine when a sale or other disposition will occur with respect to an Interest, or that any such transaction will allow the Issuer to meet its investment objectives.

When an Issuer distribution is made upon the sale of a Property, the distribution of the proceeds from such sale will be made in the following priority: (a) first, to pay Unitholders in proportion to and to the extent of each Unitholder's Base Amount and (b) second, to pay Unitholders in proportion to and to the extent of each Unitholder's Preference Amount. ***"Base Amount"*** means, for each Property and with respect to any Unitholder, (i) an amount equal to the capital

contributions of such Unitholder allocable to such Property (ii) less all prior distributions made by the Issuer to return all or part of the Base Amount allocable to such Property to such Unitholder. Each Unitholder's capital contribution will equal the purchase price of the Units purchased, inclusive of all commissions and fees payable by the Issuer to members of the Selling Group in connection with such purchase, if any. ***"Preference Amount"*** means, for each Property and with respect to any Unitholder, (i) a 10.5% annual cumulative non-compounded preferred return on such Unitholder's capital contributions allocable to such Property, calculated on a daily basis from the date of the issuance of the Units to such investor by the Issuer with respect to the total amount of such Unitholder's capital contributions allocable to such Property in the possession of the Issuer on such day, where such total is (A) increased when a capital contribution allocable to such Property is accepted by the Issuer (increased in an amount equal to such accepted capital contribution) and (B) decreased when capital contributions allocable to such Property are returned to such Unitholder through a payment made by the Issuer to return all or part of such Unitholder's Base Amount (decreased in an amount equal to such payment) (ii) less all prior distributions made by the Issuer to pay all or part of the Preference Amount to such Unitholder.

Upon the sale of a Property, and after distributing to each Unitholder the Base Amount and the Preference Amount allocable to such Property (or after setting aside an amount sufficient to provide for such distribution), to the extent there are remaining proceeds from the sale of such Property available for distribution, the Issuer will distribute 60% of such remaining proceeds to the Unitholders (pro rata based on their relative number of Units), and 40% to Walton USA or its affiliate as a special non-voting Class B Partner of the Issuer (such special interest in the Issuer referred to collectively or individually, as the context requires, as either the "***Carried Interest***" or the "***Class B Unit***"). Distributions of proceeds from any Property will be made independently of distributions of proceeds from any other Property. For more information regarding distributions, see "Summary of the Partnership Agreement; Rights of Unitholders; Description of Units – Distributions to Unitholders and Walton USA" and the form of Partnership Agreement attached as **Exhibit C**.

Decisions by Unitholders

Although the General Partner will manage the Issuer and the Issuer will manage each Property, certain important decisions by the Issuer can be made only by "***Extraordinary Action***," i.e., by an affirmative vote of the Unitholders holding at least 66⅔% of all Units voted on the matter. The Unitholders must approve by Extraordinary Action any sale of the Issuer's Interests; provided that the General Partner may decide on behalf of the Issuer to (i) sell or otherwise dispose of all or any portion of a Property comprised of Lots and/or (ii) sell or otherwise dispose of a portion of each Property (other than Properties comprised of Lots) constituting up to 10%, in the aggregate, of the total acreage of such Property, in either case without Unitholder approval. The General Partner shall put before the Unitholders for a vote any offer to purchase any of the Issuer's Interests that the General Partner deems in its reasonable discretion to be a bona fide offer on terms equal to or better than those generally available in the market. These and other rights of Unitholders are contained in the Partnership Agreement of the Issuer, in substantially the form attached as

Exhibit C to this Memorandum.

Restrictions on Transfer

The Units have not been registered under the Securities Act and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Restrictions on Transfer and Resale of Units." We do not intend to list the Units on any securities exchange or otherwise make them available for trading. The Units may not be sold, pledged or transferred without the prior consent of the General Partner, which may be withheld or granted in its sole discretion. In all events, the General Partner will impose transfer restrictions such that the Issuer is not viewed as a publicly traded partnership.

Purchaser Suitability Requirements

You should purchase Units only if you have substantial financial means, have no need for liquidity in your investment and can afford to bear the loss of your entire investment. Each U.S. investor must be an "accredited investor" as defined in Regulation D under the Securities Act. Non-U.S. Persons must meet the eligibility requirements set forth in Regulation S under the Securities Act. See "Who May Invest."

Plan of Distribution

The Units will be offered by the Managing Broker-Dealer, through such other FINRA-registered broker-dealers and any other agents or sub-agents selected by us. Members of the Selling Group will make offers and sales of Units on a "best efforts" basis. Units may also be offered directly to clients of investment advisers unaffiliated with FINRA-registered members of the Selling Group. See "Estimated Use Of Proceeds" and "Plan of Distribution."

Compensation to the Sponsor and its Affiliates

Walton USA, the Managing Broker-Dealer and their affiliates will receive substantial compensation from the Offering and sale of the Units, as well as from supervising the management of the Issuer, the sale of the Interests to the Issuer and the Concept Planning of each of the Properties. See "Compensation of Walton USA and its Affiliates," "Estimated Use of Proceeds," "Plan of Distribution" and "Risk Factors – Risks Related to Conflicts of Interest."

Offers to Purchase Units

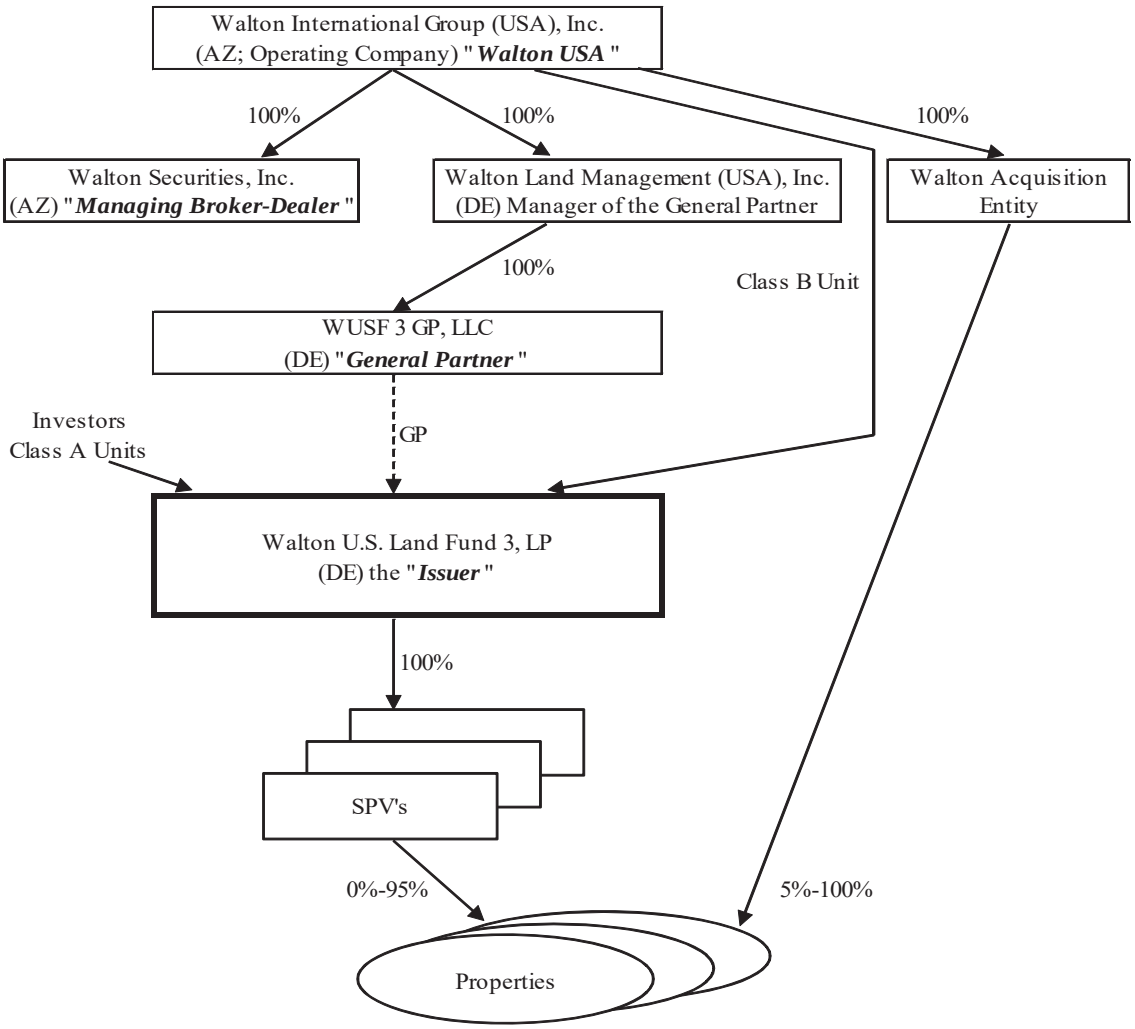
To offer to buy Units, you must deliver to your account representative a completed Subscription Agreement, together with a check (or, upon receipt of wiring information from your account representative, a wire transfer) to "*U.S. Bank, N.A. / WUSF3 Escrow*", in the amount of your investment. Funds raised by the Issuer will be deposited with the Escrow Agent which will hold them in escrow pending the Closing on the subscription. Such funds will be deposited for the benefit of investors in an interest bearing escrow account. The General Partner reserves the right to accept or reject, on behalf of the Issuer, subscriptions in whole or in part at its sole discretion and to close the subscription books at any time without notice. Subscription funds for subscriptions that the General Partner does not accept will be returned, with interest, promptly after the General Partner has determined not to accept such subscription.

Investment Risks

An investment in Units involves substantial risks. Consult your own independent counsel, accountant or business advisor as to legal and related matters concerning an investment in Units. You should carefully consider the risks described in this Memorandum. See "Risk Factors."

ENTITY ORGANIZATIONAL CHART

The structure of the entities in Walton that are involved in the Offering and will be involved in the Offering and in the management of the Properties after the completion of the Offering are as follows. This diagram assumes the completion of the Offering.



Walton USA will serve as the "tax matters partner" (within the meaning of Section 6231(a)(7) of the Internal Revenue Code of 1986, as amended) for the Issuer. Walton USA and WDMI are each wholly owned subsidiaries of Domaco Holdings, Inc., a Delaware corporation and a wholly owned subsidiary of Walton Global.

RISK FACTORS

An investment in Units will involve various risks and uncertainties. You should carefully consider the following risk factors in conjunction with the other information contained in this Memorandum before purchasing Units. The risks discussed in this Memorandum can adversely affect our operations, operating results, financial condition and prospects. This could cause the value of our Units to decline and could cause you to lose part or all of your investment. The risks and uncertainties described below are not the only ones that we face but do represent those risks and uncertainties presently known to us that we believe are material to our operations, operating results, prospects and financial condition. You should review the risks of this investment with your legal and financial advisors.

Potential subscribers should buy Units only to the extent that they are able to bear the risk of the loss of their entire investment and have no need for immediate liquidity. An investment in the Units should not be a major part of your portfolio of assets.

Risks Related to Investments in Real Estate

Because this is a blind pool offering, you will not have the opportunity to evaluate our investments before we make them, which makes your investment in us more speculative

As of the date of this Memorandum, the Issuer has not yet acquired or determined to acquire any specific interests in real estate with the net proceeds it will receive from the Offering. As a result, investors in the Offering will be unable to evaluate the real estate in which the net proceeds are invested and the economic merits of projects prior to investment, except for investments described in supplements to this Memorandum. Additionally, you will not have the opportunity to evaluate the transaction terms or other financial or operational data concerning our real estate investments. Although you must rely on us to evaluate investment opportunities, we may not be able to achieve our investment objectives, or we may make decisions that ultimately prove not to be in the Issuer's best interest. Further, we cannot assure you that acquisitions of interests in real estate made using the net proceeds of the Offering will be well suited for development and well positioned in the path of economic and population growth, and we cannot assure you that such properties will appreciate over time or be profitably sold.

We may suffer from delays in locating one or more suitable Properties to acquire, which could reduce the return on your investment

There may be a substantial period of time before the net proceeds of this Offering are used to acquire Interests in one or more suitable Properties. There can be no assurance that we will be able to identify or negotiate acceptable terms for the acquisition of any Interest that meets our investment criteria, or that we will be able to acquire any such Interest on favorable terms. If we were to be unsuccessful in locating suitable Properties in which to acquire Interests, we could ultimately decide to liquidate. Any delays we encounter in identifying and negotiating acquisitions of one or more Interests, or decision to liquidate if we are unsuccessful in locating Interests in one or more suitable Properties, could impact our financial performance and the value of the Units.

The value of each Property is subject to all of the risks associated with investing in real estate, which are unpredictable and beyond our control

Real estate investments are generally subject to varying degrees of risk depending on the nature of the property. Such risks include changes in general, national, regional and local economic conditions (such as the availability and cost of mortgage funds, which will in turn affect the demand for real estate), local real estate conditions (such as the supply and demand for residential, commercial or industrial real estate in the area), government regulation (such as usage, zoning, taxation of property and environmental

legislation), the attractiveness of properties to potential purchasers or developers and competition from other available properties. In addition, each segment in the real estate development industry is capital intensive and is typically sensitive to interest rates, which may affect our ability to meet our investment objectives. The Properties may not maintain their present value, increase in value, or be profitably developed.

Because of (a) the various costs and expenses, other than the cost of the Properties, included in the purchase price of the Interests, and (b) the amounts to be set aside in the Reserve to manage the Properties and fund the Issuer's operations throughout the anticipated hold period (see "Estimated Use of Proceeds – Determination of the Purchase Price"), achieving a return of your capital contribution, let alone a positive return on an investment in the Units, will be dependent upon the increase in the value of the Properties. We would expect that the increase in the value of the Properties will depend upon the expansion of local public infrastructure in the markets in which such Properties are situated combined with economic and population growth in such markets. We would also expect that the success of our investment in the Properties depends in particular on the impact of official regulations regarding the use of such Properties and their enforcement as well as on general economic conditions.

Throughout the U.S., the real estate market has been experiencing increased weakness and volatility. The increased default rates on sub-prime mortgages and their effect on the mortgage-backed securities market have significantly reduced the amount of debt financing available for real estate projects, in particular residential real estate projects, in the U.S. Additionally, developers of real estate projects have found financing of acquisition and development to be much more difficult to obtain, with more equity typically required to close such loans. This constraint will likely have an adverse impact on the real estate market. Some experts fear that as a consequence of steep declines in the amount of debt financing available for real estate projects, the current value of real estate investments could considerably decrease. These factors may have a negative impact on the value of one or more of the Properties, our ability to meet our investment objectives and the value of your Units.

Governmental condemnation powers could cause a forced sale possibly resulting in valuation and cost consequences to the Issuer

One risk inherent in the ownership of the Properties is the possibility that they will be taken either in whole or in part by a public authority with the power of eminent domain in a condemnation proceeding. Such a forced sale could have adverse consequences if, for example, the amount the Issuer and a Walton Acquisition Entity receive as compensation for the taking is less than the anticipated value of a Property, or if a partial condemnation and taking impairs, or requires substantial changes in, our development plans for such Property for which severance damages, if any, are inadequate. Such changes could also result in increased development costs for the Property, which could depress the price at which it could be sold. Similarly, in the event that a Property is the subject of a condemnation action, the Issuer could incur unanticipated legal, expert witness and related litigation expenses.

Declining general economic or business conditions may have a negative impact on our business

Concerns over inflation, geopolitical issues, the availability and cost of credit, the U.S. mortgage market and the steep decline in the U.S. real estate market have contributed to increased volatility and diminished expectations for the U.S. and global economies, and expectations of slower global economic growth going forward. These factors, combined with declining business and consumer confidence and increased unemployment, have precipitated a global economic slowdown. If the economic climate in the U.S. does not improve or deteriorates, our ability to implement our business plan could be adversely affected, which would negatively impact our financial performance and the value of your Units.

In certain regions, there is a risk that the supply of water to a Property may be inadequate for the full development contemplated on such Property, and even if available, such water may be costly

Some of the regions in which one or more of the Properties may be located have limited water resources. Water shortages in these regions are possible, which would inhibit growth and reduce the value of any Properties that are located in these regions. In addition, the designated water purveyors for the areas in which the Properties are located may not have sufficient water available to service urban development. There can be no assurance that water or wastewater services will be available to serve the contemplated development of a Property on terms that are acceptable to the Issuer.

In Texas, there is a potential of loss of a portion of the surface of a Property if the owners of the mineral rights choose to explore for minerals without the involvement of the Issuer

With respect to acquisitions, if any, of Interests in Properties in Texas, the Issuer and the Walton Acquisition Entity may not be able to acquire the full mineral estate of a Property, and/or may not have full or adequate control of the surface rights of such Property. Although it is anticipated that, if such circumstances were to arise, steps would be taken during Concept Planning to identify and set aside optimal drill sites on the affected acreage, there is a risk that drilling activities could occur on such a Property in locations that could adversely affect the value of such Property.

The entitlements for property in Maryland may not be vested until construction commences

Vesting laws in the State of Maryland are largely not statutory, but have developed through the State courts. These laws can vary somewhat based on the variables regarding any particular property, but generally require that (a) the zoning for the property allows the use in question as a "permitted use"; (b) the necessary construction permits have been issued; and (c) actual physical commencement of significant, and in good faith, construction be undertaken. Because the Issuer does not intend to undertake any construction or physical improvement of Properties in Maryland, if any, there is a risk that entitlements would not be deemed vested during the anticipated hold period of such Properties. In such event, the additional costs that would potentially be incurred by a prospective purchaser may adversely impact the marketability of such Properties, which could negatively impact our financial performance and the value of your Units.

We cannot predict the future political and economic climate in the states in which the Properties are located

Levels of local government and the federal government in the states in which the Properties are located could implement policies that would have an adverse affect on the value of such Properties. Examples of such policies are tax reform, land use restrictions, land ownership restrictions, transportation policies, development moratoriums, annexation proceedings or other adverse economic or monetary policies. A decline in the economy in any of these states may adversely affect the local economy and limit urban development in such states. Finally, projections regarding future growth in any of these states may ultimately prove to be inaccurate.

For the Properties to be developed, it will likely be necessary to enter into development agreements, and obtain zoning and other approvals from local government agencies

For the future development of one or more of the Properties, it will likely be necessary to enter into a development agreement, and obtain zoning and other approvals from local government agencies. The process of obtaining these approvals may take many months and the costs of holding the Properties will accrue while regulatory approvals are being sought. These approvals may not be received in a timely manner or not be received in a manner that is acceptable to us. Failure to obtain acceptable approvals in a

timely manner could have a significant negative effect on the value of a Property and, in turn, on the value of the Units.

In seeking to market and dispose of the Interests, the Issuer will compete with other investors, developers, and owners of properties

Some of our competitors may be better capitalized than the Issuer, their properties may be better located than the Properties, or they may have some other advantage relative to us. Certain of these competitors might have greater financial and other resources and greater operating flexibility than the Issuer. The existence of competing developers and owners could have a material adverse effect on the ability of Walton USA, the General Partner and their affiliates to market the Properties and could adversely affect the profitability of the Issuer.

The Issuer may experience uninsured losses

Although the Issuer intends to insure each of the Properties in a manner we believe to be appropriate, there may be risks that we have not foreseen and against which we have not insured. There are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters that are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. Insurance risks associated with potential acts of terrorism could sharply increase the premiums we pay for coverage against property and casualty claims. Even in cases where we have insured against a particular risk, we may incur losses related to a Property in excess of our policy limits with respect to such Property, and any coverage obtained may be subject to large deductibles or co-payments. We will not be able to insure against the total loss of the value of any of the Properties nor the total value paid by the Unitholders for the Units.

The Issuer may be subject to environmental liabilities with respect to one or more Properties

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous real property owner or operator may be liable for the cost to remove or remediate hazardous or toxic substances on, under or in such property. These costs could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the hazardous or toxic substances. Environmental laws also may restrict how the property may be used or businesses may be operated, and these restrictions may require substantial expenditures and may limit our ability to market the Properties and sell such Properties to prospective purchasers that may be affected by such laws. These restrictions may also affect our ability to borrow money using the Interests as collateral. Environmental laws provide for sanctions for noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances. Third parties may seek recovery from real property owners or operators for personal injury or property damage, or both, associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury or property damage claims could be substantial and significantly reduce the value of your investment. Additionally, the dual jurisdiction of both the federal and state governments raises the risk of regulatory conflict or "second guessing" with respect to remediation of the Properties. Inconsistencies between federal, state and local laws and regulations and their implementation involve the risk of uncertain time frames and unquantifiable costs in pursuing environmental remediation of the Properties. No assurance can be given as to the timeliness of required administrative reviews, approvals and other actions by environmental regulators with jurisdiction over any required remediation of the Properties. Furthermore, it is possible that remediation standards applied by federal and state regulators will be made more stringent or will be modified materially in the future.

There is a potential for the discovery of archeological sites on a Property

It is possible that an archeological site will exist on a Property without our knowledge when such Property is acquired. The presence of an archeological site may require the Issuer to preserve the site at its expense and may prevent the development of all or part of such Property. Even if there is ultimately found to be nothing of archeological value on such Property, the Issuer may be required to respond to claims that archeological sites are there. Defending against such claims, even if we were ultimately successful, may be expensive and may hamper our ability to meet our investment objectives.

There is a potential for the discovery of adverse soil conditions on a Property

The possibility exists that adverse soil conditions may exist on a Property. If adverse soil conditions were found to exist on a Property, the Issuer believes these conditions would likely not be detrimental to developing such Property vis-à-vis neighboring properties, as nearby competing sites would likely also have similar soil conditions. Furthermore, in those regions in which adverse soil conditions exist, developers are accustomed to such conditions. Nonetheless, the possibility exists that adverse soil conditions on a Property could increase the costs of development of such Property, which would adversely affect its value and the value of your investment.

There is the potential for the discovery of biologic sensitivity on a Property

It is possible that a Property will become subject to biologically sensitive issues. Furthermore, the biologic condition of a Property could change over time given the ever changing and migratory attributes of flora and fauna. Additionally, the Issuer could be required to take actions to mitigate any current or subsequent biologic sensitivity on a Property, or the impact development of such Property may have on sensitive biological resources. Any such mitigation requirements could have a material adverse effect on the value of a Property and our ability to meet our investment objectives.

Risks Related to the Issuer and the Units

Because no public trading market for your Units exists and there will be other restrictions on your ability to sell or transfer your Units, an investment in Units will be illiquid

There will be restrictions on your ability to sell or transfer your Units. There is no public market for the Units and we do not intend to list the Units on any securities exchange. In addition, we are selling the Units in reliance upon exemptions from registration under the Securities Act and applicable state securities laws. As a result, the Units may not be sold unless they are subsequently registered under the Securities Act and applicable state securities laws, if so required, or unless an opinion of counsel or other evidence satisfactory to us and our counsel is obtained that states such registration is not required. Furthermore, any person who buys Units from you may be required to meet investor suitability requirements imposed by the Issuer and applicable law. All transfers of Units must receive the General Partner's consent, which may be granted or withheld at the General Partner's sole discretion, and must comply with the Partnership Agreement. Accordingly, you may be unable to dispose of your Units and may be required to hold them indefinitely. As such, you may not be able to liquidate your investment in the event of emergency or for any other reason. If you are able to transfer your Units, the price received for any Units sold may be less than the proportionate value of our assets. In addition, Units may not be used as collateral for a loan without the prior consent of the General Partner, which may be withheld or granted in its sole discretion. You should consider the purchase of Units only as a long-term investment. See "Restrictions on Transfer and Resale of Units."

The Issuer's investments may not be significantly diversified and are not guaranteed; the Issuer will not make distributions except in connection with the sale of some or all of the Interests

Although the Issuer anticipates acquiring Interests in more than one Property in more than one strategic submarket in the United States, the Issuer may not have a significantly diversified portfolio of real estate assets. Because the Interests are not expected to generate significant income, the Issuer is not expected to make distributions to Unitholders except in connection with the sale of the Issuer's Interests in one or more Properties. The Issuer's financial performance will be directly tied to the market value of the Properties, and changes in their value will directly affect the value of your Units. Any losses of your investment in the Units will not be guaranteed by Walton USA or any other member of Walton.

The Issuer must rely on Walton USA and its affiliates to conduct its operations and manage each of the Properties

Most decisions regarding the management of the Issuer's affairs and the Properties, including the decision to sell Lots and Properties comprised of Lots, will be made exclusively by the officers and directors of the General Partner's manager and not by the Unitholders. Accordingly, prospective investors must carefully evaluate the personal experience and business performance of the officers and directors of the General Partner's manager. The General Partner may retain contractors, including affiliates of the General Partner and Walton USA to provide services to the Issuer. In particular, it is anticipated that under the PDCP Agreement, WDMI will oversee and engage in Concept Planning for each of the Properties. Any adverse changes in the financial condition of Walton USA or its affiliates, such as WDMI, or our relationship with them could hinder the General Partner's ability to successfully manage our operations, the Interests and the Properties. If the General Partner is removed as the general partner of the Issuer or ceases to act in that role for any other reason, it is possible that third-party managers would need to be engaged and compensated by the Issuer or the Unitholders. In such a situation, it is also possible that other agreements between the Issuer and affiliates of Walton USA, such as the PDCP Agreement, could be terminated.

Unitholders have limited participation and consultation rights and may not remove the General Partner except by Extraordinary Action and only for Cause

Unitholders will have limited rights to participate in decisions relating to the management of the Issuer, its Interests or the Properties. Management of the Issuer is vested solely in the General Partner which is controlled by and affiliated with Walton USA and may not be removed by the Unitholders except by Extraordinary Action and only for Cause. "***Cause***" means any act or failure to act by the General Partner relating to the performance of its duties under the Partnership Agreement that constitutes gross negligence, fraud, willful misconduct, or a breach of any of its material obligations under such Partnership Agreement, which breach has a material adverse effect on the Issuer or the Unitholders of the Issuer and such breach is not substantially cured within 60 days (or is not in the process of being substantially cured within 60 days and is not substantially cured within 120 days) after receipt by the General Partner of written notice from a Unitholder. Even if the General Partner were removed by the Unitholders, Walton USA and its affiliates may still be entitled to compensation pursuant to the Carried Interest, the PDCP Agreement and the Funding Agreement, none of which may be terminated unilaterally by the Issuer. Furthermore, Walton USA could terminate its engagement under a Co-Ownership Agreement to carry out the Issuer's duties as manager of a Property, which could require the Issuer to hire a third party to provide such services. These potential costs and the potential costs of retaining a new general partner may dissuade Unitholders from removing the General Partner.

In addition, excluding the ability of the Unitholders to remove the General Partner as described above, Unitholders may not, without the consent of the General Partner which may be withheld in its sole discretion, make any amendment to the Partnership Agreement or cause the Issuer to take any action, including but not limited to: (i) a sale, transfer or encumbrance of all or a portion of the Interest or any

other assets of the Issuer or (ii) a merger of the Issuer, dissolution of the Issuer, or other event that would result in the termination of the existence or operations of the Issuer. The Unitholders of the Issuer will have only limited approval rights on certain major issues such as the sale of the Interests, merger or sale of all of the assets of the Issuer or the granting of a lien on the Properties. See "Summary of the Partnership Agreement; Rights of Unitholders; Description of Units – Meetings; Voting and Other Rights of Unitholders."

Matters subject to a Unitholder vote are based on votes cast rather than votes entitled to be cast

At Unitholder meetings for the Issuer, quorum will be achieved by the presence of Unitholders representing 33⅓% of the aggregate number of the Issuer's outstanding Class A Units entitled to vote at the meeting. Certain matters require approval of Unitholders at a meeting, based on votes cast at the meeting, rather than votes entitled to be cast. As a result of the foregoing quorum and voting thresholds, matters requiring Extraordinary Action may be approved by Unitholders representing as little as 23% of the aggregate number of outstanding Class A Units entitled to vote, and matters requiring Ordinary Action may be approved by Unitholders representing as little as 17% of the aggregate number of outstanding Class A Units entitled to vote.

If an insufficient number of Units are sold in this Offering, the Issuer may not have adequate funds to implement its business strategy, to pay Issuer Expenses and Concept Planning Expenses, or to acquire Interests in a significant number of Properties

We have retained Walton Securities, an affiliate of the General Partner's manager, to conduct this Offering. The success of this Offering, and our ability to implement our business strategy, is dependent, in part, upon the ability of Walton Securities to sell our Units through its network of broker-dealers to their clients. We may conduct our First Closing with subscriptions for 300,000 Units. Although the Minimum Issuer Expense Reserve will be funded at the First Closing (which may result in proportionately more funds allocated to the Reserve than to Properties), if an insufficient number of additional Units are sold, the Reserve may be less than fully funded. In such a case, the Issuer would be more reliant than it otherwise would be on financing by Walton USA or third parties. Additionally, if we do not sell all Units available in this Offering, we may not be in a position to acquire Interests in as many properties, or to acquire interests in properties in as many sub-markets, as we would otherwise, which may limit our geographic diversification.

The Properties are not expected to generate significant income prior to their disposition, and the Issuer will be dependent on funding from Walton USA if the Reserve is exhausted

The Properties are not expected to generate significant income prior to their disposition, and may generate no income at all. The Issuer may need to rely on funding by Walton USA under the Funding Agreement to pay Concept Planning Expenses and Issuer Expenses in excess of the reserved funds, particularly if market and economic conditions delay sale of the Interests. All costs advanced by Walton USA under the Funding Agreement will be repaid, with interest, before the Issuer's Unitholders receive any return on their Units, which could materially reduce the proceeds available to the Unitholders from the sale of the Interests. Additionally, in the event that funding under the Funding Agreement is insufficient or otherwise unavailable, the Issuer will have to find other sources of funding to fund their ongoing costs and expenses. Alternative debt financing may not be available or may not be available on terms that are acceptable to the Issuer.

The ability of Walton USA and its affiliates to satisfy their obligations to the Issuer could be impaired by the financial condition of Walton USA and other Walton members

Walton USA is part of a global group of interrelated asset management and real estate-related companies directly or indirectly owned by Walton Global. There exist intercompany financial obligations among numerous members of Walton, including Walton USA. These intercompany obligations could impair the ability of Walton USA and its affiliates to satisfy their obligations to the Issuer, including but not limited to Walton USA's obligations under the Co-Ownership Agreement and the Funding Agreement. Additionally, if there is a material adverse change in the operations of certain of Walton USA's affiliates, or in the operations of other entities with whom Walton USA has entered into funding arrangements similar to the Funding Agreement, the financial performance of Walton USA could be adversely impacted, which could further impair the ability of Walton USA and its affiliates to satisfy their obligations to the Issuer.

If the Issuer or a Walton Acquisition Entity defaults in repaying any indebtedness secured by their interests in a Property, their creditors will be entitled to exercise available legal remedies against them, including potential recourse against their respective interests in such Property

Walton USA will hold deeds of trust (the "***Deeds of Trust***") over the Interests as security for the Issuer's obligation for amounts advanced, if any, by or on behalf of Walton USA under the Funding Agreement. If the Issuer defaults in its obligations to Walton USA or other creditors, there may not be assets available to recover any part of your investment in the Units after Walton USA or other creditors exercise their remedies. Additionally, a Walton Acquisition Entity may, with Special Consent under a Co-Ownership Agreement with respect to a Property (which consent may be given on behalf of the Issuer by the General Partner in its sole discretion without approval by the Unitholders), encumber its interest in such Property. If a Walton Acquisition Entity defaults under any obligations secured by its interest in a Property, it is possible that a third-party creditor could acquire its interest through foreclosure of such Property. Such a party, as a co-tenant of such Property, may seek to dispose of its interest in such Property at a substantial discount to the value paid by the Unitholders and may take other actions which could significantly affect the value of the Interests or your investment in the Units.

Unitholders will have no right to use any of the Properties

Unitholders will have no right to use, occupy, or seek partition of, any part of any of the Properties, nor may any purchaser of Units encumber any part of any of such Properties.

The Properties may be subject to leases

Leases, including short-term leases, may encumber a Property upon acquisition, or may be negotiated from time to time with third parties for the purposes of offsetting some of the ongoing administrative, preliminary development and operating costs of the applicable Walton Acquisition Entity and the Issuer with respect to such Property, provided that such leases not interfere with Concept Planning or efforts to market and sell the Properties. Any such lease revenue, which is anticipated to be minimal, will become part of the Reserve and distributed to the Issuer if not expended during the hold period. However, there can be no guarantee that revenues so derived, if any, will be sufficient to offset such costs. Any Property may be subject to third-party leases for all or part of such Property in the future. See "Risk Factors – Risks Related to Conflicts of Interest."

The Unitholders may lose limited liability protection upon dissolution of the Issuer

Upon dissolution of the Issuer, the Unitholders may receive in kind distributions of undivided interests in the Issuer's assets and would no longer enjoy limited liability with respect to the ownership of such assets.

Non-public offerings are subject to heightened regulation

The regulatory environment in which this Offering is made is subject to heightened regulation. In addition to the Dodd-Frank Wall Street Reform and Consumer Protection Act, ongoing debate continues about potential new rules or regulations to be applicable to private equity funds or other alternative investment products. The passage of new laws or regulations could make compliance more difficult and expensive, which could adversely impact the Issuer's financial performance.

Risks Related to Conflicts of Interest

Walton USA and its affiliates, including the General Partner, will face conflicts of interest caused by their compensation arrangements with the Issuer

Walton USA and its affiliates will receive substantial fees and other forms of compensation from the Issuer. Walton Securities will receive compensation as the Managing Broker-Dealer of this Offering, Walton USA or one of its affiliates will receive the Carried Interest, and Walton USA will receive the Management Fee. In addition, the General Partner may, on behalf of the Issuer, have the opportunity to retain and compensate its affiliates to act for the Issuer as consultants or in some other capacity. Although affiliates of the General Partner that are compensated by the Issuer for providing services to or on behalf of the Issuer must, except with respect to services provided on terms approved by Unitholders holding 66⅔% of all Units voted on the matter, provide such services on commercially reasonable terms, as determined by the General Partner in good faith, fees payable in respect of such services could nonetheless influence the General Partner's management of the Issuer, the Issuer's management of the Properties and the judgment of the General Partner and its affiliates. Among other matters, these compensatory arrangements could affect their judgment with respect to:

- the continuation, renewal or enforcement of agreements, and the fees and other terms of agreements, entered into on the Issuer's behalf with Walton USA affiliates, including the agreement with the Managing Broker-Dealer, the PDCP Agreement, the Funding Agreement and the Co-Ownership Agreement;
- whether to borrow funds under the Funding Agreement, which would entitle Walton USA to interest on the loaned amount.

The existence of the Carried Interest may influence the General Partner to expose the Issuer to more risk than it would otherwise

The existence of the Carried Interest may influence the General Partner to expose the Issuer to more risk than it would otherwise, because the Carried Interest will entitle Walton USA or one of its affiliates to compensation only after the Issuer has provided its Unitholders with a specified return with respect to a Property. In addition, the ability of Walton USA or one of its affiliates to earn such performance compensation with respect to a Property will be calculated independently from the returns on all other Properties, and therefore will not be affected by the returns in the past or the future with respect to any other of the Issuer's Properties. See "Summary of the Partnership Agreement; Rights of Unitholders; Description of Units." The General Partner will put before the Unitholders for a vote any offer to purchase one or more of the Issuer's Interests that the General Partner deems in its reasonable discretion to be a bona fide offer on terms equal to or better than those generally available in the market. However, the General Partner will retain a certain amount of discretion with respect to the timing of any such sale and the steps taken to secure third-party offers and as such may have an incentive to seek a higher overall return than certain Unitholders may consider in their best interests. See "Plan of Operation — Co-Ownership and Management of the Properties — Fundamental Decisions."

Walton USA, its affiliates and their employees, including the officers and directors of the General Partner's manager, will face competing demands for financial support and time, and this may cause our operations and your investment to suffer

The Issuer may depend upon Walton USA for financial support under the Funding Agreement. Moreover, the Issuer does not and will not have any employees, and will rely on the employees of Walton USA and its affiliates for their day-to-day operations. In addition, all of the officers and directors of the General Partner's manager are also officers and/or directors of Walton USA and/or its affiliates. Walton USA, its affiliates and their employees, including the officers and directors of the General Partner's manager, have interests in other programs and engage in other business activities, and it is reasonably foreseeable that they will have, in the future, interests in other programs and engage in other business activities. As a result, Walton USA, its affiliates and their employees, including the officers and directors of the General Partner's manager, will have conflicts of interest in allocating their financial support and time between us and other programs and activities in which they are currently, or may reasonably be expected to be, involved in the future. There is no assurance that Walton USA, its affiliates and their employees, including the officers and directors of the General Partner's manager, will devote adequate time to the Issuer's operations. If Walton USA, its affiliates and their employees, including the officers and directors of the General Partner's manager, suffer or are distracted by adverse financial or operational developments in connection with their operations unrelated to the Properties, they may allocate less time and resources to their responsibilities regarding it, which may adversely affect the value of your investment.

Neither Walton USA, the General Partner, the General Partner's manager, nor any of their respective officers or directors owes any fiduciary duties to the Issuer, but their officers and directors owe fiduciary duties to Walton USA and its affiliates, and may owe fiduciary duties to other Walton USA-sponsored programs, which duties could conflict with the Issuer's best interests

Neither Walton USA, the General Partner, the General Partner's manager, nor any of their officers or directors owes any fiduciary duties to the Issuer, and if the Issuer suffers a loss, you and the Issuer may have fewer claims against them than if they did owe the Issuer fiduciary duties. The Issuer has no officers of its own and is completely reliant on the officers and directors of the General Partner's manager for its management and for the management of the Properties. In addition to serving as officers and/or directors of the General Partner's manager, Messrs. Doherty, Keister, Leinbach and Price also serve, along with Messrs. Terrill and Cooney, as officers and/or directors of other entities in Walton. In these capacities, the officers and directors of the General Partner's manager and Walton USA owe fiduciary duties to the General Partner's manager and Walton USA and may owe fiduciary duties to other entities formed in connection with programs sponsored by Walton. As a result of these affiliations, Messrs. Doherty, Keister, Leinbach, Terrill, Price and Cooney each owe fiduciary duties to these various other entities but not to the Issuer. The fiduciary duties of the officers and directors of the General Partner's manager and Walton USA may from time to time conflict with the General Partner's and Walton USA's contractual duties to the Issuer. Their loyalties to entities other than the Issuer could result in action or inaction that is detrimental to the Issuer and your return on your investment in the Issuer.

The General Partner has limited assets to support claims against it

The General Partner has, and will continue to have, limited assets and financial resources, which will affect its ability to pay any damages in the event it is subject to a lawsuit brought by the Issuer or a Unitholder. Similarly, although the General Partner has agreed to indemnify and hold harmless the Issuer from and against all costs incurred and damages suffered by the Issuer as a result of gross negligence, willful misconduct or fraudulent act by the General Partner, the General Partner's limited financial resources will affect its ability to indemnify the Issuer. The amount of any such indemnity will be limited

to the extent of the assets of the General Partner and will under no circumstance include the assets of any affiliate of the General Partner.

The General Partner may elect not to obtain an independent appraisal of any Property

The General Partner may, but will not be required to, obtain an independent appraisal of a Property. Because the price to be paid by the Issuer to acquire the Interests reflects, in part, our estimate of the costs necessary to locate, analyze and market the investment, an appraisal of a Property may not reflect these factors (see "Estimated Use of Proceeds – Determination of the Purchase Price"). Additionally, the purchase price to be paid by the Issuer to acquire its Interests will not be the subject of arm's-length negotiations between the General Partner and the Walton Acquisition Entity.

The Managing Broker-Dealer is an affiliate of the General Partner and Walton USA, which may impact the level of due diligence performed

Because Walton Securities, our Managing Broker-Dealer, is an affiliate of the General Partner and Walton USA, you will not have the benefit of an independent managing broker-dealer due diligence review and investigation of the type normally performed by an independent underwriter in connection with a registered, firm commitment offering of securities.

Walton USA may face a conflict of interest with the Issuer under the Funding Agreement

If Walton USA becomes a lender to the Issuer under the Funding Agreement, it may influence the General Partner, which is a Walton USA affiliate, in ways that increase the likelihood that the Issuer will repay its debt to Walton USA but may not be in the best interest of the Issuer, such as influencing the General Partner to manage the Issuer so conservatively that the return on your investment in Units is negatively affected. Walton USA may also affect the Issuer's ability to obtain third-party financing. Except for certain permitted third-party financings (see "Plan of Operation – The Funding Agreement"), Walton USA must consent to the Issuer borrowing funds from a third party. Walton USA will also have a senior lien on the Interests, with respect to which third-party lenders may take a senior position only with Walton USA's consent. In the event the Reserve is depleted (excluding amounts set aside for the Management Fee), the officers and directors of the General Partner's manager and Walton USA may be subject to a conflict between the interests of Unitholders, which may be best served by continuing with Concept Planning, and the interests of Walton USA in its own right, which may be funding Concept Planning Expenses under the Funding Agreement.

Furthermore, the ability to declare an event of default under the Funding Agreement rests entirely with Walton USA. Walton USA may, at its election, declare an event of default under certain circumstances including the occurrence or threat of occurrence of adverse changes to the business of the Issuer or the General Partner. Upon declaring an event of default, Walton USA may withhold funding otherwise required by the Funding Agreement, declare the then outstanding balances (including accrued and unpaid interest) due from the Issuer payable immediately or enforce any and all of its rights under the Deeds of Trust and any promissory note issued in connection therewith. If Walton USA were to declare an event of default under the Funding Agreement, it could foreclose on the Interests. See "Plan of Operation – Expenses of the Offering – The Funding Agreement."

The Issuer's Legal Counsel also serves as legal counsel to Walton USA, which may result in a conflict of interest with respect to directing representation of the Issuer

DLA Piper LLP (US) ("***DLA Piper***") is counsel to the Issuer with respect to the structure of this Offering. In addition, DLA Piper has advised Walton USA with respect to various matters, including the formation of the Issuer, and DLA Piper has advised other programs sponsored by Walton USA. DLA Piper continues to represent Walton USA and such other programs and may represent other affiliates of Walton

USA in the future. Although DLA Piper represents the Issuer, Unitholders should be aware that DLA Piper serves the Issuer at the direction of the General Partner, which is an affiliate of Walton USA. The interests of the General Partner may conflict with those of the Issuer and the Unitholders. Those conflicts could influence the judgment of the General Partner with respect to directing DLA Piper's representation of the Issuer. DLA Piper does not represent individual Unitholders. Unitholders should seek independent counsel in connection with their investment decisions.

The Issuer may, from time to time, retain as consultants or otherwise Persons with whom Walton USA or its affiliates, or both, have prior business relationships and with whom Walton USA or its affiliates, or both, may have an interest in preserving their relationship

The Issuer may, from time to time, have the opportunity to retain third parties, to act for the Issuer as consultants or in some other capacity, with whom Walton USA or its affiliates, or both, have prior business relationships and an interest in preserving their relationship. If the Issuer retains any such parties, the General Partner (as an affiliate of Walton USA) may experience a conflict between the interests of the Issuer and the interests of Walton USA and its affiliates in preserving any ongoing business relationships with that party. Although the Partnership Agreement for the Issuer provides that affiliates of the General Partner that are compensated by the Issuer for providing services to the Issuer must provide such services on commercially reasonable terms, this conflict may result in our paying more for these services than might otherwise be the case.

A conflict of interest could arise relating to the sale of properties Walton USA and its affiliates have sponsored in the same geographic area as a Property

Walton USA and its affiliates have sponsored private real estate programs with investment objectives similar to the Issuer's in the past and may become involved in other such programs in the future. Some of the past programs have sold their properties and are completed, while others are ongoing. To the extent that other programs sponsored by Walton USA or its affiliates own any of these parcels in the same geographic area, or even within the same master plan, as a Property, a conflict of interest could arise relating to the sale or rental of properties because such Property and such other programs will likely compete for the same buyers or other business counterparties if we were to attempt to sell or lease such Property at or around the same time as other properties owned or managed by Walton USA and its affiliates. Walton USA and its affiliates may establish differing terms for sales or leasing of the various properties or differing compensation arrangements for personnel at different properties. In addition, Walton USA and its affiliates may believe that the overall value of properties owned by more than one program sponsored by Walton USA and its affiliates may be enhanced through the sale of multiple properties in a single transaction. As such, it is possible that Walton USA and its affiliates may seek the sale of a Property as a part of a larger transaction involving multiple properties managed by Walton USA or its affiliates, which may result in offers with respect to such Property at less than optimal times on less than optimal terms, although any such offer would require approval by Special Consent. In addition, it is possible that a proposed transaction involving multiple properties, including a Property, fails to be consummated – despite the approval of the Unitholders – because the proposed transaction is rejected by the owners of the other properties.

The Issuer may have conflicting interests with a Subsequent Co-owner of a Property, if any

To the extent that we have not received sufficient subscriptions for the Maximum Offering on or before the Final Closing, unsold interests in a Property may be sold to a Subsequent Co-Owner. There can be no assurance that the investment objectives of the Subsequent Co-Owner in such Property will be met without conflict. In the event of a conflict between the Issuer and the Subsequent Co-Owner over a matter involving the Property requiring Special Consent, such matter may be resolved in favor of one co-owner over the other.

Risks Related to Tax and Regulatory Matters

An investment in the Units involves complex U.S. federal income tax considerations which will differ for each investor. The discussion of certain U.S. federal income tax considerations contained in this Memorandum is provided for information purposes only and does not purport to be a complete analysis or discussion of all potential tax considerations that may be relevant to the acquisition of Units. In particular, this Memorandum does not contain a discussion of state, local or non-U.S. tax considerations related to the acquisition of Units. The discussion of certain U.S. federal tax considerations contained in this Memorandum neither binds the Internal Revenue Service ("***IRS***") nor precludes it from adopting a contrary position. U.S. federal income tax treatment of the Issuer and Unitholders that is materially different from the treatment discussed in this Memorandum might occur, including the taxation of the Issuer as a corporation (rather than as a partnership), the taxation of Unitholders at ordinary income tax rates (rather than at long-term capital gains rates), or the treatment of income and/or gain from the Issuer as unrelated business taxable income. Furthermore, Unitholders may be required to pay annual income taxes in respect of their Units even though no distributions have been made. The Issuer will not be obligated to make distributions to cover any Unitholder's income tax liability arising from such Unitholder's ownership of Units. Prospective investors are urged to consult their own tax advisors prior to investing in the Issuer with respect to their specific U.S. federal, state, local, and non-U.S. tax consequences from the acquisition of Units in the Issuer. The Issuer has not requested and will not request any rulings from the IRS concerning the federal income tax matters discussed in this Memorandum. See "Certain Federal Tax Considerations."

If the True-Up Payment is deemed to establish "acquisition indebtedness," UBTI may be generated to tax-exempt Unitholders in the Issuer

Although the General Partner believes that such a determination is unlikely, the True-Up Payment may be deemed to establish "acquisition indebtedness." If such a determination is made, and if such "indebtedness" is not satisfied significantly prior to income being earned by the Issuer from such Property, UBTI may be generated to tax-exempt Unitholders. Although there can be no assurance in this regard, the amount of such potential "acquisition indebtedness," if any, is not expected to be significant, and any such acquisition indebtedness is anticipated to be satisfied prior to income being earned by the Issuer from its Interests.

A determination that the Issuer is subject to the U.S. Investment Company Act or the U.S. Investment Advisers Act could adversely affect the Issuer and the value of your Units

The General Partner intends to cause the Issuer to invest its assets in such a way that neither the Issuer nor any of its subsidiaries will be subject to, or required to register under, the U.S. Investment Company Act of 1940, as amended (the "***Investment Company Act***"). Furthermore, the General Partner intends to cause the Issuer to conduct its activities so as to not be subject to, or required to register under, the U.S. Investment Advisers Act of 1940, as amended (the "***Investment Advisers Act***"). Unitholders will not have the benefits and protections arising out of registration under the Investment Company Act or the Investment Advisers Act. Furthermore, if the Issuer were required to register under either the Investment Company Act or the Investment Advisers Act, the Issuer would have to comply with a variety of substantive requirements, rules and regulations that would significantly change the Issuer's operations and could adversely affect the operating results and financial performance of the Issuer. If the Issuer were required to register under the Investment Company Act or the Investment Advisers Act, but failed to do so, the Issuer would be prohibited from engaging in its business, and criminal and civil actions could be brought against the Issuer. Moreover, the Issuer's contracts would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of the Issuer and liquidate its business.

ESTIMATED USE OF PROCEEDS

The following table estimates the use of the Gross Proceeds to the Issuer from the Offering in the event 300,000 Units, 5,000,000 Units or 10,000,000 Units are sold in the Offering:

	Assuming 300,000 Units		Assuming 5,000,000 Units		Assuming 10,000,000 Units	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Gross proceeds	$3,000,000	100.0%	$50,000,000	100.0%	$100,000,000	100.0%
Organizational and Issue Costs:						
Selling commissions [(1)(3)]	$210,000	7.0%	$3,500,000	7.0%	$7,000,000	7.0%
Selling Group members' fee [(2)(3)]	$90,000	3.0%	$1,500,000	3.0%	$3,000,000	3.0%
Offering Expenses [(4)]	$27,142	0.9%	$452,359	0.9%	$904,719	0.9%
Net proceeds [(5)]	$2,672,858	89.1%	$44,547,641	89.1%	$89,095,281	89.1%
Use of Net proceeds:						
Land and Reserves						
Land and third-party Reserves	$1,684,509	56.1%	$28,075,148	56.1%	$56,150,296	56.1%
Management Fee [(6)]	$368,670	12.3%	$6,144,502	12.3%	$12,289,004	12.3%
Operating Expenses of Walton USA	$529,679	17.7%	$8,827,991	17.7%	$17,655,981	17.7%
Sponsor Fee of Walton USA	$90,000	3.0%	$1,500,000	3.0%	$3,000,000	3.0%
Net proceeds	2,672,858	89.1%	$44,547,641	89.1%	$89,095,281	89.1%

(1) The Selling Group members will seek offers and sales on a best efforts basis. The Issuer will pay the Managing Broker-Dealer commissions of up to 7.0% of the Gross Proceeds from the Offering, which it may re-allow to other FINRA-registered members of the Selling Group as compensation for their services.

(2) The Issuer will pay the Managing Broker-Dealer a non-accountable marketing and due diligence allowance of up to 3.0% of the Gross Proceeds from the Offering, which it may re-allow to other members of the Selling Group.

(3) In certain circumstances, investors may purchase Units with reduced selling commissions and fees. See "Plan of Distribution."

(4) This figure represents the estimated legal, printing, filing, transfer agent and other costs and fees associated with the Offering, including the preparation of this Memorandum and organizing the Issuer. Offering Expenses in excess of 0.9% of the Gross Proceeds will be paid by Walton USA without reimbursement from the Issuer.

(5) Represents the amount available to acquire the Interests (a portion of which amount will be used to fund certain operating expenses of Walton USA and the sponsor fee paid to Walton USA) and fund the Reserve (a portion of which amount will be used to fund the Management Fee). The Interests purchased will include up to a 95% fractional undivided interest in each of the Properties. See "—Determination of Purchase Price" below and "Compensation of Walton USA and its Affiliates" and "Plan of Operation – Acquisition of the Interests in the Properties."

(6) Maximum amount reserved and paid to Walton USA annually; unearned amounts remaining upon final exit, if any, will be distributed to the partners pursuant to the Partnership Agreement.

Determination of the Purchase Price

Assuming the Maximum Offering is sold (as stated previously, references herein to the Maximum Offering shall mean $50,000,000, unless noted to the contrary), the Issuer will purchase its Interests (a portion of which will be used to fund certain operating expenses of Walton USA and the sponsor fee paid to Walton USA) and fund the Reserve (a portion of which will be used to fund the Management Fee), for an aggregate of $44,547,641, or 89.1% of the Gross Proceeds (such amount, or the portion of such amount paid in the event less than the Maximum Offering is raised, referred to as the "***Purchase Price***"). The Purchase Price reflects the various factors identified below.

Acquisition of the Properties and Funding the Reserve

In the event of the Maximum Offering, an aggregate of $34,219,650 (or approximately 68.4% of the Gross Proceeds, will be used to acquire the Properties (including applicable closing costs and expenses) and fund the Reserve. Of this amount:

1. $28,075,148, or approximately 56.1% of the Gross Proceeds, will be used for payment of third-party costs associated with (a) acquiring the Properties, including the associated third-party due diligence and closing costs and expenses, and (b) funding the Reserve (including the Minimum Issuer Expense Reserve to be funded at the First Closing) for payment of Issuer Expenses and Concept Planning Expenses. In addition to reflecting the Issuer's pro rata portion of the price negotiated by Walton USA to acquire each of the Properties, this portion of the Purchase Price reflects the Issuer's pro rata portion of numerous closing and acquisition-related expenses that have been or will be incurred by Walton USA in connection with the research and acquisition of each of the Properties. These acquisition-related costs may include legal and escrow agent fees and costs, title insurance (including expenses relating to commitments, endorsements and policies), closing prorations, and any improvements or personal property purchased with the land.

2. $6,144,502, or approximately 12.3% of the Gross Proceeds (or 2.0% of the Net Purchase Price per annum) will be set aside in the Reserve and used to pay the Management Fee. The Management Fee will be earned and paid to Walton USA annually in advance, with unearned amounts remaining in the Reserve upon the final exit, if any, distributed to the partners pursuant to the Partnership Agreement. Regardless of how many Units are sold in this Offering, a maximum of 12.3% of the Gross Proceeds will be set aside in the Reserve for this purpose. See "Plan of Operation – Management Fee" for a discussion of the circumstances in which Walton USA's right to receive the Management Fee may be reduced or eliminated.

As each Property is identified, the Issuer will establish a Project Budget for the Property, which includes the anticipated Issuer Expenses and Concept Planning Expenses for each Property, and will set aside from the Gross Proceeds such amounts in the Reserve. Issuer Expenses include expenses such as payment of accounting, audit and legal expenses (which entity-level expenses will be allocated proportionately across all Properties), title insurance, and transaction costs associated with sales or other dispositions of the Properties, as well as for payment of the Issuer's share of the ongoing maintenance of each Property, property taxes and consulting services with respect to property taxes. Concept Planning Expenses for the Properties include third-party expenses associated with performing development feasibility assessments, preparing a conceptual master plan for each Property, seeking appropriate planning, land use and other regulatory approvals, formation of improvement districts, negotiating service agreements, and preparing and seeking approval of subdivision plats.

Operating Expenses

In the event of the Maximum Offering, $8,827,991 of the Purchase Price, or approximately 17.7% of the Gross Proceeds, will be used to pay the operating expenses incurred by Walton USA and certain of its subsidiaries and/or affiliates. Regardless of how many Units are sold in this Offering, approximately 17.7% of the Gross Proceeds will be used for this purpose.

These operating expenses may include budgeted line items, such as staff salaries and bonuses, computer and information technology expenses, occupancy costs (such as rent and utilities), assessments, office expenses, vehicle and travel costs, communications expenses, office equipment, licenses, liability insurance, recruiting, memberships and dues, subscriptions, training and continuing education, bank charges, unanticipated legal and accounting expenses, as well as client services, and marketing and distribution expenses.

Other than 17.7% of the Gross Proceeds, no additional amounts from the income or assets of the Issuer will be used to fund such operating expenses, and no additional capital contributions beyond the subscription price payable for the Units acquired in this Offering will be required of the Unitholders for such operating expenses, irrespective of whether market and economic conditions compel the Issuer and Walton USA to delay the sale of all or any of the Properties beyond the projected eight-year hold period from the date of acquisition of such Property. Such additional operating costs, if any, will be borne exclusively by Walton USA.

Sponsor Fee to Walton USA

$1,500,000 of the Purchase Price in the event of the Maximum Offering, or 3.0% of the Gross Proceeds, will be used to pay a sponsor fee to Walton USA for making the opportunity represented by this Offering available to investors. Regardless of how many Units are sold in this Offering, 3.0% of the Gross Proceeds will be used for this purpose.

The foregoing percentage allocations, which have not been audited, constitute Walton USA's projected allocation of the Purchase Price, which represents 89.1% of the Gross Proceeds of this Offering.

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INVESTMENT STRATEGY

Demographic Trends

Real estate investments typically progress through a multi-stage life cycle, including the following stages:

Walton USA believes the burst of the housing bubble and the subsequent economic retraction have caused the life cycle of real estate to reset. Walton USA believes the opportunity to invest in Stage 1 (Raw Land) and Stage 2 (Concept Planning) real estate is currently optimal. Walton USA foresees further turmoil in the commercial real estate markets and a need in the residential markets to absorb existing and shadow inventory. This downtown in the economic environment presents the opportunity for the Issuer to acquire and plan quality assets in anticipation of the next cycle of market demand for Stage 3 through Stage 5 real estate.

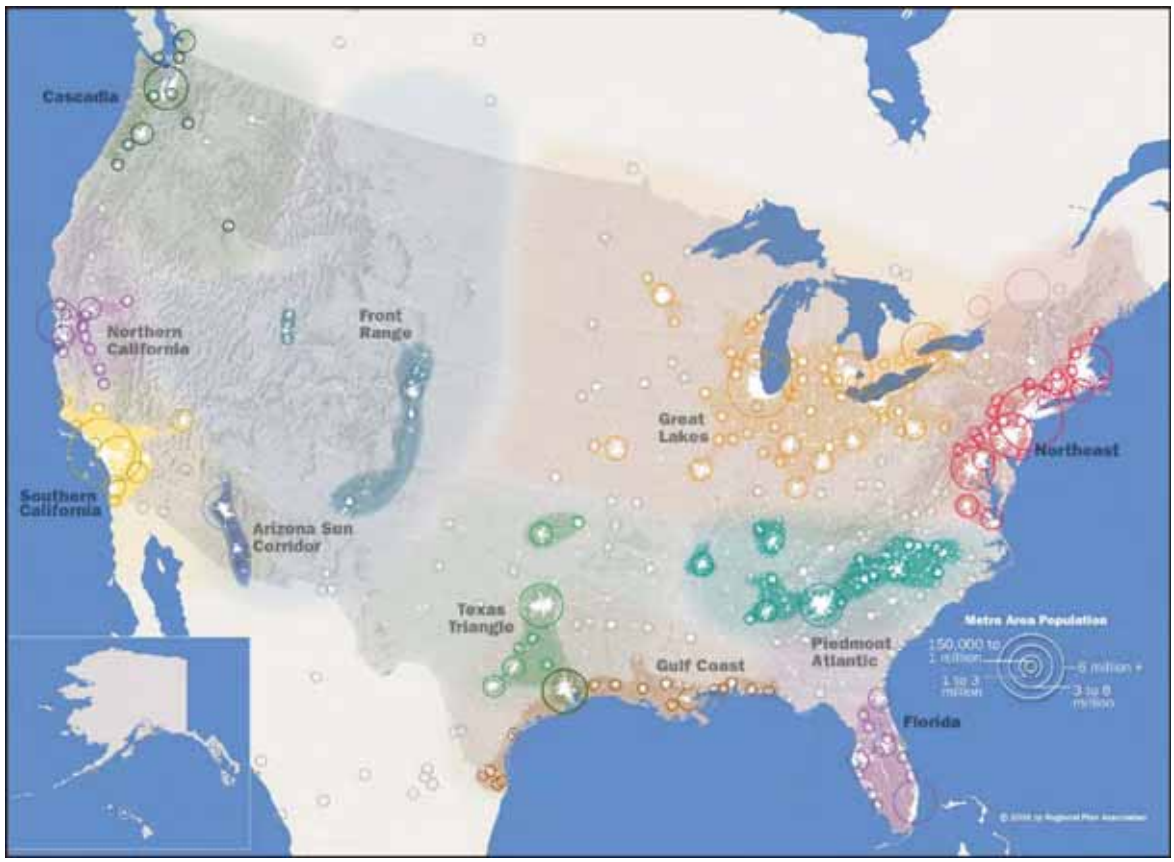
Walton USA believes the United States will continue to experience long-term growth in the foreseeable future. This long-term growth is expected to be driven by projected increases in population, household formation, and job creation, as well as by changing technologies. In turn, the anticipated growth is expected to generate significant new demand for a multitude of real estate uses, including new residential units to satisfy the housing needs of the increased population and new commercial and industrial buildings to accommodate both new industries and the changing needs of existing industries.

Further impacting the real estate needs of the future are changing trends in demographic patterns relating to where people live and work. The current high growth rates in the southern and western portions of the United States are expected to continue due to, among other things, land availability, migration trends, affordability, infrastructure quality and age, and quality of life in those regions.

The United States 2010 Census reported 308.7 million people in the United States, a 9.7 percent increase from the 2000 Census population of 281.4 million. Population in the United States is projected to increase by more than 60 million people over the next 20 years. The U.S. Census estimates that 8,640 new people are added to the population daily. This growth is expected to be far greater in specific areas known

as megapolitans or megaregions. The Metropolitan Institute at Virginia Tech University projects that three-fourths of the population growth will occur within these megapolitans. Megapolitans make up only one-tenth of the total land mass of the continental United States but represent 70% of U.S. Gross Domestic Product (GDP). *Source: U.S. Census Bureau; American Planning Association – Rise of the Megapolitans.*

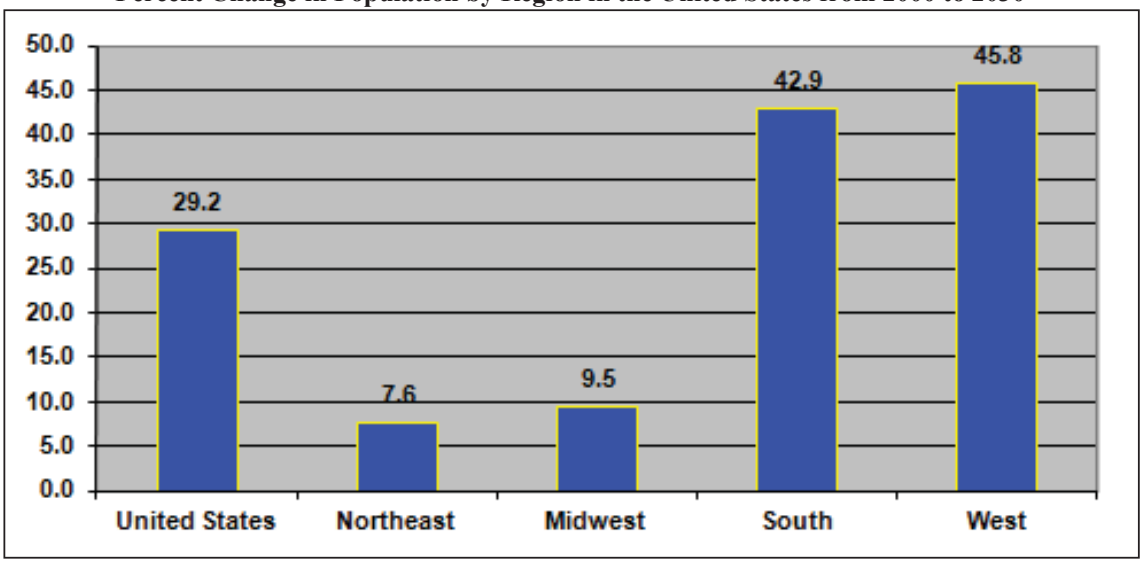
These megaregions include Walton USA's historic and current targeted areas: (i) Arizona (the Arizona Sun Corridor - Phoenix to Tucson along Interstate 10), (ii) Georgia and the Carolinas (the Piedmont Atlantic Megaregion – Alabama through Atlanta to Raleigh-Durham along Interstate 85), (iii) Texas (the Texas Triangle – including Dallas-Fort Worth, Houston and Austin – San Antonio), and (iv) Virginia (the Northeast Megaregion, encompassing the I-95 corridor that connects the metro areas of Richmond, Washington, D.C., Baltimore, Philadelphia, New York City, and Boston).



Source: Megaregions of the U.S. – Regional Plan Association, 2008.

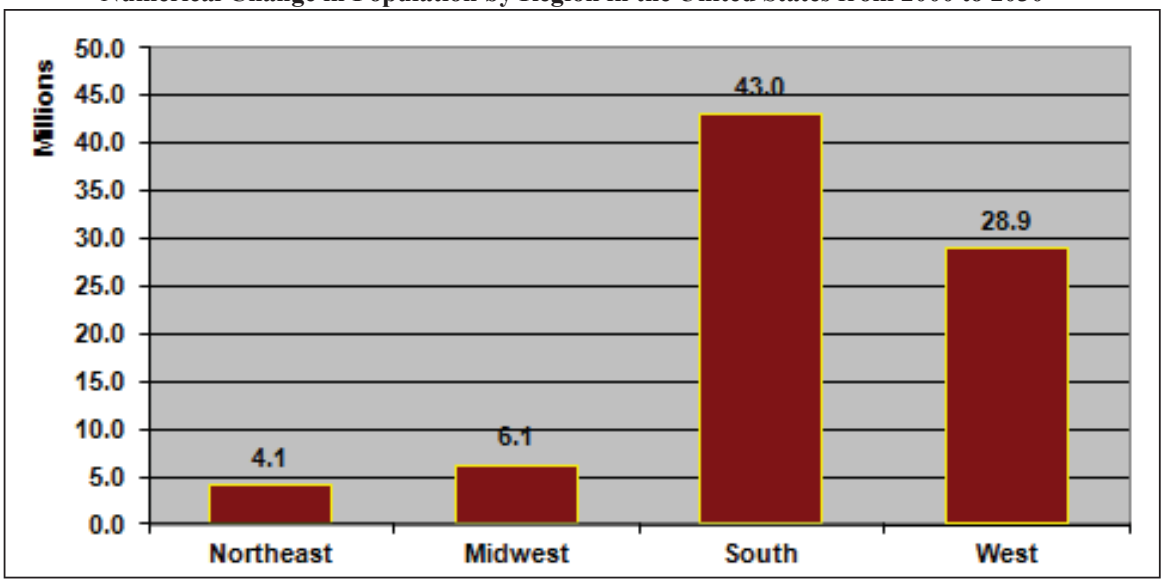
The following graphs represent projected population growth over the next 18 years and indicate that the South and West regions of the United States are projected to experience the largest percentage and numerical growth.

Percent Change in Population by Region in the United States from 2000 to 2030



Source: U.S. Census Bureau, Population Division, Interim Population Projections, as retrieved May 23, 2012 from http://www.census.gov/population/www/projections/projectionsagesex.html

Numerical Change in Population by Region in the United States from 2000 to 2030



Source: U.S. Census Bureau, Population Division, Interim Population Projections, as retrieved May 23, 2012 from http://www.census.gov/population/www/projections/projectionsagesex.html

According to the National Association of Realtors (see below), in order to accommodate the influx of population projected at a general pace of 3,000,000 persons per annum (estimated to have slowed to 2 million in 2011), homebuilders will need to build approximately 1,500,0000 residential units (whether single- or multi-family units) per year.

Housing Starts in the United States 2005 – 2013 (Forecast 2012 and 2013)

General population growth of 3 million more people per annum….based on population growth and the need to replace some of the demolished housing units, most economists believe that about 1.5 million housing units need to be built each year.

Source: National Association of Realtors (NAR), Economic Forecast by NAR Research, April 26, 2012 as retrieved May 23, 2012 from http://www.realtor.org/research-and-statistics

Due to the surplus of vacant homes on the market, as a result of over-building during the housing boom, homebuilders built fewer than 1,000,000 units in 2008 and approximately 500,000 in 2009, 2010 and 2011. The Issuer intends to take advantage of this inventory-absorption period by buying quality, strategic land assets in high-growth corridors, and then planning those assets to their highest and best use in preparation for the time that the Issuer expects homebuilders will once again need to build at least 1,500,000 million units per year.

Types of Properties

The Issuer intends to make investments in a number of strategically selected parcels of land, with potentially varying degrees of planning, entitlement and development, including land with partially or completely finished lots or improvements, situated in high-growth markets identified to be in the "path of development". Although the Issuer expects to focus on investments in strategic sub-markets in southern and western states, including Walton's historic sub-markets in Arizona, Texas, Georgia, Washington D.C. and the Carolinas, the Issuer will be permitted to make investments throughout the United States.

There are no limitations on the number or size of Properties in which the Issuer may acquire Interests or on the percentage of the Purchase Price that may be invested in a single Property. The number and mix of Properties in which Interests are acquired will depend upon real estate market conditions and other circumstances existing at the time of acquisition of such Interests and the Gross Proceeds received in this Offering; provided, however, that it is anticipated that the Issuer will acquire interests in a minimum of two parcels located in different sub-markets. The Offering is a blind pool offering in that the Issuer does not own any real estate, nor has it identified any real estate that it will acquire with the proceeds of this Offering, as of the date of this Memorandum.

Acquisitions and Dispositions

The Issuer intends to acquire fee simple interests in real property assets. The Issuer may acquire its interests in each Property in one or more Closings, depending on the amount and timing of funds raised in

this Offering. The General Partner may, but is not required to, obtain an appraisal in connection with an acquisition.

The Issuer intends to realize growth in the value of the Properties upon the ultimate sale or other disposition of the Properties. Although the Issuer generally expects to hold Interests in Properties for approximately two to eight years, market and general economic conditions may compel the Issuer to hold any particular Interest for a shorter or longer period of time. The Issuer intends to hold the Interests until such time as the General Partner determines that a sale or other disposition appears advantageous with a view to achieving the Issuer's investment objectives. Such determination will be based on factors such as potential appreciation of each Property. Subject to the General Partner's authority to sell or otherwise dispose of Lots and/or a portion of each Property (other than Properties comprised of Lots) constituting up to 10%, in the aggregate, of the total acreage of each such Property without Unitholder approval, the sale or other disposition of the Properties will require approval by Extraordinary Action of the Unitholders and the requisite approval under the Co-Ownership Agreement.

TARGET AREAS

Walton USA strategically acquires land in target areas that share certain strong underlying fundamentals. Walton USA looks to long-term trends in its target areas and thereby attempts to avoid the distortion effect from bubbles in its research. Certain of the core underlying fundamentals important to Walton USA include:

- Long-term population and job growth
- Net Domestic Migration
- Single-Family Residential Permits
- Affordability
- Climate
- Water
- Access
- Pro-growth regional legislative policy

As further described below, the anticipated target areas for the Issuer have historically outperformed other regions in the United States, and are generally expected to outperform those other regions in the future. Although the Issuer expects to focus on investments in strategic sub-markets in southern and western states, including Walton's historic sub-markets and those regions identified below, the Issuer will be permitted to make investments throughout the United States.

Population

The Issuer intends to target areas that have experienced long-term population growth, which will include areas within states that are projected to be among the top 10 states for population growth by the year 2030.

2000 to 2030 State Population Projections

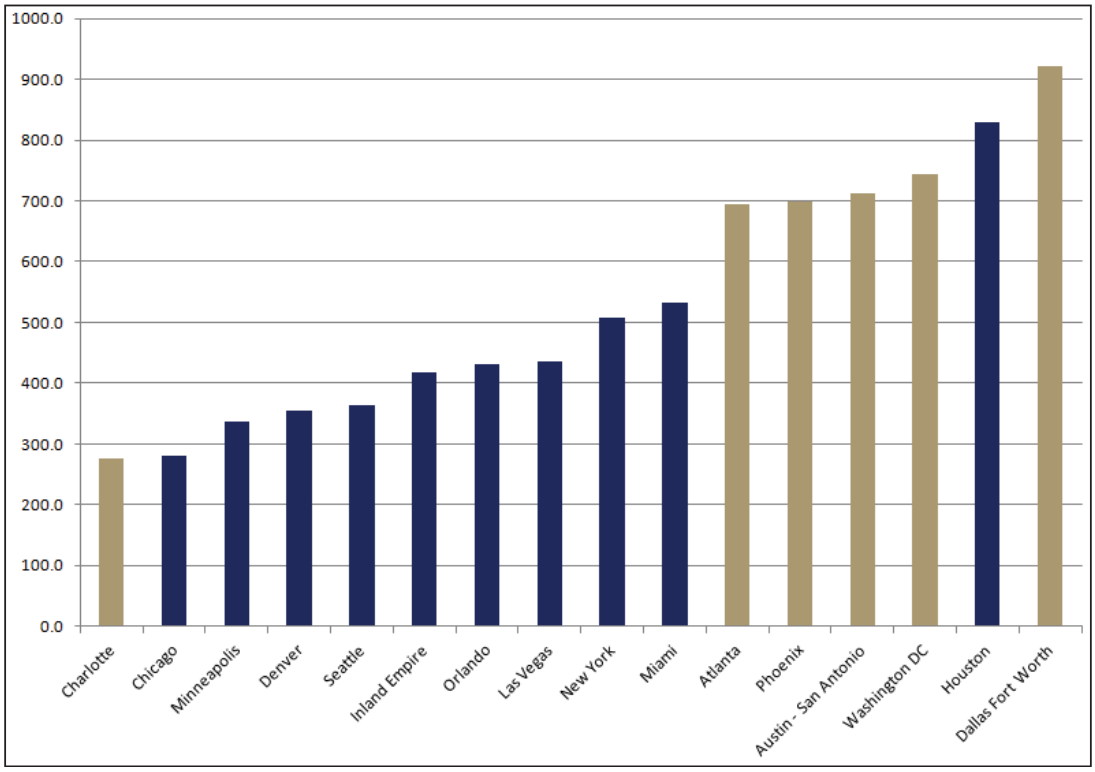
2030 Projections		
State	Population	Rank
United States	363,584,435	(x)
California	46,444,861	1
Texas	33,317,744	2
Florida	28,685,769	3
New York	19,477,429	4
Illinois	13,432,892	5
Pennsylvania	12,768,184	6
North Carolina	12,227,739	7
Georgia	12,017,838	8
Ohio	11,550,528	9
Arizona	10,712,397	10

Source: U.S. Census Bureau, Population Projections, Ranking of Census 2000 and Projected 2030 State Population Change as retrieved May 23, 2012 from http://www.census.gov/population/www/projections/projectionsagesex.html

Employment

The Issuer intends to target areas that have experienced long-term job growth.

Top MSAs by Job Growth, 1990-2011 (Thousand's)

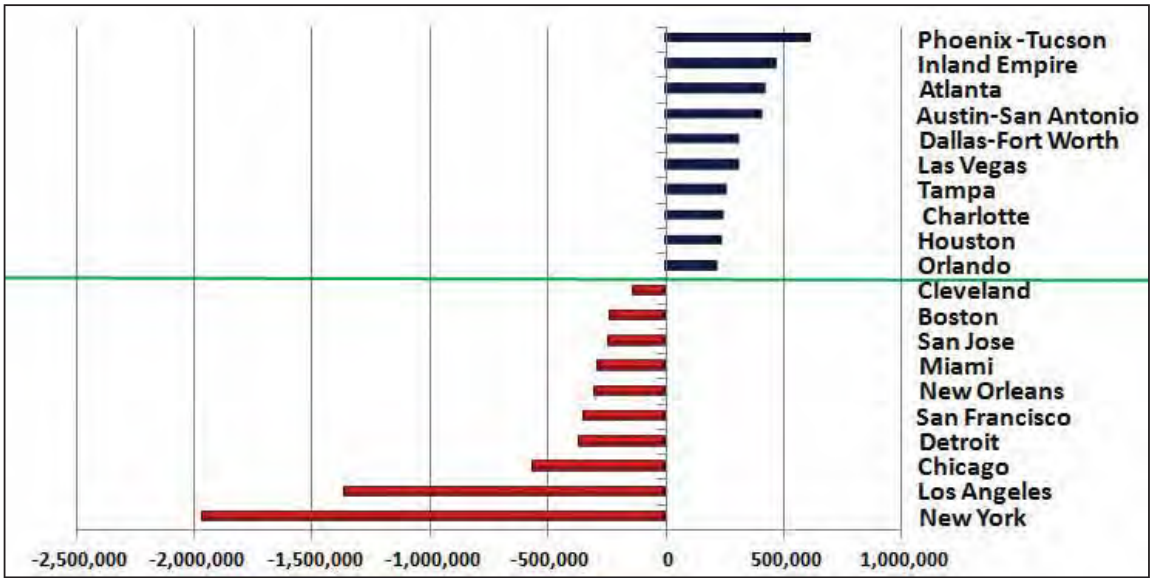


Source: U.S. Bureau of Labor Statistics as retrieved May 23, 2012 from http://www.bls.gov/data/#employment

Net Domestic Migration and Immigration

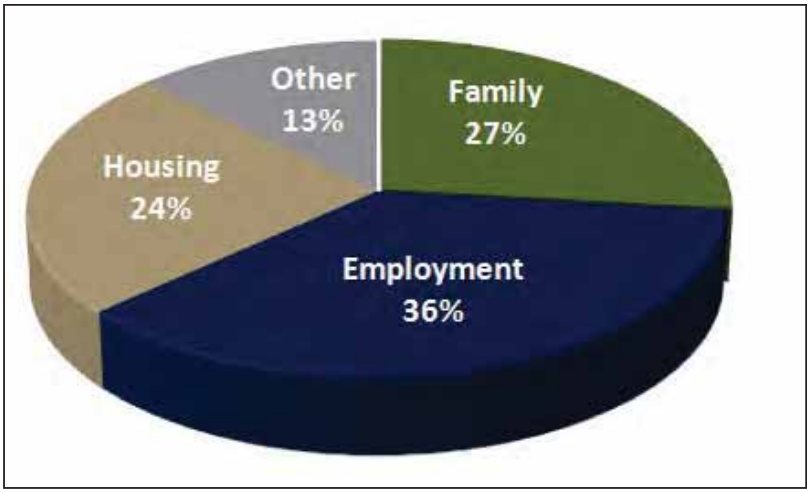
The Issuer intends to target areas that have experienced long-term net domestic migration gains at the expense of other metropolitan areas in the United States.

Net Domestic Migration 2000 – 2009



Source: U.S. Census Bureau Population Division, Cumulative Estimates of the Components of Population Change for Metropolitan Statistical Areas April 1, 2000 to July 1, 2009, as retrieved May 23, 2012 from http://www.census.gov/popest/data/historical/2000s/vintage_2009/metro.html

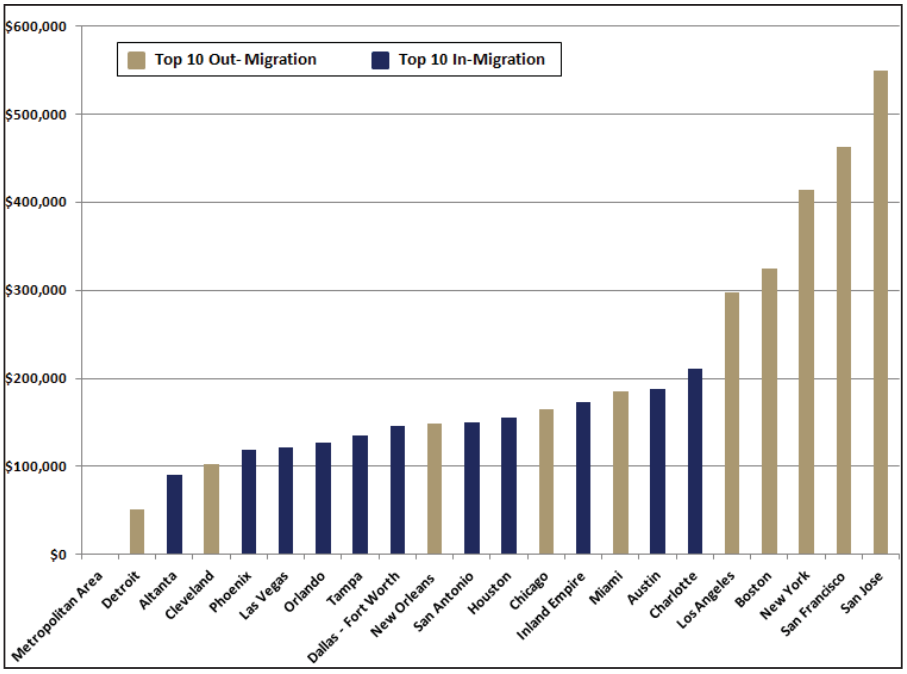
The fundamental drivers for net domestic migration to Walton USA's target areas have been affordability and job displacement.



Source: U.S. Census Bureau. Geographic Mobility and Migration, Table 26: Reasons for Inter-county Moves 2010 – 2011, as retrieved May 23, 2012 from, http://www.census.gov/hhes/migration/data/cps/cps2011.html

Because cost of living disparities impact net domestic migration trends, the Issuer intends to target areas that offer affordability in conjunction with proximity to high-growth corridors.

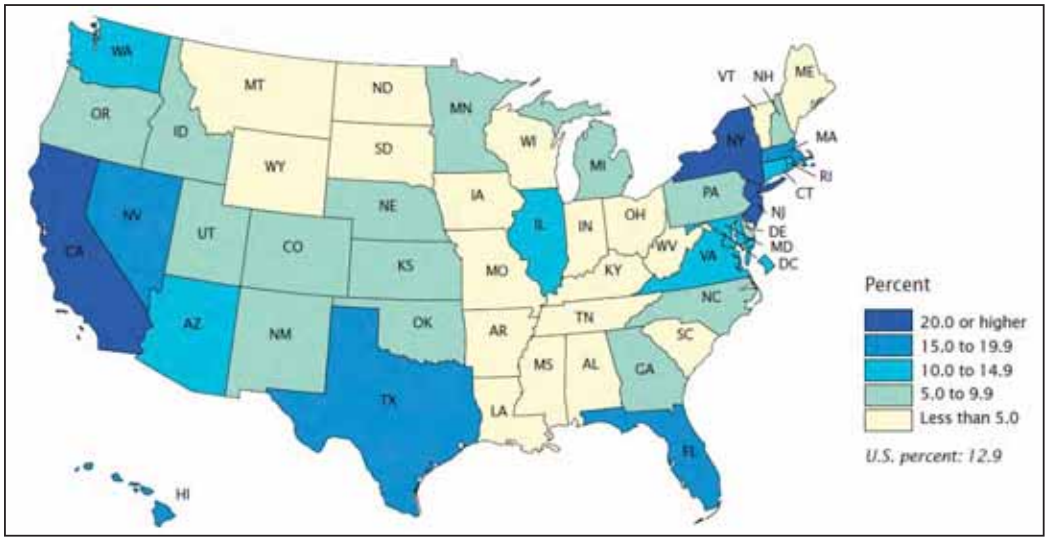
U.S. Median Home Values – Q4 2011



Source: National Association of Realtors, Q4 2011 as retrieved May 23, 2012 from http://www.realtor.org/research/research/metroprice

Each anticipated target area of the Issuer has also experienced international immigration.

Percentage of Foreign Born Population in the United States

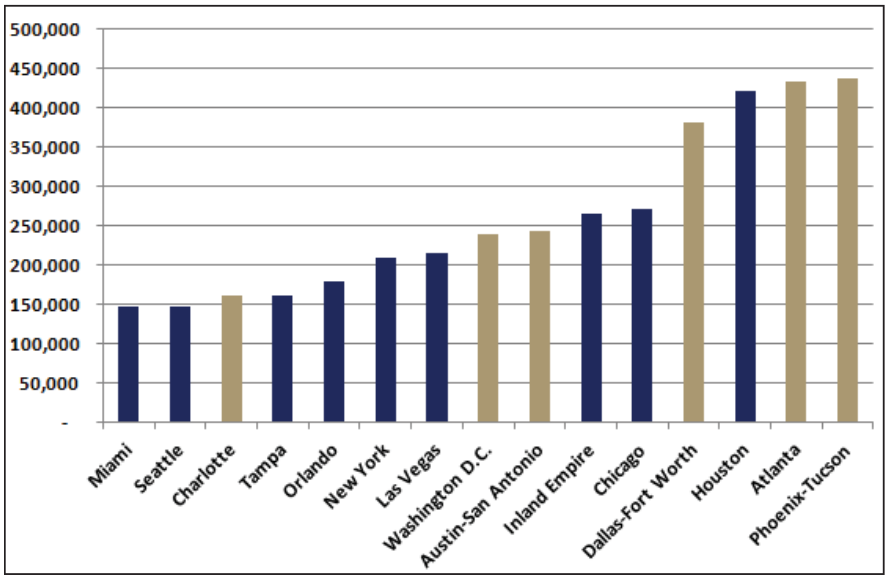


Source: US Census Bureau, The Foreign Born Population in the United States: 2010 issued May 2012 as retrieved May 23, 2012 from http://www.census.gov/population/foreign/

Single-Family Permits

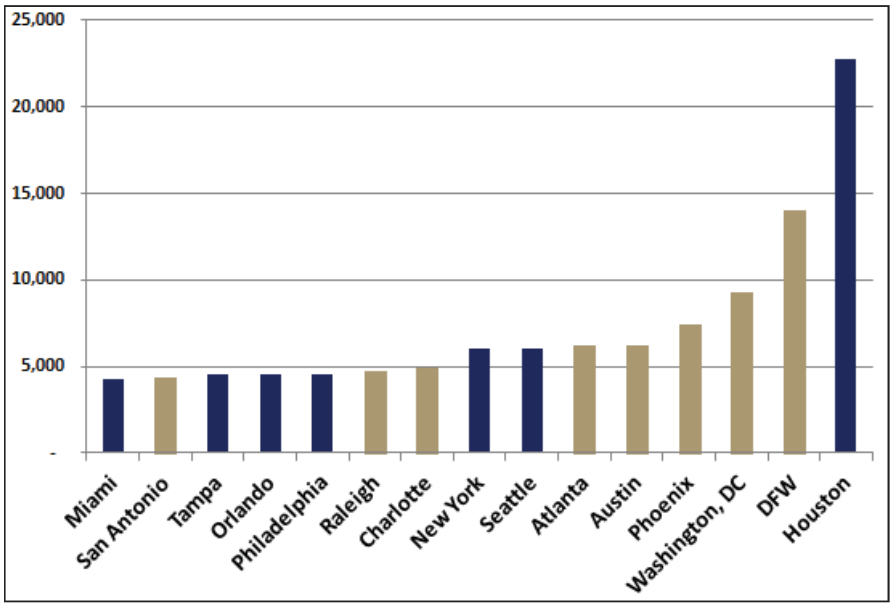
The Issuer intends to target areas that have historically led the nation in the issuance of single-family permits.

Total Single-Family Permits by MSA 2000 – 2010



Source: U.S. Census Bureau, as retrieved from http://www.census.gov/construction/bps/historical_data/bpshistoricalindex.html

Total Single-Family Permits by MSA 2011



Source: U.S. Census Bureau as prepared by the Economics Department, National Association of Home Builders (NAHB), retrieved May 3, 2012 from http://www.nahb.org/reference_list.aspx?sectionID=819&channelID=311

PLAN OF OPERATION

Investment Objectives

Our investment objectives are to:

- acquire the Interests for cash without acquisition financing and hold the Interests for potential long-term capital appreciation;
- protect the value of each of the Properties, in part by managing Concept Planning for such Properties;
- implement an exit strategy for each Property when presented with an opportunity to do so that is accepted by Extraordinary Action; and
- dispose of the Interests, thereby providing Unitholders with a return on their investment in the Issuer.

Until we identify and invest the net proceeds of this Offering in Interests, we may make short-term investments in U.S. Treasury securities. The purpose of such short-term investments, which are not anticipated to earn significant returns, is solely to protect such funds beyond the coverage provided by the Federal Deposit Insurance Corporation ("***FDIC***").

The Issuer's timing with respect to the acquisition of Interests in Properties, and the determination of the Properties in which the Issuer will acquire Interests, will depend on a number of factors, including, without limitation, the rate at which funds are raised in this Offering, the closing date contemplated in the purchase and sale agreement for any particular parcel, the results of the research and evaluation conducted on each parcel by Walton's Land Research and Acquisitions Department and WDMI, and the completion of Walton's internal land acquisition approval process, which is required prior to the acquisitions of U.S. land by the Walton Acquisition Entities. The Issuer will select from parcels made available to it upon approval by Walton's U.S. Buying Committee, which will principally be based on, among other factors, land inventory levels across Walton's worldwide distribution channels, and the diversification of available properties within each distribution channel. See "The Walton Group – Acquisition Experience of Walton." We cannot guarantee how long it will take to fully invest the net proceeds of this Offering in one or more Properties.

The Properties

We have not yet selected any Properties for investment by the Issuer. Interests in Properties, once selected and acquired, will constitute the primary assets to be held by the Issuer. As set forth in "*Investment Objectives and Policies*", the Properties will be selected based, in part, on the Issuer's assessment of their potential for capital appreciation – in particular, their potential for being sold for reasonable returns on investment in the range of two to eight years from the date the Issuer acquires its ultimate Interests in the Properties. The General Partner intends to analyze each Property and its respective local real estate market regularly to determine whether an optimal sales price can be obtained given prevailing market conditions and the particular characteristics of the Property. Subject to the General Partner's authority to sell or otherwise dispose of Lots and/or a portion of each Property (other than Properties comprised of Lots) constituting up to 10%, in the aggregate, of the total acreage of each such Property without Unitholder approval, the decision to accept an offer to purchase each Interest must be made only by Extraordinary Action.

The Properties will consist of strategically selected parcels of land with potentially varying degrees of planning, entitlement and development, including land with partially or completely finished lots or improvements. Once a Property has been acquired, it is not generally expected that such Property will be further developed or subdivided, although these plans may vary with respect to any particular Property. We may seek to protect the value of each Property by, among other things, seeking an appropriate mix of

uses for each Property. Although the Issuer anticipates securing the zoning for each Property that most enhances its value to the Issuer, there can be no assurance that we will be able to secure optimal zoning for each Property. Upon completion of the Concept Planning for a Property, such Property will be sold (in whole or in part), leased or held, depending on market conditions.

Acquisition of the Interests in the Properties

The Offering is a blind pool offering in that we have not yet identified specific Properties in which the Issuer intends to acquire Interests with the net proceeds from the Offering. The actual dates on which any Interests in Properties will be acquired will in part depend on the timing of the funds raised in this Offering, and each such date is referred to as an "***Acquisition Date***".

On the Acquisition Date for an Interest in a Property, it is expected that the Walton Acquisition Entity will acquire such Property from the seller, and the Issuer will acquire up to a 95% undivided interest in the Property from such Walton Acquisition Entity, with the size of its interest depending upon the proceeds it has raised through the Offering. The Walton Acquisition Entity will retain the remaining undivided interest in the parcel, which will be at least a 5% interest. Thereafter, from time to time the Issuer may acquire undivided interests in such Property from the Walton Acquisition Entity, to the extent that the Walton Acquisition Entity has acquired a greater than 5% interest in such Property. It is anticipated that the Issuer will acquire interests in Properties sequentially, acquiring up to a 95% interest in one Property before acquiring interests in subsequent Properties. For each Property, the Walton Acquisition Entity and the Issuer will share in the expenses of the Property in accordance with their respective proportionate interests in such Property, subject to the True-Up Payment.

The Purchase Price to be paid by the Issuer for the Interests in the Properties and to fund the Reserve (pursuant to Project Budgets for each of the Properties) will reflect not only the seller's sale price for each Property, but will also reflect (i) third-party costs and expenses incurred by Walton USA and its affiliates, or amounts payable by the Issuer in connection with third-party costs associated with researching and acquiring each Property, Issuer Expenses and Concept Planning Expenses, (ii) the Management Fee payable to Walton USA, (iii) certain operating expenses of Walton USA and certain of its subsidiaries and/or affiliates, and (iv) a sponsor fee to Walton USA for making the opportunity represented by this Offering available to investors. See "Estimated Use of Proceeds – Determination of the Purchase Price."

Encumbrances on the Properties

Initial title to any or all of the Properties may be subject to an existing lease of such Property. See "Plan of Operation – Leases." Additionally, title to each Property is also expected be subject to the following: (a) such defects or encroachments as might be revealed by an up-to-date plan or survey of such Property and any improvements situated thereon; (b) unregistered liens or claims in favor of any federal, state or municipal government authority, or any political subdivision thereof; (c) any undetermined liens for real estate taxes and/or utilities that have accrued but are not yet due; (d) the rights of a government authority with the power of eminent domain; (e) any statutory liens; (f) any unregistered easements, rights-of-way or other unregistered interests or claims not recorded against such Property; and (g) any encumbrances recorded against such Property in respect of matters benefiting such Property and its contemplated uses.

Co-Ownership and Management of the Properties

The Issuer and the respective Walton Acquisition Entity (together with such other co-owners as there may be in the future, if any, the "***Participants***") will each own an undivided fractional interest in each Property, and their respective rights and obligations in connection with the ownership, management and sale of such Property, and their respective interests in such Property, will be governed by the laws of the state in which such property is located and by a separate Co-Ownership Agreement substantially in the form of **Exhibit D** to this Memorandum. The Participants will enter into a Co-Ownership Agreement

contemporaneously with the Acquisition Date of each Property, which, if such Acquisition Date occurs before one or more Subsequent Closings, will be modified at each Subsequent Closing to reflect the aggregate percentage undivided interests acquired and held by the Participants. Each Co-Ownership Agreement will continue in force until the applicable Property has been sold and the revenues have been distributed to the Participants. Under each Co-Ownership Agreement, each of the Participants may own an undivided fractional interest in the applicable Property ("***Participating Interests***"). Each Co-Ownership Agreement will set forth the terms and conditions under which the Participants will:

- hold the Property as an investment, and eventually sell or otherwise dispose of such Property;
- perform such other activities as the Issuer may reasonably determine in its capacity as manager of the applicable Property, including participation in Concept Planning for such Property;
- own and sell the Participating Interests; and
- provide for the management of the Property and utilize funds for the benefit of the Participants for purposes of operating, managing and maintaining such Property.

In the event that the Issuer does not receive sufficient subscriptions for the Maximum Offering on or before the Final Closing, the remaining interest in any Property that is acquired prior to the Final Closing may be offered for sale by the Walton Acquisition Entity at a purchase price per acre that will not be less than the equivalent purchase price per acre at which the Issuer will acquire the Interests as described in this Memorandum. Such purchasers, if any, will be subject to the terms of the Co-Ownership Agreement with respect to such Property.

The Issuer as the Manager of the Properties pursuant to separate Co-Ownership Agreements

A Co-Ownership Agreement with respect to each of the Properties will provide that the Issuer will be the manager of such Property. No management decision regarding a Property may be made without the consent of the Issuer or the consent of an appointed sub-manager. Subject only to those powers that require the Special Consent of the Participants (see "—Fundamental Decisions" below), the Issuer, as manager, will have the full power and authority to manage and control each Property, and to do, on behalf of and in the name of the Participants, any and all acts necessary, convenient or incidental to the ownership and management of such Property as an investment, without further approval of the Participants. Additionally, the Issuer may contract with any Person, including the General Partner's affiliates, to carry out any of the duties of the Issuer, and may delegate to such Person any power and authority of the Issuer under the Co-Ownership Agreement with respect to a Property, but no such contract or delegation will relieve the Issuer of any of its duties or obligations under the Co-Ownership Agreement as manager of such Property. The Issuer will not receive any payment for its services as manager of a Property. However, the Participants will bear all expenses of the Issuer incurred in connection with the operation, management and maintenance of a Property.

Fundamental Decisions

Each Co-Ownership Agreement will provide that certain fundamental decisions regarding the Property in question will require "***Special Consent***" and may also require the consent of the respective Walton Acquisition Entity. Special Consent means the consent of the Issuer; provided, that if there is a Subsequent Co-owner, then Special Consent means the consent of two out of (i) the Issuer, (ii) the Walton Acquisition Entity and (iii) the Subsequent Co-Owner. In the event the Subsequent Co-Owner is not an entity but is instead comprised of multiple individual purchasers, the approval of such purchasers holding 60% or more of the aggregate interests in the Property held by all such purchasers shall constitute the approval of the Subsequent Co-Owner as a single group. The following fundamental decisions require the consent of the Walton Acquisition Entity and Special Consent:

- extending the activities relating to the Property beyond Concept Planning, and participating in the development of the Property; and

- permitting, creating or recording an encumbrance, other than a Permitted Encumbrance, on or against a Property or the Participating Interests therein in favor of any Person other than (i) the security granted to Walton USA under the provisions of the Funding Agreement, (ii) any encumbrance created by the Walton Acquisition Entity or one of its affiliates with respect to its undivided fractional interest in a Property; and (iii) security granted in connection with a Permitted Third-Party Financing (see "– The Funding Agreement") or a similar arrangement between Walton USA and another Participant.

The sale, transfer or other disposition (excluding third-party leases) of a portion of each Property constituting over 10%, in the aggregate, of the acreage of such Property, shall require approval as follows:

(i) if the Walton Acquisition Entity owns less than 50% of the interests in the Property, Special Consent;

(ii) if the Walton Acquisition Entity owns 50% or more of the interests in the Property, the consent of the Walton Acquisition Entity and Special Consent.

In addition, the Participants may generally not transfer their respective interests in the Property (excluding third-party leases, transfers to affiliates or Property transfers approved by Special Consent) without the consent of the other Participants.

Exculpation and Indemnification

In the absence of gross negligence, willful misconduct or fraudulent acts, the Issuer shall not be liable to the other Participants in connection with the performance of its duties as manager of any Property. The Issuer will indemnify and hold harmless the other Participants, to the extent of their respective Participating Interests, for, from and against any and all actions, causes of action, suits, debts, costs, expenses, claims, demands or damages whatsoever incurred or suffered by them, as the case may be, as a result of a breach by the Issuer of its covenants as manager of each of the Properties under the Co-Ownership Agreement for each such Property, or as a result of the Issuer's gross negligence, willful misconduct or fraudulent act. The other Participants, to the extent of their Participating Interests, will indemnify and hold harmless the Issuer for losses incurred or suffered by the Issuer as a result of a breach by such other Participants of their covenants under the Co-Ownership Agreement for each Property, or as a result of gross negligence, willful misconduct or a fraudulent act by them.

Engagement of Walton USA

Pursuant to the Issuer's power to contract with any Person to carry out its duties as manager of each Property, the Issuer will engage Walton USA to perform, at the direction of the Issuer, the duties of the Issuer as manager of such Property, and to act as the Issuer's agent in such capacity. Walton USA will agree to keep the Issuer apprised of all actions relating to the management of each Property and to consult with the Issuer regularly and on all significant matters. Either of the Issuer or Walton USA may terminate the engagement upon 30 days' written notice at any time, with or without cause. Walton USA may contract with any Person, including an affiliate of Walton USA, to carry out any of the duties of Walton USA in connection with the engagement and may delegate to such Person any power and authority of Walton USA, but no such contract or delegation shall relieve Walton USA of any of its duties or obligations in connection with the engagement.

In the absence of gross negligence, willful misconduct or fraudulent acts, Walton USA shall not be liable to the Participants in connection with the performance of its engagement by the Issuer. Walton USA will indemnify and hold harmless the Participants, to the extent of the their Participating Interests, for, from and against any and all actions, causes of action, suits, debts, costs, expenses, claims, demands or damages whatsoever incurred or suffered by the Participants, as the case may be, as a result of a breach

by Walton USA of its covenants under the engagement or as a result of Walton USA's gross negligence, willful misconduct or fraudulent act. The Participants, to the extent of their Participating Interests, will indemnify and hold harmless Walton USA for losses incurred or suffered by Walton USA as a result of a breach by the Participants of their covenants under the Co-Ownership Agreement for each Property, or as a result of gross negligence, willful misconduct or a fraudulent act by them.

Walton USA will not receive any payment for its services provided under the engagement. However, the Participants will bear all expenses of Walton USA incurred in connection with this engagement for the operation, management and maintenance of the Properties.

Fiduciary Obligations of Walton USA

Walton USA will not be a fiduciary of or owe fiduciary duties to the Issuer or the Unitholders.

Concept Planning and Concept Planning Expenses

To conduct preliminary development activities for the Properties, the Issuer will engage WDMI, an affiliate of Walton USA and the General Partner, to undertake Concept Planning activities, as required and directed by the Issuer or its designee, with respect to each Property. It is anticipated that WDMI will provide Concept Planning services before the Property is sold to a developer or other prospective purchaser. Once engaged, WDMI will seek to advance planning, entitlement and development approvals for each Property, either individually or collectively with other Walton-managed properties that are adjacent to or in close proximity to each such Property. WDMI provides Concept Planning services to all of the U.S. Walton-managed properties, which services include one or more of the following:

- Development Feasibility Studies – WDMI will undertake, in conjunction with its third-party consultants, studies to assess the probable land use and intensity of potential future development on the Properties. These studies may include a determination of the infrastructure necessary to serve that development and the costs of putting such infrastructure in place. This process will likely include discussions with potential third-party developers and other end-users to determine their potential future interest in, and the potential future use of, the Properties and what entitlements would be beneficial for that purpose. These studies permit WDMI to determine the potential highest and best use for the Properties and the type of planning, zoning and subdivision approvals that might ultimately increase the marketability of the Properties.
- Master Plan Preparation – WDMI often prepares, in conjunction with third-party consultants, a conceptual "Master Plan" for the Properties and the surrounding areas to show, based on the feasibility studies referred to above, proposed land uses for the Properties in the context of a proposed development, including, street layouts and the conceptual layouts of the necessary infrastructure.
- Planning and Zoning Approvals – WDMI submits applications for zonings for the Properties and seeks approvals from the applicable authorities with respect to the pre-development plans for the Properties. The attributes and constraints for each land parcel, local market conditions and applicable regulations are studied carefully and then a conceptual land use plan is crafted with the assistance of local land use professionals, such as planners, engineers and lawyers.
- Subdivision Plat Approvals – WDMI may, depending on the impact on the value of the Property, prepare and submit applications for a "Subdivision Plat" that delineates the Property into lots or blocks suitable for sale for residential, commercial or industrial development to developers, builders, or third-party end-users. The Subdivision Plat may be registered and form the basis on which a future land developer might proceed with the preparation of detailed drawings for project infrastructure.

The conceptual land use plan prepared by WDMI is the basis for initiating and obtaining development approvals and seeks to achieve the highest and best use for the land. When development approvals are in

place, the future land developer may have a more certain, less costly and more expedient development timeframe to deliver serviced land to homebuilders, end-users or commercial building developers. Under balanced or strong market conditions, this entitled land position, with development approvals in place, potentially allows a developer to attribute a greater value to the land.

Upon the acquisition by the Issuer of an Interest in a new Property, the Issuer will enter into a PDCP Agreement with WDMI under which WDMI will agree to provide Concept Planning services for such Property on commercially reasonable terms. The Issuer's proportionate amount of all third-party expenses associated with Concept Planning will be paid out of funds set aside in the Reserve for such purpose, pursuant to Project Budgets for each Property. Concept Planning Expenses may include, but are not limited to, third-party expenses for land planning, civil engineering, topographic and data collection surveys, traffic studies, biological and archaeological studies, environmental hazard studies, environmental remediation, application and review fees for plan amendments and development agreements, legal notice and site posting expenses, landscape architects, signage consultants, architects, renderings, photos, project models, subdivision mapping, improvements design, permit fees, impact fees, geotechnical engineers, electrical engineers, utility service fees and development agreement legal fees. The Issuer's share of fees due to WDMI for the performance of its obligations under the PDCP Agreement will be paid by Walton USA and not the Issuer until such time as either (i) WUSF 3 GP, LLC no longer serves as the general partner of the Issuer, or (ii) Walton USA is no longer performing the duties of the manager of the Property on behalf of the Issuer under the Co-Ownership Agreement, at which time the Issuer will be obligated to pay the fees due to WDMI under the PDCP Agreement. In the event WDMI is terminated in accordance with the PDCP Agreement, the Issuer may, as appropriate, engage a third party to perform the Concept Planning and/or preliminary development activities; *provided, however*, that in such event Walton USA will have no obligation to pay any fees charged by such third party pursuant to such engagement.

For each Property, the Issuer will establish a budget to fund Concept Planning for the Property for the duration of its anticipated hold period. A portion of the Gross Proceeds will be allocated to fund Concept Planning based on the amount budgeted for the Properties. These funds will be deposited, together with the funds set aside for Issuer Expenses and the Management Fee, by the Issuer into a non-interest bearing bank account, and will not thereafter be commingled with other funds of the Issuer, the General Partner or any of their affiliates.[1] The funds so segregated will constitute the Reserve. Once the Reserve is established, the Issuer may use such funds to pay Issuer Expenses, Concept Planning Expenses and the Management Fee. The Issuer will be permitted to utilize funds set aside in the Reserve for Issuer Expenses and Concept Planning Expenses to pay either of such expenses. Funds set aside for payment of the Management Fee may only be used for such purpose, and may not be used to pay Issuer Expenses or Concept Planning Expenses without the consent of Walton USA in its sole and absolute discretion. Although the General Partner believes that the funds to be set aside in the Reserve will be sufficient to cover the Issuer Expenses and Concept Planning Expenses that the Issuer is expected to incur, costs in excess of reserved amounts, if any, will be paid by Walton USA on a reimbursable basis under the Funding Agreement, up to a cap of total amounts funded by Walton USA at one time equal to an aggregate of 2.0% of the Gross Proceeds raised by the Issuer, to a maximum of $1,000,000. Accordingly, to fund Issuer Expenses and Concept Planning Expenses, the Issuer has available to it the amounts set aside in the Reserve, together with Walton USA's maximum revolving funding obligation under the Funding Agreement. To the extent combined Issuer Expenses and Concept Planning Expenses exceed

[1] The unlimited deposit insurance coverage provided by the FDIC for non-interest bearing transaction accounts at institutions participating in the FDIC's Temporary Liquidity Guarantee Program has been extended through December 31, 2012. To take advantage of this extension, the General Partner will deposit funds to be set aside for the Reserve for the Issuer into a non-interest bearing transaction account. Depending on available deposit insurance coverage after January 1, 2013, the General Partner may reconsider the type of deposit account into which the Reserve funds should be deposited at that time.

such amount, the Issuer will likely require alternative financing to pay such excess; however Walton USA may, in its sole discretion, elect to pay or fund amounts beyond its maximum revolving funding obligation. Any portion of the Reserve that remains after disposition of the final Property will be distributed to the Issuer.

The General Partner is not required to, and will not, obtain the approval of the Unitholders before commencing any part of the Concept Planning for a Property. The Issuer may terminate the PDCP agreement on 60 days' written notice for failure by WDMI to perform its duties under the PDCP agreement, subject to WDMI's right to cure any such deficiencies.

Development of the Property

Although it is not the current intention of the General Partner that the Issuer will participate in the development of the Property, the Issuer may engage in the development of the Property if approved by Extraordinary Action. See "Plan of Operation – Exit Strategies." Walton USA, the General Partner or another Walton USA affiliate may participate in the development of the Property in addition to, and separate from, the roles of such entities for the Issuer. See "Conflicts of Interest."

Lease agreements

Leases, including short-term leases, may encumber a Property upon acquisition, or may be negotiated from time to time with third parties for the purposes of offsetting some of the ongoing administrative, preliminary development and operating costs of the applicable Walton Acquisition Entity and the Issuer with respect to such Property, provided that such leases not interfere with Concept Planning or efforts to market and sell the Properties. Any such lease revenue, which is anticipated to be minimal, will become part of the Reserve and distributed to the Issuer if not expended during the hold period. Any Property may be subject to third-party leases for all or part of such Property in the future.

Exit Strategies

The Issuer intends to acquire parcels of land that the Issuer believes will be held as an investment for approximately two to eight years. Nevertheless, market and economic conditions and other relevant factors may delay the disposition of one or more of the Properties beyond eight years. During such period, the General Partner intends to analyze each Property regularly to determine whether an optimal sales price can be obtained given prevailing market conditions and the particular characteristics of the Property.

Based on Walton's past experience, when development of a particular Property becomes possible, three options will likely be available to the Issuer:

- If approved by Extraordinary Action (and the necessary approvals under the Co-Ownership Agreement), sell the Property, as a whole or in a limited number of parcels, to a developer or other purchaser(s) and distribute the net proceeds of sale (subject to applicable tax withholdings, costs and expenses associated with the sale, reimbursements under the Funding Agreement, if any, and any amounts retained by the General Partner as needed, in its reasonable discretion, to supplement the funds in the Reserve);
- Take certain planning and regulatory actions to prepare the Property for purchase by developers (i.e., Concept Planning) and then, if approved by Extraordinary Action (and the necessary approvals under the Co-Ownership Agreement), sell the Property, in whole or in a limited number of parcels, to a developer or other purchaser(s); or,
- If approved by Extraordinary Action or the General Partner, as applicable (and the necessary approvals under the Co-Ownership Agreement), develop the Property itself or with other parties with funds raised from the issuance of more Units, debt financing or other sources, after which the Property could be sold in smaller parcels.

Based on Walton's experience, the third alternative is less likely than the first two alternatives above.

Distributions

Upon the sale of an Interest, after allowing for expenses and liabilities (including amounts owing under the Funding Agreement and any amounts deemed by the General Partner, in its reasonable discretion, to be necessary or advisable to supplement the Reserve for purposes of funding Concept Planning Expenses and Issuer Expenses in connection with Properties still held by the Issuer), the Issuer will distribute the net proceeds to each Unitholder proportionately (to the extent that there is cash available for distribution) in accordance with the distribution provisions in the Partnership Agreement. Distributions of proceeds from any Property will be made independently of distributions of proceeds from any other Property. See "Summary of the Partnership Agreement; Rights of Unitholders; Description of Units – Distributions to Unitholders and Walton USA."

Expenses of the Offering

The Offering Expenses and the Selling Commissions and fees payable in connection with the Offering will be paid by the Issuer from the Gross Proceeds. See "Estimated Use of Proceeds" and "Summary – The Offering." The Offering Expenses, including the costs of creating and organizing the Issuer, the General Partner and the special purpose subsidiaries to be formed to hold the Properties, preparing this Memorandum, legal expenses, marketing expenses and other incidental expenses in connection with the Offering, which are estimated to be 0.9% of the Gross Proceeds, have been and will be advanced by Walton USA. All such advances to a maximum of 0.9% of the Gross Proceeds will be repaid by the Issuer from the Gross Proceeds. Any amounts in excess of 0.9% of the Gross Proceeds will be borne by Walton USA on a non-reimbursable basis under the Funding Agreement. See "Estimated Use of Proceeds."

Issuer Expenses

A portion of the Gross Proceeds will be allocated to fund Issuer Expenses (including the Minimum Issuer Expense Reserve Funded at the First Closing). These funds will be deposited, together with the funds set aside for Concept Planning Expenses and the Management Fee, by the Issuer into a non-interest bearing bank account, and will not thereafter be commingled with other funds of the Issuer, the General Partner or any of their affiliates. The funds so segregated will constitute the Reserve. Once the Reserve is established, the Issuer will use such funds to pay Issuer Expenses, Concept Planning Expenses and the Management Fee for the anticipated hold period of the Properties. The Issuer will be permitted to utilize funds set aside in the Reserve for Issuer Expenses and Concept Planning Expenses to pay either of such expenses. Funds set aside for payment of the Management Fee may only be used for such purpose, and may not be used to pay Issuer Expenses or Concept Planning Expenses without the consent of Walton USA in its sole and absolute discretion. Issuer Expenses include, among other things, payment of property taxes, legal, accounting and auditing expenses, Issuer maintenance fees and insurance, but do not include Selling Commissions, Offering Expenses, Concept Planning Expenses, the Management Fee or real estate commissions payable upon the ultimate disposition of each Property.

The Management Fee

The Management Fee is an annual fee equal to 2% of the Net Purchase Price, which shall be payable to Walton USA for managing the Issuer's investment in the Properties. The "***Net Purchase Price***" is the Purchase Price less the amount attributable to the Management Fee. The Management Fee will be paid annually in advance out of funds set aside in the Reserve for that purpose. Funds set aside in the Reserve for payment of the Management Fee may only be used for such purpose, and may not be used to fund other expenses of the Issuer, including Issuer Expenses and Concept Planning Expenses, without the consent of Walton USA in its sole and absolute discretion. Walton USA shall not be entitled to the Management Fee with respect to any Property after the projected eight-year hold period from the date of

acquisition of such Property. Further, Walton USA shall refund the applicable pro rata amount of the Management Fee paid in advance for any year in which either of the following occurs: (i) WUSF 3 GP, LLC no longer serves as the general partner of the Issuer; or (ii) the Issuer no longer owns any interest in any of the Properties. In the event WUSF 3 GP, LLC no longer serves, for any reason, as the general partner of the Issuer, Walton USA will no longer be entitled to receive the proportionate share of the Management Fee. In such event, the Issuer may utilize its remaining proportionate share of the funds set aside for payment of the Management Fee to compensate a successor manager. If no successor manager is appointed, the Issuer's remaining proportionate share of the funds set aside for payment of the Management Fee shall remain in the Reserve, to be utilized by the Issuer for Issuer Expenses or Concept Planning Expenses. Once the Issuer has sold or otherwise disposed of its Interest in a particular Property, the Management Fee to which Walton USA would be entitled in subsequent years, if any, will be reduced proportionately based on the acquisition price of such Property relative to the aggregate acquisition price paid for all Properties held by the Issuer immediately prior to such sale. If the Issuer no longer owns any direct or indirect interest in any Property, Walton USA will no longer be entitled to receive the Management Fee and the remaining funds set aside for purposes of paying the proportionate Management Fee, if any, will be distributed to the Issuer. The Management Fee will commence to accrue on the date of the First Closing.

The Funding Agreement

Although the General Partner believes that the funds to be set aside in the Reserve will be sufficient to cover the Issuer Expenses and the Concept Planning Expenses that the Issuer is expected to incur, the Issuer will enter into the Funding Agreement with Walton USA. Pursuant to the Funding Agreement, Walton USA will undertake to fund the excess of Issuer Expenses and Concept Planning Expenses over the amounts set aside in the Reserve to pay such expenses, subject to the maximum funding obligation discussed below. The Funding Agreement will permit revolving loans to the Issuer in that the Issuer will be permitted to draw funds, repay them without penalty, and re-draw additional funds; provided, however, that Walton USA's obligation to fund under the Funding Agreement Issuer Expenses and Concept Planning Expenses in excess of the amounts set aside in the Reserve for such expenses will be limited an amount not exceeding at any one time an aggregate of 2.0% of the Gross Proceeds raised by the Issuer, to a maximum of $1,000,000. Walton USA may, at its sole option and in its sole discretion, elect to pay or fund any amount or amounts in excess of such maximum limit.

All expenses paid for by Walton USA under the Funding Agreement, other than the excess Offering Expenses paid or funded by Walton USA, constitute loans made by Walton USA to the Issuer for which the Issuer is liable and which loans will bear interest at the Prime Rate as published from time to time in the Wall Street Journal, provided however, that from and after an event of default under the Funding Agreement (an "***Event of Default***") the loans will bear interest at the Prime Rate plus 5% per annum, calculated daily in arrears on the outstanding principal balance thereof from time to time, both before and after demand and judgment, until the entire outstanding aggregate principal balance and such interest has been repaid. Walton USA will be repaid the reimbursable expenses it advances under the Funding Agreement out of any income of the Issuer and out of its respective share of the first proceeds of a sale of all or any part of its interests in a Property. Walton USA will record the Deeds of Trust against the interests in each Property held by the Issuer to secure the amounts that may be owed to Walton USA by the Issuer under the Funding Agreement.

Under the Funding Agreement, the Issuer may not, without the consent of Walton USA, borrow funds from a third party or encumber their respective interests in a Property except for a third-party financing in the event the following conditions exist (a "***Permitted Third-Party Financing***"):

(i). Walton USA has advised the Issuer that it will no longer provide funding to it under the terms of the Funding Agreement or does not provide funding to it under the terms of the Funding Agreement within 20 days of receipt of a request by it for funding;

(ii). The third-party financing is for the purposes of funding the expenses of the Issuer in relation to its operations and/or to fund the costs of Concept Planning;

(iii). The amount of such financing shall not exceed an amount equal to the fair market value of the Issuer's interests in such Property at the time of such alternative financing; and

(iv). Such financing and such security is on terms that are commercially reasonable in the reasonable judgment of Walton USA.

In the event of a Permitted Third-Party Financing, the Issuer may grant an encumbrance against a Property in respect of such financing in favor of a third party as a lien subordinate to, or, with Walton USA's consent which may be withheld in its sole discretion, on a parity with or in priority to, the security provided to Walton USA by the applicable Deed of Trust.

The term of the Funding Agreement will continue until the sale of the final Property, unless there is earlier termination:

- By mutual agreement of the Issuer and Walton USA;
- at the option of Walton USA, upon an Event of a Default by the Issuer;
- by Unitholder approval to develop the final Property beyond Concept Planning;
- by the liquidation, dissolution or termination of the Issuer; or
- by any other event that makes it unlawful or otherwise prohibited to carry out the transactions contemplated by the Funding Agreement.

In the event the Unitholders approve the sale or the development of a Property other than the final Property, Walton USA's maximum funding commitment under the Funding Agreement shall be reduced proportionately based on the acquisition price of such Property relative to the aggregate acquisition price paid by the Issuer for all Properties held by the Issuer immediately prior to the date of such approval.

Under the Funding Agreement, the Issuer will agree that it will not, without Walton USA's prior written consent:

- permit to exist against a Property any encumbrance of a financial nature or any encumbrance that may have an adverse effect on the marketability or value of such Property, other than the applicable Deed of Trust granted to Walton USA and security granted in connection with a Permitted Third-Party Financing referred to above;
- lend money to or guarantee the loans of any person; or
- become contingently liable by guarantee or otherwise for the obligations of any Person.

Walton USA may declare an Event of Default under the Funding Agreement if any of the following occurs:

- the Issuer fails to make any repayment under the agreement when due;
- the Issuer fails to perform any of its other covenants under the agreement, which failure remains unremedied for five business days;
- the bankruptcy or insolvency of the Issuer or the General Partner (the "***Applicable Parties***");
- one of the Applicable Parties suspends or threatens to suspend or fails to carry on and continuously conduct its business;
- a receiver or receiver-manager of substantially all of the property, assets and undertakings of one of the Applicable Parties is appointed;

- the default by one of the Applicable Parties in the payment of any indebtedness in an aggregate amount in excess of $10,000, which default continues for five business days after written notice thereof by Walton USA;
- one of the Applicable Parties enters into any recapitalization, reorganization or other similar arrangement with any other Person;
- any execution, sequestration or other process of any court, or any combination thereof, in an aggregate amount in excess of $10,000 becomes enforceable against any of one of the Applicable Parties;
- Walton USA's good faith belief that the ability of the Issuer to repay the amounts owing under the agreement or to comply with any of its covenants is impaired, or that there has been a material adverse change in the business or financial condition of one of the Applicable Parties;
- the removal by the Unitholders of the General Partner as the general partner of the Issuer;
- a person unaffiliated with Walton makes a takeover bid under applicable securities laws to acquire Units from the Unitholders;
- one of the Applicable Parties breaches or commits an act of default under any provision of the applicable Deed of Trust, or under any promissory note or other evidence of indebtedness received by Walton USA under the Funding Agreement; or
- an event happens that makes it unlawful for the affairs of one of the Applicable Parties to be carried on.

Upon declaring an Event of Default, Walton USA may withhold funding otherwise required by the Funding Agreement, declare the then outstanding balance (including accrued and unpaid interest) due from the Issuer payable immediately or enforce any and all of its rights under the applicable Deed of Trust or any promissory note. See "Risk Factors – Risks Related to Conflicts of Interest" and "Conflicts of Interest."

Issuance of Securities in Exchange for Property

The Issuer will not issue Units in exchange for real estate. The Units will not qualify as "like-kind" property for the purpose of completing a tax-deferred exchange under Section 1031 of the Code.

Borrowing Policy

The Issuer intends to pay in cash the entire Purchase Price to acquire its Interests and fund the Reserve and, as a general matter, does not intend to rely on borrowed funds. In addition to amounts advanced to the Issuer under the Funding Agreement, the Issuer may, under certain limited circumstances, incur indebtedness to the General Partner, Walton USA, an affiliate of either of the foregoing, or a third party. See "Summary of the Partnership Agreement; Rights of Unitholders; Description of Units." Any such indebtedness will be for working capital requirements and not to purchase interests in real estate.

THE WALTON GROUP

Walton is a group of asset management and real estate companies concentrating on the acquisition, planning and management of strategically located land in North America. Walton is a privately owned group of companies founded in Calgary, Alberta in 1979 by Patrick J. Doherty. Prior to founding Walton, Mr. Doherty had been in the commercial real estate business since 1959. Mr. Doherty's vision was to enable individual investors to participate in institutional-style investments in pre-development lands in the path of major urban growth. Over its 30 year history, Walton has amassed an extensive track record through the implementation of its four pillar investment strategy: (i) Acquisition; (ii) Structure; (iii) Planning; and (iv) Exit. Walton exercises this disciplined investment strategy on all of its more than 300 existing land projects in North America. Walton is currently implementing its business strategy to accumulate assets during this economic downturn and prepare them for disposition at a point in the future when the economy is expected to rebound.

The holding company of Walton is Walton Global, an Alberta corporation headquartered in Calgary, Alberta. Walton USA is a wholly owned indirect subsidiary of Walton Global and has its headquarters at 4800 N. Scottsdale Road, Suite 4000, Scottsdale, Arizona 85251, Telephone: 1-800-959-6048. In addition to its ownership interests in Walton USA and Walton International Group Inc., an Alberta corporation headquartered in Calgary, Alberta ("***Walton Canada***"), Walton Global wholly or partially owns a number of real estate related companies. Walton Global subsidiaries include, among other entities, the following:

- *Walton Development and Management L.P.* Walton Development and Management, L.P., an Alberta limited partnership, performs a variety of development and preliminary development activities in connection with property located in Canada and, through WDMI, the United States;
- *Walton Asset Management L.P.* Walton Asset Management, L.P., an Alberta limited partnership, sources institutional capital for investment in development assets; and
- *Walton Realty and Management Ltd.* Walton Realty and Management Ltd., an Alberta corporation, is a registered real estate brokerage under the laws of the Province of Alberta.

Acquisition Experience of Walton

Walton's Land Research and Acquisitions Department, which is led by William K. Doherty, Chief Executive Officer of Walton USA, has extensive experience in real estate with skills that include title and escrow expertise, environmental analysis, Geographic Information Systems or "***GIS***", real estate market research and financial analysis. Collectively, this group employs a well defined research methodology and discipline that has evolved over the past thirty years to become what we believe to be North America's most thorough process for the inspection of raw, unimproved land. The research and acquisition process involves statistical, political, environmental and financial analysis that takes a minimum of two to four years to complete. Walton not only conducts its internal research, but also creates partnerships with local land experts of various disciplines, including legal, planning and engineering, in all cities of interests to obtain third-party reports on the political, economic and practical realities of development within a local context. These localized partnerships help Walton understand how the dynamics of growth impact a region's real estate market physically because a sound land buying strategy requires a thorough understanding of how a region is planning for growth. Based on this external assistance, Walton seeks only those lands that are projected to be strategic to that region's eventual build-out.

Walton employs a top down research methodology in which research begins with an examination of the macroeconomics of growth at the state level and then logically proceeds with increasing specificity through to the microeconomics of a region, including examination of how employment and population distribution affects local settlement patterns. Building upon these demographics, market data and

development patterns are examined to identify those corridors that are best suited to absorb future growth. Walton then employs state-of-the-art GIS technology to digitally map out that region's natural features to ensure that all land designations, infrastructure, parcel fabric, ownership and environmentally sensitive areas are identified and explained within the context of planning for eventual development. Only after these patterns of potential growth and development are understood and price thresholds required for Walton's business model appear achievable will Walton proceed to the identification and due diligence of specific parcels of land that are best suited for profitable and timely development.

Acquisitions of U.S. land are subject to the approval of Walton's U.S. Buying Committee, comprised of Walton executives from Canada and the U.S. (the "***Buying Committee***"). Decisions of the Buying Committee are made after consideration of the foregoing research and evaluation conducted by the Land Research and Acquisitions Department, together with analyses of contemplated parcels by WDMI, and Walton's legal and finance departments.

Land Planning Experience of Walton

WDMI, which is led by John Plastiras, Tim Terrill, and their team of real estate development professionals, has over 784 years of combined experience in planning, entitlement and other aspects of real estate development. WDMI, which is an affiliate of Walton USA, lends its real estate development expertise to provide services to Walton USA and its associated land investment holding entities with respect to strategic asset management, planning and entitlement. Prior to the acquisition of property, WDMI reviews, evaluates, advises and assists the Land Research and Acquisitions Department in making recommendations to the Buying Committee. WDMI also assists with the pre-acquisition research of market areas and individual properties, seeking potential material detriments to the future development viability of each property, with a view to identifying strategic parcels that may control or influence build-out of the target area and the region. WDMI actively manages planning, entitlement and other development approvals for Properties individually or collectively, along with Walton-controlled properties adjacent to or in close proximity to each other, cohesively grouped together, typically in a "master plan", for economies of scale, bargaining power and the potential for creating greater intrinsic value.

WDMI continually monitors and evaluates federal, state or provincial, and local government rules, regulations and policies for potential threats to development land values or opportunities to positively influence or foster favorable growth policy. Although development regulations, market conditions and economics vary between metropolitan areas and individual submarkets, WDMI approaches planning and entitlement and other aspects of real estate development in a consistent manner – as a partner in long-term growth with the approving authorities and elected officials. WDMI examines the attributes and constraints for each parcel, local market conditions, and applicable regulations and then develops, with the assistance of external consultants, a conceptual land use plan, which is the basis for seeking development approvals. With development approvals secured, the marketability of a parcel is enhanced because serviced land can be delivered to homebuilders, end-users or building developers in a less risky, less costly and timelier fashion.

The land planning team in the United States is managed by Tim Terrill, Chief Operating Officer of WDMI. Mr. Terrill offers substantial expertise in the planning, design and approval processes for land development projects across North America. A few examples of projects that Mr. Terrill has managed include a master planned community of over 12,000 acres in Phoenix, Arizona called Fountain Hills; a 675-acre resort community in Casa Grande, Arizona called Francisco Grande; an 85-acre office park in Atlanta, Georgia, originally called Villages of Lake Hearn (now known as Perimeter Summit); and a 308-acre commercial/industrial park in Fort Worth, Texas called Northern Crossing. The land planning team of WDMI has extensive expertise in land planning, processing and management making it a premier team

in North America with demonstrated efficiency in master planned residential communities, mixed use, recreational and commercial developments.

Investment Background of Walton

Walton has extensive experience with the evaluation, acquisition and disposition of real estate properties, the operation and management of land, land entitlement, rezoning and development, the marketing of real estate, and real estate administration. Walton manages approximately 66,000 acres of land in North America. Information relating to some of Walton's transactions is set forth in the tables and exhibits at the end of this Memorandum. Table 1 sets forth the experience of Walton in raising and investing funds through programs involving sales of undivided tenant in common interests ("***UDIs***") in land, and through securities offerings, through June 30, 2012, which encompasses all programs sponsored by Walton that have neither fully nor partially exited. Table 2 lists the U.S. securities offerings sponsored by Walton USA and additionally sets forth, for each such offering, the actual expenses incurred through June 30, 2012, for maintenance of the issuer, management of the property and preliminary development concept planning activities, relative to the amounts reserved for such expenses.

The report of investment returns for exited Walton pre-development projects for the exit period from December 1, 1998 to December 31, 2011 (the "***Report***"), prepared by Walton and audited in accordance with Canadian generally accepted auditing standards by PricewaterhouseCoopers LLP (Canada), is attached hereto as **Exhibit B**. The Report contains certain information on the historical returns achieved by investors who acquired UDIs or limited partnership units in past land projects that were sold and managed by Walton, which projects may have been implemented through a different business structure than the limited partnership structure utilized in this Offering and which may have had different investment objectives. Any returns to be realized on the Units may be greater or lesser than the returns set forth with respect to the pre-development projects in the Report. In particular, the Report summarizes 44 fully and partially exited pre-development projects located in and around Calgary and Edmonton, Alberta, and Brant County, Ontario, that exited, or partially exited, between December 1, 1998 and December 31, 2011. The Report provides information about Walton's business experience in acquiring, syndicating, planning and exiting real estate investments.

As shown in Table 1, Walton affiliates currently manage a significant number of properties in Alberta and Ontario, Canada, the Phoenix-Tucson corridor in Arizona, the Austin-San Antonio and Dallas-Fort Worth areas in Texas, the Charlotte, North Carolina Region, the Atlanta metropolitan area in northern Georgia and the greater Washington, D.C. area, for which no returns have been realized to date, and any returns to be realized on such land projects, including the Properties, may be greater or lesser than the returns set forth in the Report. The land in the UDI projects referred to in the Report is in Alberta and Ontario, whereas the Properties will be located in the United States, and although the land acquisition, land planning and exit strategy aspects of both structures are generally similar, the UDI projects referred to in the Report were implemented through a different business structure than the limited partnership structure utilized in this Offering. Additionally, some of the UDI projects referred to in the Report exited a number of years ago. **For the above and other reasons, the past performance of the projects referred to in the Report, particularly the UDI projects, are not indicative of the future performance of the Units offered hereunder or of other land projects currently managed by Walton or to be managed by Walton in the future and must not be relied upon as a forecast or projection of the probable returns, if any, on an investment in the Units**. The information presented in the Report is not necessarily representative of the risks or potential upside of the investment in the Units. See "Risk Factors" for a more complete description of the factors that may affect the value of the Property, the Interests and your investment in Units.

MANAGEMENT

The General Partner has the power and authority to manage the activities and affairs of the Issuer. The Issuer has no employees of its own. While the General Partner may delegate or contract these obligations to others, it is anticipated that the General Partner will use employees of Walton USA and its affiliates to carry out most of these obligations. The General Partner's manager is a wholly owned subsidiary of Walton USA and an affiliate of Walton. Walton USA and its affiliates will be compensated for their services to the Issuer as described under "Compensation of Walton USA and its Affiliates."

The following table sets forth information about each of the directors and executive officers of Walton USA and the General Partner's manager:

Name and municipality of principal residence	Positions held in the manager of the General Partner	Positions held in Walton USA
William K. Doherty Calgary, Alberta	Chief Executive Officer and Chairman of the Board of Directors	Chief Executive Officer and Chairman of the Board of Directors
Timothy L. Terrill* Scottsdale, Arizona	None	None
Robert D. Leinbach Phoenix, Arizona	President and Director	President and Director
Gordon A. Price Mesa, Arizona	Chief Financial Officer	Chief Financial Officer
Sean P. Cooney Calgary, Alberta	None	Executive Vice President, Land Research and Acquisitions
Matthew M. Keister Scottsdale, Arizona	Chief Operating Officer, Treasurer and Director	Chief Operating Officer, Treasurer and Director
Wayne G. Souza Gilbert, Arizona	None	Executive Vice President, Law, General Counsel and Secretary

*Timothy L. Terrill serves as the Chief Operating Officer of WDMI.

The following table discloses the principal occupations of the directors and executive officers of Walton USA over at least the past five years:

Name	Principal occupations and related experience
William K. Doherty	William K. Doherty, 42, the son of Walton's founder, Patrick J. Doherty, leads the Walton Group of Companies, serving as the President and CEO of Walton Global and Walton Canada, and the CEO of Walton USA. Mr. Doherty has been central to Walton's strategic direction and expansion since the early 1990s, having directed the launch of Walton's Asian, USA and European operations. He is integrally involved in Walton's growing network of business relationships with leading international investment banks, broker-dealers, financial advisors and institutional investors. Mr. Doherty holds a Bachelors degree in Business Administration from Gonzaga University.
Timothy L. Terrill	Timothy L. Terrill, 56, is the Chief Operating Officer of WDMI and has been with Walton since April 2006. He is responsible for, among other things, planning and entitlement of land assets, evaluation and strategic planning for

	entering U.S. markets and providing guidance and assistance to the Land Acquisition Team. Prior to joining Walton USA, Mr. Terrill spent 30 years in the land development industry as a manager of real estate development operations for four different real estate development companies. Prior to joining Walton, Mr. Terrill was the western U.S. manager of land development consulting for Stantec Consulting Inc. During his career he has overseen the development of 20,000 acres of undeveloped land and in excess of 6,000,000 square feet of building facilities. He has completed and provided consulting for developments from land acquisition through joint venture negotiations, planning and design, construction, marketing, financing, leasing, property management, sales and disposition for master-planned communities, residential, commercial and industrial subdivisions, retail centers, office buildings, apartments, hotels, condominiums, resorts, R&D facilities, educational and government institutions, research parks, entertainment venues, industrial buildings, golf courses, sports facilities and mixed-use, urban projects. Mr. Terrill holds a Masters degree in Engineering Management from the University of Tulsa and a B.S. degree in Civil Engineering from the University of Oklahoma.
Robert D. Leinbach	Robert D. Leinbach, 43, is the President of Walton USA. Mr. Leinbach joined Walton USA as a Director and Secretary on October 27, 2005 and became the head of operations for Walton USA in April 2007. Prior to joining Walton USA, Mr. Leinbach was an attorney with Heller Ehrman LP and later Wolfe Leinbach, P.S., a Seattle-based law firm specializing in representing companies and their executives. Mr. Leinbach received his J.D. from the University of Washington School of Law, his M.B.A. from European University (Barcelona, Spain), and his Bachelor of Arts from Occidental College.
Gordon A. Price	Gordon A. Price, 64, is the Chief Financial Officer of Walton USA. Mr. Price joined Walton in July 2006. Between 2004 and 2006, Mr. Price was a senior consultant with Financial Markets Development Corp. of Santa Fe, New Mexico. Between 1995 and 2004, Mr. Price held numerous positions, including Chief Financial Officer for NatCity Investments, the investment banking subsidiary of National City Corporation of Cleveland, Ohio. From 1973 to 1995, Mr. Price was employed by McDonald & Company Investments, in Cleveland, Ohio, where he served as Chief Financial Officer and Treasurer. Mr. Price has more than 30 years of leadership experience in the financial services industry. Mr. Price is a FINRA-licensed Financial and Operations Principal, and serves as a FINRA arbitrator. Mr. Price attended The Ohio State University and Myers University.
Sean P. Cooney	Sean P. Cooney, 44, is Executive Vice President, Land Research and Acquisitions, for Walton USA, a position which he has held since March 2005. Mr. Cooney is responsible for, among other things, managing a team of land acquisition and research experts and implementing Walton USA's land acquisition strategy. From 2002 to 2005, Mr. Cooney was the Regional Manager of Walton Canada's Vancouver office. Mr. Cooney received his B.A. from the University of Victoria.
Matthew M. Keister	Matthew M. Keister, 42, is the Chief Operating Officer of Walton USA, and a Director and Treasurer of Walton USA. Mr. Keister joined Walton as Vice

President of Business Development in 2003 and in 2007 took on the role of National Sales Director. He became Senior Vice President of Operations in 2008, and assumed his current role in 2010. Prior to joining Walton, Matt lived in Hong Kong where he was responsible for marketing campaigns throughout Asia as Business Development Manager for Spectrum Sports Marketing. He then moved to Beijing to work with the Chinese National Basketball Association, where he developed and managed new markets. Mr. Keister holds a Bachelors degree in Business Management from Gonzaga University.

Wayne G. Souza — Wayne G. Souza, 60, is the General Counsel, Executive Vice-President, Law and Secretary of Walton USA, having been employed with Walton USA since December 2007. Mr. Souza has also served as Chair of the Private Placement Committee for the Investment Program Association since February 2010. Prior to joining Walton USA, Mr. Souza served as General Counsel for a national real estate development company headquartered in Phoenix, Arizona. Mr. Souza was previously engaged in the private practice of law for 22 years, most recently serving as the managing attorney of the Virginia office of the international law firm of Zevnik Horton. Mr. Souza received his J.D. from the University of Richmond School of Law, and his B.A. from North Carolina Wesleyan College.

COMPENSATION OF WALTON USA AND ITS AFFILIATES

Co-investment in the Properties — A Walton Acquisition Entity will continue to hold at least a 5% undivided fractional interest in each of the Properties acquired after the Offering and will participate in any profit resulting from an increase in the value of such Properties. The Walton Acquisition Entity will pay, among other things, its proportionate share of the land acquisition, property taxes and Concept Planning Expenses with respect to its undivided fractional interest in the Properties.

Proceeds from the Sale of the Interests to the Issuers; Management Fee — The Issuer will acquire up to an undivided 95% fractional interest in each of the Properties, and will fund the Reserve, with approximately 89.1% of the Gross Proceeds, or $44,547,641 in the event of the Maximum Offering (as stated previously, references herein to the Maximum Offering shall mean $50,000,000, unless noted to the contrary). This Purchase Price reflects not only the third-party costs associated with acquisition of the Interests (including the associated third-party due diligence and closing costs and expenses) and funding the Reserve for payment of Issuer Expenses and Concept Planning Expenses, but also consists of (i) 12.3% of the Gross Proceeds (or $6,144,502 in the event of the Maximum Offering) set aside in the Reserve for annual payments of the Management Fee to Walton USA (with any unearned amounts so reserved being distributed to the Issuer upon sale of the final Property), (ii) 17.7% of the Gross Proceeds (or $8,827,991 in the event of the Maximum Offering) for certain operating expenses of Walton USA and certain of its subsidiaries and/or affiliates, and (iii) 3.0% of the Gross Proceeds (or $1,500,000 in the event of the Maximum Offering) as a sponsor fee to Walton USA for making the opportunity represented by this Offering available to investors. See "Estimated Use of Proceeds – Determination of the Purchase Price." The Issuer's share of fees payable to WDMI for providing the Concept Planning services under the PDCP

Agreement will be paid by Walton USA until such time as either (i) WUSF 3 GP, LLC no longer serves as the general partner of the Issuer, or (ii) Walton USA is no longer performing the duties of the manager of the Property on behalf of the Issuer under the Co-Ownership Agreement. See "Plan of Operation – Concept Planning."

Selling Commissions In connection with the sale of Units, the Issuer will pay Walton Securities (i) commissions of up to 7.0% of the Gross Proceeds from the Offering, which it may re-allow to other FINRA-registered members of the Selling Group as compensation for their services, and (ii) a non-accountable marketing and due diligence allowance of up to 3.0% of the Gross Proceeds from the Offering, which it may re-allow to other members of the Selling Group.

Funding Agreement Although the General Partner believes that the funds to be set aside in the Reserve will be sufficient to cover the Issuer Expenses and Concept Planning Expenses that the Issuer is expected to incur, the Issuer and Walton USA will enter into the Funding Agreement, whereby Walton USA will agree to fund, on a revolving basis, Issuer Expenses and Concept Planning Expenses in the event the Reserve (excluding amounts set aside for the Management Fee) is depleted. The cap on Walton USA's obligation to fund such expenses under the Funding Agreement will be limited an amount not exceeding, at any one time, an aggregate of 2.0% of the Gross Proceeds raised by the Issuer, to a maximum of $1,000,000. Walton USA will be repaid the reimbursable expenses it advances under the Funding Agreement out of any income of the Issuer and out of the Issuer's share of the first proceeds of a sale of all or any part of its Interest in a Property. To the extent combined Issuer Expenses and Concept Planning Expenses exceed amounts set aside in the Reserve for such expenses and Walton USA's maximum revolving funding obligation under the Funding Agreement, the Issuer will likely have to procure alternative financing to pay such excess and Walton USA will have no further funding obligations to the Issuer. See "Plan of Operation – The Funding Agreement."

Carried Interest Upon the closing of a sale or other disposition of all or any portion of a Property, after allowing for expenses and liabilities (including amounts, if any, owed by the Issuer to Walton USA under the Funding Agreement, and amounts the General Partner deems necessary or advisable to supplement the Reserve to fund future anticipated Issuer Expenses and Concept Planning Expenses associated with the Issuer's remaining Interests), the Issuer will distribute any net proceeds received in connection with the sale of such Property to its Unitholders (to the extent that there is cash available for distribution). After distributing to each Unitholder the Base Amount allocable to such Property and the Preference Amount allocable to such Property (or after setting aside an amount sufficient to provide for such distribution), to the extent there are remaining net proceeds from the sale of such Property available for distribution, the Issuer will distribute 60% of such proceeds to the Unitholders (pro rata based on their relative number of Units to all Units) and 40% to Walton USA or one of its affiliates as a Class B Partner on account of its Carried Interest. See "Summary of the Partnership Agreement; Rights of Unitholders; Description of Units."

UNIT OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

There are no Units or other interests in the Issuer, including the Class B Unit, currently outstanding, and the General Partner's manager, Walton USA, affiliates of Walton USA, and their respective executive officers, employees, directors or affiliates do not own any Units. However, they may purchase Units in the Offering, and in certain circumstances the Selling Commissions applicable to those purchases may be discounted. Walton USA will serve as the tax matters partner for the Issuer.

CONFLICTS OF INTEREST

The relationships among Walton, Walton USA, the General Partner's manager, their respective officers, directors and affiliates, and the Issuer result in various conflicts of interest. Additionally, Walton, Walton USA and their affiliates are engaged in business activities involving real estate acquisition, syndication, lending and development, including the sponsoring and management of ventures similar to the undertaking of the Issuer, and anticipate engaging in similar business activities in the future. See "The Walton Group." In particular, Walton USA and the General Partner's manager are involved in certain of the programs and projects identified in Tables 1 and 2 at the back of this Memorandum, which involvement results in further conflicts of interests. See "Risk Factors - Risks Related to Conflicts of Interest" for a comprehensive list of such conflicts of interest. The list of potential conflicts of interest set forth therein reflects our knowledge of the existing or potential conflicts of interest as of the date of this Memorandum. We cannot assure you that other conflicts of interest will not arise in the future.

SUMMARY OF THE PARTNERSHIP AGREEMENT; RIGHTS OF UNITHOLDERS; DESCRIPTION OF UNITS

The affairs of the Issuer will be governed by the Partnership Agreement. Investors will be limited partners in the Issuer and party to the Issuer's Partnership Agreement. The summary of the Partnership Agreement below does not contain all information that may be important to you. Furthermore, you will be bound by the Partnership Agreement by purchasing your Units. Consequently, you should read carefully both this Memorandum and the Partnership Agreement, substantially in the form attached as **Exhibit C** to this Memorandum.

Your Status

If we accept your subscription and payment for Units, you will receive Units in, and be a Unitholder and limited partner of the Issuer. See "Subscribing for Units." As a Unitholder, you have the rights that are outlined in this Memorandum and set forth in more detail in the Partnership Agreement. Unitholders will have no right to use or occupy any portion of the Properties or encumber the Properties (or any portion of them) in any manner.

Limited Liability of Unitholders

The Delaware Revised Uniform Limited Partnership Act, under which the Issuer was formed, and the Partnership Agreement provide that the Unitholders are not personally liable for the debts, liabilities, contracts, or obligations of the Issuer.

Duration of the Issuer

If the General Partner so determines, the Issuer will cease operating and will wind down after the sale or other disposition of its entire interest in the final Property. The Issuer may dissolve earlier under the circumstances set forth in the Partnership Agreement.

Meetings; Voting and Other Rights of Unitholders

Either the General Partner or Unitholders owning at least 33⅓% of the Issuer's Units outstanding may call meetings of the Unitholders of the Issuer. Any voting by the Unitholders may be by written consent in lieu of a meeting. Unitholders holding at least 33⅓% of the outstanding Units will constitute a quorum as long as at least two Unitholders are present. Each Unitholder is entitled to one vote for each Unit owned.

Except for certain actions requiring approval by Extraordinary Action (described below), the General Partner has full power and authority to manage, control and operate the affairs of the Issuer. In addition, the General Partner may amend the Issuer's Partnership Agreement without the approval of the Issuer's Unitholder:

- to add, amend or delete provisions of the Partnership Agreement where such addition, amendment or deletion is, in the opinion of counsel to the Issuer, for the protection of or otherwise to the benefit of the Unitholders, provided that it may not amend the Partnership Agreement so as to adversely affect the rights, preferences or privileges of the Class B Partner without the consent of the Class B Partner;
- to cure an ambiguity or to correct or supplement any provisions contained in the Partnership Agreement that, in the opinion of counsel to the Issuer, may be defective or inconsistent with any other provisions, provided the cure, correction or supplemental provision does not and will not adversely affect the interests of Unitholders;
- to make such other provisions in regard to matters or questions arising under the Partnership Agreement that, in the opinion of counsel to the Issuer, do not and will not adversely affect the interests of the Unitholders;
- to reflect the admission of any Person as a Unitholder of the Issuer;
- to take such actions (if any) as may be necessary to ensure that the Issuer will be treated as a partnership for federal income tax purposes;
- to reflect the proposal or adoption of regulations under Section 704(b) or 704(c) of the Code, provided that such amendment would not have a material adverse effect on the Unitholders of the Issuer and is consistent with the principles of Section 704 of the Code;
- to make such amendments or deletions to take into account the effect of any change in, amendment of or repeal of any applicable legislation, which amendments, in the opinion of counsel to the Issuer, do not and will not adversely affect the interests of the Unitholders; or
- in the event the taxation of the Class B Unit is adversely affected by any change in law, as determined by the General Partner in its sole discretion, to amend the distribution and allocation provisions of the Partnership Agreement and such other provisions as the General Partner reasonably deems necessary or advisable to mitigate such effect, provided that such amendment does not materially adversely affect the economic interest of any Unitholder.

Extraordinary Action, i.e., an affirmative vote of those Unitholders whose Units represent at least 66⅔% of all of the Issuer's Units voted on the matter, is required to:

- amend the Partnership Agreement except as otherwise provided under the Partnership Agreement;
- waive any default by the General Partner of its obligations under the Partnership Agreement on such terms as the Unitholders may determine and to release the General Partner from any claims relating to the default;
- require the General Partner on behalf of the Issuer to enforce any obligation or covenant on the part of any Unitholder or all Unitholders; provided, however, that the General Partner may take such action of its own volition without Extraordinary Action;
- dissolve the Issuer;

- extend the Issuer's investment activities beyond Concept Planning and to participate in the development of one or more of the Properties;
- create or register an encumbrance other than a Permitted Encumbrance on or against a Property in favor of any Person, other than (i) the security granted to Walton USA under the provisions of the Funding Agreement, (ii) any encumbrance created by the Walton Acquisition Entity or one of its affiliates with respect to its undivided fractional interest in a Property; and (iii) security granted in connection with a Permitted Third-Party Financing (see "Plan of Operation – The Funding Agreement") ("***Permitted Encumbrance***" means any (i) statutory encumbrance for current taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the entity alleged to owe such tax or charge; (ii) encumbrance arising or incurred in the ordinary course of business for amounts that are not overdue for a period of more than 60 days and that are not, individually or in the aggregate, significant; (iii) zoning, entitlement, building and other land use regulations imposed by governmental authorities having jurisdiction over a Property; (iv) covenants, conditions, restrictions, easements and other encumbrances affecting title to a Property that do not materially impair the ability of the Issuer to sell such Property; (v) public roads and highways; and (vi) encumbrances regarding deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements, including rights of setoff);
- effect a sale, transfer or other disposition or series thereof (excluding third-party leases) of a portion of a Property constituting more than 10%, in the aggregate, of the total acreage of such Property; provided, that the sale or disposition of Lots shall be made at the General Partner's discretion;
- agree to any compromise or arrangement by the Issuer with any creditor, or class or classes of creditors;
- change the fiscal year of the Issuer;
- cause the Issuer to merge with or into another entity;
- create any equity security of the Issuer senior to the Units;
- amend, modify, alter or repeal any Extraordinary Action previously taken by the Unitholders;
- remove the General Partner as the general partner of the Issuer for Cause; and
- issue over 10,000,000 Class A Units of the Issuer.

The Unitholders may not remove the General Partner except by Extraordinary Action and only for Cause. In addition, Unitholders may not, without the consent of the General Partner which may be withheld in its sole discretion, make any amendment to the Partnership Agreement or cause the Issuer to take any action, including but not limited to: (i) a sale, transfer or encumbrance of all or a portion of the Interest or any other assets of the Issuer or (ii) a merger, consolidation, or other business combination of the Issuer, dissolution of the Issuer, or other event that would result in the termination of the existence or operations of the Issuer.

Unitholders may inspect certain of the Issuer's books and records at its principal office during its regular business hours after providing the General Partner a written request to do so that is delivered to the General Partner at least 48 hours prior to the requested time of inspection.

Description of the Units

Each Unit represents an undivided equity interest in the Issuer. Under the Partnership Agreement, there is a limit of 10,000,000 Class A Units that may be issued. Units are non-assessable and are entitled to a pro rata share of the Issuer's profits and losses in accordance with the terms of the Partnership Agreement. There are no securities of the Issuer currently outstanding, and securities senior to the Units may only be issued with approval by Extraordinary Action. Ownership of the Units will be registered on the books of the Issuer. No certificates evidencing ownership of the Units will be issued.

The Issuer is authorized to issue a single Class B Unit which will be issued to Walton USA or one of its affiliates for $.01 at the First Closing. The holder of the Class B Unit in the Issuer (the "***Class B Partner***") shall not vote at meetings of the Issuer's partners. However, the Partnership Agreement may not be amended so as to adversely affect the rights, preferences, or privileges of the Class B Partner without the consent of the Class B Partner. The Class B Partner is entitled to the Carried Interest, which entitles it to the distributions described below.

Capital Accounts

The Issuer will credit or cause to be credited the capital account it establishes for you when we accept your initial investment. We will adjust your capital account to reflect your distributive share of the Issuer's income, gains, losses and distributions in accordance with the terms of the Partnership Agreement. Your capital account will increase by your distributive share of income and gain realized by the Issuer. Your capital account will decrease by your distributive share of losses realized by the Issuer and any distributions we make to you.

Distributions to Unitholders and Walton USA

The Properties are not expected to generate significant current net taxable income and may in fact cost more to own and maintain than the income they generate. Accordingly, the Issuer is not expected to make distributions to Unitholders except in connection with the sale of all or part of its Interests. If the Properties do generate income in excess of operating expenses, the Issuer may make one or more distributions to its Unitholders in accordance with the terms of the Partnership Agreement. Before making a distribution, regardless of whether the distribution is made after selling a Property or beforehand, the Issuer will pay its expenses and other liabilities. The Partnership Agreement grants the General Partner sole discretion, within specific limitations, to determine whether to effect a distribution and the timing and amount of any distributions.

In connection with the sale of all or part of a Property, and after allowing for expenses and liabilities (including amounts, if any, owing under the Funding Agreement, and amounts the General Partner deems necessary or advisable to supplement the Reserve to fund future anticipated Issuer Expenses and Concept Planning Expenses associated with the Issuer's remaining Interests), the Issuer will distribute to each Unitholder (to the extent that there is cash available for distribution) the net proceeds from the sale of such Property in the following priority: (a) first, to pay Unitholders in proportion to and to the extent of each Unitholder's Base Amount allocable to such Property and (b) second, to pay Unitholders in proportion to and to the extent of each Unitholder's Preference Amount allocable to such Property. After distributing to each Unitholder the Base Amount and the Preference Amount allocable to such Property (or after setting aside an amount sufficient to provide for such distribution), to the extent there are remaining proceeds from the sale of such Property available for distribution, the Issuer will distribute 60% of the proceeds from the sale of such Property to the Unitholders (pro rata based on their relative number of Units), and 40% to Walton USA or its affiliate as the Class B Partner on account of its Carried Interest; provided, however, in the event distributions are made resulting in insufficient assets of the Issuer remaining to satisfy all liabilities of the Issuer (including any amounts owing by the Issuer under the Funding Agreement), the General Partner may require the Unitholders and the Class B Partner to return (in proportion to any distributions made) all or parts of such distributions as have rendered the Issuer unable to satisfy all liabilities of the Issuer and may require any Unitholder and the Class B Partner, as applicable, to return to the Issuer any amount distributed to such Unitholder or Class B Partner in excess of its distribution entitlement.

Although the Unitholders may receive in kind distributions of undivided interests in the Issuer's assets upon dissolution and would no longer enjoy limited liability with respect to the ownership of such assets, the Issuer is not expected to make distributions to Unitholders except in connection with the sale of all or part of its Interests.

Compulsory Transfer or Acquisition of Units

The Partnership Agreement grants the General Partner the authority to require a Unitholder to transfer its Units or, if the Unitholder does not transfer its Units within 21 days, to have the Issuer sell the Units on such Unitholder's behalf or to reacquire them for the price per Unit paid by such Unitholder. The General Partner may exercise this power if, in its sole determination, any continued holding of Units by any direct or beneficial Unitholder might cause or be likely to cause (a) the Issuer to be classified as a "publicly traded partnership" under the Code, (b) the assets of the Issuer to be considered "plan assets" within the meaning of ERISA, Section 4975 of the Code or applicable regulations, (c) the Issuer's Units to be required to be registered under the Exchange Act, or (d) some legal, regulatory, pecuniary, tax or material administrative disadvantage to the Issuer or its Unitholders.

Drag-Along

The Partnership Agreement contains provisions to the effect that, if an offer is made by an offeror to acquire all of the outstanding Units of the Issuer, and its Unitholders, by Extraordinary Action (ignoring votes cast with respect to Units held at the date of the offer, if any, by or on behalf of the offeror or associates or affiliates of the offeror) accept the offer, then the offeror shall be entitled to acquire the Units held by the Unitholders who did not accept the offer on the terms offered by the offeror, subject to compliance with the relevant provisions of the Partnership Agreement. In these circumstances, you may be required to sell your Units to the offeror at the price and on the terms previously accepted by the Unitholders holding not less than 66⅔% of the outstanding Units.

Special Power of Attorney

Under the terms of the Partnership Agreement and the Subscription Agreement, you appoint the General Partner your attorney-in-fact for signing certain documents, including the Partnership Agreement. You cannot revoke this special power of attorney, which will survive your death and any transfer of your Units.

The General Partner

The General Partner has, to the exclusion of the limited partners of the Issuer, the power and authority to (i) manage, control and operate the affairs of the Issuer, and to do, or cause to be done, on behalf of the Issuer, any and all acts necessary and convenient, or incidental to the affairs of the Issuer, (ii) to represent the Issuer, and (iii) to make all decisions regarding the affairs of the Issuer. Certain restrictions are imposed on the General Partner and certain actions may not be taken by it without the approval of the Unitholders.

The General Partner is required to exercise its powers and discharge its obligations under the Partnership Agreement in good faith. The General Partner will put before the Unitholders for a vote of the applicable Unitholders, together with applicable quorum and voting requirements, any proposed offer to purchase one or more of the Issuer's Interests that the General Partner deems in its reasonable discretion to be a bona fide offer on terms equal to or better than those generally available in the market. The General Partner will exercise the care, diligence and skill of a reasonably prudent person, and it will devote such of its time to the Issuer's affairs as it determines, in good faith, to be reasonably necessary.

Except for any implied covenant of good faith and fair dealing, the provisions of the Partnership Agreement are intended to replace any obligations of the partners of the Issuer (including the General Partner) to each other that would otherwise be implied by applicable law, including without limitation any implied fiduciary or other duty that might otherwise apply to the General Partner, the limited partners or their relationship to each other as general partner and limited partners of the Issuer. The General Partner will be entitled to retain, at the expense of the Issuer, advisors, experts and consultants to assist it in the exercise of its powers and the performance of its obligations under the Partnership Agreement. The

General Partner may contract with any Person to carry out any of the obligations of the General Partner and may delegate to such Person any power or authority of the General Partner under the Partnership Agreement, but no such contract or delegation will relieve the General Partner of any of its obligations thereunder.

Under the terms of Partnership Agreement, the General Partner agrees, among other things, that (i) funds of the Issuer will not be commingled with any other funds of the Issuer or of any other person, (ii) the Issuer will neither make loans to, nor guarantee the obligations of, the General Partner or any associate or affiliate of the General Partner or any of their respective directors or officers, and (iii) except with respect to services provided on terms approved by Unitholders holding 66⅔% of all Units voted on the matter, in the event the General Partner or any of its affiliates are compensated by the Issuer for providing services to the Issuer, such services shall be provided on commercially reasonable terms as determined in good faith by the General Partner.

The General Partner may, as necessary, incur reasonable costs and expenses on behalf and for the account of the Issuer, and any such costs and expenses incurred by the General Partner (excluding the General Partner's general office overhead for its own staff, personnel, furniture and equipment used in respect of the performance of its obligations under the Partnership Agreement) will be reimbursed by the Issuer from funds set aside in the Reserve for Issuer Expenses, if any, or, in the event that funds on hand in the Reserve are insufficient for such reimbursement, may be incurred by the General Partner, at its sole discretion, and will be considered an advance to the Issuer from the General Partner. The General Partner will not be obligated, and does not intend, to advance any amount to the Issuer. The General Partner is entitled to reimbursement by the Issuer of any advance by the General Partner to the Issuer together with interest thereon at the rate of interest and expense relative thereto at which such amounts are borrowed by the General Partner from its bankers, but such interest and expenses shall not exceed that which the Issuer could obtain from recognized financial establishments with respect to similar borrowings.

Resignation and Removal of General Partner

The General Partner may not withdraw unless it has given at least 180 days' written notice to the Unitholders of such intention and nominates a qualified successor whose appointment is approved by vote of Unitholders holding at least a majority of the outstanding Units, and the successor must accept such position within such period and be admitted as a substitute general partner of the Issuer. The General Partner may not be removed as general partner of the Issuer except by Extraordinary Action and only for Cause. A resolution removing the General Partner must appoint a new general partner as successor, and the General Partner may not be removed until such new general partner is admitted as a substitute general partner. The Class B Partner's interest in respect of the Class B Unit will not be affected by either the withdrawal or removal of the General Partner.

Indemnification and Exculpation

Each Partnership Agreement provides that the General Partner will indemnify and hold harmless the Issuer from losses, liabilities or damages incurred by the Issuer as a result of any gross negligence, willful misconduct or fraudulent act by the General Partner. In addition, the Partnership Agreement provides that the Issuer will indemnify the General Partner together with its successors in interest by merger, dissolution or otherwise and its officers, directors, managers, members, employees, agents and advisors and the limited partners of the Issuer together with their respective heirs, devisees, legatees, personal representatives, trustees, executors, administrators, successors in interest by merger, dissolution or otherwise (each an "***Indemnified Person***") as described below.

Subject to any restrictions imposed by applicable law, the Issuer will indemnify an Indemnified Person in respect of any loss, liability or damages by any Indemnified Person or by the Issuer by reason of any act

performed or omitted to be performed by an Indemnified Person on behalf of the Issuer, provided that such loss, liability or damages was not solely the result of such Indemnified Person's fraud, gross negligence or willful misconduct.

To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Issuer or to the partners of the Issuer, any Indemnified Person acting in connection with the Issuer's business or affairs shall not be liable to the Issuer or to any partner for its good faith reliance on the provisions of the Partnership Agreement. The provisions of the Partnership Agreement and any other written agreements to which the Issuer and a partner are parties, to the extent that they establish the duties and liabilities of an Indemnified Person, replace such duties and liabilities of such Indemnified Person that would otherwise exist at law or in equity.

In addition, each person who is made a party in any threatened, pending or completed proceeding by reason of the fact that such person is or was a partner of the Issuer shall be indemnified by the Issuer to the fullest extent permitted by applicable law against all judgments, penalties and reasonable expenses actually incurred by such person in connection with such proceeding if such person acted in good faith. The Issuer will advance expenses incurred by or on behalf of such an indemnified person provided the person undertakes to repay any and all advanced expenses in the event such indemnified person is ultimately determined to not be entitled to indemnification by the Issuer.

The General Partner and its affiliates shall not be denied indemnification or exculpation in whole or in part because the General Partner or its affiliates had an interest in the transaction with respect to which the indemnification or exculpation applies if the transaction was otherwise permitted by the terms of the Partnership Agreement.

The indemnification and advancement of expenses provided under the Partnership Agreement are not exclusive of any other rights to which the indemnified persons may be entitled. The Issuer reserves the power to buy and maintain insurance on behalf of the General Partner in addition to the indemnification provisions here described. Under no circumstances will the Issuer indemnify the General Partner or its affiliates for any matter determined to constitute gross negligence, or willful misconduct, or fraud, on the part of the General Partner.

Except to the extent that any losses, liabilities or damages incurred by the Unitholders or the Issuer resulting from the General Partner's gross negligence, willful misconduct or fraudulent acts, the General Partner will not be liable to the Unitholders or the Issuer for any losses, liabilities or damages incurred by the Unitholders or the Issuer, including losses, liabilities or damages resulting from any mistakes or errors in judgment of the General Partner or any act or omission believed in good faith to be within the scope of authority of the General Partner conferred by the Partnership Agreement. Except as described in the preceding sentence, no individual trustee, officer, director, shareholder, member, manager, managing member, constituent partner, employee or agent of the General Partner will have any personal liability for the performance of its obligations under the Partnership Agreement.

Conflicts of Interest

The Partnership Agreement has no provisions prohibiting any officer, director, security holder or affiliate of the Issuer or the General Partner's manager from (a) having any direct or indirect pecuniary interest in any property to be acquired or disposed of by the Issuer or in any transaction to which the Issuer is a party or in which the Issuer has an interest, or (b) engaging for their own account in activities of the sort engaged in by the Issuer. See "Conflicts of Interest."

Transactions involving Affiliates

The validity of a transaction, agreement or payment involving the Issuer or its affiliate, on the one hand, and the General Partner or its affiliate, on the other hand, is not affected by reason of the relationships between the General Partner and the Issuer or their respective affiliates or by reason of the approval or lack thereof of the transaction, agreement or payment by the officers or directors of the General Partner's manager, any or all of whom may be officers, directors, or employees of, or otherwise interested in or related to its affiliates. However, unless approved by Extraordinary Action, in the event the General Partner or any of its affiliates are compensated by the Issuer for providing services to or on behalf of the Issuer, such services shall be provided to the Issuer on commercially reasonable terms, as determined by the General Partner in good faith.

Redemptions of Units

Units are not redeemable at the option of the Unitholder.

CERTAIN FEDERAL TAX CONSIDERATIONS

This summary is of a general nature only and is not intended to be legal, tax or business advice to any particular prospective purchaser of Units. Therefore, prospective investors are strongly urged to consult their own tax advisors prior to investing in the Units with respect to their specific U.S. federal, state, local, and non-U.S. tax consequences from the acquisition of Units.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to persons considering the acquisition of Units in the Issuer. This discussion is based on the Code, Treasury regulations promulgated thereunder, administrative rulings, and court decisions, all in effect as of the date of this Memorandum. The Congress of the United States is constantly considering proposed changes to the tax laws, and new tax provisions are enacted frequently. In addition, the courts and the IRS are interpreting and developing tax laws on an ongoing basis, sometimes with retroactive effect.

This discussion does not address all aspects of U.S. federal taxation that may be relevant to an investor in light of such investor's particular circumstances or particular tax status, including non-U.S. Persons, tax-exempt organizations, banks, insurance companies, so-called "S corporations," dealers and other investors that do not own their interest as capital assets. In addition, unless expressly stated otherwise, the following discussion does not address state, local, or non-U.S. tax considerations related to the acquisition of Units by investors, or the tax considerations of other transactions effectuated prior to, concurrently with, or after the acquisition of the Units, whether or not such transactions are in connection with the acquisition of the Units.

If a partnership is a holder of Units, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of Units that is a partnership, and partners in such partnerships, should consult their individual tax advisors about the U.S. federal income tax consequences of the acquisition of Units.

Certain Federal Tax Consequences Related to the Units

Classification as a Partnership

Under current U.S. Treasury regulations, a domestic entity that has two or more owners and that is not organized as a corporation under U.S. federal or state law generally will be classified as a partnership for U.S. federal income tax purposes unless it elects to be treated as a corporation. The Issuer will not elect to be treated as a corporation. Accordingly, subject to the discussion of "publicly traded partnerships" below, the Issuer will be classified as a partnership for U.S. federal income tax purposes.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" as defined in the Code and Treasury regulations and fails to satisfy certain gross income tests. The General Partner intends to operate the Issuer so that it will not be treated as a publicly traded partnership. The Issuer intends to obtain and to rely in part on appropriate representations and undertakings from each Unitholder to prevent the Issuer from being treated as a publicly traded partnership.

As a partnership, the Issuer generally will not itself be subject to U.S. federal income tax. Instead, each Unitholder, in computing its federal income tax liability for a taxable year, will be required to take into account its distributive share (as determined under the Partnership Agreement) of the Issuer's items of income, gain, loss, deduction and credit for the taxable year of the Issuer ending within or with the taxable year of the Unitholder, regardless of whether such Unitholder has received or will receive corresponding distributions from the Issuer. It is possible that in any given taxable year, a Unitholder's tax liability arising from its investment in the Issuer could exceed the distributions made by the Issuer to the Unitholder. The Issuer will provide its Unitholders with appropriate information about the Interests necessary to file their U.S. federal income tax returns.

For U.S. federal income tax purposes, a Unitholder's allocable share of the Issuer's income, gain, loss, deduction, and credit will be governed by the Partnership Agreement if such allocations have "substantial economic effect" or are determined to be in accordance with such Unitholder's interest in the Issuer under the Code and corresponding Treasury Regulations. Under the Partnership Agreement, items of income, gain, loss, deduction and credit will be allocated among the Unitholders in a manner that is intended to comply with the applicable Treasury regulations. Nonetheless, it is possible that the IRS could assert that such allocations do not have substantial economic effect. If the allocations that are made under the Partnership Agreement were successfully challenged by the IRS, the re-determination of the allocations to a particular Unitholder could be less favorable than the allocations set forth in the Partnership Agreement.

A Unitholder's allocable share of the Issuer's organization and syndication expenses will not be currently deductible, regardless of whether they are borne directly by the Issuer or are borne by the General Partner and reimbursed by the Issuer to the General Partner. Certain organizational expenses may however be amortized over 180 months by the Issuer. Other expenditures of the Issuer may also not be treated as currently deductible. Further, prospective Unitholders who are individuals or certain closely held corporations should be aware that they could be subject to various limitations on their ability to use their distributive share of deductions and losses of the Issuer against other income. Such limitations include those relating to "passive losses," amounts "at risk," "investment interest," and "miscellaneous itemized expenses." Prospective investors should consult their own tax advisors regarding the application of these rules to their investment in the Issuer.

Sale of All or a Part of the Interests by the Issuer

The U.S. federal taxation of income that is allocable to a particular Unitholder from the Issuer's sale or other disposition of its Interests will differ depending on the character of income as capital gain or ordinary income and the status of the particular Unitholder as an individual (or other non-corporate taxpayer) or a corporation for U.S. federal tax purposes. If the income from the sale or other disposition of the Interest by the Issuer is treated as long-term capital gain for U.S. federal tax purposes, Unitholders who are individuals and certain estates and trusts may be eligible for a reduced rate of taxation (generally 15% through December 31, 2012) on their allocable share of such income. Capital gain is long-term if it is derived from the sale or other disposition of a capital asset held for more than one year. If income from the sale or other disposition of the Interest by the Issuer is treated as ordinary income to the Issuer (or as capital gain that is not long-term), non-corporate Unitholders generally will be subject to ordinary U.S. federal income tax rates (generally up to 35% through December 31, 2012). If the Unitholder is treated as a corporation for U.S. federal tax purposes, such Unitholder generally will be subject to ordinary U.S.

income tax rates (generally up to 35%), regardless of whether the income from the sale or other disposition of the Interest by the Issuer is treated as ordinary income or capital gain. The Issuer will not be required to withhold taxes on a Unitholder's allocable share of gain (if any) from the Issuer's disposition of the Interest provided that such Unitholder is a U.S. holder and such Unitholder satisfies certain documentation requirements regarding its status as a U.S. holder.

As discussed in this Memorandum and the Partnership Agreement, the Issuer intends to acquire and hold its Interest for investment purposes and conduct preliminary development activities on the Properties. In this regard, the Issuer intends to hold its Interest for capital appreciation over a number of years and eventually to sell the Interest to a developer or other purchaser (either as a whole or in a limited number of parcels), rather than participating in the physical development of the Properties. The Issuer currently anticipates that it will need to hold its Interests for approximately two to eight years. Although not free from doubt, provided that the Issuer's sole activity will be the acquisition and holding of its Interest primarily for investment purposes and that the Issuer does not physically develop the Properties, the income from the Issuer's eventual sale or other disposition of its Interest is expected to result in capital gain to the Issuer (and therefore to its Unitholders). The above described treatment assumes that the Issuer will not actively solicit or advertise the sale of its Interest (other than minimal or incidental activity directed at disposing of the Interest to a developer), that its interest in a Property will be disposed of in a single transaction or possibly in a small number of transactions, and that most of its gain is attributable to the economic development (expected or actual) of the area surrounding such Property. If the actual facts surrounding the acquisition and sale of the Issuer's Interest by the Issuer differ from the assumed facts as set forth above (including the intention of the Issuer to acquire and hold its Interest primarily for investment purposes and not to physically develop a Property), the U.S. federal tax consequences of the sale or other disposition of its Interest could materially change, possibly resulting in a Unitholder's distributive share of the Issuer's gain from the disposition of its Interest being treated, and taxed, as ordinary income.

Disposition of Units by U.S. Holders

If a U.S. holder sells or otherwise disposes of its Units in the Issuer, the disposition of such Units generally should be treated as a sale or exchange of a capital asset, and will be subject to U.S. federal taxation to the extent that the amount of consideration received for such Units exceeds such U.S. holder's tax basis in the Units sold. Any gain that is recognized by a U.S. holder upon the sale of its Units generally should be taxable as long-term or short-term capital gain, depending on the U.S. holder's holding period for its Units. All or a part of a U.S. holder's gain on the disposition of its Units could be treated as ordinary income if, for example, as described in the above section "Sale of All or a Part of the Interests by the Issuer," the Issuer participates in the development of a Property or is not treated as holding such Property for investment purposes.

On March 30, 2010, President Obama signed into law the Health Care and Education Reconciliation Act of 2010, which requires certain U.S. Holders who are individuals, estates or trusts to pay an additional 3.8% tax on, among other things, capital gains from the sale or other disposition of certain investment assets for taxable years beginning after December 31, 2012. U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of our Units.

In addition, on March 18, 2010, President Obama signed into law the Hiring Incentives to Restore Employment Act of 2010, including provisions for U.S. withholding tax on payments to "foreign financial institutions" and "non-financial foreign entities" commonly referred to as "FATCA". Under FATCA, the failure to comply with certain specified requirements could result in a 30% withholding tax being imposed on certain payments to a U.S. Holder who own our Units through a foreign financial institution acting as custodian or beneficial owner, or a non-financial foreign entity acting as beneficial owner of which the U.S. Holder owns more than 10% of the equity. For example, if a U.S. Holder holds

our Units in an account with a foreign broker or via a foreign investment fund or pension arrangement, a portion of his return could be reduced by 30% unless the broker, fund or pension satisfied FATCA registration and reporting requirements or qualified for exemption therefrom. This FATCA withholding tax is imposed even if the foreign financial institution or non-financial foreign entity qualifies for reduced U.S. withholding tax on certain items of U.S.-source income under an income tax treaty with the United States or the item is otherwise exempt from withholding tax under the provisions of the Foreign Investment in Real Property Tax Act ("FIRPTA"). Withholdable payments include U.S.-source interest, dividends, and rents, and the proceeds from the sale or other disposition (even at a loss) of U.S. debt instruments and shares (including of REITs); they do not include the proceeds from the sale or other disposition of U.S. real property that we hold directly. Proposed Treasury Regulations provide that FATCA withholding will apply to payments of interest, dividends and rents made on or after January 1, 2014, and to payments of gross proceeds from the sale or other disposition of debt instruments and shares on or after January 1, 2015. Prospective investors are strongly encouraged to consult their U.S. tax advisors regarding these FATCA withholding provisions, especially if they plan to hold Units through a foreign intermediary of some kind.

Distributions from the Issuer

The Issuer's current intention is to sell the Interests prior to development (or, with respect to Property that has already been partially or fully developed, without further development or subdivision) of any of the Properties, and to distribute the sales proceeds to the Unitholders in liquidation of the Issuer. Distributions, whether made currently or upon liquidation of the Issuer, generally may be received by a Unitholder without further tax. However, cash distributions will be taxable to the extent they exceed a U.S. holder's tax basis in the Issuer. A U.S. holder's tax basis in the Issuer will increase by the U.S. holder's distributive share of the Issuer's income, including the Issuer's gain on the sale of the Properties. The excess (if any) of cash distributions over a U.S. holder's tax basis for its Units should be taxable as long-term or short-term capital gain, depending on the U.S. holder's holding period for its Units. All or a part of a U.S. holder's gain could be treated as ordinary income if, for example, as described in the above section "Sale of All or a Part of the Interests by the Issuer," the Issuer participates in the development of the Properties or is not treated as holding the Interests for investment purposes.

Tax-Exempt Investors

Non-governmental organizations exempt from U.S. federal income tax under the Code generally are subject to tax on unrelated business taxable income ("UBTI") imposed by section 511 of the Code. A tax-exempt Unitholder's allocable share of Issuer income constituting UBTI (which could arise because the Issuer is viewed as a dealer with respect to one or more of the Properties, or because the Issuer is deemed to have acquired and/or improved its interests in some or all of the Properties with debt or deemed indebtedness relating to the True-Up Payment) would be subject to U.S. federal income taxation and might be subject to state and local taxation as well. In addition, a tax-exempt investor acquiring its Units with debt may be deemed to have UBTI. Each prospective tax-exempt investor should consult its own tax advisor regarding the tax consequences of investing in the Issuer.

U.S. Federal Estate Tax

The Units will be treated as includible in a Unitholder's gross estate for U.S. federal estate tax purposes. Accordingly, individual investors should consult with their own tax advisors regarding the U.S. federal estate tax consequences of their acquisition and holding of Units.

State, Local, and Non-U.S. Taxes

The Issuer, as well as the Unitholders, may be subject to various state, local, or non-U.S. taxes related to the Issuer's investment in the Interests and/or the Unitholder's investment in Units of the Issuer. Unitholders may be subject to taxes imposed by their states of residence and to taxes imposed by the state where the Properties are located on any income derived from the Issuer. Depending upon applicable state and local laws, tax benefits that are available to Unitholders for federal income tax purposes may not be available to Unitholders for state or local income tax purposes. This section does not discuss specific taxing schemes of any state or locality. Prospective investors are urged to consult their own tax advisors regarding the state, local, and non-U.S. tax consequences to them related to the investment in Units of the Issuer.

Non-U.S. Holders

The Issuer is required to withhold tax at the applicable rate from the allocable share of Issuer income and gain (if any) of a non-U.S. holder from a sale of the Interests by the Issuer. The amount so withheld will be treated under the Partnership Agreement as if it had been distributed to the non-U.S. holder. In addition, a non-U.S. holder would generally be subject to U.S. income (and withholding) tax on the sale or exchange of Units. U.S. filing requirements are likely to apply to non-U.S. holders of Units as well. The Units would be subject to U.S. estate tax if held by an individual non-U.S. investor at the time of his or her death. Non-U.S. holders should consult with U.S. tax advisers regarding the treatment of income earned with respect to the ownership and disposition of the Units.

Limitations and Circular 230 Disclosure

In accordance with Circular 230, any U.S. federal tax discussion contained in this Memorandum is not intended or written to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer with respect to U.S. federal taxes. Any discussion regarding U.S. federal taxes that is contained in this Memorandum is for informational purposes only and was written in connection with the marketing and sale of the Issuer's Units as described in this Memorandum.

THE PRECEDING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS IS PROVIDED FOR INFORMATION PURPOSES ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR DISCUSSION OF ALL POTENTIAL TAX CONSIDERATIONS RELEVANT TO THE ACQUISITION OF THE UNITS. THE FOREGOING DISCUSSION NEITHER BINDS THE IRS NOR PRECLUDES IT FROM ADOPTING A CONTRARY POSITION. POTENTIAL INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. INCOME OR OTHER TAX CONSEQUENCES TO SUCH INVESTORS BASED ON THEIR PARTICULAR CIRCUMSTANCES.

CERTAIN ERISA CONSIDERATIONS

ERISA and Section 4975 of the Code govern the investment of the assets of (i) any employee benefit plan defined in section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of part 4 of subtitle B of Title I of ERISA, (ii) any plan that is subject to section 4975 of the Code, such as individual retirement accounts (IRAs) or annuities, and (iii) any entity, such as a collective investment fund or insurance company general or separate account, whose underlying assets include Plan Assets (as defined in ERISA and the DOL regulations) by reason of a plan's investment in the entity (collectively, ***"Benefit Plan Investors"***). In addition, the employee benefit plans of state and local governments and governmental entities and churches which are not subject to ERISA or the Code may be subject to similar state laws.

ERISA and DOL regulations, Section 2510.3-101, define ***"Plan Assets"*** of a Benefit Plan Investor, the investment of which is subject to ERISA and/or the Code. The regulations would generally classify as Plan Assets of a Benefit Plan Investor the assets of a corporation, partnership or other entity that is a pooled investment vehicle (such as the Issuer) in which a Benefit Plan Investor invests if (i) the investment is an equity interest that is neither a widely-held security registered in the United States nor a security issued by an investment company registered under the Investment Company Act of 1940, as amended, and (ii) participation by Benefit Plan Investors is "significant," that is, Benefit Plan Investors hold 25% or more of the value of any class of equity interest in the entity, excluding any such equity interest held by a person who has discretionary authority or control over such entity's assets, or by a person who provides investment advice for a fee (direct or indirect) with respect to such assets, or by an affiliate of such person (the "***25% Threshold***"). As a result of the regulations, if Benefit Plan Investors own a "significant" number of Units, i.e., equal to or in excess of the 25% Threshold, the assets of the Issuer may be deemed to be Plan Assets.

If the Issuer's assets were considered to be Plan Assets of a Benefit Plan Investor, the General Partner would be considered a fiduciary of such plan or arrangement. Under certain circumstances, the fiduciaries responsible for a Benefit Plan Investor's investment in the Issuer could be liable for improperly delegating fiduciary authority to the General Partner or for breaches of fiduciary conduct by the General Partner, including (i) losses due to imprudent or undiversified investment of Issuer assets or investing Issuer assets in any other manner which is not solely in the interest of, and for the exclusive purpose of providing benefits to, plan participants, (ii) the receipt of management fees in excess of those permitted under ERISA or other applicable law, or (iii) other ERISA violations if the Benefit Plan Investor is subject to that statute.

In consideration of the foregoing, the Issuer intends to limit investments in Units by Benefit Plan Investors. Moreover, it will endeavor to restrict direct and indirect investments in Units and the resale of Units to the extent required to limit Benefit Plan Investors' participation to levels below the 25% Threshold, but it cannot guarantee that participation by Benefit Plan Investors in the Issuer will not be significant or that the Issuer's assets will not be deemed to be Plan Assets. In this regard, the Issuer reserves the right to restrict the level of investment in the Issuer by Benefit Plan Investors at any time, or cause Benefit Plan Investors' funds to be retained in escrow, thereby delaying a Closing upon such subscriptions, until non-Benefit Plan Investors' funds can be appropriately matched such that the Issuer will not have issued a number of Benefit Plan Investor-owned Units that is equal to or in excess of the 25% Threshold at any given time. In addition, the Issuer reserves the right to redeem all or a part of the Units held by any Unitholder and restrict or require transfers of Units to ensure compliance with the above percentage limitation.

Fiduciaries of plans subject to ERISA and custodians of IRAs are required to determine the fair market value of their assets as of the close of each fiscal year of the plan or IRA. The General Partner does not currently anticipate determining the fair market value of the Units because: (i) there is currently no public trading market for the Units and one is not expected to develop; (ii) under current accounting rules, the Properties – interests in which will represent the Issuer's primary assets – will be accounted for as a long-lived asset, as described in Financial Accounting Standards Board Statement 144, and will be carried at cost rather than at fair value, assuming no impairment; and (iii) FINRA Rule 2340(c) (mandating the provision of per share estimated values for direct participation program and REIT securities) is inapplicable as regards the Units. However, to facilitate determinations by ERISA plan fiduciaries and IRA custodians of the fair value of their assets, an estimate of the fair value of the Units will be provided upon request. There can be no assurance (a) that any such value could or will actually be realized by investors upon the liquidation of the Issuer, (b) that investors could realize such value if they were able to, and were to sell their Units, or (c) that such value will in all circumstances satisfy the applicable ERISA or Code reporting requirements.

Any fiduciary of a Benefit Plan Investor should consult with its legal adviser concerning the considerations discussed above before making an investment in the Issuer. In addition, the fiduciary of a Benefit Plan Investor who is responsible for making such investment should carefully consider, taking into account the facts and circumstances of the Benefit Plan, whether such investment is consistent with applicable fiduciary standards, including, whether (a) such investment is consistent with prudence and diversification standards, taking into account, among other things, the Benefit Plan's need for sufficient liquidity to make retirement distributions given that there is not likely to be a ready market in which to sell or otherwise dispose of Units; (b) the fiduciary has authority to make such investment under the appropriate governing plan instrument; (c) such investment is made solely in the interest of the participants of the Benefit Plan; and (d) the acquisition and holding of Units does not result in a non-exempt "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code. In the case of an IRA, the prospective investor of asset of the IRA should confirm that the IRA will have sufficient assets from other sources to satisfy any minimum distribution requirements that may apply.

ERISA and the Code generally prohibit certain transactions involving the assets of a Benefit Plan Investor and persons who have certain specified relationships to the Benefit Plan ("parties in interest" as defined in ERISA or "disqualified persons" as defined in the Code). Regardless of whether the assets of the Issuer are considered to be Plan Assets, the acquisition of Units by a Benefit Plan Investor could, depending on the facts and circumstances of such acquisition, be a prohibited transaction if the Issuer or any of its affiliates is a disqualified person or party in interest with respect to the Benefit Plan. If the purchase of Units were to be a non-exempt prohibited transaction, the purchase would have to be rescinded, damages might be payable by the fiduciary who directed the purchase and penalties and interest might be applied to any party in interest. Moreover, under Section 408(e)(2) of the Code, the tax-exempt status of an IRA could be lost if the investment is a prohibited transaction.

The Issuer will require fiduciaries of Benefit Plan Investors proposing to invest in Units to represent that they have considered the foregoing and have been informed of and understand the Issuer's investment objectives, policies and strategies, that the decision to invest in Units was made with appropriate consideration of relevant investment factors with regard to the Benefit Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA or other applicable law and the terms of the Benefit Plan, that the investment in the Issuer will not constitute or otherwise result in a non-exempt prohibited transaction under ERISA or the Code, and that, in certain circumstances, the General Partner may compel the transfer or redemption of Units held by Benefit Plan Investors.

REPORTS TO UNITHOLDERS

The General Partner will make available to Unitholders, upon written request to the General Partner, audited annual financial statements of the Issuer, 120 days following the end of each fiscal year (which shall be the calendar year) commencing with the first fiscal year end after the Final Closing. In addition, the General Partner will, by March 31 of each year, forward to each Unitholder of record as of the preceding December 31 information sufficient to enable the Unitholder to complete its income tax return relating to its interest in the Issuer. It is expected that the Units will not be registered under the Exchange Act and that the Issuer will therefore not be subject to the periodic reporting requirements of that Act. Unitholders will receive from the Issuer tax information necessary for federal tax purposes. Although the Issuer will not be required, and does not intend, to obtain annual appraisals of the value of any of the Properties, in order to facilitate determinations by ERISA plan fiduciaries and IRA custodians of the fair value of their assets, an estimate of the fair value of the Units will be provided upon request. See "Certain ERISA Considerations."

The General Partner shall keep, or cause to be kept, adequate books and records reflecting the activities of the Issuer. A Unitholder or its duly authorized representative shall have the right to examine the books

and records of the Issuer during normal business hours, by appointment made at least 48 hours in advance of the desired time of examination, at the offices of the Issuer or the General Partner. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in its reasonable discretion, the General Partner deems should be kept confidential in the interests of the Issuer.

PLAN OF DISTRIBUTION

The Offering of Units described herein has not been registered under the Securities Act or state securities laws. It is being made in the United States only to a limited number of "accredited investors" pursuant to Rule 506 of Regulation D under the Securities Act. Outside of the United States, we may offer and sell the Units in reliance on Regulation S under the Securities Act to investors that meet the eligibility requirements set forth in Rule 902 of Regulation S. See "Who May Invest." The General Partner may, in its sole discretion, reject any subscription for Units. Hedging transactions involving the Units may not be conducted unless in compliance with the Securities Act.

We established the price per Unit, and the number of Units to be sold, so that the amount raised in the Offering would be sufficient to pay the Selling Commissions, the Offering Expenses and the Purchase Price. See "Estimated Use of Proceeds."

We anticipate that the First Closing will occur on or about January 31, 2013. We may conduct our First Closing with subscriptions for 300,000 Units. After the First Closing, we may continue the Offering and hold Subsequent Closings at any time during the Offering period. Members of Walton, and their respective executive officers, directors, employees or affiliates may purchase Units during the Offering period and in certain circumstances the Selling Commissions applicable to these purchases may be discounted.

The minimum investment is $50,000, which minimum may be waived by the General Partner in its sole discretion. The Units are being offered at a price of $10.00 per Unit (except as noted below) on a "best efforts" basis by our managing broker-dealer, Walton Securities, which means that Walton Securities must use only its best efforts to sell the Units and has no firm commitment or obligation to purchase any of the Units. Except as noted below, Walton Securities will receive selling commissions of 7.00% of the Gross Proceeds and a non-accountable marketing and due diligence allowance up to the amount of 3.00% of the Gross Proceeds.

We currently expect Walton Securities to utilize two channels to sell our Units to investors. The first distribution channel involves FINRA-registered Selling Group members selected by Walton Securities, each of whom has entered into a Soliciting Dealer Agreement ("***Soliciting Dealer Agreement***") with Walton Securities, and by any other agents or subagents as we may appoint. Under the terms of the Soliciting Dealer Agreements, Walton Securities will re-allow to Selling Group members, as compensation for their services in connection with the Offering, selling commissions in the amount of up to 7.00% of the gross offering proceeds attributable to such Selling Group members. Walton Securities may also re-allow to Selling Group members all or a portion of the non-accountable marketing and due diligence allowance in the amount of up to 3.00% of the gross offering proceeds attributable to such Selling Group members. See "Estimated Use of Proceeds." However, FINRA-registered members of the Selling Group and their registered representatives and principals, and clients of investment advisers affiliated with FINRA-registered Selling Group members, may purchase Units through this channel at a purchase price net of all or a portion of the selling commissions otherwise payable to the Selling Group.

The second distribution channel represents sales to clients of independent investment advisers. Such investors may purchase Units at a purchase price net of the selling commissions otherwise payable to the Selling Group. In addition, with respect to such purchases, in lieu of a marketing and due diligence allowance, the Issuer will pay Walton Securities a non-accountable marketing allowance of up to 3.00% of the Gross Proceeds attributable to such purchases in consideration of its efforts in promoting the

formation of our relationships with the investment advisers prior to any sales to clients of such investment advisers. The amount attributable to any reduction of this non-accountable marketing allowance below 3.00% of the Gross Proceeds will be reduced from the purchase price.

Each Unitholder's capital contribution will equal the purchase price of the Units purchased, inclusive of all commissions and fees payable by the Issuer to members of the Selling Group in connection with such purchase, if any. See "Summary – Issuer Distributions." Therefore, the capital contributions of investors may vary according to the commissions and fees payable in connection with their respective purchases. The FINRA dealers' fees and commissions described above will be paid by the Issuer at each Closing.

In the Soliciting Dealer Agreement, the Issuer agrees to indemnify the Selling Group members against certain liabilities, including liabilities under federal and state securities laws, or to contribute to payments that they may be required to make in respect of those liabilities.

RESTRICTIONS ON TRANSFER AND RESALE OF UNITS

The Units have not been registered under the Securities Act and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. We do not intend to list the Units of the Issuer on any securities exchange.

Restrictions on Transfer of Units

Your rights to sell or transfer Units are limited. There is no public market in which you may sell your Units, and we do not expect a public market to develop in the future. You may transfer your Units using a form approved by the Issuer and must obey all relevant laws when you are permitted to transfer Units. Any person who buys Units from you must meet the investor suitability requirements imposed by the Issuer and applicable law. All transfers of Units must receive the General Partner's consent, which may be granted or withheld at the General Partner's sole discretion, and must comply with the Partnership Agreement. The Issuer's consent to transfers will be withheld to the extent needed to prohibit transfers that would cause or be likely to cause (a) the Issuer to be classified as a publicly traded partnership under the Code or (b) some legal, regulatory, pecuniary, tax or material administrative disadvantage to the Issuer or Unitholders. The Issuer will also withhold its consent to transfers if necessary to avoid registration of the Units under the Exchange Act. In particular, the Issuer intends to restrict beneficial ownership of its Units as is necessary to avoid having to register the Units under the Exchange Act. In addition, Units of the Issuer may not be transferred to any Benefit Plan Investor (as defined under ERISA and applicable DOL regulations) if such transfer would be likely to cause the assets of the Issuer to be considered Plan Assets within the meaning of ERISA, Section 4975 of the Code and/or applicable regulations. See "Who May Invest" and "Certain ERISA Considerations." If a transfer is permitted, you may be required to pay a brokerage commission for the resale of the Units.

Units may only be sold, pledged, transferred, assigned or otherwise disposed of (each of the foregoing is referred to herein as a "Transfer," and the recipient of the Units so transferred is referred to as a "Transferee") by a Unitholder or such Unitholder's agent duly authorized in writing, subject to the restrictions set forth herein and in the Partnership Agreement, including the consent of the General Partner which may be withheld in its sole and absolute discretion.

In connection with any proposed Transfer, the Unitholder, or his duly authorized agent, shall:

- deliver to the Issuer and the registrar and transfer agent for the Issuer (under the Partnership Agreement, the General Partner if no other registrar and transfer agent is appointed; collectively hereinafter the "***Registrar***") a duly completed transfer document substantially in the form attached to the Partnership Agreement, completed and executed by such Unitholder or his agent,

as well as such other documents required in such transfer form or as required by the General Partner;

- if the transfer is being made to a person other than the Issuer, the General Partner or a member of Walton, if requested by the General Partner, deliver, or cause to be delivered, to the Issuer and the Registrar an opinion of counsel of recognized standing reasonably satisfactory to the Issuer to the effect that registration is not required under the Securities Act and applicable state securities laws;
- cause the Transferee to deliver to the General Partner and the Registrar a duly completed declaration substantially in the form attached to the Partnership Agreement in which the Transferee agrees to be bound by the terms of the Partnership Agreement and assumes the obligations of a Unitholder under the Partnership Agreement;
- pay, or cause the Transferee to pay, the reasonable fees and expenses of the Registrar in connection with the transfer or assignment unless the General Partner agrees to pay or waive such fees and expenses;
- pay a $50.00 transfer fee to Walton USA; and
- satisfy such other requirements (including a signature guarantee) as are reasonably imposed by the General Partner and the Registrar.

If the transferor or assignor of a Unit is a firm or a corporation, or purports to transfer or assign such Unit in any representative capacity, or if a transfer or assignment results from the death, mental incapacity or bankruptcy of a Unitholder or is otherwise involuntary, the assignor or his legal representative shall furnish to the Registrar such documents, legal opinions, certificates, assurances, court orders and other materials as the Issuer and the Registrar may reasonably require to cause such transfer or assignment to be effected.

The General Partner or Registrar will:

- record in the Register (as defined in the Partnership Agreement) any assignment or transfer made in accordance with the Partnership Agreement, and
- forward notice of such assignment or transfer to the Transferee.

No Transfer of a Unit made pursuant to the foregoing shall relieve the Unitholder of any obligation that has accrued or was incurred before the transfer.

A Transferee of a Unit or a person who has become entitled to a Unit by operation of law who has not complied with the transfer provisions referred to above has no right to access or to be provided with any information with respect to the affairs of the Issuer and has only the rights accorded to such transferees under applicable Delaware law. A Transfer of a Unit shall be deemed to take effect on the date that the Registrar records such transfer.

SUPPLEMENTAL SALES MATERIAL

In addition to this Memorandum, we may use certain sales material in connection with the Offering of the Units. These supplemental sales materials will only be delivered to persons who have received this Memorandum.

We are offering Units only by means of this Memorandum. Although the information contained in our supplemental sales materials will not conflict with any of the information contained in this Memorandum, the supplemental materials do not purport to be complete and should be read in conjunction with this Memorandum.

INDEX TO TABLES

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TABLE 1

WALTON GROUP SPONSORED UDI PROGRAMS AND SECURITIES OFFERINGS

The table below includes a summary of UDI programs and securities offerings sponsored by Walton Canada, Walton USA and their affiliates, but not yet exited, through June 30, 2012. UDI programs consist of the sale of undivided tenant in common interests by Walton Canada, Walton USA and their affiliates. Under the UDI model, purchasers become the registered owners of an undivided interest in a parcel of land. The registration of such interest is maintained on a system administered by the government of the province or state in which the land is located. Securities offerings consist of offerings to investors of limited partnership or limited liability company units of the referenced issuers, and the acquisition by such issuers of an undivided fractional (typically 95%) interest in a parcel of land. Amounts are shown in U.S. dollars (for programs involving land located in the U.S.) and in Canadian dollars (for programs involving land located in Canada).

PRE-DEVELOPMENT PROGRAM NAME[1]	REGION	PROGRAM TYPE (2)	WEIGHTED AVERAGE YEAR (3)	MAXIMUM OFFERING (4)	AMOUNT RAISED (5)	UDI/TIC INTEREST (6)
Alliston Ontario LP 2	ON-Simcoe	CAD LP	2006	$21,585,260	$21,585,260	95%
Amble Way LP	TX-Dallas Fort Worth	CAD LP	2009	$18,228,520	$18,199,790	95%
Anchorage 902	TX-Dallas Fort Worth	UDI	2010	$5,320,000	$5,320,000	95%
Arcade Meadows 1	GA-Atlanta	UDI	2008	$27,410,000	$27,410,000	99%
Arcade Meadows LLC	GA-Atlanta	USA LLC/LP	2009	$14,400,000	$14,400,000	95%
Arcade Meadows LP 1	GA-Atlanta	CAD LP	2008	$28,613,200	$28,079,780	93%
Arcade Meadows LP 2	GA-Atlanta	CAD LP	2009	$26,177,400	$26,045,160	95%
Austin Land LP	TX-Austin-San Antonio	CAD LP	2010	$25,000,000	$25,000,000	95%
Bakers Residential	GA-Atlanta	UDI	2011	$3,800,000	$3,800,000	95%
Bankview	ON-Ottawa	UDI	2007	$4,320,000	$4,320,000	95%
Barrow Estates	GA-Atlanta	UDI	Ongoing	$3,940,000	Ongoing	Ongoing
Barrow Landing LP/ Dev LP[7]	GA-Atlanta	USA LLC/LP	2010	$21,000,000	$21,006,240	95%
Bell Meadows	ON-Brant	UDI	2006	$4,456,000	$4,456,000	95%
Big Lake 1	AB-Edmonton	UDI	2004	$10,442,500	$10,442,500	96%
Big Lake 3	AB-Edmonton	UDI	2004	$1,037,500	$1,037,500	94%
Black Creek	ON-Niagara	UDI	2007	$1,420,000	$1,420,000	95%
Blue Lake	ON-Brant	UDI	2006	$3,135,000	$3,135,000	95%
Bluff Springs 1	TX-Dallas Fort Worth	UDI	2008	$4,510,000	$4,510,000	95%
Bluff Springs Land LP	TX-Dallas Fort Worth	USA LLC/LP	2009	$5,628,910	$5,628,910	95%
Brant	ON-Brant	UDI	2006	$9,650,000	$9,650,000	95%
Brant Crescent Wood	ON-Brant	UDI	2007	$6,840,000	$6,840,000	95%
Brant KG 1	ON-Brant	GER LP	2007	$26,901,880	$26,901,880	95%
Brant KG 2	ON-Brant	GER LP	2008	$14,500,000	$14,644,500	95%
Brant Land Acquisition LP	ON-Brant	CAD LP	2007	$20,000,000	$19,054,610	95%
Brant Land LP 1	ON-Brant	CAD LP	2007	$11,781,140	$7,657,780	91%
Brant Land LP 2	ON-Brant	CAD LP	2007	$11,400,000	$11,344,280	95%
Brant Land LP 3	ON-Brant	CAD LP	2008	$14,060,000	$14,059,700	95%
Briar Hill	ON-Simcoe	UDI	2007	$1,600,000	$1,600,000	95%
Brookside 1	TX-Dallas Fort Worth	UDI	2007	$17,050,000	$17,050,000	95%
Brookside 2	TX-Dallas Fort Worth	UDI	2007	$14,490,000	$14,490,000	95%
Brookside 3	TX-Dallas Fort Worth	UDI	2008	$2,000,000	$2,000,000	95%

PRE-DEVELOPMENT PROGRAM NAME[1]	REGION	PROGRAM TYPE (2)	WEIGHTED AVERAGE YEAR (3)	MAXIMUM OFFERING (4)	AMOUNT RAISED (5)	UDI/TIC INTEREST (6)
Cactus Springs LP[8]	AZ-Phoenix-Tucson	CAD LP	2005	$15,068,000	$15,068,000	100%
Caddo Creek 1	TX-Dallas Fort Worth	UDI	2007	$2,660,000	$2,660,000	95%
Caddo Creek 2	TX-Dallas Fort Worth	UDI	2008	$810,000	$810,000	94%
Caldwell Estates	TX-Austin-San Antonio	UDI	2010	$4,010,000	$4,010,000	95%
Caldwell Link	TX-Austin-San Antonio	UDI	2011	$1,990,000	$1,990,000	95%
Caldwell Passage	TX-Austin-San Antonio	UDI	2011	$1,720,000	$1,720,000	95%
Caldwell Place	TX-Austin-San Antonio	UDI	2011	$5,630,000	$5,630,000	95%
Caldwell Ranch LP/ Dev LP	TX-Austin-San Antonio	USA LLC/LP	2009	$14,255,000	$14,255,000	95%
Caldwell Square	TX-Austin-San Antonio	UDI	2011	$5,590,000	$5,590,000	95%
Caldwell Valley	TX-Austin-San Antonio	UDI	2011	$12,620,000	$12,620,000	95%
Caldwell Way	TX-Austin-San Antonio	UDI	2011	$2,640,000	$2,640,000	95%
Camino Real 1	TX-Austin-San Antonio	UDI	2008	$18,160,000	$18,160,000	95%
Camino Real 1 LP	TX-Austin-San Antonio	USA LLC/LP	2008	$11,765,180	$11,765,180	95%
Capital Meadows	ON-Ottawa	UDI	2007	$9,152,000	$9,152,000	95%
Carleton Park	ON-Ottawa	UDI	2007	$2,848,000	$2,848,000	95%
Casa Grande	AZ-Phoenix-Tucson	UDI	Ongoing	$5,030,000	Ongoing	Ongoing
Casa Grande LP [12]	AZ-Phoenix-Tucson	CAD LP	2012	$14,562,000	$14,543,570	94%
Cedarbrae 1	ON-Ottawa	UDI	2009	$1,480,000	$1,480,000	95%
Cedarbrae 2	ON-Ottawa	UDI	2007	$4,560,000	$4,560,000	95%
Challenge Capital	TX-Dallas Fort Worth	UDI	2012	$1,660,000	$1,660,000	95%
Chelsea Park 1	ON-Ottawa	UDI	2007	$4,870,000	$4,870,000	95%
Chelsea Park 2	ON-Ottawa	UDI	2007	$5,720,000	$5,720,000	95%
Clearview Simcoe	ON-Simcoe	UDI	2008	$4,180,000	$4,180,000	95%
Commercial Way	TX-Dallas Fort Worth	UDI	2011	$9,330,000	$9,330,000	95%
Concord 1	TX-Dallas Fort Worth	UDI	2009	$2,540,000	$2,540,000	95%
Concord LP	NC-Charlotte MSA	CAD LP	Ongoing	$16,500,000	Ongoing	Ongoing
Conner 1	GA-Atlanta	UDI	2009	$11,210,000	$11,210,000	95%
Cornerstone LP	TX-Austin-San Antonio	CAD LP	2009	$10,950,000	$10,950,000	95%
Cornwell Brant	ON-Brant	UDI	2008	$2,630,000	$2,630,000	95%
Cottonwood 1[9]	TX-Dallas Fort Worth	UDI	2008	$30,080,000	$30,080,000	*Note 9*
Cottonwood 2[9]	TX-Dallas Fort Worth	UDI	2009	$2,040,000	$2,040,000	*Note 9*
Cottonwood LP	TX-Dallas Fort Worth	CAD LP	2008	$10,115,600	$10,115,600	95%
Creekside	ON-Niagara	UDI	2007	$1,848,000	$1,848,000	95%
Crossroads LP	GA-Atlanta	CAD LP	2012	$22,210,000	$22,145,000	95%
Crowders Creek	SC-Charlotte MSA	UDI	2011	$10,640,000	$10,640,000	95%
DC Region Land LP 1	VA-Washington MSA	CAD LP	2010	$15,800,000	$15,800,000	95%
De Lujo	AZ-Phoenix-Tucson	UDI	2010	$11,260,000	$11,260,000	95%
Douglas Park	ON-Ottawa	UDI	2008	$4,360,000	$4,360,000	95%
Dragon Commerical	AZ-Phoenix-Tucson	UDI	2012	$5,220,000	$5,220,000	95%
Dragon Residential	NC-Charlotte MSA	UDI	Ongoing	$27,260,000	Ongoing	Ongoing
Duggan Ranch 1	AB-Edmonton	UDI	2003	$5,324,360	$5,324,360	95%
Duggan Ranch 2	AB-Edmonton	UDI	2003	$5,916,558	$5,916,558	96%
Duggan Ranch 3	AB-Edmonton	UDI	2003	$7,520,744	$7,520,744	96%
Duggan Ranch 4	AB-Edmonton	UDI	2003	$5,901,742	$5,901,742	96%
Duggan Ranch 5	AB-Edmonton	UDI	2004	$3,442,143	$3,442,143	93%

PRE-DEVELOPMENT PROGRAM NAME[1]	REGION	PROGRAM TYPE (2)	WEIGHTED AVERAGE YEAR (3)	MAXIMUM OFFERING (4)	AMOUNT RAISED (5)	UDI/TIC INTEREST (6)
Duggan Ranch 6	AB-Edmonton	UDI	2004	$6,445,692	$6,445,692	97%
Duggan Ranch 7	AB-Edmonton	UDI	2004	$5,601,290	$5,601,290	95%
Duggan Ranch 8	AB-Edmonton	UDI	2004	$4,756,922	$4,756,922	95%
Duggan Ranch 9	AB-Edmonton	UDI	2005	$1,845,000	$1,845,000	94%
Eagle Bend	ON-Ottawa	UDI	2007	$1,816,000	$1,816,000	95%
Edenwood Estates	GA-Atlanta	UDI	Ongoing	$8,680,000	Ongoing	Ongoing
Edenwood Park	GA-Atlanta	UDI	Ongoing	$7,470,000	Ongoing	Ongoing
Edgemont Estates 1	AB-Edmonton	UDI	2001	$4,957,442	$4,957,442	93%
Edgemont Estates 10	AB-Edmonton	UDI	2005	$3,107,500	$3,107,500	95%
Edgemont Estates 11	AB-Edmonton	UDI	2005	$3,107,500	$3,107,500	95%
Edgemont Estates 2	AB-Edmonton	UDI	2002	$5,975,747	$5,975,747	97%
Edgemont Estates 3	AB-Edmonton	UDI	2002	$5,977,850	$5,977,850	96%
Edgemont Estates 4	AB-Edmonton	UDI	2002	$6,344,250	$6,344,250	95%
Edgemont Estates 5	AB-Edmonton	UDI	2002	$6,556,709	$6,556,709	96%
Edgemont Estates 6	AB-Edmonton	UDI	2003	$6,134,190	$6,134,190	96%
Edgemont Estates 7	AB-Edmonton	UDI	2003	$6,006,765	$6,006,765	95%
Edgemont Estates 8	AB-Edmonton	UDI	2004	$29,910,565	$29,910,565	100%
Edgemont Estates 9	AB-Edmonton	UDI	2005	$6,825,000	$6,825,000	95%
Elm Creek Ranch LP/ Dev LP	TX-Dallas Fort Worth	USA LLC/LP	2010	$28,650,000	$28,650,000	95%
Evergreen	GA-Atlanta	UDI	2010	$7,790,000	$7,790,000	95%
Fairweather Heights 2	AB-Calgary	UDI	2004	$2,700,000	$2,700,000	100%
Fairweather Heights 3	AB-Calgary	UDI	2004	$5,303,473	$5,303,473	98%
First Industrial	GA-Atlanta	UDI	2011	$6,650,000	$6,650,000	95%
First Residential	GA-Atlanta	UDI	2010	$17,100,000	$17,100,000	95%
Fletcher Mills LP	ON-Simcoe	CAD LP	2011	$21,675,000	$21,629,640	95%
Gardner Heights LP [12]	MD-Washington MSA	CAD LP	2011	$13,691,780	$13,614,540	93%
Gardner Ridge LP [12]	MD-Washington MSA	CAD LP	2011	$13,774,430	$13,774,430	94%
Gardner Woods LP	MD-Washington MSA	CAD LP	Ongoing	$17,065,500	Ongoing	Ongoing
Garland Heights	TX-Dallas Fort Worth	UDI	2009	$7,600,000	$7,600,000	95%
Garland Heights LP 1	TX-Dallas Fort Worth	CAD LP	2009	$8,306,070	$8,199,020	94%
Golden Dell	ON-Ottawa	UDI	2007	$24,040,000	$24,040,000	95%
Governor Park 1	ON-Brant	UDI	2006	$1,890,000	$1,890,000	95%
Grand River 1	ON-Brant	UDI	2006	$3,390,000	$3,390,000	95%
Grandview	ON-Niagara	UDI	2007	$928,000	$928,000	95%
Greater Golden Horseshoe 2	ON-Simcoe	UDI	2006	$6,440,250	$6,440,250	95%
Green Meadows LP 1	TX-Dallas Fort Worth	CAD LP	2009	$4,246,220	$4,191,830	94%
Green Ridge 1	TX-Dallas Fort Worth	UDI	2007	$5,090,000	$5,090,000	95%
Green Ridge 2	TX-Dallas Fort Worth	UDI	2007	$4,940,000	$4,940,000	95%
Greenfield	ON-Brant	UDI	2007	$6,600,000	$6,600,000	95%
Greenville Way	TX-Dallas Fort Worth	UDI	2012	$1,540,000	$1,540,000	94%
Heritage Woods LP/ Dev LP	MD-Washington MSA	USA LLC/LP	2011	$24,450,000	$24,450,000	95%
Huntley Heights 1	ON-Ottawa	UDI	2006	$2,920,000	$2,920,000	95%
Huntley Heights 2	ON-Ottawa	UDI	2006	$2,792,000	$2,792,000	95%
Huntley Heights 3	ON-Ottawa	UDI	2006	$2,880,000	$2,880,000	95%
Inglewood 1	TX-Dallas Fort Worth	UDI	2007	$11,990,000	$11,990,000	95%

PRE-DEVELOPMENT PROGRAM NAME[1]	REGION	PROGRAM TYPE (2)	WEIGHTED AVERAGE YEAR (3)	MAXIMUM OFFERING (4)	AMOUNT RAISED (5)	UDI/TIC INTEREST (6)
Inglewood 2	TX-Dallas Fort Worth	UDI	2009	$2,595,000	$2,595,000	95%
Kimberlin Heights LP/ Dev LP	TX-Dallas Fort Worth	USA LLC/LP	2011	$24,375,000	$24,351,610	95%
Kings Crest	ON-Brant	UDI	2010	$5,750,000	$5,750,000	96%
Kington Heights	TX-Dallas Fort Worth	UDI	2010	$4,540,000	$4,540,000	95%
Koi Ridge	GA-Atlanta	UDI	Ongoing	$13,770,000	Ongoing	Ongoing
Land Opportunity Fund LP	AZ-Phoenix-Tucson GA-Atlanta	US Institutional	2011	$9,538,796	$9,538,796	100%
Lyons Creek	ON-Niagara	UDI	2007	$2,968,000	$2,968,000	95%
Manning Estates 1	AB-Edmonton	UDI	2005	$6,483,750	$6,483,750	95%
Manning Estates 2	AB-Edmonton	UDI	2005	$7,894,500	$7,894,500	95%
Manning Estates 3	AB-Edmonton	UDI	2006	$6,675,000	$6,675,000	95%
Marshall Fields	ON-Niagara	UDI	2007	$1,000,000	$1,000,000	94%
Martindale	TX-Austin-San Antonio	UDI	2008	$20,280,000	$20,280,000	95%
Martindale LP	TX-Austin-San Antonio	UDI	Ongoing	$19,000,000	Ongoing	Ongoing
Miller Grove	ON-Niagara	UDI	2007	$3,510,000	$3,510,000	96%
Monte Verde	AZ-Phoenix-Tucson	UDI	2009	$27,740,000	$27,740,000	95%
Monte Verde LP	AZ-Phoenix-Tucson	CAD LP	2009	$23,250,000	$23,200,000	95%
Montgomery Rise Brant	ON-Brant	UDI	2008	$5,700,000	$5,700,000	95%
Mystic Vista LP	AZ-Phoenix-Tucson	CAD LP	2010	$12,397,500	$12,397,500	95%
New Tecumseth 1	ON-Simcoe	UDI	2006	$7,910,250	$7,910,250	95%
New Tecumseth 10	ON-Simcoe	UDI	2006	$4,365,000	$4,365,000	95%
New Tecumseth 11	ON-Simcoe	UDI	2006	$3,562,500	$3,562,500	95%
New Tecumseth 12	ON-Simcoe	UDI	2006	$2,089,500	$2,089,500	95%
New Tecumseth 13	ON-Simcoe	UDI	2006	$2,961,000	$2,961,000	95%
New Tecumseth 14	ON-Simcoe	UDI	2006	$6,367,500	$6,367,500	95%
New Tecumseth 15	ON-Simcoe	UDI	2006	$3,582,000	$3,582,000	95%
New Tecumseth 2	ON-Simcoe	UDI	2006	$12,754,700	$12,754,700	96%
New Tecumseth 3	ON-Simcoe	UDI	2006	$2,650,000	$2,650,000	95%
New Tecumseth 4	ON-Simcoe	UDI	2006	$1,555,000	$1,555,000	95%
New Tecumseth 5	ON-Simcoe	UDI	2006	$2,752,750	$2,752,750	95%
New Tecumseth 6	ON-Simcoe	UDI	2006	$3,826,500	$3,826,500	95%
New Tecumseth 7	ON-Simcoe	UDI	2006	$3,948,750	$3,948,750	95%
New Tecumseth 8	ON-Simcoe	UDI	2006	$3,146,000	$3,146,000	95%
New Tecumseth 9	ON-Simcoe	UDI	2006	$1,701,000	$1,701,000	95%
New Tecumseth Falconridge	ON-Simcoe	UDI	2007	$4,320,000	$4,320,000	95%
Niagara KG 1	ON-Niagara	GER LP	2009	$10,149,000	$10,024,000	94%
Niagara Vista	ON-Niagara	UDI	2007	$5,020,000	$5,020,000	95%
North Point Residential 1	AB-Calgary	UDI	1994	$3,120,610	$3,120,610	99%
North Point Residential 10	AB-Calgary	UDI	1999	$7,198,601	$7,198,601	99%
North Point Residential 12	AB-Calgary	UDI	2001	$8,460,896	$8,460,896	91%
North Point Residential 14	AB-Calgary	UDI	2003	$7,899,900	$7,899,900	95%
North Point Residential 15	AB-Calgary	UDI	2004	$13,524,980	$13,524,980	96%
North Point Residential 16	AB-Calgary	UDI	2004	$5,014,500	$5,014,500	96%
North Point Residential 17	AB-Calgary	UDI	2005	$5,058,150	$5,058,150	95%
North Point Residential 2	AB-Calgary	UDI	1994	$2,994,009	$2,994,009	99%

PRE-DEVELOPMENT PROGRAM NAME[1]	REGION	PROGRAM TYPE (2)	WEIGHTED AVERAGE YEAR (3)	MAXIMUM OFFERING (4)	AMOUNT RAISED (5)	UDI/TIC INTEREST (6)
North Point Residential 5	AB-Calgary	UDI	1997	$3,403,445	$3,403,445	99%
Northeast Edmonton 1	AB-Edmonton	UDI	2004	$2,145,000	$2,145,000	99%
Northeast Edmonton 10	AB-Edmonton	UDI	2006	$4,813,000	$4,813,000	96%
Northeast Edmonton 11	AB-Edmonton	UDI	2005	$1,520,000	$1,520,000	95%
Northeast Edmonton 12	AB-Edmonton	UDI	2005	$2,265,000	$2,265,000	95%
Northeast Edmonton 13	AB-Edmonton	UDI	2005	$2,247,750	$2,247,750	95%
Northeast Edmonton 14	AB-Edmonton	UDI	2006	$2,491,500	$2,491,500	95%
Northeast Edmonton 2	AB-Edmonton	UDI	2004	$2,295,000	$2,295,000	96%
Northeast Edmonton 3	AB-Edmonton	UDI	2004	$3,345,000	$3,345,000	95%
Northeast Edmonton 4	AB-Edmonton	UDI	2004	$1,057,500	$1,057,500	95%
Northeast Edmonton 5	AB-Edmonton	UDI	2004	$2,265,000	$2,265,000	95%
Northeast Edmonton 6	AB-Edmonton	UDI	2004	$2,272,500	$2,272,500	95%
Northeast Edmonton 7	AB-Edmonton	UDI	2004	$1,162,500	$1,162,500	97%
Northeast Edmonton 9	AB-Edmonton	UDI	2005	$3,227,000	$3,227,000	94%
Oak Park 1	ON-Brant	UDI	2006	$4,050,000	$4,050,000	95%
Oakridge 1	TX-Austin-San Antonio	UDI	2008	$4,590,000	$4,590,000	95%
Oakridge 2	TX-Austin-San Antonio	UDI	2008	$4,590,000	$4,590,000	95%
Oakridge 3	TX-Austin-San Antonio	UDI	2008	$4,590,000	$4,590,000	95%
Oakridge 4	TX-Austin-San Antonio	UDI	2008	$6,890,000	$6,890,000	95%
Oakridge 5	TX-Austin-San Antonio	UDI	2008	$7,520,000	$7,520,000	95%
Oakwood	ON-Niagara	UDI	2007	$4,592,000	$4,592,000	96%
Ontario Land LP 1	ON-Ottawa ON-Simcoe	*Note 11*	2010	$35,800,000	$35,800,000	100%
Orchard Hills LP	AZ-Phoenix-Tucson	CAD LP	2006	$24,296,250	$24,296,250	95%
Ottawa KG 1	ON-Ottawa	GER LP	2008	$32,227,000	$32,545,000	95%
Ottawa KG 2	ON-Ottawa	GER LP	2008	$9,030,000	$9,105,000	95%
Ottawa KG 3	ON-Ottawa	GER LP	2008	$8,588,000	$8,592,000	95%
Ottawa Region LP	ON-Ottawa	CAD LP	2008	$9,079,650	$9,079,650	95%
Parkway	ON-Niagara	UDI	2007	$2,464,000	$2,464,000	96%
Peak Commercial	GA-Atlanta	UDI	2010	$18,160,000	$18,160,000	95%
Pecan Woods LP/ Dev LP	TX-Austin-San Antonio	USA LLC/LP	2010	$20,100,000	$20,100,000	95%
Picacho View LP 1	AZ-Phoenix-Tucson	CAD LP	2007	$23,376,800	$23,353,190	95%
Picacho View LP 2	AZ-Phoenix-Tucson	CAD LP	2007	$34,466,760	$34,464,210	95%
Picacho View LP 3	AZ-Phoenix-Tucson	CAD LP	2008	$11,778,480	$11,775,010	95%
Pilot Sound 4	AB-Edmonton	UDI	2004	$8,956,758	$8,956,758	96%
Pilot Sound 5	AB-Edmonton	UDI	2004	$6,681,589	$6,681,589	98%
Pilot Sound 6	AB-Edmonton	UDI	2004	$8,263,930	$8,263,930	96%
Pilot Sound 7	AB-Edmonton	UDI	2004	$7,865,000	$7,865,000	96%
Pilot Sound 8	AB-Edmonton	UDI	2004	$3,540,000	$3,540,000	95%
Pilot Sound 9	AB-Edmonton	UDI	2005	$9,513,000	$9,513,000	95%
Pinal KG 2	AZ-Phoenix-Tucson	GER LP	2008	$11,467,000	$11,467,100	95%
Pinal KG 4	AZ-Phoenix-Tucson	GER LP	2009	$11,830,000	$11,489,000	92%
Pinal KG 5 [7]	AZ-Phoenix-Tucson	GER LP	2010	$10,026,000	$10,084,100	95%
Pinehurst	ON-Ottawa	UDI	2007	$5,290,000	$5,290,000	95%

PRE-DEVELOPMENT PROGRAM NAME[1]	REGION	PROGRAM TYPE (2)	WEIGHTED AVERAGE YEAR (3)	MAXIMUM OFFERING (4)	AMOUNT RAISED (5)	UDI/TIC INTEREST (6)
PLM KG 1 [12]	TX-Austin-San Antonio/GA-Atlanta/Washington MSA/AZ-Phoenix-Tucson	GER Blind Pool	2011	$15,104,000	$15,118,615	96%
Poplin Heights	NC-Charlotte MSA	UDI	Ongoing	$4,020,000	Ongoing	Ongoing
Potomac 301	MD-Washington MSA	UDI	2011	$20,000,000	$20,000,000	95%
Potomac Crossing LP	MD-Washington MSA	CAD LP	2011	$12,770,000	$12,729,880	95%
Prime 35	TX-Austin-San Antonio	UDI	2010	$21,280,000	$21,280,000	95%
Rabbit Ridge	GA-Atlanta	UDI	2011	$8,550,000	$8,550,000	95%
Rabbit Residential [12]	GA-Atlanta	UDI	2011	*Note 12*	$1,730,000	90%
Red Bluff	TX-Dallas Fort Worth	UDI	2009	$16,150,000	$16,150,000	95%
Red Rock LLC	AZ-Phoenix-Tucson	USA LLC/LP	2006	$16,500,000	$15,760,000	91%
Redwood Estates	TX-Dallas Fort Worth	UDI	Ongoing	$2,500,000	Ongoing	Ongoing
Redwood Park	TX-Dallas Fort Worth	UDI	Ongoing	$1,670,000	Ongoing	Ongoing
Rideau Valley 1	ON-Ottawa	UDI	2006	$2,880,000	$2,880,000	95%
Riverview 2	AB-Edmonton	UDI	2008	$6,102,000	$6,102,000	98%
Riverview 4	AB-Edmonton	UDI	2004	$2,184,000	$2,184,000	96%
Rockyview 1	AB-Calgary	UDI	2005	$11,050,000	$11,050,000	95%
Rockyview 2	AB-Calgary	UDI	2005	$14,708,000	$14,708,000	99%
Roseburgh	ON-Brant	UDI	2008	$5,470,000	$5,470,000	95%
Royal Rabbit	GA-Atlanta	UDI	2011	$6,500,000	$6,500,000	95%
Rushmore 1	ON-Ottawa	UDI	2007	$2,704,000	$2,704,000	95%
Rushmore 2	ON-Ottawa	UDI	2007	$1,952,000	$1,952,000	95%
San Marcos Estates	TX-Austin-San Antonio	UDI	2011	$3,180,000	$3,180,000	95%
Sawtooth LP	AZ-Phoenix-Tucson	CAD LP	2008	$23,926,320	$23,910,260	95%
Sawtooth View 1	AZ-Phoenix-Tucson	UDI	2008	$12,290,000	$12,290,000	95%
Sawtooth View 2	AZ-Phoenix-Tucson	UDI	2008	$12,300,000	$12,300,000	95%
Senator Park 1	ON-Ottawa	UDI	2007	$2,888,000	$2,888,000	95%
Senator Park 2	ON-Ottawa	UDI	2007	$3,136,000	$3,136,000	95%
Sherwood Acres LP/ Dev LP	VA-Washington MSA	USA LLC/LP	2011	$27,700,000	$27,700,600	95%
Sherwood North	VA-Washington MSA	UDI	2010	$18,360,000	$18,360,000	95%
Silver Crossing LP	AZ-Phoenix-Tucson TX-Dallas Fort Worth TX-Austin-San Antonio	CAD LP	2011	$25,196,260	$24,610,600	92%
Silver Reef 3A-1	AZ-Phoenix-Tucson	UDI	2009	$15,510,000	$15,510,000	95%
Silver Reef 90 LLC	AZ-Phoenix-Tucson	USA LLC/LP	2008	$6,000,000	$6,000,000	95%
Silver Reef LP	AZ-Phoenix-Tucson	CAD LP	2009	$10,355,140	$10,089,920	78%
Silver Reef LP 2	AZ-Phoenix-Tucson	CAD LP	2008	$31,746,000	$31,710,570	95%
Silver Reef LP 3	AZ-Phoenix-Tucson	CAD LP	2008	$15,884,000	$15,798,690	94%
Simcoe Heights Corp	ON-Simcoe	CAD LP	2006	$6,185,000	$6,182,000	95%
Simcoe Heights Corp 2	ON-Simcoe	CAD LP	2006	$4,177,250	$3,456,050	77%
Simcoe Heights Corp 3	ON-Simcoe	CAD LP	2006	$8,917,800	$8,446,640	90%
Simcoe Heights Corp 4	ON-Simcoe	CAD LP	2006	$16,318,800	$16,285,000	95%
Southern US Land LP	TX-Dallas Fort Worth GA-Atlanta	CAD LP	2010	$35,000,000	$34,981,750	95%
Southern US Land LP 2	TX-Austin-San Antonio	CAD LP	2010	$32,148,360	$32,148,360	95%

PRE-DEVELOPMENT PROGRAM NAME[1]	REGION	PROGRAM TYPE (2)	WEIGHTED AVERAGE YEAR (3)	MAXIMUM OFFERING (4)	AMOUNT RAISED (5)	UDI/TIC INTEREST (6)
	AZ-Phoenix-Tucson					
South Dumfries 1	ON-Brant	UDI	2006	$3,255,000	$3,255,000	95%
South Dumfries 2	ON-Brant	UDI	2006	$5,940,000	$5,940,000	95%
South Dumfries 3	ON-Brant	UDI	2006	$4,690,000	$4,690,000	95%
South Ellerslie 3	AB-Edmonton	UDI	2003	$7,343,250	$7,343,250	97%
South Ellerslie 4	AB-Edmonton	UDI	2004	$3,572,000	$3,572,000	96%
South Grayson LP	TX-Dallas Fort Worth	CAD LP	2008	$20,919,000	$20,476,410	93%
South Point	AZ-Phoenix-Tucson	UDI	2009	$13,050,000	$13,050,000	95%
South Point 2	AZ-Phoenix-Tucson	UDI	2010	$13,110,000	$13,110,000	95%
South Simcoe	ON-Simcoe	UDI	2007	$3,496,000	$3,496,000	95%
Spruce Park	ON-Niagara	UDI	2007	$2,510,000	$2,510,000	95%
St. George Commercial	ON-Brant	UDI	2011	$5,910,000	$5,910,000	95%
Stony Industrial 1	AB-Edmonton	UDI	2003	$10,561,329	$10,561,329	100%
Stony Industrial 2	AB-Edmonton	UDI	2003	$5,208,870	$5,208,870	99%
Stony Industrial 3	AB-Edmonton	UDI	2003	$10,551,465	$10,551,465	99%
Stony Industrial 5	AB-Edmonton	UDI	2005	$3,800,000	$3,800,000	95%
Suburban DC LP	TBD	CAD LP	Ongoing	$20,000,000	Ongoing	Ongoing
Sunland Acres LLC	AZ-Phoenix-Tucson	USA LLC/LP	2007	$13,845,000	$13,845,000	95%
Sunland Ranch LP 1	AZ-Phoenix-Tucson	CAD LP	2006	$41,603,920	$41,124,010	94%
Sunland Ranch LP 2	AZ-Phoenix-Tucson	CAD LP	2007	$30,010,160	$29,660,560	94%
Sunland View LP	AZ-Phoenix-Tucson	CAD LP	2008	$23,679,910	$23,535,930	94%
Sunnyview 1	TX-Dallas Fort Worth	UDI	2007	$570,000	$570,000	93%
Sunnyview 2	TX-Dallas Fort Worth	UDI	2008	$3,990,000	$3,990,000	95%
Sunnyview 3	TX-Dallas Fort Worth	UDI	2008	$2,220,000	$2,220,000	95%
Sunshine Industrial LP/ Dev LP	AZ-Phoenix-Tucson	USA LLC/LP	2009	$23,250,000	$23,250,000	95%
Tiger Estates	TX-Austin-San Antonio	UDI	2010	$10,120,000	$10,120,000	95%
Tiger Ridge	TX-Austin-San Antonio	UDI	2010	$19,950,000	$19,950,000	95%
Toltec LLC [10]	AZ-Phoenix-Tucson	USA LLC/LP	2008	*Note 10*	$7,300,000	95%
Toltec LP [10]	AZ-Phoenix-Tucson	CAD LP	2008	$22,065,380	$22,064,500	95%
Trinity North	TX-Dallas Fort Worth	UDI	2011	$6,100,000	$6,100,000	95%
Trinity Point	TX-Dallas Fort Worth	UDI	2011	$3,990,000	$3,990,000	95%
Trinity Royale	TX-Dallas Fort Worth	UDI	2011	$4,400,000	$4,400,000	95%
Tutela Heights LP	ON-Brant	CAD LP	2007	$21,836,940	$21,836,940	95%
US Land Fund 1 LP	GA-Atlanta / TX-Dallas Fort Worth / MD - Washington MSA	Blind Pool	2012	$50,000,000	$36,674,000	95%
US Land Fund 2 LP	AZ-Phoenix-Tucson / GA-Atlanta / NC-Charlotte MSA	Blind Pool	Ongoing	$50,000,000	Ongoing	Ongoing
USA Cottonwood LP [9]	TX-Dallas Fort Worth	USA LLC/LP	2009	$7,616,030	$7,616,030	100%
Usshers Creek	ON-Niagara	UDI	2007	$3,400,000	$3,400,000	95%
Verona LP	AZ-Phoenix-Tucson	CAD LP	2010	$18,940,000	$18,903,770	95%
Vista Bonita LP	AZ-Phoenix-Tucson	CAD LP	2010	$12,400,000	$12,400,000	95%
Vista Del Monte 2	AZ-Phoenix-Tucson	UDI	2010	$16,230,000	$16,230,000	95%
Vista del Monte 3B	AZ-Phoenix-Tucson	UDI	2009	$15,340,000	$15,340,000	95%
Vista Del Monte LLC	AZ-Phoenix-Tucson	USA LLC/LP	2008	$7,846,050	$7,846,050	95%
Vista Del Monte LP 1	AZ-Phoenix-Tucson	CAD LP	2009	$11,588,480	$11,491,500	94%

PRE-DEVELOPMENT PROGRAM NAME[1]	REGION	PROGRAM TYPE (2)	WEIGHTED AVERAGE YEAR (3)	MAXIMUM OFFERING (4)	AMOUNT RAISED (5)	UDI/TIC INTEREST (6)
Vista Del Monte LP 2	AZ-Phoenix-Tucson	CAD LP	2009	$9,154,830	$9,026,890	94%
Wagner Creek 1 LP	TX-Dallas Fort Worth	USA LLC/LP	2008	$6,265,000	$6,265,000	95%
Wagner Fields LP	TX-Dallas Fort Worth	CAD LP	2007	$7,855,520	$7,855,520	95%
Warner Meadows 1	AB-Calgary	UDI	2005	$15,125,000	$15,125,000	95%
Warner Meadows 2	AB-Calgary	UDI	2005	$15,175,000	$15,175,000	95%
Waverly Heights	ON-Ottawa	UDI	2007	$4,940,000	$4,940,000	95%
Westlake LP	NC-Charlotte MSA	CAD LP	Ongoing	$13,150,000	Ongoing	Ongoing
West Palmilla LP	AZ-Phoenix-Tucson	USA LLC/LP	2009	$8,800,000	$8,800,000	95%
Westbrook Brant	ON-Brant	UDI	2008	$6,290,000	$6,290,000	95%
Westside 2	AB-Edmonton	UDI	2005	$3,900,000	$3,900,000	98%
Westside 3	AB-Edmonton	UDI	2005	$3,900,000	$3,900,000	98%
Westwood	ON-Brant	UDI	2007	$2,680,000	$2,680,000	95%
Wildwood Brant	ON-Brant	UDI	2008	$6,610,000	$6,610,000	95%
Willow Grove	ON-Brant	UDI	2007	$11,259,000	$11,259,000	95%
Willow Park	ON-Brant	UDI	2009	$11,160,000	$11,160,000	95%
Winder Investment Scheme	GA-Atlanta	UDI	Ongoing	$2,620,000	Ongoing	Ongoing
Wolf Ridge	GA-Atlanta	UDI	2011	$7,120,000	$7,120,000	95%
Wood Glen 1	ON-Ottawa	UDI	2007	$672,000	$672,000	95%
Wood Glen 2	ON-Ottawa	UDI	2007	$2,560,000	$2,560,000	95%
Woodbury Park LP	GA-Atlanta	CAD LP	2010	$10,250,000	$10,173,690	94%
Yargo Township LP	GA-Atlanta	CAD LP	Ongoing	$8,900,000	Ongoing	Ongoing
Yellowhead Industrial 1	AB-Edmonton	UDI	2003	$8,399,916	$8,399,916	98%
Yellowhead Industrial 3	AB-Edmonton	UDI	2005	$3,800,000	$3,800,000	93%

(1) Composition of Programs. The Program Track Record is a summary of the real estate investment programs sponsored by Walton and first subscribed by June 30, 2012. This schedule does not include (a) the programs that fully exited by June 30, 2012; or (b) certain Canadian programs involving the offering of debt securities to Canadian residents, because such programs have investment objectives that are dissimilar to the investment objectives of Walton programs involving the offering of equity securities.

(2) "Program Type" indicates whether the program is a UDI program ("UDI"), a Canadian securities offering ("CAD LP"), a U.S. securities offering ("USA LLC/LP") or a German securities offering ("GER LP").

(3) "Weighted Average Year" represents the weighted average year of all sales closed (for UDI programs) or of all securities closings (for securities offerings). Programs not fully sold by June 30, 2012 are labeled "Ongoing".

(4) "Maximum Offering" represents the aggregate amount of undivided tenant-in-common interests offered for sale (for UDI programs) or the aggregate amount of interests offered by the issuers in securities offerings.

(5) "Amount Raised" represents actual amounts raised in the UDI program or the securities offering, and for U.S. securities offerings, represents the amount raised before selling commission discounts, if any.

(6) "UDI/TIC" represents the percentage of undivided interest acquired in the property in connection with the respective UDI program or securities offering.

(7) Certain Walton securities offerings permit an over-allotment to accommodate de minimis over-subscriptions. The Amount Raised by this issuer utilized a portion of this over-allotment.

(8) The Amount Raised by Cactus Springs LP was utilized to pay a portion of the Purchase Price of $15,240,000 to acquire the respective 317.50-acre property, with the remainder of the Purchase Price to be satisfied by the issuance of Units by the limited partnership to the General Partner which further holds 4.8% of the Outstanding Units.

(9) UDI purchasers acquired an aggregate of 75% undivided interests in Texas Cottonwood Phase 1 (a 1,002.35-acre parcel) and an aggregate of 48% undivided interests in Texas Cottonwood Phase 2 (a 106.60-

acre property). Walton USA Cottonwood, LP, a U.S. securities issuer, acquired 20% and 47% undivided interests in Texas Cottonwood Phase 1 and Texas Cottonwood Phase 2, respectively.

(10) Toltec LP and Toltec LLC were concurrent offerings made to acquire up to a 95% undivided fractional interest in a 265.146 acre parcel of land for the total amount of $29,365,380. Toltec LP was offered to eligible investors resident in Canada, while Toltec LLC was offered to eligible investors resident in the United States.

(11) Walton Ontario Land LP 1 was an offering to Canadian investors of direct or indirect interests in a limited partnership in both an initial public offering and a subsequent private placement, and the acquisition by the issuer of a 100% undivided interest in two parcels of land.

(12) Premium Land Management ("PLM") KG 1 acquired interests in the following projects: (a) 172 of 345 available UDI interests in Rabbit Residential (UDI); (b) 98.48 acres (or a 19.67% tenant-in-common interest) in the properties associated with the Gardner Ridge LP and Gardner Heights LP (CAD LP) offerings; and (c) 21.86 acres (or a 15.09% tenant-in-common interest) in the property associated with the Casa Grande LP (CAD LP) offering.

TABLE 2

ISSUER EXPENSES AND CONCEPT PLANNING EXPENSES
U.S. SECURITIES OFFERINGS

This table lists all U.S. securities offerings sponsored by Walton USA, and includes the reserves for Concept Planning Expenses and Issuer Expenses established during each such offering, as well as the Concept Planning Expenses and Issuer Expenses actually incurred through June 30, 2012.

Program Name	State	Offering	Amount Raised	CPF Reserve	CPF Expenses Incurred (1)	Issuer Expense Reserve	Issuer Expenses Incurred (1)	Launch Date (2)
Red Rock *	AZ	$16,500,000	$15,750,000	$330,000	$872,161	$472,950	$243,663	9/25/2006
Sunland Acres *	AZ	$13,845,000	$13,845,000	$208,102	$331,276	(3)	$191,561	12/30/2006
DFW Wagner Creek 1	TX	$6,265,000	$6,265,000	$240,000	$228,503	(3)	$161,866	7/3/2007
Silver Reef 90	AZ	$6,000,000	$6,000,000	$120,000	$75,002	$180,000	$123,272	11/19/2007
Toltec	AZ	$7,300,000	$7,300,000	$102,200	$116,974	$189,800	$158,598	4/21/2008
Camino Real 1	TX	$11,765,180	$11,765,180	$588,259	$381,149	$1,058,866	$166,628	6/16/2008
Vista del Monte	AZ	$7,846,050	$7,846,050	$117,691	$65,063	$235,382	$127,297	7/7/2008
Bluff Springs Land *	TX	$5,628,910	$5,628,910	$247,672	$87,500	$84,434	$131,916	8/22/2008
USA Cottonwood *	TX	$7,616,030	$7,616,030	$281,793	$252,065	$114,240	$136,342	9/15/2008
West Palmilla	AZ	$8,800,000	$8,800,000	$150,605	$152,094	$167,701	$91,500	12/1/2008
Arcade Meadows	GA	$14,400,000	$14,400,000	$427,751	$308,914	$292,220	$142,641	3/30/2009
Caldwell Ranch	TX	$14,255,000	$14,255,000	$1,359,783	$1,081,440	$1,604,186	$983,181	7/20/2009
Sunshine Industrial	AZ	$23,250,000	$23,250,000	$490,046	$448,784	$2,323,182	$1,321,780	10/1/2009
Elm Creek Ranch	TX	$28,650,000	$28,650,000	$1,512,153	$656,450	$2,776,156	$1,234,546	12/1/2009
Pecan Woods	TX	$20,100,000	$20,100,000	$2,452,054	$450,685	$2,132,621	$861,472	3/15/2010
Barrow Landing	GA	$21,000,000	$21,006,240	$695,936	$385,988	$2,317,180	$775,272	6/1/2010
Kimberlin Heights	TX	$24,375,000	$13,350,860	$1,655,402	$557,933	$3,377,851	$767,388	8/1/2010
Sherwood Acres	VA	$27,700,000	$27,700,600	$672,168	$112,637	$3,572,075	$743,848	10/15/2010
Heritage Woods	VA	$24,450,000	$24,450,000	$793,820	$119,917	$4,042,979	$530,655	4/1/2011
U.S. Land Fund 1	multiple	$50,000,000	$36,674,000	$1,449,112	$44,653	$2,755,347	$623,367	4/1/2011
U.S. Land Fund 2	multiple	$50,000,000	$16,288,770	$234,637	$179	$709,633	$63,919	1/1/2012

(1) "CPF Expenses Incurred" and "Issuer Expenses Incurred" are presented on an accrual basis, and include gross expenses; figures shown are not offset by the amount of rental or escrow income, if any.

(2) "Launch Date" represents the date of the private placement memorandum for the Offering.

(3) Under separate Funding Agreements, Walton USA has agreed to pay up to a maximum of $393,636 (Sunland Acres) and $260,520 (DFW Wagner Creek 1) of Issuer Expenses without reimbursement.

* Represents an issuer that, as of the date of this table, has incurred indebtedness under its Funding Agreement with Walton USA to pay administrative expenses and concept planning expenses, which indebtedness is subject to repayment to Walton USA upon exit.

EXHIBIT A TO MEMORANDUM

AUDITOR'S CONSENT

[See attached]

August 1, 2012

AUDITOR'S CONSENT

We have read the confidential private placement memorandum dated August 1, 2012 of Walton U.S. Land Fund 3, LP (the "Issuer"), relating to the offering of up to 5,000,000 (which may be increased to, but not exceed, 10,000,000) Class A Limited Partnership Interest Units at $10 per Unit. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We also consent to the inclusion in the above-mentioned offering memorandum of our report to the directors of Walton International Group Inc., (the "Company") on the schedule of investment returns for Pre-Development projects managed by the Company, for the exit period from December 1, 1998 to December 31, 2011, and related notes. Our report is dated April 20, 2012.

PricewaterhouseCoopers LLP

Chartered Accountants
Calgary, Alberta

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EXHIBIT B TO MEMORANDUM

AUDIT OF INVESTMENT RETURNS FOR EXITED WALTON PROJECTS

[See attached]

All but three of the pre-development projects presented are fully exited projects. The duration of the fully exited pre-development projects is from the average date that that the UDI investors acquired their interest in the project, to the exit date that represents the average date that the investor's interest in the project was sold. The UDI investor purchase price used in the calculation represents the price the UDI investors paid for the land as per the purchase and sale agreements and the certificates of title. The exit price represents the gross amount that the UDI investors received upon sale of the project, as per the applicable sale and purchase agreement.

For Rockyview Phase 1 ("***Rockyview***") and Edgemont Estates Phases 3, 4 and 5 (together, "***Edgemont***"), partially exited UDI pre-development projects, the duration of the projects are from the purchase date that represents the average date that Walton originally sold the interests to the UDI investors, to the exit date that represents the date that distributions from the projects were paid to the investors. For Walton Tutela Heights Ontario Limited Partnership ("***Tutela Heights***"), the other partially exited pre-development project, the duration of the Project is from the purchase date that represents the average date that the limited partnership units were purchased, to the date that Tutela Heights paid the distribution to the investors in connection with the portion of the project was sold. The exit prices of Rockyview and Edgemont represent the gross amount that the UDI investors received upon sale of the portion of the project, as per the applicable sale and purchase agreement. The exit price of Tutela Heights represents the distributions that Tutela Heights made to the investors. The acres presented for partially exited pre-development projects only represent the portion of acreage that was sold. The purchase price used in calculation of the partially exited pre-development projects represents the price that the UDI investors paid for the land or that the investors paid for limited partnership units, prorated to the sold acres.

The historical returns in the Report, particularly those for UDI programs, are not indicative of the future performance of the Units and should not be relied upon as a forecast or projection of the anticipated returns, if any, on an investment in the Units. Returns to investors in the Issuer may be higher or lower than this historical average return.

April 20, 2012

Independent Auditor's Report

To the Director of
Walton International Group Inc.

We have audited the accompanying schedule of investment returns for pre-development projects managed by Walton International Group Inc., for the exit period from December 1, 1998 to December 31, 2011 ("the Schedule"), and the related notes. The Schedule has been prepared by management using the basis of calculation of internal rate of return ("IRR") and the annualized total return as described by the Global Investment Performance Standards.

Management's responsibility for the Schedule

Management is responsible for the preparation of the Schedule in accordance with the basis of calculation of IRR and the annualized total return as described by the Global Investment Performance Standards, and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the Schedule is prepared, in all material respects, in accordance with the basis of calculation of IRR and the annualized total return as described by the Global Investment Performance Standards for the projects managed by Walton International Group Inc. for the exit period from December 1, 1998 to December 31, 2011.

Other Matter

We draw attention to Note 1 of the Schedule, which describes the basis of calculation of IRR and the annualized total return as defined by the Global Investment Performance Standards. Walton International Group Inc. does not represent that they are in full compliance with the Global Investment Performance Standards as compliance is not required for the purpose of the Schedule.

PricewaterhouseCoopers LLP

Chartered Accountants

Walton Group of Companies

SCHEDULE OF INVESTMENT RETURNS FOR PRE-DEVELOPMENT PROJECTS

For the exit period spanning December 1, 1998 to December 31, 2011

SCHEDULE ONE: FULLY EXITED PROJECTS

#	PRE-DEVELOPMENT PROJECTS	REFERENCE	ACRES (Note 2)	INVESTOR PURCHASE PRICE (Note 2)	EXIT PRICE (Note 2)	INVESTOR PURCHASE DATE (Note 2)	EXIT DATE (Note 2)	DURATION (Note 2)	ANNUALIZED TOTAL RETURN (Note 3)	INTERNAL RATE OF RETURN ("IRR") (Note 4)
1	14 Acre		13.99	$ 606,770	$ 2,100,000	Sep 04, 1987	Sep 30, 2006	19.35	12.72%	6.72%
2	Aberdeen Heights Phase 1		71.38	$ 4,033,891	$ 15,346,467	Feb 06, 1998	Nov 06, 2007	9.89	28.36%	14.68%
3	Big Lake Phase 2	Note 6 (a)	130.79	$ 8,842,750	$ 18,344,067	Oct 28, 2004	Dec 31, 2010	6.26	17.16%	12.54%
4	Bridlewood		35.50	$ 1,076,025	$ 3,195,000	Mar 24, 1990	Sep 13, 2003	13.67	14.41%	8.41%
5	Church Hill		74.94	$ 5,628,687	$ 10,116,618	Sep 26, 2000	Jan 31, 2007	6.44	12.39%	9.67%
6	Fairweather Heights Phase 1		39.74	$ 2,700,000	$ 5,961,000	Apr 27, 2004	Mar 13, 2008	3.93	30.71%	22.65%
7	Four Seasons		98.17	$ 5,650,276	$ 13,252,718	Jul 07, 1998	Jan 31, 2007	8.69	15.48%	10.45%
8	Heritage Valley Phase 1		157.00	$ 10,594,569	$ 18,840,657	Nov 25, 2003	May 16, 2007	3.52	22.10%	18.02%
9	Heritage Valley Phase 2		149.66	$ 10,062,104	$ 17,959,386	Nov 29, 2003	May 16, 2007	3.51	22.37%	18.21%
10	North Point Commercial Phase 1		115.93	$ 8,534,104	$ 18,546,647	Aug 30, 2002	Nov 24, 2006	4.30	27.31%	20.10%
11	North Point Commercial Phase 2		159.13	$ 13,131,915	$ 25,457,070	Feb 10, 2003	Nov 24, 2006	3.84	24.44%	19.09%
12	North Point Commercial Phase 3		158.00	$ 13,324,501	$ 25,451,403	Apr 02, 2003	Nov 24, 2006	3.70	24.62%	19.40%
13	North Point Commercial Phase 4		77.99	$ 5,712,500	$ 12,479,504	Jan 14, 2003	Nov 24, 2006	3.92	30.25%	22.42%
14	North Point Estate Phase 3	Note 6 (b)	159.00	$ 3,128,552	$ 20,670,633	Aug 13, 1995	Jun 29, 2007	12.05	46.54%	17.22%
15	North Point Estate Phase 4	Note 6 (b)	79.00	$ 1,699,957	$ 10,270,495	Dec 27, 1996	Jun 29, 2007	10.66	47.32%	18.67%
16	North Point Estate Phase 6	Note 6 (b)	79.49	$ 1,700,855	$ 11,922,750	Jun 30, 1996	Mar 31, 2008	11.92	50.41%	18.01%
17	North Point Estate Phase 7	Note 6 (b)	158.97	$ 3,967,197	$ 23,818,500	Jan 25, 1997	Mar 31, 2008	11.34	44.13%	17.38%
18	North Point Estate Phase 8	Note 6 (b)	159.00	$ 3,794,349	$ 23,851,304	Oct 22, 1996	Mar 20, 2008	11.57	45.68%	17.47%
19	North Point Estate Phase 9	Note 6 (b)	158.16	$ 4,435,963	$ 20,561,628	Feb 02, 1998	Jun 29, 2007	9.54	38.11%	17.71%
20	North Point Estate Phase 11	Note 6 (b)	154.72	$ 7,852,911	$ 23,211,344	Dec 01, 1999	Mar 31, 2008	8.45	23.14%	13.88%
21	North Point Estate Phase 13	Note 6 (b)	145.50	$ 10,908,725	$ 18,922,375	May 15, 2002	Jun 29, 2007	5.19	14.14%	11.34%
22	Northeast Edmonton Phase 8		83.95	$ 1,962,240	$ 3,156,092	Jan 30, 2005	Dec 04, 2009	4.91	12.39%	10.30%
23	Northwest Industrial		129.89	$ 7,598,081	$ 16,236,324	Oct 14, 2003	Oct 23, 2006	3.07	37.07%	28.51%
24	Panorama (Evanston) Phase 1		155.61	$ 5,272,607	$ 7,780,742	Sep 11, 1993	Dec 11, 1998	5.32	8.93%	7.69%
25	Panorama (Evanston) Phase 2		122.66	$ 4,777,694	$ 6,133,000	Jul 26, 1993	Dec 11, 1998	5.46	5.20%	4.75%
26	Panorama (Evanston) Phase 3		48.45	$ 2,064,128	$ 2,450,000	Aug 17, 1995	Dec 11, 1998	3.37	5.55%	5.30%
27	Pilot Sound Phase 1	Note 6 (c)	238.85	$ 17,068,991	$ 33,918,270	Jun 11, 2002	Jun 29, 2007	5.12	19.28%	14.56%
28	Pilot Sound Phase 2	Note 6 (c)	107.72	$ 8,792,490	$ 15,320,378	Jul 16, 2003	Jun 29, 2007	4.01	18.51%	15.07%
29	Pilot Sound Phase 3		141.08	$ 11,707,805	$ 23,278,742	Jul 23, 2003	Aug 31, 2011	8.22	12.02%	8.84%
30	Point Trotter Phase 1	Note 6 (d)	35.24	$ 1,147,835	$ 7,223,360	Feb 06, 1993	Jan 11, 2010	17.17	30.83%	11.47%
31	Point Trotter Phase 2	Note 6 (d)	62.92	$ 1,880,442	$ 12,898,395	May 16, 1995	Jan 11, 2010	14.87	39.40%	14.03%
32	River View Phase 1		143.23	$ 6,192,950	$ 9,310,181	Aug 16, 2004	Dec 15, 2006	2.36	21.32%	19.11%
33	River View Phase 3		87.07	$ 5,220,000	$ 9,758,713	Sep 30, 2004	Jul 14, 2011	6.88	12.64%	9.65%
34	Rosehill		45.86	$ 2,200,000	$ 3,897,769	Mar 14, 2007	Dec 03, 2010	3.78	20.42%	16.59%
35	South Ellerslie		179.02	$ 12,336,000	$ 23,272,529	Mar 03, 2003	Dec 17, 2007	4.86	18.24%	14.16%
36	South Ellerslie Phase 2		79.50	$ 5,855,432	$ 10,336,022	Apr 25, 2003	Jul 24, 2006	3.29	23.23%	19.11%
37	South Ellerslie Phase 5		84.44	$ 7,120,928	$ 12,244,860	Oct 07, 2003	Oct 02, 2007	4.04	17.79%	14.56%
38	Spruce Meadow Estates		159.33	$ 12,580,689	$ 29,476,670	Jul 24, 2000	Apr 01, 2007	6.78	19.80%	13.57%
39	Yellowhead Industrial Phase 2	Note 6 (e)	127.15	$ 12,700,000	$ 24,222,993	Dec 15, 2004	Dec 29, 2011	7.14	12.71%	9.60%
		SUBTOTAL	**4,408.03**	**$ 253,864,913**	**$ 591,194,606**	**AVERAGE DURATION: 7.24**				
								WEIGHTED AVERAGE (Note 5)	**21.59%**	**15.07%**

SCHEDULE TWO: PARTIALLY EXITED PROJECTS

#	PRE-DEVELOPMENT PROJECTS	REFERENCE	ACRES (Note 2)	INVESTOR PURCHASE PRICE (Note 2)	EXIT PRICE (Note 2)	INVESTOR PURCHASE DATE (Note 2)	EXIT DATE (Note 2)	DURATION (Note 2)	AVERAGE ANNUAL RATE OF RETURN (Note 3)	INTERNAL RATE OF RETURN ("IRR") (Note 4)
40	Edgemont Estates Phase 3	Note 6 (f)	68.65	$ 2,986,216	$ 9,319,684	Sep 10, 2002	Nov 30, 2011	9.35	n/a	n/a
41	Edgemont Estates Phase 4	Note 6 (f)	11.34	$ 538,186	$ 1,539,812	Dec 16, 2002	Nov 30, 2011	9.09	n/a	n/a
42	Edgemont Estates Phase 5	Note 6 (f)	113.05	$ 5,328,964	$ 15,346,556	Sep 20, 2002	Oct 12, 2011	9.19	n/a	n/a
43	Rockyview Phase 1		15.26	$ 1,525,875	$ 2,097,718	Aug 04, 2005	Oct 26, 2009	4.29	n/a	n/a
44	Walton Tutela Heights Ontario Limited Partnership	Note 6 (g)	204.05	$ 12,753,158	$ 16,748,933	Feb 27, 2007	Nov 26, 2010	3.80	n/a	n/a
		SUBTOTAL	**412.35**	**$ 23,132,399**	**$ 45,052,703**	**AVERAGE DURATION: 7.14**			**n/a**	**n/a**

OVERALL

PRE-DEVELOPMENT PROJECTS	ACRES	INVESTOR PURCHASE PRICE	EXIT PRICE
AGGREGATED TOTAL	**4,820.38**	**$ 276,997,312**	**$ 636,247,309**

Past performance is not necessarily indicative of future results.

See accompanying notes to the schedule of investment returns.

1. Composition of investment returns

The investment returns are for pre-development projects (the "**Projects**") managed by members of the Walton Group of Companies (collectively "**Walton**") for the exit period spanning December 1, 1998 to December 31, 2011. The schedule does not include any development projects managed by Walton.

Both average annual total return and internal rate of return are commonly used in the investment industry to measure the performance of the investment. Both total return and internal rate of return are described in the Global Investment Performance Standards. The basis of calculation for internal rate of return and annualized total return are further described in Notes 3 and 4.

The investment returns have been computed using underlying investment data measured in Canadian dollars.

Fully exited projects

The Projects included in Schedule One are those that were initially sold to undivided interest ("**UDI**") investors and which have been fully exited.

Partially exited projects

The Projects included in Schedule Two are those that have been partially exited. Rockyview Phase 1 ("**Rockyview**") and Edgemont Estates Phases 3, 4 and 5 (collectively known as "**Edgemont**") were initially sold to UDI investors. Walton Tutela Heights Ontario Limited Partnership ("**Tutela Heights**") includes limited partnership units which were sold to initial investors.

2. Basis of computation of the investment returns

Fully exited projects

The acres represent the land acreage related to the undivided interest purchased by the initial UDI investors.

The purchase price used in the calculation represents the initial cash flow ("F_0") on the project's acquisition date, that is, the price the UDI investors paid for the land, as per the Purchase and Sales Agreement and the Certificate of Title.

The exit price represents the final cash flow ("F_x") on the Project's disposition date, that is, the gross amount that the UDI investors received upon sale of the Project, as per the applicable Sale and Purchase Agreement.

The duration ("**x**") of the Project is from the purchase date that represents the average date UDI investors acquired their interest in the project, to the exit date that represents the date when the investor's interest in the project was sold.

Partially exited projects

The acres presented for partially exited projects only represent the portion of acreage that was sold.

The purchase price used in the calculation represents the price that the UDI investors paid for the land or that the investors paid for limited partnership units, prorated to the sold acres.

The exit prices for Rockyview and Edgemont represent the gross amount that the UDI investors received upon sale of the portion of the Projects, as per the applicable Sale and Purchase Agreement.

The exit price of Tutela Heights represents the distributions that Tutela Heights paid to the investors.

For Rockyview and Edgemont, the duration of the Projects are from the purchase date that represents the average date that Walton originally sold the interest to the UDI investors, to the exit date that represents the date that the Projects paid the distributions to the investors.

For Tutela Heights, the duration of the Project is from the purchase date that represents when the limited partnership unit was purchased, to the date that Tutela Heights paid the distribution to the investors.

3. Annualized total return

The total return is the rate of return, including the exit price (all capital return and income return components), expressed as a percentage of the investor purchase price over the measurement period, as calculated using the formula:

$$(Fx - F_0)/F_0$$

The annualized total return is to average total returns for the measurement period, as calculated using the formula:

$$Total\ return\ /x \qquad \text{or} \qquad [(F_x - F_0)/F_0]/x$$

The annualized total returns on the partially exited projects are not available. That calculation can only be determined after the individual project has been fully liquidated.

4. Internal rate of return

The internal rate of return ("**IRR**") is the annualized implied discount rate (effective compounded nominal rate) that equates the present value of all of the appropriate cash inflows associated with an investment with the sum of the present value of all the appropriate cash outflows.

The IRR is calculated using the formula:

$$F_0 + \frac{Fx}{(1 + IRR)^x} = 0$$

The IRRs on the partially exited projects are not available. That calculation can only be determined after the individual project has been fully liquidated.

5. Weighted average rate of return

The weighted average rate of return is the average rate of return weighted by the purchase price of all fully exited projects.

6. Related party transactions

The following real estate projects were sold to entities related to Walton through common management:

a) Big Lake Phase 2 was purchased from investors for cash of $18.3 million by an entity related to Walton (the "**Partnership**"). The Partnership raised capital through an initial public offering and a private placement offering to acquire this property. Walton's interest in the land was transferred in exchange for an interest in the Partnership.

b) Eight North Point Phases were purchased from investors for cash in the aggregate amount of $153.2 million by an entity in which Walton and related parties owned 32% (the "**Acquiring Entity**").

The arm's length companies that held a 68% interest in the Acquiring Entity included a large Canadian insurance company, a local builder in the City of Calgary and a private company. The insurance company contributed 41%, the local builder contributed 18% and the private company contributed 9% to the Acquiring Entity, and, therefore, to the acquisition.

The Acquiring Entity also obtained third party loan financing of approximately $100 million from a lending institution.

c) The Pilot Sound Phase 1 and 2 lands were purchased from investors for cash of $49.2 million by an entity related to Walton. Further, the entity related to Walton obtained third party financing in the amount of $29.8 million from a lending institution for the acquisition of these lands.

d) The Point Trotter lands were purchased from investors at the amount of $20.1 million for development by Walton acting in its own capacity.

e) The investors in Yellowhead Industrial Phase 2 sold for cash of $24.2 million, their interests to Walton Yellowhead Industrial Development Corporation ("**WYDC**"), a company related to Walton. WYDC raised funds through an initial public offering to acquire this property. Walton's interest in this property was transferred to WYDC in exchange for an interest in WYDC.

f) The three Edgemont properties were purchased from investors for cash of $26.2 million by Walton Edgemont Development Corporation ("**WEDC**"), a company related to Walton. WEDC raised capital through an initial public offering and a subsequent private placement offering to acquire these properties. Walton's interest in the properties was transferred to WEDC in exchange for an interest in the WEDC. This exit only represents a partial exit because the UDI investors still own 68.78 acres in Edgemont Estates Phase 3, 121.93 acres in Edgemont Estates Phase 4, and 26.05 acres in Edgemont Estates Phase 5.

g) The lands of Rosehill and Tutela Heights were purchased from investors for cash of $3.9 million and $16.7 million respectively, by an entity related to Walton that had raised capital through a private placement offering to acquire these properties. Walton's interest in the land was transferred in exchange for an interest in the Walton related entity. The sale of the Rosehill land represents a fully exited project for those UDI investors. For the investors in Tutela Heights, this exit only represents a partial exit because the partnership still owns 145.3 acres of land.

All of the above transactions were in the normal course of business and were measured at the exchange amount. The exchange amount is the amount of consideration established and agreed to by the parties, which included the investors.

EXHIBIT C TO MEMORANDUM

THE PARTNERSHIP INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES OR THE LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE SOLD OR TRANSFERRED WITHOUT COMPLIANCE WITH APPLICABLE UNITED STATES FEDERAL AND STATE SECURITIES LAWS, OR ANY APPLICABLE NON-U.S. SECURITIES LAWS. IN ADDITION, TRANSFER OR OTHER DISPOSITION OF THE INTERESTS IS RESTRICTED AS PROVIDED IN THIS AGREEMENT.

AGREEMENT OF LIMITED PARTNERSHIP
OF
WALTON U.S. LAND FUND 3, LP

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WALTON U.S. LAND FUND 3, LP
AGREEMENT OF LIMITED PARTNERSHIP

This Agreement of Limited Partnership of Walton U.S. Land Fund 3, LP, a limited partnership formed under the laws of the State of Delaware (the "***Partnership***"), is made and entered into as of _____, 2012 by and among WUSF 3 GP, LLC, a Delaware limited liability company (the "***General Partner***") and those Persons who from time to time are accepted as limited partners of the Partnership in accordance with this Agreement, and who are listed on **Exhibit A**, as such exhibit may be amended from time to time (each individually a "***Limited Partner***," collectively the "***Limited Partners***" and collectively with the General Partner, the "***Partners***"), and

NOW, THEREFORE, the Partners hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

"**Act**" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. §§ 17-101, et seq., as amended from time to time;

"**Adjusted Capital Account Deficit**" means, with respect to any Partner at any time, the deficit balance, if any, in such Partner's Capital Account as of such time, after giving effect to the following adjustments:

(1) Add to such Capital Account the amount that such Partner is obligated to restore or is deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(2) Subtract from such Capital Account such Partner's share of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently with those provisions;

"**Adverse Effect**" means (i) the Partnership being classified as a "publicly traded partnership" under the Code, (ii) the assets of the Partnership being considered "plan assets" within the meaning of regulations adopted under ERISA or Section 4975 of the Code, (iii) the Units being required to be registered under the Securities Exchange Act of 1934, as amended, or (iv) some other legal, regulatory, pecuniary, tax or material administrative disadvantage to the Partnership or Partners;

"**Affiliate**" of a Person means another Person who controls, is controlled by, or is under common control with, such Person;

"**Agreement**" means this agreement, including the schedules and exhibits, as amended or supplemented from time to time and "herein", "hereby", "hereof", "hereunder", "hereto" and similar expressions mean or refer to this Agreement and not to any particular provision of this Agreement;

"**Auditors**" means the certified public accounting firm appointed by the General Partner from time to time to audit the financial statements of the Partnership;

"**Business Day**" means, with respect to any particular location, any day other than a Saturday, Sunday or federal holiday of the United States of America, on which national banks doing business in such location are open to the public for the conduct of retail, walk-in banking business and not merely electronic banking business;

"**Capital Account**" means the capital account maintained for each Partner on the Partnership's books and records under the following provisions:

(1) To each Partner's Capital Account there shall be added (a) the Partner's Capital Contributions, (b) the Partner's allocable share of Net Profits and any items in the nature of income or gain that are specially allocated to the Partner under Article 5 or any other provision of this Agreement, and (c) the amount of any Partnership liabilities assumed by the Partner or that are secured by any property distributed to the Partner;

(2) From each Partner's Capital Account there shall be subtracted (a) the amount of (i) cash and (ii) the Gross Asset Value of any Partnership assets (other than cash) distributed to the Partner under this Agreement in its capacity as a Partner, (b) the Partner's allocable share of Net Losses and any other items in the nature of expenses or losses that are specially allocated to the Partner under Article 5 or any other provision of this Agreement, and (c) liabilities of the Partner assumed by the Partnership or that are secured by any property contributed by such Partner;

(3) If any Unit or fractional Unit in the Partnership is transferred under this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Unit or fractional Unit;

(4) In determining the amount of any liability for purposes of subsections (1) and (2) of this definition, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations; and

(5) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations;

"**Capital Contribution,**" with respect to any Partner, means the total amount of cash and the Gross Asset Value of property (other than cash) contributed or deemed to have been contributed, to the capital of the Partnership by the Partner (or by a predecessor Partner in the case of a Partner who acquires Units from a predecessor Partner in accordance with this Agreement) for the Units held by such Partner;

"**Cause**" means any act or failure to act by the General Partner relating to the performance of its duties under this Agreement that constitutes gross negligence, fraud, willful misconduct, or a breach of any of its material obligations under this Agreement which breach has a material adverse effect on the Partnership or the Limited Partners and such breach is not substantially cured within 60 days (or is not in the process of being substantially cured within 60 days and is not substantially cured within 120 days) after receipt by the General Partner of written notice from a Limited Partner with respect thereto;

"**Certificate**" means any instrument or document that is required under the laws of the State of Delaware, or any other jurisdiction in which the Partnership conducts business, to filed for recording in the appropriate public offices within the State of Delaware or such other jurisdiction to perfect or maintain the Partnership as a limited partnership, to effect the admission, withdrawal, or substitution of any Partner from or to the Partnership, or to protect the limited liability of the Limited Partners as limited partners under the laws of the State of Delaware or such other jurisdiction;

"**Class A Unit**" means a unit of equal and undivided interest in the Partnership entitling the holder thereof to the rights of a holder of Class A Units pursuant to the terms of this Agreement;

"**Class A Partner**" means a Partner holding Class A Units;

"**Class B Unit**" means a unit of equal and undivided interest in the Partnership entitling the holder thereof to the rights of a holder of the Class B Unit pursuant to the terms of this Agreement;

"**Class B Partner**" means the Partner holding the Class B Unit;

"**Code**" means the United States Internal Revenue Code of 1986, as amended;

"**Concept Planning**" means those preliminary development activities with respect to a Property during its preliminary development phase, intended to protect the value of the Property and prepare the Property for physical development, such as one or more of the following without limitation: performing development feasibility assessments, preparing a conceptual master plan for the Property, seeking appropriate planning, land use and other regulatory approvals, formation of improvement districts, negotiating service agreements, and preparing and seeking approval of subdivision plats;

"**Concept Planning Allocation**" means that portion of the Reserve established pursuant to the terms of the Private Placement Memorandum to pay for the Partnership's allocable share of Concept Planning costs;

"**Co-Ownership Agreement**" means, for each Property, the Co-Ownership Agreement between the Partnership, the Fund Subsidiary (if applicable), the Walton Acquisition Entity and Walton USA, to be entered into when the Partnership and/or the applicable Fund Subsidiary first acquires all or part of the Interest in the Property, which will govern the rights and responsibilities of such parties with respect to the Property;

"**Depreciation**" means, for each Fiscal Year of the Partnership or other period, the amount of federal income tax depreciation, amortization or other cost recovery deduction allowable for an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner;

"**Dissenting Partner**" is defined in Section 9.8(a);

"Eligible Transferee" is defined in Section 9.7(a);

"Encumbrance" means any charge, claim, mortgage, servitude, easement, right of way, community or other marital property interest, covenant, equitable interest, license, lease or other possessory interest, lien, option, pledge, security interest, preference, priority, right of first refusal, restriction (other than any restriction on transferability imposed by federal, state or foreign securities Laws) or other encumbrance of any kind or nature whatsoever (whether absolute or contingent);

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations adopted pursuant thereto;

"Event of Bankruptcy" as to any Person means (i) the filing of a petition for relief as to such Person as debtor or bankrupt under Title 11, United States Code, as amended (or any successor statute) or similar provision of law of any jurisdiction (except if such petition is contested by such Person and has been dismissed within 90 days); (ii) the insolvency or bankruptcy of such Person as finally determined by a court proceeding; (iii) the filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of his assets; and (iv) the commencement of any proceedings relating to such Person as a debtor under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided, that if such proceeding is commenced by another, such Person indicates his approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 90 days;

"Expenses" is defined in Section 8.7(b);

"**Extraordinary Action**" means an action approved by a vote of Class A Partners holding at least 66⅔% of the Class A Units that are voted on the matter;

"**Fiscal Year**" is defined in Section 6.7;

"**Funding Agreement**" means the agreement between the Partnership, each Fund Subsidiary that becomes a party thereto, and Walton USA relating to the Properties, under which Walton USA will agree to fund certain expenses and other costs of the Partnership, and under which Walton USA will agree to pay, without reimbursement, certain expenses pertaining to the Partnership;

"**Fund Subsidiary**" means a wholly-owned subsidiary of the Partnership formed to acquire the Partnership's undivided interest in a Property.

"**General Partner**" is defined in the preamble, or any substitute general partner under Section 13.2;

"Gross Offering Proceeds" means the gross proceeds of the offering of Units before deduction of commissions, offering expenses and reserves;

"Governmental Authority" means any government or political subdivision thereof, whether federal, state, local or foreign, international, multinational or any agency or instrumentality of any such government or political subdivision, or any other similar board quasi-governmental regulating body (to the extent that the rules, regulations or orders of such body have the force of Law) or any court or arbitration tribunal;

"**Gross Asset Value**" means, for any asset, the asset's adjusted basis for United States federal income tax purposes, except as follows:

(1) the Gross Asset Value of all the Partnership's assets immediately before the occurrence of any event described in subsections (a) through (e) hereof shall be adjusted to equal their respective gross fair market values, as determined by the General Partner using such reasonable method of valuation as the General Partner may adopt, upon the occurrence of the following events and in accordance with the applicable Regulations:

(a) the acquisition of Units in the Partnership by a new or existing Partner in exchange for more than a de minimis Capital Contribution if the General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners of the Partnership;

(b) the distribution by the Partnership to a Partner of more than a de minimis amount of assets in the Partnership as consideration for a whole or partial interest in the Partnership, if the General Partner reasonably determines that such adjustment is necessary or appropriate;

(c) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(d) the grant of more than a de minimis number of Units in the Partnership in consideration for the provision of services to or for the benefit of the Partnership; or

(e) at such other times as the General Partner shall reasonably determine necessary or advisable to comply with Regulations Sections 1.704-1(b) and 1.704-2;

(2) the Gross Asset Value of any asset of the Partnership distributed to a Partner shall be the gross fair market value of the asset on the date of distribution as determined by the General Partner;

(3) the Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets under Code Section 734(b) or 743(b), but only to the extent that the adjustments are taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m); *provided, however*, that Gross Asset Values shall not be adjusted under this subsection (3) to the extent that the General Partner reasonably determines that an adjustment under subsection (1) of this definition above is necessary or appropriate for a transaction that would otherwise result in an adjustment under this subsection; and

(4) if the Gross Asset Value of a Partnership asset has been determined or adjusted under subsection (1) or (3) of this definition, the Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such Partnership asset for purposes of computing Net Profits and Net Losses;

"**Indemnified Person**" means each of the General Partner together with its successors in interest by merger, dissolution or otherwise and its officers, directors, managers, members, employees, agents and advisors and Limited Partners together with their respective heirs, devisees, legatees, personal representatives, trustees, executors, administrators, successors in interest by merger, dissolution or otherwise;

"**Interests**" means, collectively, the proportionate undivided interests in the Properties to be acquired by the Partnership, directly or indirectly, pursuant to the terms described in the Private Placement Memorandum;

"**Issuer Expense Allocation**" means that portion of the Reserve established pursuant to the terms of the Private Placement Memorandum for payment of Issuer Expenses (as defined in the Private Placement Memorandum);

"**Law**" means any federal, state, county, local, municipal, foreign, international, multinational, or other constitution, law, statute, treaty, rule, regulation, ordinance, code, binding case law or principle of common law;

"**Limited Partners**" is defined in the preamble;

"**Losses**" means losses, liabilities, judgments, claims, damages, fees, costs and expenses of any kind, including fees, disbursements and costs of legal counsel and advisors and liabilities under state and federal securities Laws;

"**Lots**" means partially or completely finished lots or improvements;

"**Management Fee Allocation**" means that portion of the Reserve established pursuant to the terms of the Private Placement Memorandum for the payment of the Management Fee (as defined in the Private Placement Memorandum);

"**Net Profits**" or "**Net Losses**" means, for each Fiscal Year or other period, the Partnership's taxable income or loss for such year or period determined under Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately under Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(1) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses under this definition shall be added to the taxable income or loss;

(2) any expenditure of the Partnership described in Code Section 705(a)(2)(B) or treated as a Code Section 705(a)(2)(B) expenditure under Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Profits or Net Losses, shall be subtracted from such taxable income or loss;

(3) gain or loss resulting from any disposition of Partnership assets where such gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Partnership assets disposed of, notwithstanding that the adjusted tax basis of the Partnership assets differs from its Gross Asset Value;

(4) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing the taxable income or loss, there shall be taken into account Depreciation for the Fiscal Year;

(5) to the extent an adjustment to the adjusted tax basis of any asset included in Partnership assets under Code Section 734(b) or 743(b) is required under Regulations Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's interest, the amount of the adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for computing Net Profits and Net Losses;

(6) if the Gross Asset Value of any Partnership asset is adjusted under subsection (1) or subsection (2) of the definition of "Gross Asset Value," the amount of the adjustment shall be taken into account in the taxable year of the adjustment as gain or loss from the disposition of the asset for computing Net Profits or Net Losses; and

(7) notwithstanding any other provision of this definition, any items of income, gain, loss or deduction that are specially allocated under Section 5.3 shall not be taken into account in computing Net Profits or Net Losses. The amount of items of income, gain, loss and deduction available to be specially allocated shall be determined using principles analogous to those set forth in this definition;

"**Nonrecourse Deductions**" is defined in Regulations Sections 1.704-2(b)(1) and 1.704-2(c);

"**Offer**" is defined in Section 9.8(a);

"**Offeror**" is defined in Section 9.8(a);

"**Offeror's Notice**" is defined in Section 9.8(a);

"**Offeror's Units**" is defined in Section 9.8(a);

"**Ordinary Action**" means an action approved by the Class A Partners holding at least a majority of the Class A Units that are voted on the matter;

"**Partner**" or "**Partners**" is defined in the preamble;

"Partner Minimum Gain" means "partner nonrecourse debt minimum gain" as defined in Regulations Section 1.704-2(i)(2);

"**Partnership Minimum Gain**" has the meaning set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1) for the phrase "partnership minimum gain";

"Partner Nonrecourse Debt" means "partner nonrecourse debt" as defined in Regulations Section 1.704-2(b)(4);

"**Partner Nonrecourse Deductions**" means "partner nonrecourse deductions" as defined in Regulations Section 1.704-2(i);

"Partnership" is defined in the preamble;

"**Permitted Encumbrance**" means, for each Property, any (i) statutory encumbrance for current taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the entity alleged to owe such tax or charge; (ii) encumbrance arising or incurred in the ordinary course of business for amounts which are not overdue for a period of more than 60 days and which are not, individually or in the aggregate, significant; (iii) zoning, entitlement, building and other land use regulations imposed by Governmental Authorities having jurisdiction over the Property; (iv) covenants, conditions, restrictions, easements and other encumbrances affecting title to the Property which do not materially impair the ability of the Partnership to sell the Property; (v) public roads and highways; and (vi) encumbrances regarding deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements, including rights of setoff;

"**Person**" means any natural person, any corporation, company, association, partnership, limited liability company, trust, unincorporated organization or other entity, or any government, political subdivision, agency or instrumentality of a government;

"**Private Placement**" means the offering, through a "private placement," of Units of the Partnership pursuant to Rule 506 of Regulation D and Rules 901 through 905 of Regulation S under the Securities Act of 1933, as amended;

"**Private Placement Memorandum**" means the Confidential Private Placement Memorandum dated August 1, 2012, pursuant to which the Partnership will conduct concurrent offerings and acquire interests in the Properties;

"**Proceeding**" is defined in Section 8.7(b);

"**Properties**" means the parcels, which may include Lots, in which the Partnership directly or indirectly acquires ownership interests in connection with the Private Placement as described in the Private Placement Memorandum;

"**Register**" means the register of Partners maintained under Section 6.10;

"**Registrar and Transfer Agent**" means the registrar and transfer agent for the Partnership referred to in Section 6.10, which shall be the General Partner if no other registrar and transfer agent is appointed under Section 6.10;

"**Regulations**" means the U.S. Department of Treasury Regulations adopted under the Code. Any and all references herein to specific provisions of the Regulations shall be deemed to refer to any corresponding successor provision;

"**Regulatory Allocations**" is defined in Section 5.3(h);

"**Regulation S Investor**" is defined in Section 12.2(c);

"**Relevant Units**" is defined in Section 9.7(a);

"**Requesting Partners**" is defined in Section 14.1;

"**Reserve**" means a portion of the Gross Offering Proceeds which shall be set aside in a segregated account and which is comprised of the Concept Planning Allocation, the Issuer Expense Allocation and the Management Fee Allocation;

"**Securities Act**" means the Securities Act of 1933 as amended, including the rules and regulations promulgated thereunder;

"**Selling Group**" means the broker-dealers registered with the Financial Industry Regulatory Authority, Inc. who may be selected by the Partnership and by any other agents or sub-agents as the Partnership may appoint to offer the sale of Units and promote the formation of the Partnership's relationships with investment advisers;

"**Sharing Ratio**" means for any Class A Partner at any time, the percentage obtained by dividing the number of Class A Units held by the Partner by the aggregate number of outstanding Class A Units held by all Partners;

"**Subscription Agreement**" means a subscription agreement for the acquisition of Class A Units from the Partnership in such form as is approved from time to time by the General Partner;

"**Tax Matters Partner**" is defined in Section 6.9(b);

"**Transfer Notice**" is defined in Section 9.7(a);

"**Unit**" means either a Class A Unit or Class B Unit;

"**Unpaid Preference Amount**" means, for each Property and with respect to any Partner, (i) a 10.5% annual cumulative non-compounded preferred return on such Partner's Capital Contributions allocable to such Property, calculated on a daily basis with respect to the total amount of such Partner's Capital Contributions allocable to such Property in the possession of the Partnership on such day, where such total is (A) increased when a Capital Contribution allocable to such Property is accepted by the Partnership (increased in an amount equal to such accepted Capital Contribution) and (B) decreased when Capital Contributions allocable to such Property are returned to such Partner through a payment made by the Partnership to return all or part of such Partner's Unreturned Capital Contributions (decreased in an amount equal to such payment) (ii) less all prior distributions made by the Partnership to pay all or part of the Unpaid Preference Amount to such Partner;

"**Unreturned Capital Contributions**" means, for each Property and with respect to any Partner, (i) an amount equal to the Capital Contributions of such Partner allocable to such Property (ii) less all prior distributions made by the Partnership to return all or part of the Unreturned Capital Contributions allocable to such Property to such Partner;

"**Vendor**" is defined in Section 9.7(a);

"**Walton Acquisition Entity**" means, for each Property, the wholly-owned subsidiary of Walton USA that initially acquires the Property and from which the Partnership will acquire its interest in such Property;

"**Walton USA**" means Walton International Group (USA), Inc., an Arizona corporation.

ARTICLE 2
THE PARTNERSHIP

2.1 Formation of the Partnership

The Partnership is a limited partnership formed under the laws of the State of Delaware, pursuant to a Certificate of Limited Partnership filed with the Office of the Secretary of State of the State of Delaware on June 7, 2012, and upon the terms and conditions set forth in this Agreement.

2.2 Name

The name of the Partnership is "**Walton U.S. Land Fund 3, LP**." The affairs of the Partnership shall be conducted under that name or under any other name or names as the General Partner may from time to time determine.

2.3 Foreign Qualification

The Partnership shall apply for authority to transact activities in those jurisdictions where the Partnership is required to do so by virtue of its operations or ownership of assets. The Partnership shall file any other certificates and instruments as may be necessary or desirable in connection with its formation, existence and operation, all as determined by the General Partner.

2.4 Maintaining Status of the Partnership

The General Partner shall execute, acknowledge, record and file, at the expense of the Partnership, the Certificate and any and all amendments thereto and all requisite fictitious name statements and notices in such places and jurisdictions as may be necessary to cause the Partnership to be treated as a limited partnership under, and otherwise to comply with, the laws of each state or other jurisdiction in which the Partnership conducts business. The General Partner shall do all things and shall cause to be executed and filed any certificates, declarations, instruments and documents as may be required under the Laws of the State of Delaware and the applicable Laws of any other jurisdiction to reflect the constitution of the Partnership from time to time. The General Partner and each Partner will execute and deliver as promptly as possible any documents that may be necessary or desirable to accomplish the purposes of this Agreement or to give effect to the formation and continued existence of the Partnership under any and all applicable Laws. The General Partner will take all necessary actions on the basis of information available to it in order to maintain the status of the Partnership as a limited partnership under the Act.

2.5 Principal Place of Business

The principal place of business of the Partnership shall be located at 4800 N. Scottsdale Road, Suite 4000, Scottsdale, Arizona 85251 or at any other place or places as the General Partner may determine from time to time.

2.6 Registered Agent and Registered Office

The initial registered agent of the Partnership in Delaware shall be The Corporation Trust Company. The address of the initial registered office of the Partnership in Delaware shall be Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The registered office and registered agent of the Partnership in Delaware may be changed by the General Partner from time to time.

2.7 Addresses

The addresses of the General Partner and the Limited Partners shall be the addresses referred to in Article 16, as such addresses may be changed from time to time under Article 16.

ARTICLE 3
PURPOSES AND POWERS OF THE PARTNERSHIP

3.1 Purposes of the Partnership

The Partnership is formed for the purposes of making an offering of its Class A Units in a Private Placement and using the proceeds thereof to purchase the Interests, holding the Interests as an investment, including, as applicable, while engaged in the management and preliminary development of the Properties, and eventually selling or otherwise disposing of the Interests, and performing any other activities as may be incidental to, arising from or related to the foregoing purposes as may be reasonably determined by the General Partner, including participating in Concept Planning before the sale or other disposition of the Interests.

3.2 Powers

The purposes of the Partnership set forth in Section 3.1 and the powers vested in the General Partner described in Section 6.5 shall be construed as both purposes and powers of the Partnership. The Partnership shall have, without limitation, the power to do, or cause to be done, any and all acts and things necessary, convenient or incidental to the accomplishment of the purposes of the Partnership, and the enumeration in Section 6.5 of any means by which the purposes of the Partnership may be accomplished shall not limit or be construed so as to limit the powers which may be exercised by the Partnership.

ARTICLE 4
ADMISSION OF LIMITED PARTNERS AND CAPITAL CONTRIBUTIONS

4.1 Division into Units

The interests of the Partners in the Partnership shall be divided into, and the Partnership is authorized to issue, up to 10,000,000 Class A Units (plus an overallotment of 0.05% or 5,000 Class A Units) and 1 Class B Unit. The Partnership, in the discretion of the General Partner, may issue fractional portions of whole Units. Each outstanding Class A Unit shall be of one class and have attached to it the same rights and obligations as, and shall rank equally and pari passu with, each other Class A Unit for distributions, allocations and voting. Each Class A Unit shall initially be issued to a Partner for up to $10.00. The Class B Unit will be issued to Walton USA or one of its Affiliates for $0.01 at the initial closing of the Private Placement.

4.2 Additional Limited Partners

The General Partner may, subject to the other provisions of this Agreement, admit Limited Partners from time to time by the offering, sale and issuance of further Class A Units, or fractional portions thereof, pursuant to an offering conducted by the Partnership. The General Partner may determine the terms and conditions of such offering and sale of Class A Units thereunder and may do all such things as may be necessary or advisable to give effect to such offering and sale, and any such acts done are hereby ratified and confirmed by the Partners. Each Person subscribing for Class A Units pursuant to the offering must complete, execute and deliver to, or to the order of, the General Partner, a Subscription Agreement and any other documents deemed necessary by the General Partner to comply with applicable securities Laws and the terms and conditions of issue. A subscriber for Class A Units shall become a Limited Partner upon the acceptance by the General Partner of the subscriber's Subscription

Agreement and payment of such Limited Partner's initial Capital Contribution. Thereupon, the Partners hereby consent to the admission of, and will admit, additional Limited Partners to the Partnership without further act of the Partners. Notwithstanding anything to the contrary set forth herein, the total number of Class A Units shall not exceed 10,000,000 (plus an overallotment of 0.05% or 5,000 Class A Units) without the consent of the Class A Partners by an Extraordinary Action.

4.3 Refusal of Subscriptions

The General Partner may, for any reason in its absolute discretion, refuse to accept any subscription for a Unit. In the event of any such refusal, the General Partner shall cause the return of the subscriber's Subscription Agreement, accompanying documents and any contribution of capital to the subscriber.

4.4 Capital Contributions – Class A Partners

Each original Class A Partner's Capital Contribution shall equal the purchase price of such Class A Units, inclusive of all commissions and fees payable by the Partnership to members of the Selling Group in connection with such purchase. For a Partner (successor Partner) who acquires Class A Units from a predecessor Partner under this Agreement, the successor Partner's original Capital Contribution shall be deemed to equal that of the initial Class A Partner who acquired each Class A Unit that is transferred to the successor Partner.

4.5 No Additional Capital Contributions - Partners

No Partner shall be required to make any Capital Contribution in excess of the amount provided for in Section 4.4.

4.6 Capital Contribution – General Partner and Class B Partner

Except for the $0.01 to be contributed by the Class B Partner at the initial closing of the Private Placement, neither the General Partner nor the Class B Partner shall be required to make any Capital Contribution, except that it may subscribe for and purchase Class A Units on the same terms and conditions as if it were not the General Partner or the Class B Partner.

4.7 Book-Entry Evidence of Ownership

The Units will be issued only in fully-registered book-entry form. Ownership of Units will be shown in, and transfer of Units will be effected only through, the Register. Certificates evidencing ownership of Units will not be issued. Units shall be transferable in the manner prescribed by Law and in this Agreement, subject to restrictions set forth under Article 9. Assuming all restrictions on transfers have been met, transfers of Units shall be made in the Register.

4.8 Joint Holders of Units

Where a Unit is subscribed for by or assigned to two or more Persons:

(a) the name of each Person shall be shown on the Register for the Unit;

(b) the Unit shall be presumed by the Partnership to be held jointly;

(c) amounts distributed by the Partnership for the Unit will be in both names but may be sent to the Person whose name appears first on the Register for the Unit or to such one of them as the joint holders direct in writing, and any one of such Persons may give effectual receipts for any distributions for the Unit with the other of such Persons having no further recourse against the Partnership; and

(d) any one of such Persons may vote for the Unit as if that Person were solely entitled to the Unit, but if more than one of such Persons is present or is represented at a meeting, the Person whose name appears first on the Register for the Unit shall alone be entitled to vote in respect of the Unit.

ARTICLE 5
ACCOUNTS, ALLOCATIONS AND DISTRIBUTIONS

5.1 Capital Accounts

A Capital Account shall be established and maintained on the books of the Partnership for each Partner.

5.2 Allocations of Net Profits and Net Losses

Except as otherwise provided for in Section 5.3 or Section 5.5, Net Income and Net Losses shall be allocated amongst the Partners in such a manner that the sum of (i) the Capital Account of each Partner, (ii) such Partner's share of Partnership Minimum Gain, and (iii) such Partner's share of Partner Minimum Gain shall be equal to the respective amounts (positive or negative) which would be distributed to such Partner if the Partnership were to liquidate its assets for an amount equal to their Gross Asset Value and distribute the proceeds of such liquidation in accordance with Section 5.6(a).

5.3 Regulatory Allocations.

Notwithstanding Section 5.2, the following special allocations shall be made in the following order of priority:

(a) If there is a net decrease in Partnership Minimum Gain during a Fiscal Year, then, to the extent required by Regulations Section 1.704-2(f), each Partner shall be allocated items of Partnership income and gain for such Fiscal Year (and, if necessary, for subsequent years) in an amount equal to the Partner's share of the net decrease in Partnership Minimum Gain, determined under Regulations Section 1.704-2(g)(2). This Section 5.3(a) is intended to comply with the minimum gain chargeback requirement of Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) If there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Fiscal Year, each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined under Regulations Section 1.704-2(i)(5), shall, to the extent required by Regulations Section 1.704-2(i)(4), be specially allocated items of Partnership income and gain for such Fiscal Year (and, if necessary, subsequent years) in an amount equal to the Partner's share of the net decrease in Partner Minimum Gain attributable to the Partner Nonrecourse Debt, determined in a manner consistent with the provisions of Regulations Section 1.704-2(g)(2). This Section 5.3(b) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) If any Partner unexpectedly receives an adjustment, allocation, or distribution of the type contemplated by Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), and after receiving such adjustment, allocation, or distribution, the Partner has an Adjusted Capital Account Deficit, items of income and gain shall be allocated to all the Partners (in proportion to the amounts of their respective Adjusted Capital Account Deficits) in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit of the Partner as quickly as possible. This Section 5.3(c) is intended to constitute a "qualified income offset" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) If the allocation of Net Loss to a Partner as provided in Section 5.2 would create or increase an Adjusted Capital Account Deficit for the Partner, there shall be allocated to the Partner only that amount of Net Loss as will not create or increase an Adjusted Capital Account Deficit. The Net Loss that would, absent the application of the preceding sentence, otherwise be allocated to the Partner shall be allocated to the other Partners in accordance with Section 5.2, subject to the limitations of this Section 5.3(d). If, after the allocation of Net Loss under the preceding two sentences, no additional amount of Net Loss can be allocated to any Partner without creating or increasing an Adjusted Capital Account Deficit for the Partner, then Net Loss shall be allocated to the General Partner. This Section 5.3(d) is intended to implement the alternate test for economic effect set forth in Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(e) To the extent that an adjustment to the adjusted tax basis of any Partnership asset under Code Section 734(b) or Code Section 743(b) is required, under Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis), and the gain or loss shall be specially allocated to the

Partners in accordance with this Article 5 if Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Partners to whom such distribution was made if that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(f) The Nonrecourse Deductions for each Fiscal Year of the Partnership shall be allocated to the Class A Partners in proportion to their Sharing Ratios.

(g) The Partner Nonrecourse Deductions shall be allocated each year to the Partner that bears the economic risk of loss (within the meaning of Regulations Section 1.752-2) for the Partner Nonrecourse Debt to which the Partner Nonrecourse Deductions are attributable.

(h) The allocations set forth in Sections 5.3(a) through (g) (the "***Regulatory Allocations***") are intended to comply with the requirements of Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding the provisions of Section 5.2, the Regulatory Allocations shall be taken into account by the General Partner in specially allocating other items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of the allocations of other items and the Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Regulatory Allocations had not occurred. In exercising its discretion under this Section 5.3(h), the General Partner shall take into account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made.

5.4 Tax Allocations.

(a) Except as provided in Section 5.4(b), for income tax purposes under the Code and the Regulations and for applicable state, local and foreign Law, each Partnership item of income, gain, loss and deduction shall be allocated between the Partners in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated under this Article 5.

(b) Tax items concerning assets contributed to the Partnership with a Gross Asset Value that varies from its basis in the hands of the contributing Partner immediately preceding the date of contribution shall be allocated between the Partners for income tax purposes under Regulations promulgated under Code Section 704(c) or, if applicable, corresponding provisions of applicable state or local Law so as to take into account such variation. The Partnership shall account for such variation under any permissible method set forth in Regulations Section 1.704-3 as determined by the General Partner. If the Gross Asset Value of any Partnership asset is adjusted under subsection (1) or (3) of the definition of "Gross Asset Value," subsequent allocations of income, gain, loss and deduction for such Partnership asset shall take account of any variation between the adjusted basis of the Partnership asset for federal income tax purposes and its Gross Asset Value under any permissible method in Regulations Section 1.704-3 as determined by the General Partner. Any tax credits will be allocated to the Class A Partners in proportion to their Sharing Ratios, unless otherwise required by applicable tax Law. Allocations under this Section 5.4(b) are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Profits, Net Losses and any other items or distributions under any provision of this Agreement.

5.5 Other Provisions

(a) For any Fiscal Year during which any Units are transferred between the Partners or to another Person or are otherwise disposed of or acquired, or there is for any reason a change in the Partners' respective Sharing Ratios, Net Profits, Net Losses and other items of income, gain, loss, deduction and credit shall be allocated and, to the extent necessary apportioned, under any method allowed under Section 706 of the Code and related Regulations, as reasonably determined by the General Partner; provided, that the General Partner shall use consistent methods for the same or substantially similar transactions and items in making such allocations or apportionments for all such changes in the Partners' respective Unit ownership or respective Sharing Ratios, whether occurring within a single Fiscal Year or in different Fiscal Years.

(b) If the Code or any Regulations require allocations of items of income, gain, loss, deduction or credit different from those in this Article 5, the General Partner is authorized to make new allocations relying on the Code and such Regulations, and no such new allocation shall give rise to any claim or cause of action by any Partner, *provided* that the allocations are consistent with the advice of the Partnership accountant or tax counsel and are not likely to alter materially the amounts that each Partner is entitled to receive under the terms of this Agreement.

(c) Solely for purposes of allocating excess nonrecourse liabilities of the Partnership among the Partners in connection with the determination of the Partners' adjusted tax bases for their interests in the

Partnership, in accordance with Section 752 of the Code and the Regulations from time to time promulgated thereunder, the Partners agree that each Partner's interest in Partnership profits equals the Partner's Sharing Ratio, if any.

5.6 Distributions

(a) After payment and reservation of all amounts necessary for payment for all expenses of the Partnership (including all amounts owing by the Partnership under the Funding Agreement and any tax withholding obligations) and reservation of such amounts as in the opinion of the General Partner are necessary having regard to the then current and anticipated resources of the Partnership and its commitments and anticipated commitments, distributions of cash of the Partnership (whether resulting from revenue or income earned by the Partnership or from the proceeds of the sale of all or any part of one or more Properties or the Interests or other assets of the Partnership including any amounts distributed under Section 11.3) will be made upon the sale or other disposition of a Property, at the sole discretion of the General Partner, to the Partners of record on the date the General Partner declares such distribution as follows:

(i) 100% to the Class A Partners in proportion to and to the extent of each Class A Partner's Unreturned Capital Contributions allocable to such Property;

(ii) 100% to the Class A Partners in proportion to and to the extent of each Class A Partner's Unpaid Preference Amount allocable to such Property; and

(iii) thereafter, 60% to the Class A Partners (to be distributed to them in accordance with their respective Sharing Ratios) and 40% to the Class B Partner on account of its Class B Unit.

(b) The manner and timing of all distributions will be in the sole discretion of the General Partner.

5.7 Return of Capital

(a) No Partner shall be personally liable for the return of the Capital Contributions of the Partners, or any portion thereof, it being expressly understood that any such return of contributions shall be made solely from the Partnership assets.

(b) No Partner shall be entitled to a return, or to demand a return, of any part of such Partner's Capital Contribution or be entitled to any distribution or allocation except as provided in this Agreement.

(c) Notwithstanding anything else in the Agreement to the contrary, no Partner shall have an obligation to contribute additional capital to the Partnership in order to restore his Adjusted Capital Account Deficit or any deficit balance in his Capital Account.

5.8 No Interest Payable on Accounts

Except as provided in this Agreement, no Partner has the right to receive interest on any credit balance in its Capital Account and no Partner is liable to pay interest to the Partnership on any deficit in its Capital Account.

5.9 Limitation on Distributions

No distributions shall be made unless, after making the distribution, the Partnership retains sufficient assets to satisfy all liabilities of the Partnership (including any amounts owing by the Partnership under the Funding Agreement). Notwithstanding anything contained under this Agreement to the contrary, including Section 4.6, the General Partner may require the Partners to return (in proportion to the distribution made) all or part of such distributions as have rendered the Partnership unable to satisfy all its liabilities and may require any Partner to forthwith return to the Partnership any amount otherwise distributed to any Partner in excess of the Partner's entitlement.

5.10 Unclaimed Interest or Distribution

If the General Partner shall hold any otherwise distributable amount that is unclaimed or that cannot be paid to a Partner for any reason, the General Partner shall be under no obligation to invest or reinvest the

same but shall only be obliged to hold the same in a current non-interest-bearing account pending payment to the Person or Persons entitled to the distributable amount for a period commencing on the date upon which the amount became due and payable to such Partner and ending five years following the date of the dissolution of the Partnership under the provisions of this Agreement.

5.11 Withholding

Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that it determines to be necessary or appropriate to cause the Partnership to comply with any withholding requirements established under the Code or any other federal, state or local Law including, without limitation, under Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Partnership is required to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income to any Partner or its assignee (including, without limitation, by reason of Section 1446 of the Code), the amount withheld shall be treated as a distribution of cash under Section 5.6 in the amount of the withholding from such Partner. Any amount withheld by the General Partner and paid over to a taxing authority shall be treated as actually distributed to the Partner in respect of whom such withholding and payment was made.

5.12 Code Section 83 Safe Harbor Election

(a) Each Partner authorizes and directs the Partnership to elect to have the "Safe Harbor" described in the proposed Revenue Procedure set forth in IRS Notice 2005-43 (the "***Notice***") apply to any Units or other interest in the Partnership transferred to a service provider by the Partnership on or after the effective date of such Revenue Procedure in connection with services provided to the Partnership. For purposes of making such Safe Harbor election, the General Partner is hereby designated as the "partner who has responsibility for federal income tax reporting" by the Partnership and, accordingly, execution of such Safe Harbor election by the General Partner constitutes execution of a "Safe Harbor Election" in accordance with Section 3.03(1) of the Notice. The Partnership and each Partner hereby agree to comply with all requirements of the Safe Harbor described in the Notice, including, without limitation, the requirement that each Partner shall prepare and file all federal income tax returns reporting the income tax effects of each interest in the Partnership issued by the Partnership covered by the Safe Harbor in a manner consistent with the requirements of the Notice.

(b) Each partner authorizes the General Partner to amend Section 5.12(a) to the extent necessary to achieve substantially the same tax treatment with respect to any Units or other interest in the Partnership transferred to a service provider by the Partnership in connection with services provided to the Partnership as set forth in Section 4 of the Notice (e.g., to reflect changes from the rules set forth in the Notice in subsequent IRS guidance), provided that such amendment is not adverse to such Partner (as compared with the after-tax consequences that would result to such Partner if the provisions of the Notice applied to all interests in the Partnership transferred to a service provider by the Partnership in connection with services provided to the Partnership).

ARTICLE 6
POWERS, RIGHTS AND OBLIGATIONS OF THE GENERAL PARTNER

6.1 Management of the Partnership

Management of the Partnership is vested in the General Partner. The General Partner, subject to Sections 6.5 and 14.18 and other provisions of this Agreement, shall manage and control the affairs of the Partnership, represent the Partnership, and make all decisions regarding the affairs of the Partnership. No Person dealing with the Partnership shall be required to inquire into the authority of the General Partner to take any action or to make any decision in the name of the Partnership.

6.2 Obligations of the General Partner

The General Partner covenants that it will exercise its powers and discharge its obligations under this Agreement, in good faith. The General Partner shall put before the Partners for their consideration and acceptance or rejection, together with the applicable quorum and voting requirements, any offer to purchase one or more of the Partnership's Interests that the General Partner deems in its reasonable discretion to be a bona fide offer

on terms equal to or better than those generally available in the market. The General Partner will exercise the care, diligence and skill of a reasonably prudent person, and it will devote such of its time to the Partnership's affairs as it determines, in good faith, to be reasonably necessary. The General Partner will be entitled to retain, at the expense of the Partnership, advisors, experts and consultants to assist it in the exercise of its powers and the performance of its obligations under this Agreement.

6.3 Transactions involving Affiliates

The validity of a transaction, agreement or payment involving the Partnership or its Affiliate, on the one hand, and the General Partner or its Affiliate, on the other hand, is not affected by reason of the relationships between the General Partner and the Partnership or their respective Affiliates or by reason of the approval or lack thereof of the transaction, agreement or payment by the officers of the General Partner or the officers or directors of the General Partner's manager, any or all of whom may be officers, directors, or employees of, or otherwise interested in or related to its Affiliates.

6.4 Safekeeping of Assets

The General Partner is responsible for the safekeeping and use of all of the funds of the Partnership, whether or not in its immediate possession or control, and will not employ or permit another to employ the funds or assets of the Partnership except for the exclusive benefit of the Partnership.

6.5 Powers of General Partner

(a) In addition to the powers and authorities possessed by the General Partner under the Act or otherwise conferred by Law or elsewhere in this Agreement, the General Partner shall have the exclusive power and authority to manage and control the affairs of the Partnership and to do, or cause to be done, on behalf of and in the name of the Partnership any and all acts necessary, convenient or incidental to the activities of the Partnership without, except as otherwise provided in the Act or in this Agreement, further approval of the Partners including, without limitation, the power and authority:

(i) to acquire the Interests in the Properties on behalf of the Partnership;

(ii) to enter into the Funding Agreement and the Co-Ownership Agreements;

(iii) to establish and disburse funds from the Reserve;

(iv) to pay all real estate taxes or special assessments imposed on the Properties or the Interests;

(v) to apply for and obtain any and all necessary financing required to carry out the purposes of the Partnership, and to grant such Encumbrances on the Properties or the Partnership's Interests and any other assets of the Partnership as the General Partner may deem necessary or advisable in connection with such financing;

(vi) to procure such insurance for the Partnership, the Interests and the Properties as it deems necessary or advisable;

(vii) to pay all debts and financial obligations of the Partnership;

(viii) to negotiate, enter into, execute and carry out agreements by or on behalf of the Partnership involving matters or transactions that are necessary or appropriate for or incidental to carrying on the Partnership's affairs;

(ix) to manage and control all of the activities of the Partnership and to take all measures necessary or appropriate for the Partnership's property or ancillary to the property and to ensure that the Partnership complies with all necessary reporting and administrative requirements;

(x) to manage, administer, conserve and dispose of (subject to the provisions of Section 6.5(b)) the Interests and any and all other assets

of the Partnership, and in general to engage in any and all phases of the Partnership's affairs and to delegate, if the General Partner so chooses in its sole discretion, the management and administration of the Properties or the Interests and to enter into the Co-Ownership Agreements or similar agreements with any other Person;

(xi) if the Partnership's participation in the development of all or a part of any Property beyond Concept Planning is approved by Extraordinary Action of the Partners, to reinvest all or any part of the income of the Partnership received from such Property or the Interest or from the sale of parts of such Property or the Interest (and that would have otherwise been available for distribution to the Partners under this Agreement) in such development;

(xii) to conclude agreements with third parties, including Affiliates of and any other parties related to the General Partner, so that services may be rendered to the Partnership, and to delegate to any such Person any power or authority of the General Partner under this Agreement where, in the discretion of the General Partner, it would be in the best interests of the Partnership to do so (provided that such agreement or delegation will not relieve the General Partner of any of its obligations under this Agreement);

(xiii) to decide in its sole and entire discretion the time when assets of the Partnership shall be distributed to the Partners and the amount of any such distribution;

(xiv) notwithstanding Section 6.13(b), where the General Partner determines that it is not appropriate or advisable for the assets of the Partnership to be held or registered in the name of the Partnership, to hold the assets of the Partnership in the name of the General Partner or another nominee as nominee for the Partnership;

(xv) to employ such Persons necessary or appropriate to carry out the affairs of the Partnership or to assist it in the exercise of its powers and the performance of its obligations under this Agreement and to pay such fees, expenses, salaries, wages and other compensation to such Persons as it shall in its sole discretion determine;

(xvi) to make any and all expenditures and payments that it, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Partnership and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, (A) all legal, accounting and other related expenses incurred in connection with the organization and financing of the Partnership and the ongoing operation and administration of the Partnership and (B) any fees payable to the General Partner, and to borrow on behalf of the Partnership such funds necessary or advisable to fund such expenditures and payments;

(xvii) subject to Section 6.13(a), to open and operate one or more bank accounts to deposit and distribute funds of the Partnership and to appoint from time to time signing authorities and to draw checks and other payment of monies;

(xviii) to arrange for the preparation and timely filing of all tax and informational returns required of the Partnership;

(xix) to maintain adequate books and records reflecting the activities of the Partnership;

(xx) subject to the provisions of this Agreement, to admit any Person as a Partner;

(xxi) to make or revoke any election, determination, application or designation on behalf of the Partnership that may be made under the Code (including an election to adjust the basis of the Partnership's property under Section 754 of the Code and an election to amortize the Partnership's organizational expenditures under Section 709 of the Code where the General Partner determines, in its sole discretion, that such an election would be appropriate), any other similar federal, state or local legislation, or any and all applications for governmental grants or other incentives;

(xxii) to (A) adopt such conventions as it deems appropriate in determining the amount of depreciation, amortization and cost recovery deductions, and (B) make special allocations for federal income tax purposes of income (including, without limitation, gross income) or deductions, provided that such conventions and allocations would not have a material adverse effect on the Partners or the Partnership and are consistent with the principles of Section 704 of the Code;

(xxiii) to execute any and all deeds, documents and instruments and to do all acts as may be necessary or desirable in the opinion of the General Partner to carry out the intent and the purpose of this Agreement;

(xxiv) to cause the Partnership to make any necessary withholdings of taxes for allocations or distributions to the Partners;

(xxv) to attend to all required registrations, accounting, filing and reporting obligations, collections, remittances and other activities of the Partnership; and

(xxvi) to commence and defend any and all legal proceedings for and on behalf of the Partnership as the General Partner may deem necessary or advisable;

and the General Partner may contract with any Person on behalf of the Partnership, including an Affiliate of the General Partner, to carry out any of the obligations of the General Partner and may delegate to such Person any power and authority of the General Partner under this Agreement, but no such contract or delegation shall relieve the General Partner of any of its obligations under this Agreement.

(b) The General Partner, on behalf of the Partnership, may not take any action enumerated in Section 14.18 of this Agreement unless such action shall have been approved by Extraordinary Action of the Class A Partners.

6.6 Records of the Partnership

The General Partner shall maintain or cause to be maintained complete and adequate books (including those referred to in Section 5.1) and records of the affairs of the Partnership. Subject to applicable Laws, such books and records shall (until the expiry of one year following the termination of the Partnership) be kept available for inspection and audit by any Partner or his duly authorized representatives (at the expense of such Partner), for any purpose reasonably related to such Partner's interest as a Partner hereunder, on not less than 48 hours (excluding Saturdays, Sundays, and legal holidays) advance notice to the General Partner, during normal business hours at the principal place of business of the Partnership. Notwithstanding the foregoing, but subject to applicable Law, the General Partner may keep confidential any information the disclosure of which is prohibited by Law or agreement or the disclosure of which the General Partner reasonably believes is not in the best interests of the Partnership or could damage the Partnership or its interest in the Property.

6.7 Fiscal Year

Each Fiscal Year of the Partnership shall end on December 31 and unless otherwise determined by the General Partner, each period from and including January 1 to and including December 31 shall be referred to as a "***Fiscal Year***."

6.8 Auditors

The General Partner shall appoint the Auditors of the Partnership, which shall review and report to the Limited Partners on the financial statements of the Partnership as at the end of, and for, each Fiscal Year provided that the General Partner may, at any time and from time to time, change the Auditors of the Partnership.

6.9 Reporting

(a) The General Partner shall forward or otherwise make available:

(i) to each Limited Partner, within 120 days of the end of each Fiscal Year, audited financial statements of the Partnership accompanied by a brief narrative report on the operations of the Partnership; and

(ii) to each Limited Partner and former Limited Partner, where applicable, within 90 days of the end of each Fiscal Year, all income tax reporting information for the Units held by the Limited Partner necessary to enable the Limited Partner or former Limited Partner to file U.S. federal and state income tax returns for the Fiscal Year.

The documents and information to be provided pursuant to this Section 6.9(a) may be provided electronically to any Limited Partner or former Limited Partner, as applicable, to the extent such Limited Partner or former Limited Partner has provided an email address to the General Partner. Notwithstanding the foregoing, upon the written request of any Limited Partner or former Limited Partner, the General Partner shall forward hard copies of such documents and information to the requesting Limited Partner or former Limited Partner.

(b) The Class B Partner is hereby designated as the Partnership's "***Tax Matters Partner***" under Code Section 6231(a)(7) and shall have all of the powers and responsibilities of such position as provided in the Code. The General Partner is specifically directed and authorized to take whatever steps the General Partner, in its discretion, deems necessary or desirable to perfect such designation, including filing any forms or documents with the Internal Revenue Service and taking such other action as may from time to time be required under the Regulations. Expenses incurred by the Tax Matters Partner, in its capacity as such, will be Partnership expenses.

6.10 Registrar and Transfer Agent

The General Partner shall either act as registrar and transfer agent for the Partnership or appoint a duly qualified and properly licensed trust or other company for such purpose and in such capacity the Registrar and Transfer Agent shall maintain and keep a Register comprised of:

(a) a list of the name and last known residence address of each Partner, and the number of Units held by such Partner;

(b) particulars of the registration of Units;

(c) particulars of the assignment of Units;

(d) a copy of the Certificate of Formation of the Partnership and any amendments;

(e) a copy of this Agreement and any amendments; and

(f) any other records required by Law.

Upon request, a Limited Partner or his duly authorized representative shall be entitled to inspect, and at its expense receive a copy of, the Register.

6.11 Conflict of Interest

The Limited Partners acknowledge that the General Partner and its Affiliates and their respective directors and officers may be engaged in other businesses in which the Partnership will not have an interest and which may be competitive with the activities of the Partnership. The General Partner and its Affiliates and their respective managers, directors and officers may be a manager, member, partner, shareholder, director, officer, employee, consultant, joint venturer, advisor or act in any other capacity, of, with or to other entities, including limited partnerships and limited liability companies or other entities, that may compete with the Partnership. Some or all of the officers and directors of the manager of the General Partner (i) are directors and/or officers of Walton USA, which proposes to (a) enter into the Funding Agreement in respect of the Properties with the Partnership, and (b) with respect to each Property, enter into the Co-Ownership Agreement with the Partnership and the Walton Acquisition Entity, under which, among other things, the Partnership will be the manager of the Property and engage Walton USA to perform, at the direction of the Partnership, the duties of the Partnership as manager of the Property, (ii) with respect to each Property, control the Walton Acquisition Entity, the Affiliate of Walton USA that will continue to hold an interest in the Property after the Partnership acquires its Interest and will enter into the Co-Ownership Agreement with the Partnership; (iii) with respect to each Property, have negotiated the terms pursuant to which the Partnership will acquire its Interest, which terms include payments from the Partnership to the Walton Acquisition Entity; (iv) are managers, directors and/or officers of Affiliates of Walton USA to which Walton USA may delegate certain activities in respect of Concept Planning, and (v) are managers, directors and/or officers of other Affiliates of the General Partner and Walton USA. The General Partner may propose from time to time that the Partnership enter into contractual arrangements with Walton USA and/or its Affiliates for the provision of certain services and/or for other purposes.

6.12 Consent to Conflict

Subject to the General Partner's express obligations under this Agreement, the Limited Partners agree that the activities and facts described in Section 6.11, including the payment of fees to Affiliates of the General Partner for services provided to or on behalf of the Partnership or the Properties, shall not constitute a breach by the General Partner of any implied covenant of good faith and fair dealing to the Partnership or the Limited Partners, the Limited Partners hereby consent to such activities and the Limited Partners waive, relinquish and renounce any right to participate in, and any other claim whatsoever concerning, those activities. The Limited Partners further agree that neither the General Partner nor any other party referred to in Section 6.11 will be required to account to the Partnership or any Partner for any benefit or profit derived from any such activities or from such similar or competing activity or any related transactions by reason of any conflict of interest or any implied covenant of good faith and fair dealing unless such activity is contrary to the express terms of this Agreement or the Act. Each Limited Partner waives any right he may have against the General Partner for using for its own benefit information received as a consequence of the General Partner's management of the affairs of the Partnership.

6.13 Conduct of Partnership Affairs

The General Partner agrees to conduct the affairs of the Partnership as follows:

(a) funds of the Partnership will not be commingled with any other funds of the General Partner or any other Person;

(b) subject to Section 6.5(a)(xiv), assets of the Partnership shall be held in the name of the Partnership;

(c) unless approved by Extraordinary Action, the Partnership shall not make loans to, nor guarantee the obligations of, the General Partner or any Affiliate of the General Partner or any of their respective directors or officers;

(d) to the extent available on reasonable terms to the Partnership, the General Partner will obtain and maintain on behalf of the Partnership insurance in such amounts and with such coverage as in the judgment of the General Partner may be necessary or advisable for the Properties, the Interests and the activities of the Partnership;

(e) except with respect to services provided on terms approved by Class A Partners holding 66⅔% of Class A Units that are voted on the matter, where services are supplied to the Partnership by the General Partner or any of its Affiliates or any of their respective directors or officers, such services shall be provided on commercially reasonable terms,

given the then existing circumstances, as determined in good faith by the General Partner; and

(f) the General Partner will use commercially reasonable efforts to conduct the Partnership's affairs in such a way that the Partnership is not deemed to hold the "plan assets" of any employee benefit plan subject to ERISA or any plan or arrangement (including an individual retirement account) subject to Section 4975 of the Code. Without limiting the foregoing, the General Partner shall endeavor either (1) to cause the Partnership to qualify for a plan assets exception under the Department of Labor Plan Asset Regulation, 29 CFR Section 2510.3-101, or (2) to cause the Partnership to qualify for another plan assets exception under such Regulation.

6.14 Indemnification of Partnership

The General Partner shall indemnify and hold harmless the Partnership from and against all Losses incurred by the Partnership as a result of any gross negligence, willful misconduct or fraudulent act by the General Partner.

6.15 No Fiduciary Duties

The Partners agree that, except for any implied covenant of good faith and fair dealing, the provisions of this Agreement are intended to replace any obligations of the Partners to each other that would otherwise be implied by applicable law, including without limitation any implied fiduciary or other duty that might apply to the General Partner, Limited Partners or their relationship to each other as General Partner and Limited Partners of the Partnership absent the provisions of this Section 6.15.

ARTICLE 7
REIMBURSEMENT AND REMUNERATION OF GENERAL PARTNER

7.1 Expenses

The General Partner may from time to time incur reasonable costs and expenses on behalf of the Partnership, and any such costs and expenses incurred by the General Partner on behalf of the Partnership shall be reimbursed by the Partnership. If the Partnership's funds on hand are insufficient for reimbursement, the General Partner's reimbursable expenses shall be considered an advance to the Partnership from the General Partner. The General Partner shall not be obligated to advance any amount to the Partnership. Notwithstanding anything to the contrary in this Section 7.1, the General Partner will, for its own account and without any reimbursement by the Partnership, incur and pay for all general office overhead for its own staff, personnel, furniture, and equipment used in respect of the performance of its obligations hereunder.

7.2 Borrowing Costs

The General Partner is entitled to reimbursement by the Partnership of any advance by the General Partner to the Partnership together with interest at the rate of interest and expense at which such amounts could be borrowed by the General Partner from its bankers.

ARTICLE 8
LIABILITY OF LIMITED PARTNERS AND GENERAL PARTNER

8.1 Liability of Limited Partners to Third Parties

No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership.

8.2 Limitation on Authority of Limited Partners

Other than as provided in this Agreement, no Limited Partner shall, in its capacity as a Limited Partner:

(a) take part in the control or management of the affairs of the Partnership;

(b) transact any affairs on behalf of the Partnership or execute any document that binds or purports to bind the Partnership, the General Partner or any other Partner as such;

(c) hold such Partner out as having the power or authority to bind the Partnership, the General Partner or any Partner as such;

(d) have any authority to undertake any obligation or responsibility on behalf of the Partnership;

(e) have any right to use or occupy any part of the Properties, or bring any action for partition or sale in connection with the Interests or any other assets of the Partnership, whether real or personal, or register or permit any lien or charge concerning the Units of such Partner to be filed or registered or remain undischarged against the Interests or the Properties in respect of such Partner's interest in the Partnership.

For the avoidance of doubt, the restrictions above shall not apply to the Class B Partner in connection with its role as Tax Matters Partner. The Limited Partners will comply with the provisions of all applicable Laws, including the Act, in force or in effect from time to time and will not take any action that will jeopardize or eliminate the status of the Partnership as a limited partnership.

8.3 Liability of Limited Partners Upon Dissolution

It is acknowledged by the Limited Partners that upon dissolution of the Partnership, the Limited Partners may receive in-kind distributions of the Partnership's assets, including undivided interests in the Properties, and will thereafter no longer have limited liability for the ownership of such assets.

8.4 Maintenance of Limited Liability

The Partnership and the General Partner shall, to the greatest extent practicable, endeavor to maintain the limited liability of the Limited Partners under applicable Laws of the jurisdictions in which the Partnership carries on or is deemed to carry on its affairs.

8.5 General Partner Liability to Partners

Except to the extent that any Losses result from the General Partner's gross negligence, willful misconduct or fraudulent acts, the General Partner shall not be liable to the Limited Partners or the Partnership for any Losses incurred by the Limited Partners or the Partnership, including without limitation such Losses as may result from any mistakes or errors in judgment of the General Partner or any act or omission believed in good faith to be within the scope of authority of the General Partner conferred by this Agreement.

8.6 Other Activities

Nothing contained in this Agreement shall preclude any Partner from purchasing or lending money upon the security of any other property or rights under this Agreement, or in any manner investing in, participating in, developing or managing any other venture of any kind, without notice to the other Partners, without participation by the other Partners or the Partnership, and without liability to them or any of them.

8.7 Indemnification of the General Partner and Limited Partners

(a) Subject to any restrictions imposed by applicable Law, the Partnership, its receiver or its trustee, shall indemnify, save harmless and pay all judgments and claims (including costs and reasonable attorneys' and consultants' fees and any amount expended in the settlement of any claim of liability, loss or damage) against an Indemnified Person in respect of any Loss or Losses incurred by any Indemnified Person or by the Partnership by reason of any act performed or omitted to be performed by an Indemnified Person on behalf of the Partnership, provided that such Loss or Losses were not solely the result of such Indemnified Person's fraud, gross negligence or willful misconduct. Any indemnification pursuant to this Section 8.7(a) shall be only from the assets of the Partnership and no Limited Partner shall have or incur any personal liability on such account or be required to make a Capital Contribution to fund such indemnification.

(b) Subject to the limitations and conditions provided in this Section 8.7, each Person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal,

administrative or arbitrative (hereinafter a "***Proceeding***"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that he, she, or it, or a Person of which he, she or it is the legal representative, is or was a Partner shall be indemnified by the Partnership to the fullest extent permitted by applicable Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than said Law permitted the Partnership to provide prior to such amendment) against all judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including reasonable attorneys' fees and expenses) ("***Expenses***") actually incurred by such Person in connection with such Proceeding, appeal, inquiry or investigation if such Person acted in good faith, and indemnification under this Section 8.7 shall continue as to a Person who has ceased to serve in the capacity which initially entitled such Person to indemnity hereunder. The Partnership shall advance Expenses incurred by or on behalf of such an indemnified Person within 20 days after receipt by the Partnership from such Person of a statement requesting such advances from to time; provided such statement provides reasonable documentary evidence of such Expenses and provides a written undertaking by the indemnified Person to repay any and all advanced Expenses in the event such indemnified Person is ultimately determined to not be entitled to indemnification by the Partnership.

(c) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to the Partners, any Indemnified Person acting in connection with the Partnership's business or affairs shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement and any other written agreements to which the Partnership and a Partner are parties, to the extent that they establish the duties and liabilities of an Indemnified Person, are agreed by the Partners to replace such duties and liabilities of such Indemnified Person that would otherwise exist at law or in equity.

(d) The General Partner and its Affiliates shall not be denied indemnification or exculpation in whole or in part under this Section 8.7 because the General Partner or its Affiliates had an interest in the transaction with respect to which the indemnification or exculpation applies if the transaction was otherwise permitted by the terms of this Agreement.

(e) The Partnership may enter into agreements with the General Partner or any indemnified person to provide for indemnification consistent with the terms and conditions set forth in this Section. The Partnership may purchase and maintain general partner, director and officer liability insurance on behalf of the General Partner at appropriate levels of coverage as determined by the General Partner. The rights granted pursuant to this Section 8.7 shall be deemed contract rights, and no amendment, modification or repeal of this Section 8.7 shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings, appeals, inquiries or investigations arising prior to any amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Section 8.7 could involve indemnification for negligence or under theories of strict liability, but shall not involve any indemnification of the General Partner or its Affiliates for any matter determined to constitute gross negligence, or willful misconduct, or fraud, on the part of the General Partner.

ARTICLE 9
ASSIGNMENTS AND TRANSFERS OF UNITS

9.1 Transfer or Assignment of Unit

A Unit may be transferred or assigned by a Partner or such Partner's agent duly authorized in writing only with the consent of the General Partner. The transferor and transferee of a Unit must comply with applicable securities Laws in connection with the transfer and the transferor, or his duly authorized agent, shall:

(a) deliver, or cause to be delivered, to the General Partner and the Registrar and Transfer Agent a duly completed transfer document substantially in the form attached as **Exhibit C** (or such other form as the General Partner may require), completed and executed by the Partner or his agent, as well as such other documents required in such transfer form or required by the General Partner or the Registrar and Transfer Agent;

(b) if the transfer is being made to a Person other than the Partnership, if required by the General Partner, deliver, or cause to be delivered, to the General Partner and the Registrar and Transfer Agent an opinion of counsel (both the opinion and the counsel being reasonably satisfactory to the General Partner) to the effect that registration for such transfer is not required under the Securities Act of 1933, as amended, and applicable state securities Laws;

(c) cause the transferee or assignee to deliver to the Registrar and Transfer Agent a duly completed declaration substantially in the form attached as **Exhibit D**; and

(d) cause the transferee or assignee to pay the reasonable fees and expenses of the Registrar and Transfer Agent for the transfer or assignment, which shall include a non-refundable transfer processing fee of $50.00, which may be retained by the General Partner regardless of whether the transfer is approved, unless the General Partner in its sole discretion agrees to pay the fees and expenses;

and satisfy such other requirements as are reasonably imposed by the General Partner. The General Partner may waive any of the requirements of this Section 9.1 in its reasonable discretion.

If the transferee or assignee is permitted under this Agreement to become a Limited Partner, the General Partner is authorized to admit the transferee or assignee to the Partnership as a Limited Partner and the Partners hereby consent to the admission of the transferee or assignee to the Partnership as a Partner without further act of the Partners.

If the transferor or assignor of a Unit is not a natural person, or purports to assign such Unit in any representative capacity, or if a transfer or assignment results from the death, mental incapacity or bankruptcy of a Partner or is otherwise involuntary, the assignor or his legal representative shall furnish to the General Partner and the Registrar and Transfer Agent such documents, certificates, assurances, court orders and other materials as the General Partner and the Registrar and Transfer Agent may reasonably require to cause the transfer or assignment to be effected.

The Registrar and Transfer Agent will

(a) record in the Register and on **Exhibit A** any assignment or transfer made under this Agreement; and

(b) forward notice of such assignment or transfer to the transferee.

9.2 Rejection of Transfer

Notwithstanding Section 9.1, the General Partner has the right, in its sole and absolute discretion, to reject any transfer. The General Partner is required under the Securities Act and this Agreement to refuse to register any transfer of the securities not made pursuant to registration under the Securities Act or pursuant to an available exemption from registration.

9.3 Ongoing Obligation of Partner

No transfer or assignment of a Unit made under the foregoing provisions of this Article shall relieve the Partner of any obligation that has accrued or was incurred before the effective date of the transfer or assignment.

9.4 Transferees or Assignees Who Are Not Substituted Partners

A transferee or assignee of a Unit or a Person who has become entitled to a Unit by operation of Law who has not complied with Section 9.1 shall not be admitted as a Partner of the Partnership, shall have no voting rights, no right to access or be provided with any information concerning the affairs of the Partnership and shall only have a right to receive distributions and allocations of profit and loss as accorded to such transferees or

assignees under the Act. For the purpose of this Agreement, references in to a Partner in Article 5 shall be deemed to apply to a Person holding Units who is not admitted as a Partner to the extent such Person is entitled to economic rights with respect to such Units pursuant to the Act.

9.5 Parties Not Bound to See to Trust or Equity

Neither the Registrar and Transfer Agent nor the General Partner shall be bound to see to the execution of any trust (whether express, implied or constructive), charge, pledge, or equity to which any Unit or any interest under this Agreement is subject, nor to ascertain or inquire whether any sale or assignment of any Unit or any interest under this Agreement by any Partner is authorized by such trust, charge, pledge or equity, nor to recognize any Person as having any interest in any Unit, except for the Person recorded on the Register as the holder of such Unit. The Partnership, the General Partner and the Registrar and Transfer Agent shall be entitled to treat the Person in whose name any Unit is registered as the absolute owner for all purposes. The receipt by any Person in whose name a Unit is recorded on the Register shall be a sufficient discharge for all monies, securities and other property payable, issuable or deliverable for such Unit and from all liability therefor.

9.6 Effective Date of Transfer or Assignment

A transfer or assignment of a Unit shall be deemed to take effect on the date that the Register is amended to include the assignee as a Partner for such transfer or assignment.

9.7 Compulsory Transfer or Acquisition of Units

(a) If it shall come to the attention of the General Partner that any Units are or may be owned or held directly or beneficially by any Person whose holding or continued holding of those Units (whether on its own or in conjunction with any other circumstance appearing to the General Partner to be relevant) might in the sole and conclusive determination of the General Partner be likely to cause an Adverse Effect, the General Partner may serve a notice (a "***Transfer Notice***") upon the Person (or any one of such Persons where Units are registered in joint names) appearing in the Register of Partners as the holder (the "***Vendor***") of the Unit, the Units or any of the Units concerned (the "***Relevant Units***") requiring the Vendor within 21 calendar days (or such extended time as in all the circumstances the General Partner shall consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Units to another Person whose holding of the Relevant Units, in the sole and conclusive determination of the General Partner, would not be likely to cause an Adverse Effect (such Person, an "***Eligible Transferee***"). On and after the date of the Transfer Notice, and until registration of a transfer of the Relevant Units to which it relates under the provisions of this Section 9.7(a) or Section 9.7(b) below, the rights and privileges attaching to the Relevant Units shall be suspended and not capable of exercise.

(b) If within 21 calendar days after the giving of a Transfer Notice (or such extended time as in the circumstances the General Partner shall consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the General Partner, the General Partner may arrange for the Partnership to sell the Relevant Units at the best price reasonably obtainable to any Eligible Transferee or Transferees, or the General Partner may arrange for the Partnership to compulsorily reacquire some or all of the Relevant Units for the price per Unit paid by the Vendor without interest. For the sale of Relevant Units by the General Partner on the Vendor's behalf:

(i) the General Partner may execute or cause to be executed on behalf of the Vendor a transfer of the Relevant Units to an Eligible Transferee;

(ii) the net proceeds of the sale shall be received by the Partnership whose receipt shall be a good discharge for the purchase money and shall be paid over by the Partnership to the Vendor (less any amounts required to be withheld under the provisions of the Code or any other similar legislation of any state); and

(iii) the Partnership may register the transferee or transferees as holder or holders of the Relevant Units and thereupon the transferee or

transferees shall become the absolute and sole owner of the Relevant Units.

(c) A Person who becomes aware that his holding, directly or beneficially, of the Units will, or is likely to, cause an Adverse Effect, and who has not already received a Transfer Notice under Section 9.7(a) above, shall immediately either transfer the Units to an Eligible Transferee or Transferees or give a request in writing to the General Partner for the issue of a Transfer Notice under Section 9.7(a) above.

(d) Subject to the provisions of this Agreement, the General Partner shall be entitled to assume without inquiry that none of the Units are held in such a way as to entitle the General Partner to serve a Transfer Notice in respect of the Units, unless it has reason to believe otherwise. However, the General Partner may call upon any holder (or any one of joint holders) of the Units by notice in writing to provide such information and evidence as it shall require upon any matter connected with or in relation to such holder or joint holders of the Units. If such information and evidence is not provided within such reasonable period (being not less than 21 calendar days after service of the notice requiring the same) as may be specified by the General Partner in the notice, the General Partner may, in its absolute discretion, treat any Unit held by such a holder or joint holders as being held in such a way as to entitle the General Partner to serve a Transfer Notice for the Unit.

(e) The General Partner shall not be required to give any reasons for any decision, determination or declaration taken or made under this Section 9.7. The exercise of the powers conferred by this Section 9.7 shall not be questioned or invalidated in any case on the ground that there was insufficient evidence of direct or beneficial ownership of the Units by any Person or that the true direct or beneficial owner of any Units was otherwise than appeared to the General Partner at the relevant date provided that such powers shall have been exercised in good faith. The General Partner shall exercise its powers under this Section 9.7 in the manner it determines most equitable to the Partners.

9.8 Drag-Along

(a) In this Section 9.8:

(i) "***Dissenting Partner***" means a Class A Partner who does not accept an Offer referred to in Section 9.8(b) and includes any transferee or assignee of the Unit of a Partner to whom such an Offer is made, whether or not such transferee or assignee is recognized under this Agreement;

(ii) "***Offer***" means a bona fide offer to acquire, or a bona fide acceptance of an offer to sell, all of the outstanding Class A Units (other than the Offeror's Class A Units);

(iii) "***Offeror***" means a Person, or two or more Persons acting jointly or in concert, who make an Offer;

(iv) "***Offeror's Notice***" means the notice described in Section 9.8(c); and

(v) "***Offeror's Units***" means Class A Units beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offeror, any Affiliate of the Offeror or any Person or company acting jointly or in concert with the Offeror.

(b) If an Offer is made and

(i) within the time provided in the Offer for its acceptance by Class A Partners (excluding the Offeror) or within 120 days after the date the Offer is made, whichever is shorter, the Offer is accepted by Class A Partners (excluding the Offeror) representing at least 66⅔% of the outstanding Class A Units held by the Class A Partners other than the Offeror;

(ii) the Offeror is irrevocably bound to take up and pay for, or has taken up and paid for, the Class A Units of the Class A Partners who accepted the Offer; and

(iii) the Offeror complies with Sections 9.8(c) and 9.8(e);

the Offeror is entitled to acquire, and the Dissenting Partners are required to sell to the Offeror, the Class A Units held by the Dissenting Partners for the same consideration per Class A Unit payable or paid, as the case may be, under the Offer.

(c) Where an Offeror is entitled to acquire Class A Units held by Dissenting Partners under Section 9.8(b), and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 30 days after the date of acceptance of the Offer by Class A Partners (excluding the Offeror) a notice (the "**Offeror's Notice**") to each Dissenting Partner stating that:

(i) Class A Partners holding at least 66⅔% of the outstanding Class A Units, other than the Offeror's Class A Units, have accepted the Offer;

(ii) the Offeror is bound to take up and pay for, or has taken up and paid for, the Class A Units of the Class A Partners who accepted the Offer;

(iii) Dissenting Partners must transfer their respective Class A Units to the Offeror on the terms on which the Offeror acquired the Class A Units of the Class A Partners who accepted the Offer within 21 days after the date of the sending of the Offeror's Notice; and

(iv) Dissenting Partners must send a duly executed transfer form or other evidence satisfactory to the General Partner of the transfer of the Dissenting Partner's Class A Units to the Offeror.

(d) A Dissenting Partner to whom an Offeror's Notice is sent under Section 9.8(c) shall, within 21 days after the sending of the Offeror's Notice, send a duly executed transfer form or other evidence satisfactory to the General Partner of the transfer of the Dissenting Partner's Class A Units to the Offeror.

(e) Within 21 days after the Offeror sends an Offeror's Notice under Section 9.8(c), the Offeror shall pay or transfer to the Registrar and Transfer Agent, or to such other Person as the Registrar and Transfer Agent may direct, the cash or other consideration that is payable to Dissenting Partners under Section 9.8(b).

(f) The Registrar and Transfer Agent, or the Person directed by the Registrar and Transfer Agent, shall hold in trust for the Dissenting Partners the cash or other consideration it receives under Section 9.8(e). The Registrar and Transfer Agent, or such Person, shall deposit cash in a separate interest bearing account in a bank that is insured by the Federal Deposit Insurance Corporation, and shall place the other consideration in the custody of such bank for safekeeping.

(g) Within 30 days after the date of the sending of an Offeror's Notice under Section 9.8(c), the Registrar and Transfer Agent, if the Offeror has complied with Section 9.8(e), shall:

(i) do all acts and things and execute and cause to be executed all instruments as in the Registrar and Transfer Agent's opinion may be necessary or desirable to cause the transfer of the Class A Units of the Dissenting Partners to the Offeror,

(ii) send to each Dissenting Partner who has complied with Section 9.8(d) the consideration to which such Dissenting Partner is entitled under this Section 9.8, and

(iii) send to each Dissenting Partner who has not complied with Section 9.8(d) a notice stating that:

(i) his Class A Units have been transferred to the Offeror;

(ii) the Registrar and Transfer Agent or some other Person designated in such notice is holding in trust the consideration for such Class A Units; and

(iii) the Registrar and Transfer Agent, or such other Person, will send the consideration to such Dissenting Partner as soon as practicable after receiving such Dissenting Partner's documents as the Registrar and Transfer Agent, or such other Person may require.

The Registrar and Transfer Agent is hereby appointed the agent and attorney of the Dissenting Partners for the purposes of giving effect to the foregoing provisions.

(h) Any Partner receiving an Offer shall promptly notify the General Partner of such Offer and shall provide to the General Partner copies of any written materials relating to such Offer as have been provided to the Partner (provided that the Partner is not precluded from doing so under the terms of a confidentiality or similar agreement relating to the Offer).

9.9 Effect of Bankruptcy, Death, Incompetence or Termination of a Limited Partner.

The occurrence of an Event of Bankruptcy as to a Limited Partner, the death of a Limited Partner or a final adjudication that a Limited Partner is incompetent (which term shall include, but not be limited to, insanity) shall not cause the termination or dissolution of the Partnership, and the business of the Partnership shall continue. If an order for relief in a bankruptcy proceeding is entered against a Limited Partner, the trustee or receiver of his estate or, if he dies, his executor, administrator or trustee, or, if he is finally adjudicated incompetent, his committee, guardian or conservator, shall have the rights of such Limited Partner for the purpose of settling or managing his estate property and such power as the bankrupt, deceased or incompetent Limited Partner possessed to assign all or any part of his Partnership interest and to join with the assignee in satisfying conditions precedent to the admission of the assignee as a substitute Limited Partner.

9.10 Withdrawal of Limited Partner

No Limited Partner may withdraw from the Partnership other than as a result of a transfer or assignment of all of such Limited Partner's Units pursuant to this Article 9. Upon the permitted transfer or assignment of all of a Limited Partner's Units, such Limited Partner shall cease to be a Limited Partner.

ARTICLE 10
TERM

The Partnership will continue until the occurrence of any event described in Section 11.1 and the completion of the liquidation of the Partnership and the distribution of all funds remaining after payment of all of the debts, liabilities and obligations of the Partnership to its creditors, under the provisions of this Agreement and upon compliance with the requirements of the Act and any other applicable Laws.

ARTICLE 11
DISSOLUTION AND TERMINATION

11.1 Events of Dissolution

The Partnership shall dissolve upon the occurrence of any of the following events:

(a) the authorization by the General Partner and by Extraordinary Action of the dissolution of the Partnership;

(b) at the discretion of the General Partner if the Partnership no longer holds any portion of the Interests;

(c) the occurrence of an event that makes it unlawful for the affairs of the Partnership to be carried on; or

(d) the entry of a decree of judicial dissolution under Section 17-802 of the Act

and, in any case, after the completion of the liquidation of the Partnership and distribution to the Partners of all assets of the Partnership remaining after payment of all debts, liabilities and obligations of the Partnership to its creditors.

11.2 Winding Up

Upon dissolution of the Partnership, the General Partner (unless the General Partner is unable or unwilling to act, in which event the Class A Partners shall, by Ordinary Action, select another Person to succeed to the General Partner's powers and obligations set forth in this Article 11) shall proceed diligently to wind up the affairs of the Partnership and distribute the assets of the Partnership under Section 11.3. The General Partner shall be paid its reasonable fees and disbursements in carrying out its obligations in winding up the Partnership. Allocations and distributions shall continue to be made during the period of winding up in the same manner as before dissolution. The General Partner shall have full right and unlimited discretion to determine the time, manner and terms of any sale of Partnership assets in connection with winding up the Partnership's affairs, having due regard to the activity and condition of the relevant market and general financial and economic conditions. The General Partner is hereby authorized to do any and all acts and things authorized by Law for these purposes.

11.3 Distribution of Assets on Dissolution

The General Partner shall settle the Partnership accounts as expeditiously as possible and, in the following order, shall:

(a) sell and liquidate the assets of the Partnership necessary to pay or compromise the liabilities of the Partnership, including those arising under the Funding Agreement;

(b) sell and liquidate the remaining assets of the Partnership or retain them to distribute in-kind in the General Partner's discretion;

(c) pay or compromise the liabilities of the Partnership, including those arising under the Funding Agreement;

(d) retain a cash reserve fund for contingent liabilities, in an amount determined by the General Partner in its sole discretion to be appropriate, to be held for such period as the General Partner regards as reasonable and then to be distributed under Sections 11.3(e) and 11.3(f) below;

(e) pay the General Partner the amount of any costs, expenses or other amounts which the General Partner is entitled to receive from the Partnership; and

(f) distribute the remaining assets, including proceeds of sale, to the Partners in accordance with Section 5.6(a).

11.4 Reports

Within a reasonable time following the completion of the winding up of the Partnership's affairs and the liquidation of the Partnership's assets, the General Partner shall forward to each Limited Partner an audited statement for the assets and liabilities of the Partnership as of the date of the completion of the liquidation, and each Partner's share of the distributions under Section 11.3.

11.5 No Other Right; No Recourse to General Partner

(a) No Partner shall have any right to demand or receive property, other than cash, or other than as otherwise contemplated by the terms of this Agreement, upon dissolution of the Partnership.

(b) Upon dissolution and winding up of the Partnership under the Act, each Partner shall look solely to the assets of the Partnership and Limited Partners shall have no recourse against the General Partner or any other Partner.

11.6 Final Filing

Upon completion of the liquidation of the Partnership and the distribution of all Partnership assets, the Partnership shall dissolve and terminate and the General Partner shall execute and file such documents as are required to effect the dissolution and termination of the Partnership.

ARTICLE 12
REPRESENTATIONS

12.1 Status of General Partner

The General Partner represents and warrants and covenants to each Partner that:

(a) it is and will continue to be a corporation duly incorporated under the Laws of the State of Delaware,

(b) it is or will become registered, and will maintain such registration, to do business, and has or will acquire all requisite licenses and permits to carry on the affairs of the Partnership, in all jurisdictions in which the Partnership's activities render such registration, license or permit necessary, and

(c) it has the capacity and corporate authority to act as General Partner, and the performance of its obligations under this Agreement as General Partner do not and will not conflict with or breach its charter documents, by-laws, or any agreement by which it is bound.

12.2 Status of Each Limited Partner

Each Limited Partner represents and warrants and covenants to each other Partner and to the General Partner that such Partner:

(a) if a corporation, is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations under this Agreement, and has taken all necessary corporate action in respect thereof, or, if a partnership, trust, syndicate or other form of unincorporated organization, has the necessary legal capacity and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations under this Agreement, has obtained all necessary approvals in respect thereof, and has purchased the Units as principal for its own account;

(b) if an individual, is at least 18 years of age and has the legal capacity and competence to execute this Agreement and take all action under this Agreement, and that it has purchased the Units as principal for its own account;

(c) such Partner (1) is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act or (2) either (A) is not a "U.S. person" within the meaning of Regulation S under the Securities Act and is not acquiring the Units for the account or benefit of any U.S. person or (B) is a U.S. person who purchased the Units in a transaction that did not require registration under the Securities Act (such Limited Partners, **"Regulation S Investors"**);

(d) such Partner has received and read the Private Placement Memorandum;

(e) the execution and delivery of this Agreement by such Partner, the consummation of the transactions contemplated hereby and the performance of such Partner's obligations under this Agreement will not conflict with, or result in any violation of or default under, any provision of any governing instrument applicable to such Partner, or any agreement or other instrument to which such Partner is a party or by which such Partner or any of its properties are bound, or any Law applicable to such Partner;

(f) such Partner understands that the Units have not been, and will not be, registered under the Securities Act or any state or foreign securities Laws, and are being offered and sold in the United States in reliance upon federal and state exemptions from registration requirements for transactions not involving any public offering. Such Partner understands that the Units are being offered and sold outside of the United States in reliance on federal exemptions from registration requirements available pursuant to Regulation S under the Securities Act. Such Partner recognizes that reliance upon such exemptions is based in part upon the representations of such Partner contained herein. Such Partner represents and warrants that the Units will be acquired by the Partner solely

for the account of such Partner, for investment purposes only and not with a view to the distribution thereof;

(g) such Partner represents and warrants that such Partner (i) is a sophisticated investor with such knowledge and experience in business and financial matters as will enable such Partner to evaluate the merits and risks of investment in the Partnership, (ii) is able to bear the economic risk and lack of liquidity of an investment in the Partnership and (iii) is able to bear the risk of loss of its entire investment in the Partnership;

(h) such Partner recognizes that (i) an investment in the Partnership involves certain risks, (ii) the Units will be subject to certain restrictions on transferability as described in this Agreement and (iii) as a result of the foregoing, the marketability of the Units will be severely limited;

(i) unless such Partner is a Regulation S Investor, such Partner confirms that it is not subscribing for any Unit as a result of any form of general solicitation or general advertising, including (i) any advertisement, article, notice or other communications published in any newspaper, magazine or similar media (including any internet site that is not password protected) or broadcast over television or radio or (ii) any seminar or meeting whose attendees were invited by any general solicitation or general advertising;

(j) if a natural person (or an entity that is an "alter ego" of a natural person (e.g., a revocable grantor trust, an IRA or an estate planning vehicle)), such Partner has received and read a copy of the initial privacy notice in connection with the General Partner's collection and maintenance of non-public personal information with respect to such Partner, and such Partner hereby requests and agrees, to the extent permitted by applicable law, that the General Partner shall refrain from sending to such Partner an annual privacy notice, as contemplated by 16 CAR Part 313, §313.5 (the United States Federal Trade Commission's Final Rules regarding the Privacy of Consumer Financial Information);

(k) such Partner acknowledges that the Partnership seeks to comply with all applicable anti-money laundering laws and regulations. In furtherance of these efforts, the Partner represents, warrants and agrees that to the best of its knowledge after reasonable inquiry: (i) no part of the funds used by such Partner to acquire the Units or to satisfy its capital commitment obligations with respect thereto has been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene U.S. federal or state or non-U.S. laws or regulations, including anti-money laundering laws and regulations and (ii) no capital commitment, contribution or payment to the Partnership by the Partner and no distribution to such Partner shall cause the Partnership or the General Partner to be in violation of any applicable anti-money laundering laws or regulations including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the United States Department of the Treasury Office of Foreign Assets Control regulations. Such Partner acknowledges and agrees that, notwithstanding anything to the contrary contained in this Agreement, any side letter or any other agreement, to the extent required by any anti-money laundering law or regulation, the Partnership and the General Partner may prohibit capital contributions, restrict distributions or take any other reasonably necessary or advisable action with respect to the Units, and such Partner shall have no claim, and shall not pursue any claim, against the Partnership, the General Partner or any other Person in connection therewith;

(l) will promptly provide such evidence of the foregoing as the General Partner may request from time to time;

(m) Each Partner covenants that:

(i) such Partner will ensure that such Partner's status as described in this Section 12.2 will not be modified, that such Partner will provide written confirmation of such status to the General Partner upon request and that such Partner will not

transfer such Partner's Units in whole or in part to a Person in respect of which the representations and warranties set forth in Section 12.2 would be untrue; and

(ii) such Partner will immediately notify the General Partner in writing if such Partner fails to comply with the covenants in this Section 12.2(m).

12.3 Survival of Representations

The representations contained in this Article shall survive execution of this Agreement and each party is obligated to ensure the continuing accuracy of each representation made by it throughout the term of the Partnership.

ARTICLE 13
CHANGE OF GENERAL PARTNER

13.1 Removal or Withdrawal of General Partner

The General Partner will continue as General Partner of the Partnership until termination of the Partnership unless the General Partner is removed or withdraws under this Agreement. The General Partner shall not transfer all or any portion of its Units or withdraw as General Partner except as provided in this Article 13.

13.2 Admission of Substitute General Partner

A Person shall be admitted as a substitute General Partner of the Partnership only if the following terms and conditions are satisfied:

(a) the Person to be admitted as a substitute General Partner shall have accepted and agreed to be bound by all the terms and provisions of this Agreement by executing a counterpart hereof and such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner, a certificate evidencing the admission of such Person as a General Partner shall have been filed for recordation and all other actions required by Section 2.4 hereof in connection with such admission shall have been performed;

(b) the Person to be admitted as a substitute General Partner shall pay to the departing General Partner the amount of any costs, expenses or other amounts owed by the Partnership to the departing General Partner and such other amounts to which the departing General Partner is entitled to reimbursement under this Agreement or any other agreement with the Partnership to which the departing General Partner is a party, whether, for such latter agreements, the departing General Partner is entitled to such reimbursement by the Partnership or by a third party and otherwise;

(c) if the Person to be admitted as a substitute General Partner is a corporation or a partnership, it shall have provided the Partnership with evidence satisfactory to counsel for the Partnership of such Person’s authority to become a General Partner and to be bound by the terms and provisions of this Agreement; and

(d) counsel for the Partnership shall have rendered an opinion (relying on such opinions from other counsel in the state or any other jurisdiction as may be necessary) that the admission of the Person to be admitted as a substitute General Partner is in conformity with the Act, and that none of the actions taken in connection with the admission of such Person as a substitute General Partner will cause (i) the Partnership to be classified other than as a partnership for federal income tax purposes, or (ii) the loss of any Limited Partner’s limited liability.

13.3 Effect of Bankruptcy, Withdrawal, Death or Dissolution of a General Partner.

(a) Upon the occurrence of an Event of Bankruptcy as to a General Partner (and its removal pursuant to Section 13.5(a) hereof) or the death, withdrawal, removal or dissolution of a General Partner (except that, if a General Partner is, on the date of such occurrence a partnership, the withdrawal, death, dissolution, Event of Bankruptcy as to, or removal of a partner in, such partnership shall be deemed not to be a dissolution of such General Partner if the business of such General Partner is continued by the remaining partner or

partners thereof), the Partnership shall be dissolved and terminated unless the Partnership is continued pursuant to Section 13.3(b) hereof.

(b) Following the occurrence of an Event of Bankruptcy as to a General Partner (and its removal pursuant to Section 13.5(a) hereof) or the death, withdrawal, removal or dissolution of a General Partner (except that, if a General Partner is, on the date of such occurrence a partnership, the withdrawal, death, dissolution, Event of Bankruptcy as to, or removal of a partner in, such partnership shall be deemed not to be a dissolution of such General Partner if the business of such General Partner is continued by the remaining partner or partners thereof), the Limited Partners, within 90 days after such occurrence, may elect to continue the business of the Partnership for the balance of the term specified in Article 10 hereof by selecting, subject to Section 13.2 hereof and any other provisions of this Agreement, a substitute General Partner by Ordinary Action. If the Limited Partners elect to continue the business of the Partnership and admit a substitute General Partner, the relationship with the Limited Partners and of any Person who has acquired an interest of a Partner in the Partnership shall be governed by this Agreement.

13.4 Withdrawal

The General Partner may not withdraw from the Partnership as such unless it has given at least 180 days' written notice to the Limited Partners of such intention and nominates a qualified successor whose appointment is approved as an Ordinary Action, who accepts such position within such period and who is admitted as a substitute General Partner pursuant to Section 13.2 within such period.

13.5 Removal of General Partner

(a) Upon the occurrence of an Event of Bankruptcy as to, or the dissolution of, a General Partner, such General Partner shall be deemed to be removed automatically; provided, however, that if a General Partner is on the date of such occurrence a partnership, the withdrawal, death, dissolution, Event of Bankruptcy as to or removal of a partner in such partnership shall be deemed not to be a dissolution of the General Partner if the business of such General Partner is continued by the remaining partner or partners thereof.

(b) The General Partner may be removed as general partner of the Partnership at any time by an Extraordinary Action of the Partners, but only for Cause. In addition, the General Partner may only be removed under this Section 13.5(b) if the resolution removing the General Partner also appoints a new general partner as successor, and the General Partner may not be removed until such new general partner is admitted as a substitute General Partner pursuant to Section 13.2.

(c) Regardless of their status as Partners or their ownership of Units, the General Partner, its Affiliates, and their directors and officers, shall not be entitled to vote on the removal of the General Partner as general partner of the Partnership when the General Partner is in default of a material obligation of the General Partner contained in this Agreement and such default has continued for at least 60 days following receipt of notice from any Partner requiring the General Partner to remedy such default.

13.6 Release and Indemnification upon Removal or Withdrawal; Use of Walton Name

Upon the removal or withdrawal of the General Partner, the Partnership shall release and indemnify and hold harmless, and the Limited Partners shall release, the General Partner, its Affiliates and their respective managers, officers, directors, members, partners, shareholders and employees, from any and all Losses incurred by the General Partner or the Partnership in connection with the Partnership's activities or otherwise as a result of or arising out of events occurring after such resignation or removal other than those caused by or deriving from any grossly negligent or fraudulent act or willful misconduct of the General Partner. Upon the removal or withdrawal of the General Partner, the Partnership shall promptly cease using the name "Walton" or any variant thereof.

13.7 Conversion to Limited Partner

If the General Partner is withdraws or is removed pursuant to this Article 13 but continues to own Units, it will be deemed a Limited Partner subject to all the provisions applicable to Limited Partners under this Agreement.

ARTICLE 14
MEETINGS

14.1 Meetings

(a) The General Partner may convene meetings of the Partners at any time and, upon the written request of one or more Limited Partners holding at least 33⅓% of the number of all issued and outstanding Class A Units (the "**Requesting Partners**"), will convene a meeting of the Partners. If the General Partner fails to call such a meeting within 60 days of receipt of written request of the Requesting Partners, then any Requesting Partners may convene such meeting by giving written notice to the General Partner and the Limited Partners in accordance with this Agreement, signed by such Person or Persons as the Requesting Partners specify. Every meeting, however convened, will be conducted under the terms of this Agreement. There is no requirement to hold annual general meetings. However, the General Partner may in its discretion call periodic information meetings from time to time to advise the Limited Partners as to the status of the Properties and the Partnership's affairs.

(b) Excluding the ability of the Partners to remove and/or replace the General Partner pursuant to Section 13, notwithstanding anything to the contrary in this Agreement, Partners may not, without the consent of the General Partner which may be withheld in its sole discretion, make any amendment to this Agreement or cause the Partnership to take any action, including but not limited to:

(i) a sale, transfer or encumbrance of all or a portion of the Interests or any other assets of the Partnership, unless otherwise required under the Co-Ownership Agreement; or

(ii) a merger, consolidation or other business combination of the Partnership, dissolution of the Partnership, or other event that would result in the termination of the existence or operations of the Partnership.

14.2 Place of Meeting

Every meeting of Partners will be held at such place inside or outside of the State of Delaware as the General Partner or, with the consent of the General Partner the Limiting Partner calling the meeting may determine.

14.3 Notice of Meeting

All notices of meetings of Partners will be given to Limited Partners at least 21 and not more than 60 days before the meeting. Such notice shall be directed to each Partner at his address as it appears on the Register of the Partnership and will specify the time, date and place where the meeting is to be held and will specify, in reasonable detail, all matters that are to be the subject of a vote at such meeting and provide sufficient information to enable Limited Partners to make a reasoned judgment on all such matters. It will not be necessary for any such notice to set out the exact text of any resolution proposed to be passed at the meeting, provided that the subject matter of any such resolution is fairly set out in the notice or a schedule to the notice.

14.4 Chairman

The President of the General Partner, or in his absence any officer of the General Partner, shall be the chairman of all meetings. If no such Person is present or all such persons refuse to act, those Partners present in person or represented by proxy at the meeting shall, as an Ordinary Action, choose some other Person present to be chairman.

14.5 Quorum

Subject to the provisions of Section 14.7, a quorum at any meeting of the Partners shall consist of not less than two Persons present in person and holding or representing by proxy at least thirty-three and one-third percent (33 1/3 %) of the aggregate number of outstanding Class A Units entitled to vote at the meeting.

14.6 Consents Without Meeting

Any action required or permitted to be taken at any annual or special meeting of Partners may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Units entitled to vote thereon were present and voted and shall be delivered to the Partnership at its principal place of business. Delivery made to the principal place of business of the Partnership shall be by hand or by certified or registered mail, return receipt requested. Every written consent shall bear the date of signature of each Partner who signs the consent and no written consent shall be effective to take action unless, within sixty days of the earliest dated consent delivered in the manner required by this Section 14.6 to the Partnership, written consents signed by a sufficient number of holders to take action are delivered to the Partnership by delivery to its principal place of business. The General Partner shall give prompt notice of the taking of such action without a meeting by less than unanimous written consent to those Limited Partners who have not so consented in writing. Any such written consents may be used in conjunction with votes given at a meeting of Partners or without a meeting of Partners.

14.7 Adjournment

If a quorum referred to in Section 14.5 is not present within 30 minutes from the time fixed for holding any meeting, the meeting may be adjourned from time to time by the chairman of the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

14.8 Voting

Except as otherwise required by statute or this Agreement, at every meeting of Partners each Class A Partner of the Partnership entitled to vote at such meeting shall have one vote for each Class A Unit held by him and registered in his name on the books of the Partnership at the record date fixed or otherwise determined for such meeting. The Class B Partner shall not be entitled to vote at any meeting of Partners except with respect to any Class A Units held by the Class B Partner.

14.9 Record Date

For determining those Partners who are entitled to attend, and vote or act at, any meeting or any adjournment of any meeting, or for any other action, the General Partner or Requesting Partners calling the meeting, as the case may be, shall fix a date not less than 21 or more than 60 days before the date of any meeting of Partners as a record date for determining those Limited Partners entitled to vote at the meeting or any adjournment. The Persons so determined shall be the Persons deemed to be entitled, except to the extent that a Partner has transferred any of his Units after the record date and the transferee of the Units: (i) produces properly executed transfer forms or otherwise establishes to the satisfaction of the General Partner that he is the owner of the Units in question, and (ii) requests, not later than ten days before the meeting, or such shorter period before the meeting as the General Partner may deem to be acceptable, that the transferee's name be or be deemed to be included in the Register as at the record date, in which case the transferee shall be treated as a Partner of record for purposes of such entitlement in place of the transferor. Notwithstanding anything under this Agreement contained, only Partners who are registered as such in the Register on the record date determined for the meeting shall have the right to attend in person or by proxy and to vote on all matters submitted to the meeting.

14.10 Proxies

A Partner may attend any meeting of Partners personally, or may be represented at the meeting by proxy if a proxy has been received by the General Partner or the chairman of the meeting for verification before the meeting. Votes at meetings of the Partners may be cast personally or by proxy and resolutions shall be passed by a show of hands or, at the request of any Partner, by ballot. The instrument appointing a proxy shall be in a form reasonably acceptable to the General Partner, shall be in writing executed by the appointer or his attorney duly

authorized in writing, or, if the appointer is a corporation, under its seal or by an officer or attorney of the corporation duly authorized, and shall be valid only if it refers to a specific meeting, and then only at that meeting or its adjournments. Any Person may be appointed a proxy, whether or not he is a Partner.

14.11 Validity of Proxies

A proxy purporting to be executed by or on behalf of a Partner will be considered to be valid unless challenged at the time of or before its exercise, and the Person challenging will have the burden of proving to the satisfaction of the chairman of the meeting that the proxy is invalid, and any decision of the chairman concerning the validity of a proxy will be final.

A vote cast under the terms of an instrument of proxy shall be valid notwithstanding the previous death, incapacity, insolvency, bankruptcy or insanity of the Partner giving the proxy or the revocation of the proxy, provided that no written notice of such death, incapacity, insolvency, bankruptcy, insanity or revocation shall have been received by the General Partner or chairman of the meeting before the time fixed for holding of the meeting.

14.12 Corporations

A Partner that is a corporation may appoint under seal or otherwise, an officer, director or other authorized Person as its representative to attend, vote and act on its behalf at a meeting of Partners.

14.13 Attendance of Others

Any officer or director of the General Partner, counsel to the General Partner or the Partnership and representatives of the Auditors will be entitled to attend any meeting of Partners.

The chairman of the meeting or the General Partner has the right to authorize the presence at a meeting of any Person who is not a Partner. With the approval of the chairman of the meeting or the General Partner that Person will be entitled to address the meeting.

14.14 Rules

To the extent that the rules and procedures for the conduct of a meeting of the Partners are not prescribed in this Agreement, such rules and procedures shall be determined by the chairman of the meeting. To the extent practicable, the procedures applicable to meetings of corporations within the meaning of the Delaware General Corporation Law shall apply to meetings of Partners, provided however the Partnership shall not be required to hold annual meetings.

14.15 Waiver of Defaults

In addition to all other powers conferred on them by this Agreement, the Partners may by Extraordinary Action:

(a) waive any default by the General Partner of its obligations under this Agreement on such terms as they may determine and release the General Partner from any claims relating to the default; and

(b) require the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Partner or all Partners.

14.16 Minutes

The General Partner will have minutes kept of all proceedings and resolutions at every meeting, and copies of any resolutions of the Partnership made and entered in books kept for that purpose. Any minutes, if signed by the chairman of the meeting, will be deemed to be evidence of the matters stated in them. Each meeting for which such minutes are kept will be deemed to have been duly convened and held and all resolutions and proceedings shown in them will be deemed to have been duly passed and taken.

14.17 Resolutions Binding

Any vote, consent or agreement made by Extraordinary Action or Ordinary Action of the Partners under this Agreement shall be binding on all Partners and their respective heirs, executors, administrators or other legal representatives, successors and assigns, whether or not such Partner was present or represented by proxy at the

meeting at which such resolution was passed and whether or not such Partner received or signed a written copy of or voted against such resolution.

14.18 Actions Requiring Extraordinary Action

The following actions may be taken only if approved by Extraordinary Action, except as otherwise required by Law or the provisions of the Co-Ownership Agreement:

(a) consenting to the amendment of this Agreement except as otherwise provided under this Agreement;

(b) waiving any default by the General Partner of its obligations under this Agreement on such terms as the Partners may determine and releasing the General Partner from any claims relating to the default;

(c) requiring the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Partner or all Partners (provided, however, that the General Partner may take such action on its own volition without Extraordinary Action);

(d) removing the General Partner as general partner of the Partnership as provided in Section 13.5(b);

(e) dissolving the Partnership as provided in Section 11.1(a);

(f) consenting to extend the Partnership's investment activities for a Property beyond Concept Planning and participating in the physical development of one or more of the Properties;

(g) creating or recording an Encumbrance other than a Permitted Encumbrance on or against the Properties in favor of any Person, other than (i) Encumbrances granted in favor of Walton USA under the provisions of the Funding Agreement, (ii) any Encumbrance created by Walton USA or an Affiliate with respect to its undivided interests in the Properties and (iii) any Encumbrance permitted under Section 2.9 of the Funding Agreement or Section 8.1 of the Co-Ownership Agreement;

(h) effecting a sale, transfer or other disposition (excluding third party leases) of a portion of any Property constituting over 10%, in the aggregate, of the total acreage of the Property; provided, that decisions with respect to the sale, transfer or other disposition of Lots shall be made by the General Partner at its sole discretion;

(i) agreeing to any compromise or arrangement by the Partnership with any creditor, or class or classes of creditors;

(j) changing the Fiscal Year of the Partnership;

(k) causing the Partnership to merge with or into another entity;

(l) creating any equity security of the Partnership senior to the Class A Units;

(m) amending, modifying, altering or repealing any Extraordinary Action previously taken by the Partners; and

(n) issuing over 10,000,000 Class A Units (plus an overallotment of 0.05% or 5,000 Class A Units).

ARTICLE 15
AMENDMENTS

15.1 Amendments to Agreement

Subject to Section 14.1(b), this Agreement may be amended in writing if such amendment (a) is proposed to the Limited Partners by the General Partner, and (b) receives the approval of the Partners by Extraordinary Action, provided that:

(a) this Article 15 may not be amended without the consent of the General Partner and all Partners;

(b) this Agreement shall not be amended so as to provide for additional Capital Contributions from any Partner without the approval of such Partner;

(c) this Agreement shall not be amended so as to adversely affect the rights, preferences, privileges, obligations or liabilities of the General Partner without the consent of the General Partner; and

(d) this Agreement shall not be amended so as to adversely affect the rights, preferences or privileges of the Class B Partner without the consent of the Class B Partner.

15.2 Amendments In Discretion of General Partner

Notwithstanding Section 14.1 or Section 15.1, but subject to the restriction that this Agreement shall not be amended so as to adversely affect the rights, preferences or privileges of the Class B Partner without the consent of the Class B Partner, the General Partner may, without prior notice to or consent from any Partner, amend any provision of this Agreement from time to time to:

(a) add, amend or delete provisions of this Agreement which addition, amendment or deletion is, in the opinion of counsel to the Partnership, for the protection of or otherwise to the benefit of the Class A Partners;

(b) cure an ambiguity or to correct or supplement any provisions contained in this Agreement which, in the opinion of counsel to the Partnership, may be defective or inconsistent with any other provisions contained in this Agreement, provided the cure, correction or supplemental provision does not and will not adversely affect the interests of Class A Partners;

(c) make such other provisions concerning matters or questions arising under this Agreement that, in the opinion of counsel to the Partnership, do not and will not adversely affect the interests of the Class A Partners;

(d) reflect the admission of any Partner;

(e) take any such actions as may be necessary to ensure that the Partnership will be treated as a partnership for federal income tax purposes;

(f) reflect the proposal or adoption of regulations under Section 704(b) or 704(c) of the Code, provided that such amendment would not have a material adverse effect on the Class A Partners or the Partnership and is consistent with the principles of Section 704 of the Code;

(g) make any amendment authorized by Section 5.12(b);

(h) make such amendments or deletions to take into account the effect of any change in, amendment of or repeal of any applicable legislation, that in the opinion of counsel to the Partnership, do not and will not adversely affect the interests of the Class A Partners; or

(i) in the event the taxation of the Class B Unit is adversely affected by any change in law, as determined by the General Partner in its sole discretion, amend the distribution and allocation provisions set forth in Section 5.6 and such other provisions of this Agreement as the General Partner reasonably deems necessary or advisable to mitigate such effect, provided that such amendment does not materially adversely affect the economic interest of any Limited Partner.

15.3 Notice to Partners

The General Partner shall notify Limited Partners of the full details of any amendment to this Agreement within 30 days of the effective date of the amendment.

15.4 Limitation On Amendments

Notwithstanding anything to the contrary contained in this Agreement, no amendment of this Agreement shall be made if such amendment would modify the limited liability of any Partner, modify the activities of the Partnership as set forth in Article 3, or modify the right of a Partner to vote or grant or withhold consent for any matter as to which Partners are entitled to vote or grant or withhold consent under this Agreement.

ARTICLE 16
NOTICES

16.1 Addresses For Notices

The addresses for notices and other communications required or permitted to be given under this Agreement to the General Partner and Limited Partners are:

General Partner:	WUSF 3 GP, LLC, c/o Walton Land Management (USA), Inc. 4800 N. Scottsdale Road, Suite 4000 Scottsdale, Arizona 85251 Attention: President
Limited Partners:	The mailing addresses set forth in **Exhibit A**.

The General Partner may from time to time change its address under this Agreement by notice to the Limited Partners given in accordance with Section 16.2. Each Partner will advise the General Partner and the Registrar and Transfer Agent of any change in such Partner's address as then shown on the Register.

16.2 Notices

(a) All notices, amendments, waivers, or other communications under this Agreement shall be in writing and shall be deemed to be sufficiently given if delivered personally, telecopied, sent by e-mail, sent by nationally-recognized, overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the addresses set forth in Section 16.1.

(b) All such notices and other communications shall be deemed to have been delivered and received (i) for personal delivery, upon receipt, (ii) for delivery by nationally-recognized, overnight courier, on the first Business Day in Phoenix, Arizona following dispatch, and (iii) for mailing, on the third Business Day in Phoenix, Arizona following such mailing. Notices delivered by telecopy or e-mail shall also be deemed delivered and received upon receipt.

ARTICLE 17
POWER OF ATTORNEY

Each Limited Partner hereby grants to the General Partner, its successors and assigns, a power of attorney constituting the General Partner, with full power of substitution, as the Limited Partner's true and lawful attorney and agent, with full power and authority, in the Limited Partner's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, and record or file, as the case may be, as and where required:

(a) this Agreement, any amendment to this Agreement, any amendment to the Certificate of Formation of the Partnership, or any other certificate or instrument that the General Partner deems necessary or appropriate to qualify, continue the qualification of, or keep in good standing, the Partnership in, or otherwise comply with the Laws of, the State of Delaware or any other jurisdiction under this Agreement in which the Partnership may carry on or be deemed to carry on activities or own property, or in which the General Partner may deem it prudent to register the Partnership, in order to maintain the limited liability of the Limited Partners or to comply with applicable Laws;

(b) any certificate or other instrument that the General Partner deems necessary or appropriate to reflect any amendment, change or modification of the Partnership under the terms of this Agreement;

(c) any certificate or other instrument that the General Partner deems necessary or appropriate to comply with applicable Laws;

(d) any conveyance or other instrument that the General Partner deems necessary or appropriate to effect the sale of all or any part of the assets of the Partnership or the dissolution or termination of the Partnership under the terms of this Agreement;

(e) any instrument required for any election, designation, application or determination relating to the Partnership under the Code or any other tax legislation;

(f) any document that the General Partner deems necessary or appropriate to be executed or filed in connection with the activities, assets or undertaking of the Partnership or this Agreement;

(g) any document required to be filed with any Governmental Authority in connection with the activities, assets or undertaking of the Partnership or this Agreement;

(h) any application for any grant, incentive or credit under any federal, or state program for any activity of the Partnership;

(i) any transfer forms or other certificate or instrument on behalf of or in the name of whomsoever as may be necessary to effect the transfer of any Unit under the terms of this Agreement and

(j) any other document or instrument on behalf of and in the name of the Partnership or the Partner as may be deemed necessary or desirable by the General Partner to carry out fully the provisions of this Agreement or any other agreement of the Partnership under its respective terms;

and to complete, amend or modify any of the foregoing to complete any missing information or correct any clerical or other errors in the completion of any of the foregoing.

To evidence the foregoing, each Limited Partner, in making a subscription for Units or in executing an assignment or transfer of a Unit as assignee or transferee, will be deemed to have executed a power of attorney granting substantially the powers set forth above. The power of attorney so granted is irrevocable, is coupled with an interest, will survive the death, disability, incapacity, insolvency, bankruptcy, liquidation, dissolution, winding up or other legal incapacity of a Limited Partner and will survive the assignment, to the extent of the obligations of the Limited Partner under this Agreement, by the Limited Partner of the whole or any part of the interest of the Limited Partner in the Partnership and extends to bind the heirs, executors, administrators, personal representatives, successors and assigns of the Limited Partner. The power of attorney may be exercised by the General Partner, executing on behalf of each Limited Partner, by executing any instrument with a single signature as the general partner of the Partnership or as attorney and agent for all of the Limited Partners executing such instrument, or by such other form of execution as the General Partner may determine, and it will not be necessary for the General Partner to execute any instrument under seal notwithstanding the manner of execution of the power of attorney by the Limited Partner. The power of attorney will not merge on the dissolution of the Partnership but will continue in full force and effect thereafter to conclude any matters pertaining to the Partnership, to the activities previously carried on by the Partnership or to the dissolution of the Partnership and the winding up of its affairs.

Each Limited Partner hereby ratifies and confirms all that the General Partner shall lawfully do or cause to be done by virtue of the foregoing power of attorney, agrees to be bound by any representation or action made or taken in good faith by the General Partner under the foregoing power of attorney under the terms of this Agreement, and waives any and all defenses that may be available to contest, negate or disaffirm any action of the General Partner taken in good faith under the power of attorney.

ARTICLE 18
MISCELLANEOUS

18.1 Governing Law

This Agreement and its application or interpretation shall be governed, construed and enforced exclusively by its terms and by the Law of the State of Delaware.

18.2 Date for Actions

In the event that the date on which any action is required to be taken under this Agreement by any of the parties is not a Business Day in the place where the action is required to be taken, the action shall be required to be taken on the next succeeding day that is a Business Day in such place.

18.3 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning, construction or interpretation of this Agreement.

18.4 Number and Gender

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa; and words importing gender include all genders.

18.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of the United States of America.

18.6 Statutes

References in this Agreement to any statute or any sections of a statute shall include the statute as amended or substituted and any regulations or other administrative authority adopted under the statue from time to time in effect.

18.7 Provisions Severable

Each provision of this Agreement is intended to be severable. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held illegal or invalid, the remainder of this Agreement, or the application of such provision to any Person or circumstance other than those to which it is held illegal or invalid, shall not be affected thereby.

18.8 Further Assurances

Each party to this Agreement agrees to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or expedient in order to give full force and effect to this Agreement and every part of this Agreement.

18.9 Binding Effect

Subject to the provisions regarding assignment and transfer under this Agreement contained, this Agreement shall inure to the benefit of and be binding upon its parties and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

18.10 Waiver

No waiver by any party to this Agreement or any breach of, or default under, any provision of this Agreement by any party shall be construed or deemed a waiver of any breach of or default under any other provision of this Agreement, and shall not preclude any party from exercising or asserting any rights under this Agreement for any future breach or default of the same provision of this Agreement.

18.11 Entire Agreement

This Agreement, and the related Subscription Agreement constitute the entire agreement between the parties for the subject matter hereof and supersede any and all prior agreements and representations, either oral or in writing, between the parties regarding the subject matter contained in this Agreement.

18.12 Counterparts; Facsimile or Electronic Signature

This Agreement may be executed in any number of counterparts with the same effect as if all its parties had signed the same document. This Agreement may also be adopted in any subscription or assignment forms or similar instruments signed by a Limited Partner or by the General Partner on his behalf, with the same effect as if such Limited Partner had executed a counterpart of this Agreement. All counterparts and adopting

instruments will be construed together and will constitute one and the same agreement. This Agreement may be executed by delivery of a facsimile or electronic signature, which signature will have the same force and effect as an original signature.

18.13 Ownership and Use of Names

Each Limited Partner acknowledges that Walton USA or one of its Affiliates owns the service mark Walton for various services and that the Partnership is using the Walton mark and name on a non-exclusive, royalty-free basis in connection with its authorized activities with the permission of Walton USA. All services rendered by the Partnership under the Walton mark and name shall be rendered in a manner consistent with the high reputation heretofore developed for the Walton mark by Walton USA and its Affiliates and licensees. Each Limited Partner understands that Walton USA or one of its Affiliates may terminate the Partnership's right to use Walton at any time in the sole discretion of Walton USA or such Affiliate by giving the Partnership written notice of termination. Promptly following any such termination, the Partnership shall take all steps necessary to change its company name to one that does not include Walton or any confusingly similar term and cease all use of Walton or any term confusingly similar thereto as a service mark or otherwise.

IN WITNESS WHEREOF, each of the undersigned Partners, intending to be legally bound hereby, has duly executed this Agreement as of the day and year first above written.

GENERAL PARTNER:

WUSF 3 GP, LLC, a Delaware limited liability company

By: WALTON LAND MANAGEMENT (USA), INC., a Delaware corporation, its Manager

By: _____

Name: _____

Its: _____

EXHIBIT A
PARTNERS

General Partner:	Number of Class A Units:
WUSF 3 GP, LLC 4800 North Scottsdale Road, Suite 4000 Scottsdale, Arizona 85251 United States of America	0

Name and Address of Limited Partner holding Class B Unit:	Number of Class B Units:
Walton International Group (USA), Inc. or one of its affiliates 4800 North Scottsdale Road, Suite 4000 Scottsdale, Arizona 85251 United States of America	1

Name and Address of Limited Partners holding Class A Units:	Number of Class A Units:

[Remainder of page intentionally left blank]

EXHIBIT B
TRANSFER FORM

The undersigned, a Class A Partner of WALTON U.S. LAND FUND 3, LP (the "***Partnership***"), hereby transfers to:

(Name of Transferee) (Address)

_____ Unit(s) in the Partnership registered in the undersigned's name, constitutes the above-named transferee as a substitute Limited Partner for the foregoing number of Class A Unit(s), and agrees to execute and deliver to the General Partner

(a) any documents required in the sole opinion of the General Partner to effect a valid transfer of the Class A Unit(s),

(b) any documents required in the sole opinion of the General Partner to comply with applicable Laws in connection with the transfer,

(c) any documents required in the sole opinion of the General Partner as evidence that the transfer (i) is being made in compliance with exemptions from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities Laws, (ii) either (x) is not being made to, and will not result in a Class A Unit being owned in whole or in part by, a "benefit plan investor" as that term is defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, or (y) if the transfer is being made to a benefit plan investor as so defined (including an "individual retirement account," as defined in Section 408(a) of the Internal Revenue Code of 1986, as amended), the General Partner has provided its written consent to such transfer, taking into account the effect of such transfer on the Partnership's ability to avoid being deemed to hold the "plan assets" of any benefit plan investor, and (iii) if it is being made to an "individual retirement account," as defined in Section 408(a) of the Code, that such transferee qualifies as an "individual retirement account,"

(d) any such other documents which are necessary or advisable, in the sole opinion of the General Partner, to preserve the status of the Partnership as a limited partnership; and

(e) **a non-refundable transfer processing fee of US$50.00, payable to Walton International Group (USA), Inc.**

The undersigned ("***Transferor***") agrees that the power of attorney previously granted to the General Partner shall continue to be effective for the purpose of executing all certificates, amendments and other instruments necessary to give effect to this transfer. **Please note: All signatures below must be Medallion Signature Guaranteed.**

DATED at _____, State of _____, this _____ day of _____, 20_____.

Signature of Transferor	Signature of Joint Transferor, if any
Name of Transferor – Please Print	Name of Joint Transferor, if any – Please Print
Mailing Address of Transferor	Mailing Address of Joint Transferor, if different
MEDALLION SIGNATURE GUARANTEED BY:	**MEDALLION SIGNATURE GUARANTEED BY:**

EXHIBIT C
FORM OF DECLARATION OF TRANSFEREE

Capitalized terms used but not defined in this Declaration of Transferee (this "***Declaration***") shall have the same meanings as in the Agreement of Limited Partnership of the Partnership (defined below), as amended or supplemented from time to time (the "***Partnership Agreement***"). The undersigned transferee (the "***Transferee***") of Class A Units (the "***Units***") in Walton U.S. Land Fund 3, LP (the "***Partnership***") hereby represents, warrants and covenants to each Partner of the Partnership and to its General Partner that:

(a) the Transferee, if a corporation, is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver the Partnership Agreement and to observe and perform its covenants and obligations under the Partnership Agreement and has taken all necessary corporate action in respect thereof, or, if a partnership, trust, syndicate or other form of unincorporated organization, has the necessary legal capacity and authority to execute and deliver the Partnership Agreement and to observe and perform its covenants and obligations under the Partnership Agreement and has obtained all necessary approvals in respect thereof, and in any case that it has acquired the Units as principal for its own account,

(b) the Transferee, if an individual, is at least 18 years old and has the legal capacity and competence to execute the Partnership Agreement and take all action under the Partnership Agreement, and that it has acquired the Units as principal for its own account,

(c) such Transferee (1) is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act or (2) either (A) is not a "U.S. person" within the meaning of Regulation S under the Securities Act and is not acquiring the Units for the account or benefit of any U.S. person or (B) is a U.S. person who purchased the Units in a transaction that did not require registration under the Securities Act (such Transferees, ***"Regulation S Investors"***);

(d) such Transferee has received and read the private placement memorandum pursuant to which the offering of Units is made;

(e) the execution and delivery of this Agreement by such Transferee, the consummation of the transactions contemplated hereby and the performance of such Transferee's obligations under this Agreement will not conflict with, or result in any violation of or default under, any provision of any governing instrument applicable to such Transferee, or any agreement or other instrument to which such Transferee is a party or by which such Transferee or any of its properties are bound, or any Law applicable to such Transferee;

(f) such Transferee understands that the Units have not been, and will not be, registered under the Securities Act or any state or foreign securities Laws, and were offered and sold in the United States in reliance upon federal and state exemptions from registration requirements for transactions not involving any public offering. Such Transferee understands that the Units were offered and sold outside of the United States in reliance on federal exemptions from registration requirements available pursuant to Regulation S under the Securities Act. Such Transferee recognizes that reliance upon such exemptions is based in part upon the representations of such Transferee contained herein. Such Transferee represents and warrants that the Units will be acquired by the Transferee solely for the account of such Transferee, for investment purposes only and not with a view to the distribution thereof;

(g) such Transferee represents and warrants that such Transferee (i) is a sophisticated investor with such knowledge and experience in business and financial matters as will enable such Transferee to evaluate the merits and risks of investment in the Partnership, (ii) is able to bear the economic risk and lack of liquidity of an investment in the Partnership and (iii) is able to bear the risk of loss of its entire investment in the Partnership;

(h) such Transferee recognizes that (i) an investment in the Partnership involves certain risks, (ii) the Units will be subject to certain restrictions on transferability as described in the Partnership Agreement and (iii) as a result of the foregoing, the marketability of the Units will be severely limited;

(i) unless such Transferee is a Regulation S Investor, such Transferee confirms that it is not subscribing for any Unit as a result of any form of general solicitation or general advertising, including (i) any advertisement, article, notice or other communications published in any newspaper, magazine or similar media (including any internet site that is not password protected) or broadcast over television or radio or (ii) any seminar or meeting whose attendees were invited by any general solicitation or general advertising;

(j) if a natural person (or an entity that is an "alter ego" of a natural person (e.g., a revocable grantor trust, an IRA or an estate planning vehicle)), such Transferee has received and read a copy of the initial privacy notice in connection with the General Partner's collection and maintenance of non-public personal information with respect to such Transferee, and such Transferee hereby requests and agrees, to the extent permitted by applicable law, that the General Partner shall refrain from sending to such Transferee an annual privacy notice, as contemplated by 16 CAR Part 313, §313.5 (the United States Federal Trade Commission's Final Rules regarding the Privacy of Consumer Financial Information);

(k) such Transferee acknowledges that the Partnership seeks to comply with all applicable anti-money laundering laws and regulations. In furtherance of these efforts, the Transferee represents, warrants and agrees that to the best of its knowledge after reasonable inquiry: (i) no part of any funds used by such Transferee to acquire the Units or to satisfy its capital commitment obligations with respect thereto has been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene U.S. federal or state or non-U.S. laws or regulations, including anti-money laundering laws and regulations and (ii) no capital commitment, contribution or payment to the Partnership by the Transferee and no distribution to such Transferee shall cause the Partnership or the General Partner to be in violation of any applicable anti-money laundering laws or regulations including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the United States Department of the Treasury Office of Foreign Assets Control regulations. Such Transferee acknowledges and agrees that, notwithstanding anything to the contrary contained in this Agreement, any side letter or any other agreement, to the extent required by any anti-money laundering law or regulation, the Partnership and the General Partner may prohibit capital contributions, restrict distributions or take any other reasonably necessary or advisable action with respect to the Units, and such Transferee shall have no claim, and shall not pursue any claim, against the Partnership, the General Partner or any other Person in connection therewith; and

(l) such Transferee will promptly provide such evidence of the foregoing as the General Partner may request from time to time.

In consideration of and subject to the amendment of Exhibit A to the Partnership Agreement including the Transferee as a Limited Partner for the Unit(s) assigned, the Transferee hereby agrees to be bound as a Limited Partner by the terms of the Partnership Agreement, and the Transferee hereby grants to the General Partner, its successors and assigns, a power of attorney constituting the General Partner, with full power of substitution, as the Transferee's true and lawful attorney and agent, with full power and authority, in the Transferee's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, and record or file, as the case may be, as and where required:

(a) the Partnership Agreement, any amendment to the Partnership Agreement, any amendment to the certificate of formation of the Partnership, or any other instrument which the General Partner deems necessary or appropriate to qualify, continue the qualification of, or keep in good standing, the Partnership in, or otherwise comply with the Laws of, the State of Delaware or any other jurisdiction under the Partnership Agreement in which the Partnership may carry on or be deemed to carry on activities or own property, or in which the General Partner may deem it prudent to register the Partnership, in order to maintain the limited liability of the Limited Partners or to comply with applicable Laws;

(b) any certificate or other instrument that the General Partner deems necessary or appropriate to reflect any amendment, change or modification of the Partnership in accordance with the terms of the Partnership Agreement;

(c) any certificate or other instrument that the General Partner deems necessary or appropriate to comply with the Laws of the United States of America or Canada or any political subdivision of the United States of America or Canada;

(d) any conveyance or other instrument that the General Partner deems necessary or appropriate to reflect or in connection with the sale of all or any part of any Property or other assets of the Partnership or the dissolution or termination of the Partnership under the terms of the Partnership Agreement;

(e) any instrument required for any election, designation, application or determination relating to the Partnership under the Code or other tax legislation;

(f) any document that the General Partner deems necessary or appropriate to be executed or filed in connection with the activities, assets or undertaking of the Partnership or the Partnership Agreement;

(g) any document required to be filed with any governmental body, agency or authority in connection with the activities, assets or undertaking of the Partnership or the Partnership Agreement;

(h) any application for any grant, incentive or credit under any federal, provincial or state program for any activity of the Partnership;

(i) any transfer forms or other certificate or instrument on behalf of or in the name of whomsoever as may be necessary to effect the transfer of any Unit in under the terms of the Partnership Agreement;

(j) any other document or instrument on behalf of and in the name of the Partnership or the Limited Partners as may be deemed necessary or desirable by the General Partner to carry out fully the provisions of the Partnership Agreement or any other agreement of the Partnership in under its respective terms; and

(k) to complete, amend or modify any of the foregoing to complete any missing information or correct any clerical or other errors in the completion of any of the foregoing.

The power of attorney hereby granted is irrevocable, is coupled with an interest, will survive the death, disability, incapacity, insolvency, bankruptcy, liquidation, dissolution, winding up or other legal incapacity of the Transferee and will survive the further assignment, to the extent of the obligations of the Transferee under the Partnership Agreement, by the Transferee of the whole or any part of the interest of the Transferee in the Partnership and extends to bind the heirs, executors, administrators, personal representatives, successors and assigns of the Transferee, and may be exercised by the General Partner, executing on behalf of the Transferee, by executing any instrument with a single signature as the General Partner of the Partnership or as attorney and agent for all of the Limited Partners executing such instrument, or by such other form of execution as the General Partner may determine, and it will not be necessary for the General Partner to execute any instrument under seal notwithstanding the manner of execution of the power of attorney by the Transferee. This power of attorney will not merge on the dissolution of the Partnership but will continue in full force and effect thereafter for the purposes of concluding any matters pertaining to the Partnership, to the activities previously carried on by the Partnership or to the dissolution of the Partnership and the winding up of its affairs.

The Transferee hereby ratifies and confirms all that the General Partner shall lawfully do or cause to be done by virtue of the foregoing power of attorney, agrees to be bound by any representation or action made or taken in good faith by the General Partner pursuant to the foregoing power of attorney in accordance with the terms hereof, and waives any and all defenses which may be available to contest, negate or disaffirm any action of the General Partner taken in good faith under such power of attorney.

This document shall be governed by and construed in accordance with the Laws of the State of Delaware.

☐	Check here if the Transferee's Registered Representative and Broker Dealer are the same as those of the Transferor. If not, please provide information with respect to Transferee's Registered Representative and Broker Dealer below. Registered Representative:_____ Broker Dealer:_____

For Transferees who are natural persons, please indicate how the Units are to be registered:

☐	**(a)**	**Separate or individual property**. *(A married Subscriber who resides in a community property state must submit written consent from his or her spouse to purchase Units using community funds.)*
☐	**(b)**	**Tenants in Common**. *(Both parties must sign this Declaration.)*
☐	**(c)**	**Joint Tenants with right of survivorship**. *(Both parties must sign this Declaration.)*
☐	**(d)**	**Husband and Wife Tenants by the Entirety**. *(Both parties must sign this Declaration.)*
☐	**(e)**	**Husband and Wife Community Property**. *(Community property states only. Both husband and wife must sign this Declaration.)*
☐	**(f)**	**Trust**. *(Include the name of trust, the name of trustee and the date on which the trust was formed. Please include a copy of the Trust documents.)*
☐	**(g)**	**Other** *(Describe and, if applicable, include a copy of entity governing documents)*:

[Signature Page Follows]

Please note: <u>All</u> Transferee signatures below must be Medallion Signature Guaranteed.

DATED this _____ day of _____, 20____.

Signature of Transferee	Signature of Joint Transferee, if any
Name of Transferee – Please Print	Name of Joint Transferee, if any – Please Print
Mailing Address of Transferee	Mailing Address of Joint Transferee, if different
Social Security or Taxpayer Identification Number of Transferee:	Social Security or Taxpayer Identification Number of Joint Transferee, if any:
MEDALLION SIGNATURE GUARANTEED BY:	**MEDALLION SIGNATURE GUARANTEED BY:**

EXHIBIT D TO MEMORANDUM

FORM OF CO-OWNERSHIP AGREEMENT

THIS **CO-OWNERSHIP AGREEMENT** (the "***Agreement***") is effective as of _____ ___, 2012, by and between **WALTON U.S. LAND FUND 3, LP**, a limited partnership formed pursuant to the laws of the State of Delaware (the "***Issuer***"), **WALTON [_____], LLC**, a limited liability company formed pursuant to the laws of the State [___] ("***Walton [___]***" or the "***Walton Acquisition Entity***") and **WALTON INTERNATIONAL GROUP (USA), INC.**, a corporation incorporated pursuant to the laws of the State of Arizona ("***Walton USA***").

RECITALS

1. The Issuer and Walton [___] are the registered owners of undivided interests in the Property, holding the respective Participating Interests (as defined below) set forth in **Schedule A** hereto, as such schedule may be amended from time to time.

2. The Parties have agreed to enter into this Agreement in order to record their respective rights and obligations in connection with the ownership, management and sale of the Property and the Owners' respective Participating Interests in the Property.

In consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

In this Agreement, unless the context otherwise requires, the following words or expressions shall have the following meanings:

"**Affiliate**" means a Person who controls, is controlled by or is under common control with the Person who is the object of the description;

"**Agreement**" means this Co-Ownership Agreement, including the Schedules to this Agreement, as amended or supplemented from time to time, and "herein", "hereby", "hereof", "hereunder", "hereto" and similar expressions mean or refer to this Agreement and not to any particular provision of this Agreement;

"**Business Day**" means a day which is not a Saturday, Sunday or a legal holiday in the City of [_____], [____];

"**Closing Date**" has the meaning ascribed thereto in Section 9.4;

"**Code**" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;

"**Concept Planning**" means, with respect to the Property, those preliminary development activities during its preliminary development phase, intended to protect the value of the Property and prepare the Property for physical development, such as one or more of the following without limitation: performing development feasibility assessments, preparing a conceptual master plan for the Property, seeking appropriate planning, land use and other regulatory approvals, formation of improvement districts, negotiating service agreements, and preparing and seeking approval of subdivision plats;

"**Deed of Trust**" means that deed of trust, security agreement, assignment of leases and rents and fixture filing by the Issuer in favor of Walton USA, in substantially the form attached as **Schedule A** to the Funding Agreement, which will be executed and delivered by the Issuer to Walton USA pursuant to the Funding Agreement and recorded by or on behalf of Walton USA against the Property in the Official Records of [_____] County, [____];

"**Encumbrance**" means any charge, claim, mortgage, servitude, easement, right of way, community or other marital property interest, covenant, equitable interest, license, lease or other possessory interest, lien, option, pledge, security interest, preference, priority, right of first refusal, restriction (other than any restriction on transferability imposed by federal or state securities laws) or other encumbrance of any kind or nature whatsoever (whether absolute or contingent);

"Escrow Agent" means First American Title Insurance Company, Attention: Alex De Hondol, 2425 East Camelback Road, Suite 300, Phoenix, Arizona 85016, Fax: 602-567-8170 or another escrow agent as may be substituted from time to time by the unanimous consent of the Owners;

"**Final Property Closing**" means the date of the Issuer's final acquisition of interests in the Property under the Private Placement;

"**Funding Agreement**" means the Funding Agreement to be entered between the Issuer and Walton USA, at the time of the first closing of the securities offering to be conducted by the Issuer, pursuant to which Walton USA will agree to fund certain expenses and costs of the Issuer;

"**Initial Property Closing**" means the date of the Issuer's first acquisition of interests in the Property under the Private Placement;

"**Owner**" means the Issuer or Walton [___] or such other parties who purchase interests in the Property from Walton [___], if any, and each of their respective permitted successors and assigns, and "**Owners**" means all of them and includes their permitted successors and assigns;

"**Participating Interest**", in respect of an Owner, means the proportionate ownership in the Property held by that Owner, as described in Section 4.1;

"**Party**" means a party to this Agreement;

"**Person**" means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any governmental authority and any fiduciary acting in that capacity on behalf of any of the foregoing;

"**Permitted Encumbrance**" means those Encumbrances set forth on Schedule B;

"**Prime Rate**" means the rate of interest called the "Prime Rate" as published from time to time by the *Wall Street Journal* in the "Money Rates" section;

"**Private Placement**" means the private placement securities offering to be conducted by the Issuer, pursuant to which it will raise capital to invest directly or indirectly in properties;

"**Private Placement Memorandum**" means the Confidential Private Placement Memorandum dated August 1, 2012, pursuant to which the Issuer will conduct the Private Placement;

"**Property**" means the property constituting approximately [_____] acres, more or less, of land located in [_____] County, [____], U.S.A., as more fully described on **Schedule B** hereto;

"**Property Assets**" means all rights, privileges and obligations appurtenant to the Property, and includes all of the Property, all money, bank accounts, personal property and property of every manner and description acquired in connection with the Property and management thereof;

"**Reserve**" has the meaning ascribed to it in the Private Placement Memorandum;

"**Special Consent**" means the approval of the Issuer; provided, that if there is a Subsequent Co-Owner, then Special Consent means the consent of two out of (i) the Issuer, (ii) Walton [___] or any transferee of Walton [___]'s interest in the Property under Section 8.2 of this Agreement a majority of the economic interests of which are owned by Walton USA or one of its Affiliates and (iii) the Subsequent Co-Owner; provided, that in the event the Subsequent Co-Owner is not an entity but is instead comprised of multiple individual purchasers, the approval of such purchasers holding 60% or more of the aggregate interests in the Property held by all such purchasers shall constitute the approval of the Subsequent Co-Owner as a single group.

"**Subsequent Co-Owner**" means any purchaser of interests in the Property under Section 8.2 of this Agreement unaffiliated with Walton USA or its Affiliates.

1.2 **Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.3 **Section References**

Unless the contrary intention appears, references in this Agreement to an Article or Section by number or letter or both refer to the Article or Section, respectively, bearing that designation in this Agreement.

1.4 **Number and Gender**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa; and words importing gender include all genders.

1.5 **Date for Actions**

In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 **Statutes**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations or other administrative authority promulgated thereunder from time to time in effect.

ARTICLE 2
PURPOSE AND TERM

2.1 **Purpose**

This Agreement is entered into by the Parties for the purpose of setting forth the terms and conditions pursuant to which the Owners will:

(a) hold the Property as an investment, and eventually sell or otherwise dispose of the Property;

(b) perform such other activities as may be incidental to or arise from the foregoing purposes as may be reasonably determined by the Issuer as manager of the Property, including without limitation participating in Concept Planning;

(c) own and sell their respective Participating Interests; and

(d) provide for the management of the Property and utilize funds for the benefit of the Owners for purposes of operating, managing and maintaining the Property.

2.2 **Term**

The term of this Agreement shall commence as and from the date first written above, and shall continue in force until all of the Property has been sold and all revenues have been distributed to the Owners in accordance with this Agreement.

ARTICLE 3
SCOPE OF THE INVESTMENT IN THE PROPERTY AND OWNERS' AUTHORITY

3.1 **No Partnership**

This Agreement shall not be construed as creating a partnership, joint venture or any other relationship between the Owners other than the relationship of joint owners as tenants in common with respect to the Property.

3.2 **Rights Several**

The Parties shall each hold their respective Participating Interest in the Property as tenants-in-common. All rights, duties, obligations and liabilities of the Owners hereunder shall be separate, individual and several and not joint or joint and several.

3.3 **Limit on Other Business**

Each of the Owners shall devote such time as may be required to fulfill any obligation assumed by it hereunder, but each of the Owners shall be at liberty to engage in any other business or activity outside the ownership and management of the Property.

3.4 **Limit on Authority to Act**

Except as otherwise expressly and specifically provided in this Agreement, no Owner shall have any authority to act for, or assume any obligation or responsibility on behalf of the other Owners or the Property and each of the Owners shall indemnify and save harmless the other Owners from any and all liability, obligation, claim or loss resulting from any unauthorized act of such Owner with respect to the Property or the management thereof.

3.5 **No Partition**

Except as otherwise provided herein or in any agreement contemplated herein or for the security proposed to be granted by the Issuer pursuant to the terms of the Funding Agreement, no Owner shall register against title to the Property or record in the Official Records of [_____] County, [____] any document, instrument or notice of its interest in the Property or any part thereof, other than the deed(s) by which such Party initially acquired its interest in the Property. The Parties acknowledge that partition of the Property may result in a forced sale by all of the Parties, and to avoid the inequity of a forced sale and the potential adverse effect on the value of the Property, the Parties agree that no Party shall file or acquiesce in the filing of any action for partition of the Property. The Parties hereto herby expressly waive any and all statutory or common law rights to partition.

3.6 **Limit on Right to Use and Occupy**

Irrespective of the laws applicable in the State [___], the Parties agree that no Party shall have the right to use, occupy, grant rights to, or engage in activities on the Property, except in accordance with this Agreement.

ARTICLE 4
PARTICIPATING INTERESTS

4.1 **Ownership**

Each of the Owners shall own as tenants in common, and as their separate property, an undivided interest in the Property and other Property Assets, in the proportions set forth in **Schedule A** hereto, as the same may be adjusted to reflect the sale of additional tenancy in common interests by Walton [___] to the Issuer at each closing in connection with the Private Placement. The tenancy in common interest held by each of the Owners constitutes and is referred to in this Agreement as their respective "Participating Interest" and all benefits, advantages, losses and liabilities derived from or incurred in respect of the Property Assets from time to time shall be borne by the Owners in proportion to their respective Participating Interests as at the time they were derived or incurred.

Notwithstanding the foregoing, reasonably promptly after the Final Property Closing, the Issuer will make a one-time payment to Walton [___] in such amount as will result in the Owners having paid all expenses associated with Concept Planning and with the ownership and maintenance of the Property incurred between the Initial Property Closing and the Final Property Closing in proportion to their ultimate respective ownership interests in the Property as of the Final Closing.

ARTICLE 5
MANAGEMENT OF THE PROPERTY

5.1 **Management of the Property**

The Issuer shall, subject to the provisions of this Agreement, manage the Property and make all decisions regarding the Property and the management thereof. No management decision regarding the Property may be made without the consent of the Issuer or the consent of an appointed sub-manager.

5.2 **Duties of the Issuer as Manager**

The Issuer covenants that it will exercise its powers and discharge its duties as manager of the Property under this Agreement in good faith, and in the best interests of the Owners, and that it will exercise the

care, diligence and skill of a reasonably prudent person. The Issuer will be entitled to retain advisors, experts and consultants, which may be Affiliates, to assist it in the exercise of its powers and the performance of its duties hereunder.

5.3 **Transactions involving Affiliates of the Issuer**

The validity of a transaction, agreement or payment involving the Property and the Issuer or one of its Affiliates is not affected by reason of the relationships between the Issuer and the Property, the Issuer and the Owners, or the Issuer and its Affiliates or by reason of the approval or lack thereof of the transaction, agreement or payment by the officers or directors of the Issuer or the Issuer's general partner, any or all of whom may be officers, directors, or employees of, or otherwise interested in or related to the Issuer's Affiliates. However, in the event any Affiliates of the Issuer are retained to provide services involving the Property for or on behalf of the Issuer, such services shall be provided to the Issuer on commercially reasonable terms under the then existing circumstances, as determined in good faith by the Issuer's general partner.

5.4 **Safekeeping of Property Assets**

The Issuer is responsible for the safekeeping and use of all of funds provided to it relating to the Property, and will not employ or permit another to employ the funds or assets relating to the Property except for the exclusive mutual benefit of the Owners.

5.5 **Powers of the Issuer as Manager of the Property**

Subject only to those powers which require consent of the Owners pursuant to Section 5.6, the Issuer shall have the power and authority to manage and control the Property and to do, or cause to be done, on behalf of and in the name of the Owners any and all acts necessary, convenient or incidental to the ownership and management of the Property without further approval of the Owners, including without limitation the power and authority:

(a) to apply for and obtain any and all necessary financing required to carry out the purposes of the Owners with respect to the ownership and management of the Property, and to grant such mortgages, deeds of trust, security interests and other encumbrances and charges on any other Property Assets as the Issuer may deem necessary or advisable in connection with such financing;

(b) to negotiate, enter into, execute and carry out agreements by or on behalf of the Owners involving matters or transactions that are necessary or appropriate for or incidental to, carrying on the affairs relating to the Property and the management thereof;

(c) to manage, lease, administer, conserve and dispose of (subject to the provisions of Section 5.6) the Property and any and all other Property Assets;

(d) to conclude agreements with third parties, including Affiliates of the Issuer, so that services may be rendered to the Owners, and to delegate to any such Person any power or authority of the Issuer hereunder where, in the discretion of the Issuer, it would be in the best interests of the Owners to do so (provided that such agreement or delegation will not relieve the Issuer of any of its obligations hereunder);

(e) to decide in its sole and entire discretion the time at which the Property Assets shall be distributed to the Owners and the amount of any such distribution;

(f) be solely responsible for representing the Property and the Owners in relation to the Property in all dealings with the Internal Revenue Service and any state, local and foreign tax authorities, and in conjunction with that representation to make any election, determination, application or designation relating to the Property on behalf of the Owners that may be made under the Code or any similar legislation of a state or other political subdivision of the United States or any and all applications for governmental grants or other incentives;

(g) to execute any and all deeds, documents and instruments and to do all acts as may be necessary or desirable in the opinion of the Issuer to carry out the intent and the purpose of this Agreement;

(h) to make any necessary withholdings and remittances of taxes in respect of allocations or distributions to the Owners; and

(i) to call the funds from the Owners to pay expenses on a pro-rata basis in proportion to such Owner's interests,

and the Issuer may contract with any Person, including an Affiliate of the Issuer, to carry out any of the duties of the Issuer and may delegate to such Person any power and authority of the Issuer hereunder, but no such contract or delegation shall relieve the Issuer of any of its duties or obligations hereunder as manager of the Property.

Each Owner hereby grants to the Issuer, its successors and assigns, a power of attorney constituting the Issuer, with full power of substitution, as the Owner's true and lawful attorney and agent, with full power and authority, in the Owner's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, and record or file, as the case may be, as and where required, any and all documents necessary to carry out the acts authorized by the Issuer pursuant to this Section 5.5.

5.6 **Fundamental Decisions**

Notwithstanding Section 5.5:

(a) the Owners agree that the following powers will only be exercisable upon the consent of Walton [___] and upon Special Consent:

(i) consenting to extend the investment activities relating to the Property beyond Concept Planning;

(ii) developing or participating in the development of the Property; and

(iii) permitting, creating or recording an Encumbrance other than a Permitted Encumbrance on or against the Property or the Owners' Participating Interests therein in favor of any Person other than:

(A) the security granted to Walton USA pursuant to the Deed of Trust;

(B) any encumbrance created by Walton [___] or one of its affiliates with respect to its undivided fractional interest in a Property; or

(C) the security permitted to be granted by an Owner to third parties, pursuant to the terms of the Funding Agreement, or any similar agreement between an Owner and Walton USA; and

(b) the Owners agree that the sale, transfer or other disposition (excluding third party leases) of all or a portion of the Property constituting, in the aggregate, over 10% of the aggregate acreage of the Property shall require approval as follows:

(i) if Walton [___] (or any transferee of Walton [___]'s interest in the Property under Section 8.2 of this Agreement) owns less than 50% of the interests in the Property, Special Consent; and

(ii) if Walton [___] (or any transferee of Walton [___]'s interest in the Property under Section 8.2 of this Agreement) owns 50% or more of the interests in the Property, the consent of Walton [___] (or such transferee) and Special Consent.

5.7 **Liability of the Issuer to the Owners**

Except for gross negligence, wilful misconduct or fraudulent acts, the Issuer shall not be liable to the Owners in connection with the performance of its duties as manager of the Property. If the Issuer or any Affiliate of the Issuer has retained a valuator, auditor, engineer or other expert or advisor or legal counsel with respect to any matter connected with the exercise of its powers, authorities or discretions or the carrying out of its duties as manager of the Property under this Agreement, the Issuer may act or refuse to act based on the reliance by the Issuer, in good faith, on advice of such expert, advisor or legal counsel and the Issuer shall not be liable for, and shall be fully protected from, any loss or liability occasioned by any action or refusal to act based on the reliance by the Issuer, in good faith, on advice of any such expert, advisor or legal counsel.

5.8 **Indemnification of Owners by the Issuer**

The Issuer shall and does hereby indemnify and hold harmless the Owners to the extent of each such Owner's Participating Interest from and against any and all actions, causes of action, suits, debts, costs, expenses, claims, demands or damages whatsoever (collectively, "**Indemnified Matters**") incurred or suffered by the Owners, as the case may be, as a result of a breach by the Issuer of its covenants as manager of the Property under this Agreement, or as a result of gross negligence, wilful misconduct or fraudulent act by the Issuer.

5.9 **Indemnification of the Issuer by Owners**

The Owners, severally, to the extent of each such Owner's Participating Interest shall and do hereby indemnify and hold harmless the Issuer from and against any and all Indemnified Matters incurred or suffered by the Issuer as a result of a breach by each such Owner of its covenants under this Agreement, or as a result of gross negligence, wilful misconduct or fraudulent act by each such Owner.

5.10 **Expenses**

The Owners shall bear all expenses (other than the Issuer's general office overhead for its own staff, personnel, furniture, and equipment used in respect of the performance of its obligations as manager of the Property hereunder) for the operation, management and maintenance of the Property, including the costs of Concept Planning, in proportion to their respective Participating Interests.

ARTICLE 6

ENGAGEMENT OF WALTON USA BY THE ISSUER

6.1 **Engagement of Walton USA**

Pursuant to Section 5.5 of this Agreement, the Issuer hereby engages Walton USA to perform, at the direction of the Issuer, the duties of the Issuer as manager of the Property, and to act as the Issuer's agent in such capacity. Such engagement does not relieve the Issuer of any of its duties or obligations hereunder as manager of the Property. Walton USA hereby accepts such engagement and agrees to keep the Issuer apprised of all actions relating to the management of the Property and to consult with the Issuer regularly and on all significant matters. Either the Issuer or Walton USA may terminate this engagement upon 30 days' written notice at any time, with or without cause (in which case this Agreement shall continue in full force and effect, other than this Section 6.1). Walton USA may contract with any Person, including an Affiliate of Walton USA, to carry out any of the duties of Walton USA hereunder and may delegate to such Person any power and authority of Walton USA, but no such contract or delegation shall relieve Walton USA of any of its duties or obligations hereunder.

6.2 **Transactions involving Affiliates of Walton USA**

The validity of a transaction, agreement or payment involving the Property and Walton USA or one of its Affiliates is not affected by reason of the relationships between Walton USA and the Property, Walton USA and the Issuer, or Walton USA and its other Affiliates or by reason of the approval or lack thereof of the transaction, agreement or payment by the directors or officers of Walton USA, any or all of whom may be officers, directors, or employees of, or otherwise interested in or related to its Affiliates; provided, however, that such transaction, agreement or payment shall be on commercially reasonable terms.

6.3 **Liability of Walton USA to the Owners**

Except for gross negligence, wilful misconduct or fraudulent acts, Walton USA shall not be liable to the Owners in connection with the performance of its engagement pursuant to this Article 6. If Walton USA or any Walton USA Affiliate has retained a valuator, auditor, engineer or other expert or advisor or legal counsel with respect to any matter connected with the exercise of its powers, authorities or discretions or the carrying out of its duties hereunder, Walton USA may act or refuse to act based on the reliance by Walton USA, in good faith, on advice of such expert, advisor or legal counsel and Walton USA shall not be liable for, and shall be fully protected from, any loss or liability occasioned by any action or refusal to act based on the reliance by Walton USA, in good faith, on advice of any such expert, advisor or legal counsel.

6.4 **Indemnification of the Owners by Walton USA**

Walton USA shall and does hereby indemnify and hold harmless the Owners to the extent of each such Owner's Participating Interest for, from and against any and all Indemnified Matters incurred or suffered by the

Owners, as the case may be, as a result of a breach by Walton USA of its covenants under this Article 6, or as a result of gross negligence, wilful misconduct or fraudulent act by Walton USA.

6.5 **Indemnification of Walton USA by the Owners**

The Owners, severally, to the extent of each such Owner's Participating Interest shall and do hereby indemnify and hold harmless Walton USA for, from and against any and all Indemnified Matters incurred or suffered by Walton USA as a result of a breach by each such Owner of its covenants under this Agreement, or as a result of gross negligence, wilful misconduct or fraudulent act by each such Owner.

6.6 **Fees and Expenses**

Walton USA shall not receive any payment for its services provided under this Article 6. However, in accordance with Section 5.10 and subject to the restrictions and provisions therein, the Owners shall bear all expenses of Walton USA (other than Walton USA's general office overhead for its own staff, personnel, furniture, and equipment used in respect of the performance of its obligations under this Article 6) incurred in connection with such engagement for the operation, management and maintenance of the Property, including the costs of Concept Planning, and the Issuer shall grant Walton USA the right of access to the Reserve to pay for the Issuer's pro-rata share thereof.

ARTICLE 7
ACCOUNTING AND DISTRIBUTIONS

7.1 **Books and Records**

The books and records related to the Property and the management thereof shall be maintained and kept at the offices of the Issuer in Scottsdale, Arizona.

7.2 **Examination of Accounts**

Each of the Owners shall have the right at all reasonable times during usual business hours to audit, examine and make copies of or extracts from the books of account, records and other documents or papers kept in connection with the Property. Such right may be exercised through any agent or employee of such Owner designated by it, or by a chartered accountant designated by such Owner. Such Owner shall bear all third party expenses incurred in any examination made for its account.

7.3 **Bank Accounts**

Funds paid towards or to be utilized in connection with the Property or the management thereof or paid to or to the account of the Property shall be deposited in an account or accounts of a type, in the form and name and in a financial institution approved by the Issuer.

7.4 **Distribution of Cash**

Subject to the terms hereof, the Issuer shall collect all income, rentals, receipts and revenues derived from the Property or relating to the Property Assets or paid by the Owners and shall pay, use and apply such revenues collected with respect to the Property in the following manner and descending order of priority:

(a) in payment of all proper operating costs and expenses incurred in connection with the Property (including any applicable taxes) and a reasonable reserve for working capital, as determined by the Issuer;

(b) in payment of interest and principal as and when due under any bank credit or financing of the Property; and

(c) the balance, if any, shall be distributed to the Owners in accordance with their respective Participating Interests.

For greater certainty, the income, rentals, receipts and revenues from the Property or with respect to a reserve referred to in (a) above with respect to the Property may be utilized by the Issuer, provided that only such income, rentals, receipts and revenues from the Property that are attributable to an Owner's Participating Interest in the Property will be used for the purposes of any such costs, expenses, taxes or other payments that are attributable to

such Owner's Participating Interest in the Property, and any such reserve so created will be dealt with in a similar manner.

7.5 **Holdbacks**

Notwithstanding anything to the contrary herein, the Issuer may hold back a sum sufficient to pay any costs and expenses (including deferred costs and prepaid expenses) which may fall due and become payable in connection with the operation and management of the Property prior to the next receipt of monies.

7.6 **Statements**

Revenues and expenditures of each Owner as owner of a Participating Interest shall be determined in accordance with applicable generally accepted accounting principles applied on a consistent basis from year to year. Each Owner shall separately compute its income from the Property, and shall separately claim any deductions, allowances and credits which it is entitled to claim in respect of its Participating Interest for the purpose of the Code.

7.7 **Audit and Auditors**

The financial statements relating to the Property shall be audited on an annual basis and the auditors in respect of the Property shall be selected by the Issuer.

ARTICLE 8
RESTRICTIONS ON TRANSFER

8.1 **Restriction on Transfer and Alternative Financing**

Except as otherwise expressly permitted in this Agreement and except:

(a) the security to be granted to Walton USA pursuant to the Deed of Trust, or

(b) the security permitted to be granted by an Owner to third parties, pursuant to the terms of the Funding Agreement, or any similar agreement between such Owner and Walton USA,

an Owner shall not mortgage or encumber or sell, transfer or otherwise dispose of the whole or any part of its Participating Interest to another person, firm or corporation without the prior written consent of the other Owners. Walton USA acknowledges that in circumstances where the Reserve has been depleted and where Walton USA has already met its funding commitment under the Funding Agreement, it may be necessary or advisable for the Issuer to obtain financing from a third party for the purposes of funding the expenses of the Issuer in relation to its operations and/or to fund the costs of Concept Planning and to grant security in relation to such financing. Notwithstanding any other term of this Agreement, Walton USA confirms that it will consent to any such secured financing up to an amount equal to the fair market value of the Issuer's interests in the Property at the time of such financing and to the registration of security against the Issuer's undivided interest in the Property in respect of such financing as a charge, lien or encumbrance provided that such financing is in accordance and compliance with the applicable provision of the Funding Agreement and such financing and security is on terms that are commercially reasonable to the Issuer in the reasonable judgment of Walton USA.

8.2 **Permitted Transfers**

Notwithstanding Section 8.1:

(a) an Owner may sell or transfer all, but not less than all, of its Participating Interest in the Property to any Affiliate of it if the Owner and the Affiliate enter into an agreement with the other Owners to the effect that:

(i) the Affiliate shall remain an Affiliate of such Owner so long as the Affiliate holds the Participating Interest;

(ii) prior to the Affiliate ceasing to be an Affiliate of such Owner, the Affiliate shall transfer its Participating Interest back to such Owner or to another Affiliate of such Owner provided that such other Affiliate enters into a similar agreement with the remaining Owners; and

(iii) the Affiliate will otherwise be bound by and have the benefit of the provisions of this Agreement.

(b) Walton [___] shall have the right to sell all or any portion of the interests in the Property not acquired by the Issuer, provided, that the purchase price per acre in connection with such sale or sales will not be less than the equivalent purchase price per acre at which the Issuer acquired its interest in the Property, and provided, further, that it shall be a condition to such sale or sales that each such purchaser of the interests in the Property (collectively, the "***Subsequent Co-Owner***") shall acknowledge and agree that upon consummation of such sale it will be an Owner under this Agreement, and shall agree to be bound by the terms of this Agreement in its capacity as an Owner hereunder. In the event the Subsequent Co-Owner is not an entity but is instead comprised of multiple individual purchasers, the approval of such purchasers holding 60% or more of the aggregate interests in the Property held by all such purchasers shall constitute the approval of the Subsequent Co-Owner as a single group.

8.3 **Transferor Remains Bound**

Any sale or transfer by an Owner pursuant to Section 8.2 shall not release that Owner from its obligations to reimburse Walton USA for any amounts Walton USA has expended hereunder on account of such Owner.

ARTICLE 9
BANKRUPTCY OR OTHER INVOLUNTARY TRANSFERS

9.1 **Option**

In the event of the bankruptcy, insolvency, winding-up or liquidation of an Owner or if a receiver is appointed in respect of the whole or substantially the whole of the assets of an Owner or in the event of a transfer, voluntary or involuntary, by an Owner of any part of its Participating Interest in the Property to any creditor in total or partial satisfaction of any debt, obligation, judgment or other liability (any trustee, liquidator or receiver of such Owner, or its assets, or any such creditor being hereinafter referred to as the "**Involuntary Transferee**" and the bankrupt or insolvent Owner, or the Owner whose Participating Interest or any part thereof passes to the Involuntary Transferee being hereinafter referred to as the "**Insolvent Owner**" and the other Owners being hereinafter referred to as the "**Solvent Owners**"), the Solvent Owners shall have the sole, exclusive and irrevocable option to purchase all but not less than all of the Insolvent Owner's Participating Interest in the Property from the Involuntary Transferee on a pro-rata and reiterative basis based upon the Solvent Owner's Participating Interests in the Property at the time of the Involuntary Transfer . The option shall be exercisable by the Solvent Owners within the later of:

(a) 90 days following the vesting or transfer of the such Participating Interest or any part thereof to the Involuntary Transferee; or

(b) 30 days following the determination of the Option Price provided for in Section 9.3;

provided that nothing in this Section 9.1 shall remove the obligation to obtain the consent required in Section 8.1 with respect to a voluntary transfer of a Participating Interest or any part thereof or interest therein.

9.2 **Exercise of Option**

The option shall be exercised by the Solvent Owners within the time provided in Section 9.1 by written notice to both the Insolvent Owner and the Involuntary Transferee. The written notice to the Insolvent Owner and the Involuntary Transferee and the written notice evidencing the exercise of the option together with this Agreement shall be deemed and construed to be a binding agreement of purchase and sale to be completed in the manner provided for in this Article 9. If the option is not exercised by the Solvent Owners by written notice within the time provided in Section 9.1, the option shall be null and void.

9.3 **Option Price**

The price of the Insolvent Owner's Participating Interest shall be the market value of the Insolvent Owner's Participating Interest as of the date of the vesting or transfer thereof to the Involuntary Transferee net of liability and net of any real estate or other sales commissions and any applicable taxes that would otherwise be payable (hereinafter referred to as the "**Option Price**"). Fair market value shall be determined by independent appraisal by an appraiser having been ordinarily engaged in the business of commercial real estate appraisal in the county in which the Property is located for a period of at least ten (10) years, which appraisal shall be final and binding upon the Owners. If the Owners cannot agree on the appointment of an independent appraiser, the appointment shall be determined by arbitration conducted in Maricopa County, Arizona, under the *Uniform*

Arbitration Act, A.R.S. § 12-1501, *et seq.*, or similar legislation then in effect, in accordance with the rules set forth in Section 11.2.

9.4 **Transfer**

If the Solvent Owners exercise the option as herein provided, the conveyance of the Insolvent Owner's Participating Interest to it by the Involuntary Transferee shall take place on the last day of the second month following the month in which the Solvent Owners exercises the option (the "**Closing Date**").

9.5 **Payment of Option Price**

The Option Price payable by a Solvent Owner shall be paid or satisfied as follows, subject to any applicable withholding taxes:

(a) an amount equal to ten (10%) percent of the Option Price shall be paid by the Solvent Owner to the Involuntary Transferee as a deposit by certified cheque and shall accompany such Solvent Owner's written notice electing to exercise the option;

(b) a further amount equal to ten (10%) percent of the Option Price shall be paid by Solvent Owner to the Involuntary Transferee by certified cheque on the Closing Date; and

(c) the balance of the Option Price (namely eighty (80%) percent of the Option Price) shall be paid to the Involuntary Transferee in four (4) equal annual instalments due and payable respectively on the first, second, third and fourth anniversaries of the Closing Date together with interest on the outstanding balance of the Option Price calculated and paid annually at the rate equal to Prime Rate. Interest payments shall be made concurrently with the annual instalments of the Option Price. The Owners agree that in addition to the Option Price, the Solvent Owner shall also assume in consideration of the conveyance to it of the Insolvent Owner's Participating Interest, the Insolvent Owner's proportionate share of the principal balance outstanding pursuant to any mortgage or other balance outstanding pursuant to any mortgage or other charge against the Property at the Closing Date. The Solvent Owner may, at its option, prepay all or any part of the balance of the Option Price at any time without notice, bonus or penalty.

ARTICLE 10
ADDITIONAL PROVISIONS RESPECTING SALES

10.1 **Power of Attorney**

If any Owner has properly exercised its rights to acquire a Participating Interest as provided for herein (such Owner being hereinafter referred to as the "**Purchaser**") and is not in default hereunder, and on the Closing Date the Owner who is selling its Participating Interest (hereinafter referred to as the "**Vendor**") shall neglect or refuse to complete the transaction, the Purchaser upon such default (without prejudice to any other right which it may have), upon payment by it of the purchase price required to be paid to the credit of the Vendor in a bank account established by the Issuer as manager of the Property or with the solicitors for the Purchaser, shall have the right to complete the transaction as aforesaid for and on behalf of and in the name of the Vendor, and the Vendor hereby irrevocably appoints the Purchaser the true and lawful attorney of the Vendor to complete the said transaction and execute any and all documents necessary in that behalf.

10.2 **Tender**

Notwithstanding any other provision of this Agreement, any tender of documents or funds by a Vendor or Purchaser under this Article 10 shall be sufficiently made upon the Vendor or Purchaser if delivered to the Escrow Agent.

10.3 **Novation**

Notwithstanding any other provision of this Agreement, it is agreed that no Owner shall sell, dispose of, transfer (voluntarily or involuntarily), or alienate its Participating Interest to any Person who is not already a party to this Agreement or bound hereby, unless such Person shall execute and deliver an appropriate instrument in writing in favour of the Owners whereby such Person shall agree to observe and be bound by all the provisions hereof as if that Person had been a party hereto in the first instance. Notwithstanding the foregoing, the failure of any Person

acquiring any Participating Interest to sign such an instrument shall not limit or restrict such Person's obligations to comply herewith, and this Agreement shall nevertheless be binding upon such Person as if such Person had in fact so signed.

10.4 **No Redemption**

Nothing contained in this Agreement shall be read or construed as a foreclosure giving rise to any equity of redemption, the same being hereby specifically negated.

ARTICLE 11
DISPUTE RESOLUTION

11.1 **Representative**

Each Owner shall name a "representative" who may be replaced at any time, to whom any disputes between the Owners shall be initially submitted.

11.2 **Dispute**

In the event of a dispute in respect of a matter hereunder which requires a decision of the Owners, the Owners irrevocably undertake to adopt the following procedures rather than seek recourse to the courts, save as herein expressly provided:

(a) The representatives shall in first instance use their best efforts to seek to resolve the dispute.

(b) If not resolved amicably within a 30-day period as from the date the claim has been notified by any Party to the others, the dispute or claim arising out of or in connection with this Agreement shall be finally settled by arbitration, in accordance with the Rules of the American Arbitration Association then in force (the "**Rules**") and the Parties hereby agree to be bound by such Rules. In such event, the Owners shall either agree to a single arbitrator or each name an arbitrator within 10 Business Days of a notice by either Owner the requesting the action. The arbitrator shall not have any relationship to the parties or interest in the Property. The arbitrator shall promptly commence the proceeding at the earliest convenient date in light of all of the facts and circumstances and shall conduct the proceeding without undue delay. The arbitrator may require one or more pre-hearing conferences. The parties shall be entitled only to limited discovery, consisting of the exchange between the parties of only the following: (i) witness lists; (ii) expert witness designations; (iii) expert witness reports; (iv) exhibits; (v) reports of testing or inspections of the Property subject to the dispute, including destructive or invasive testing; and (vi) trial briefs. Any other discovery may be permitted by the arbitrator upon a showing of good cause or shall be permitted based on the mutual agreement of the parties. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge. The arbitrator shall not have the power to award punitive or consequential damages. The arbitrator shall have the power to grant all other legal and equitable remedies and award compensatory damages as set forth in *Uniform Arbitration Act*, A.R.S. § 12-1501, *et seq*., or similar law governing enforcement of awards in a trial court as is applicable in the jurisdiction in which the enforcement is sought. The arbitration proceedings shall be conducted in the English language in Maricopa County, Arizona. The award shall be rendered in English. Documents and briefs exchanged between the Parties and witness auditions shall be submitted in the English language.

(c) Except for conservatory measures, none of the Parties shall be entitled to commence or maintain any action in a court of law upon any matter in dispute arising from or in relation to this Agreement except for the enforcement of an arbitral award granted pursuant to this Section 11.2. During the period of submission to arbitration and thereafter until the granting of the arbitral award, the Parties shall, except in the event of termination, continue to perform all their obligations under this Agreement without prejudice to a final adjustment in accordance with said award. No Party or the arbitrators may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the other Parties. The provisions contained in this Section 11.2 shall survive termination and/or expiration of this Agreement.

(d) The foregoing provisions shall not apply to any action by a Party hereto to obtain injunctive relief from any court having jurisdiction over such matter.

(e) BY ACCEPTANCE OF A DEED, OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE PROPERTY, OR BY ACQUIRING ANY PARTICIPATING INTEREST: EACH OWNER, FOR ITSELF AND ON BEHALF OF ITS HEIRS, REPRESENTATIVES, SUCCESSORS (BY MERGER, CONSOLIDATION OR OTHERWISE), TRANSFEREES AND ASSIGNS, AGREES TO HAVE ANY DISPUTE RELATED TO OR ARISING UNDER THIS AGREEMENT RESOLVED ACCORDING TO THE PROVISIONS OF THIS ARTICLE 11 AND WAIVES THE RIGHT TO PURSUE ANY SUCH DISPUTE IN ANY MANNER OTHER THAN AS PROVIDED IN THIS ARTICLE 11. FURTHER, EACH OWNER ACKNOWLEDGES THAT BY AGREEING TO RESOLVE ALL SUCH DISPUTES AS PROVIDED IN THIS ARTICLE 11, IT IS GIVING UP ITS RIGHT TO HAVE SUCH DISPUTES TRIED BEFORE A JURY, AND EACH OWNER HEREBY WAIVES AND VOLUNTARILY ACKNOWLEDGES THAT IT IS GIVING UP ITS RIGHT TO AN AWARD OF PUNITIVE AND CONSEQUENTIAL DAMAGES RELATING TO ANY SUCH DISPUTE AND THE RIGHT TO A TRIAL BEFORE A JURY RELATING TO ANY SUCH DISPUTE.

ARTICLE 12
WARRANTIES AND REPRESENTATIONS

12.1 **Warranties and Representations**

Each Owner represents and warrants to the other Owners that:

(a) it is duly incorporated or formed, as applicable, and is organized and validly subsisting under the laws of the jurisdiction of its incorporation or formation, as applicable, and is qualified to carry on business in the jurisdiction where it is carrying on business;

(b) it has full power and authority to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;

(c) neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated will conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party; and

(d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents.

ARTICLE 13
GENERAL PROVISIONS

13.1 **Notices**

Any notice or other instrument required or permitted to be given under this Agreement shall be in writing and may be given by delivery or by fax, or by hand or courier, or by recognized overnight carrier (such as Federal Express, UPS, DHL or similar) for next Business Day receipt to the Parties at the following addresses:

(a) if to the Issuer:

WALTON U.S. LAND FUND 3, LP
c/o Walton Land Management (USA), Inc.
4800 North Scottsdale Road, Ste. 4000
Scottsdale, Arizona 85251
United States of America
Attention: President
Fax No.: (602) 224-8933

(b) if to Walton [___]:

WALTON [_____], LLC
c/o Walton International Group, Inc.
4800 North Scottsdale Road, Ste. 4000

Scottsdale, Arizona 85251
United States of America
Attention: President
Fax No.: (602) 224-8933

(c) if to Walton USA:

WALTON INTERNATIONAL GROUP (USA), INC.
4800 North Scottsdale Road, Suite 4000
Scottsdale, Arizona 85251
United States of America
Attention: Chief Operating Officer
Fax No.: (602) 224-8933

Any notice, direction or instrument shall:

(i) if delivered by hand or courier, be deemed to have been given or made at the time of delivery with written receipt evidencing such delivery;

(ii) if sent by fax, be deemed to have been given or made on the first Business Day following the day on which it was sent with written receipt generating by the originating transmission device evidencing when and to whom sent; and

(iii) If sent by overnight carrier, be deemed to have been given or made when delivered to the addressee.

Any Party may give written notice of change of its address in the same manner, in which event that notice shall thereafter be given to it as above provided at that changed address.

13.2 **Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the State [___]. Subject to the provisions of Section 11.2, the Parties hereby submit to and attorn to the non-exclusive jurisdiction of the state and federal courts in the State [___]. The Parties hereby waive any claim that the state and federal courts in the State [___] are an inconvenient forum or, other than a claim based upon Section 11.2 would be an improper venue for actions arising out of or relating to this Agreement or the Property.

13.3 **Further Assurances**

The Parties shall do, or cause to be done, all such further acts and things, including the obtaining of any necessary approvals, and shall execute, or cause to be executed, all such further deeds, documents and instruments as may be reasonably necessary for the purpose of giving effect to the provisions of this Agreement.

13.4 **Amendments**

Neither this Agreement nor any provision hereof may be amended, waived, discharged, or terminated orally, but only by an instrument in writing signed by the Party against whom enforcement of the amendment, waiver, discharge, or termination is sought.

13.5 **Time of Essence**

Except in the case of *force majeure* (defined below), time is expressly declared to be of the essence of this Agreement in respect of all payments to be made hereunder and all covenants and agreements to be performed and fulfilled. "**Force Majeure**" means civil commotion, warlike operation, invasion, rebellion, hostilities, military or usurped power, sabotage, an act or acts of terrorism as determined by any of the governments of the United States of America or the State [___], governmental regulations or controls, or Acts of God.

13.6 **Entire Agreement**

This Agreement embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and undertakings whether oral or written relative to the subject matter hereof.

13.7 **No Waiver**

No consent or waiver, express or implied, by any Party to or of any breach or default by any other Party in the performance by the other of its obligations hereunder shall be deemed or construed to be consent or waiver to or of any other breach or default in the performance by such other Party of the same or of any other obligations of such Party hereunder. Failure on the part of any Party to complain of any act or failure to act on the part of any other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder.

13.8 **Severability**

If any covenant or obligation of any Party contained herein, or if any provision of this Agreement or its application to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such covenant or obligation to Persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected, and each provision and each covenant and obligation contained in this Agreement shall be separately valid and enforceable, to the fullest extent permitted by law or at equity.

13.9 **Parties In Interest**

This Agreement shall enure to the benefit of and be binding on the Parties and their respective nominees, successors and assigns.

13.10 **Counterparts; Facsimile Signatures**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original, but all of which taken together constitute one and the same instrument. Any Party may execute this Agreement by signing a counterpart of it. This Agreement may be executed by either Party by delivery of a facsimile or electronic signature, which signature will have the same force and effect as an original signature.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

WALTON U.S. LAND FUND 3, LP
By: WUSF 3 GP, LLC
Its General Partner
By: Walton Land Management (USA), Inc.
Its Manager

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

WALTON [_____]
By: Walton International Group, Inc.
Its Manager

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

WALTON INTERNATIONAL GROUP (USA), INC.

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

SCHEDULE A TO CO-OWNERSHIP AGREEMENT

PARTICIPATING INTERESTS

Effective as of _____, 201_____, the Parties' respective Participating Interests are as follows:

WALTON U.S. LAND FUND 3, LP	-- %
WALTON [_____]	-- %
Total:	100 %

SCHEDULE B TO CO-OWNERSHIP AGREEMENT

LEGAL DESCRIPTION OF THE PROPERTY AND ENCUMBRANCES

Walton
Investing on Solid Ground®

EXHIBIT E TO MEMORANDUM

WALTON U.S. LAND FUND 3, LP

SUBSCRIPTION AGREEMENT (UNITED STATES)

SECTION 1: INVESTMENT

Purchase of Walton U.S. Land Fund 3, LP at $10 per unit:

TOTAL INVESTED $ _____

NUMBER OF UNITS _____

Method of Payment: *(We do not accept starter, travelers, or third party checks)*

☐ **Check Enclosed** ☐ **Check sent separately** ☐ **Funds Wired**

NOTE: TOTAL AMOUNT INVESTED MUST REFLECT WHOLE, NOT FRACTIONAL, UNITS

Make Check Payable to: U.S. BANK, N.A. / WUSF 3 Escrow

SECTION 2: SUBSCRIBER INFORMATION (If an IRA, provide personal data for the IRA owner)

_____ ___/___/___

INVESTOR NAME (If Trust/Pension/Profit Sharing Plan or other, please provide complete title and date of Trust or Plan) **DATE OF BIRTH**

Social Security # or Tax ID# _____ Subscriber's Country of Citizenship _____

CO-INVESTOR NAME (if any) _____

Social Security # or Tax ID# _____ Co-investor Date of Birth ___/___/___

PHYSICAL ADDRESS – No P.O. Boxes - Required by Law

Address _____

City _____ State _____ Zip _____

MAILING ADDRESS – P.O. Boxes are Acceptable ☐ **Check if same as above**

Address _____

City _____ State _____ Zip _____

Home Telephone ___-___-___ Business Telephone ___-___-___

If the Subscriber is not a resident of the State included in the physical address above, or the Units were not offered to Subscriber in the State included in the physical address above, please check the below box and complete the following:

☐ The Subscriber is a resident of the State of _____ and the Units were offered to Subscriber in the State of _____

Walk away from unwanted mail. Worry less about your carbon footprint.
Take a step in the right direction by providing Walton your email address to use for future correspondence.

Email _____ ***For investment updates only; we will not share this information.***

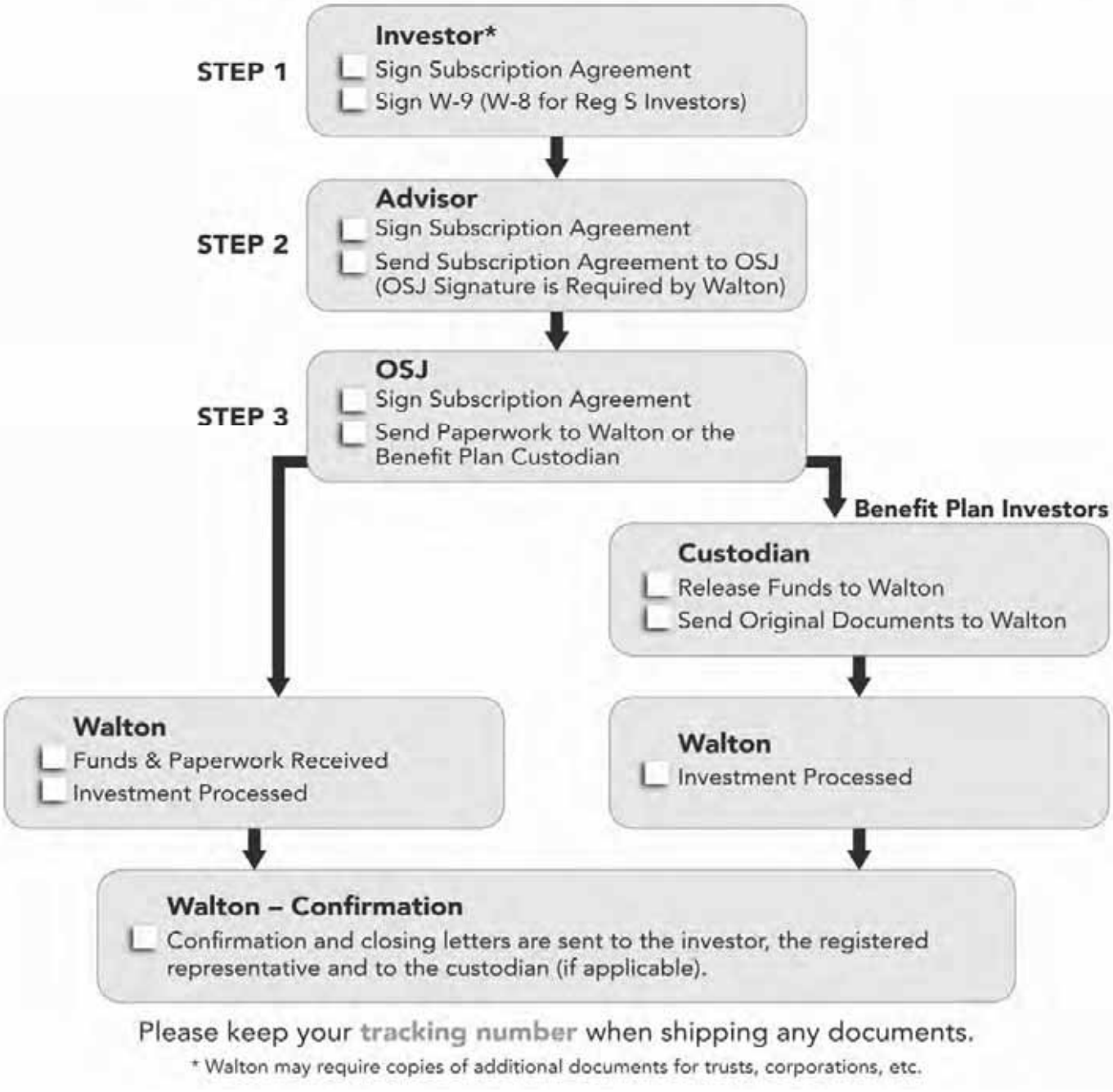
Mailing Address:	Wire Instructions:
Walton U.S. Land Fund 3, LP 4800 North Scottsdale Road, Suite 4000 Scottsdale, Arizona 85251 1-800-959-6048	U.S. BANK, ABA #091000022 60 Livingston Ave St. Paul, MN 55107 U.S. BANK A/C# 180121167365 Ref: Walton US Land Fund 3 164015000 Attn: Michelle Knutson 602-257-5438

Walton
Investing on Solid Ground®

Checklist for Submitting a Walton Investment

FOR BENEFIT PLAN INVESTMENTS ONLY: Advisor must Fax Subscription Documents to Walton Subscription Services at **480-505-3694** for Walton's records before sending to OSJ Manager

Please check with your Broker-Dealer as they may require additional forms to be signed by the investor for alternative investments.



Please keep your **tracking number** when shipping any documents.

* Walton may require copies of additional documents for trusts, corporations, etc.

SECTION 3: TYPE OF OWNERSHIP *(check the appropriate box and include any required supporting documents)*

a ☐	**IRA/Benefit Plan Investor** (Includes IRAs, Pension or Profit Sharing Plans and 401(k)s, and other entities that hold "plan assets"), as defined under §3(42) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") *(Include Plan Documents. For IRA Subscribers, provide custodian and account information and custodian signature).*
b ☐	**Separate or Individual Property**. *(A married Subscriber who resides in a community property state must submit written consent from his or her spouse to purchase Units using community funds. Please complete spousal consent form.)*
c ☐	**Tenants in Common**. *(Both parties must sign all required documents)*
d ☐	**Joint Tenants with right of survivorship**. *(Both parties must sign all required documents)*
e ☐	**Husband and Wife Tenants by the Entirety**. *(Both husband and wife must sign all required documents)*
f ☐	**Husband and Wife Community Property**. *(Community property states only. All parties must sign)*
g ☐	**Trust** ☐ Revocable ☐ Irrevocable *(Include Trust Documents)*
h ☐	**LLC, Corporation, or Partnership** *(Include Governing Documents)* Was the entity formed for the purpose of investing in the Issuer? ☐ YES ☐ NO

☐ **TOD REGISTRATION – optional** (*Applies to (a)–(e) above. Please complete separate Transfer on Death form, must be medallion stamped).*

SECTION 4: ACCREDITED INVESTORS *(Check the appropriate box)*

a ☐	**The Subscriber is an "individual retirement account" ("IRA")** under Section 408(a) of the Code, owned by and for the benefit of an "accredited investor" pursuant to or within the meaning of this Section 4.
b ☐	**The Subscriber is a natural person whose individual net worth, or joint net worth** with the Subscriber's spouse, at the time of the Subscriber's purchase exceeds $1,000,000, excluding the value of the person's primary residence, and (i) subtracting the amount of indebtedness secured by such primary residence ("***primary residence mortgage debt***") in excess of its value, and (ii) subtracting the amount of any primary residence mortgage debt incurred in the 60 days prior to the date of this Agreement (unless incurred in connection with the purchase of the primary residence).
c ☐	**The Subscriber is a natural person** who had an **individual income** in excess of $200,000 in each of the two most recent years or joint income with the Subscriber's spouse in excess of $300,000 in each of those two years and has a reasonable expectation of reaching the same income level in the current year.
d ☐	**The Subscriber is a Trust:** *(please specify and include Trust Documents)* ☐ **a Trust with total assets in excess of $5,000,000,** not formed for the specific purpose of acquiring the Units, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act); ☐ **a Revocable Trust** in which the grantors of the revocable trust are accredited investors under this Section 4; ☐ **an Irrevocable Trust** that does not have assets in excess of $5,000,000, but a bank or other financial institution serves as its trustee; *OR* ☐ **an Irrevocable Trust** that does not have assets in excess of $5,000,000, but the Trust is considered a **"Grantor Trust"** under any of §671 to §678 of the Internal Revenue Code.
e ☐	**The Subscriber is a self-directed plan** (e.g. 401(k) plan or profit sharing plan in which participants direct their own investments within the plan) investing on behalf of a participant that is an "accredited investor" pursuant to or within the meaning of this Section 4.
f ☐	**The Subscriber is an employee benefit plan** as defined in ERISA, and the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment advisor, or if the employee benefit plan has total assets in excess of $5,000,000.
g ☐	**The Subscriber is an entity in which all of the equity owners are "accredited investors"** pursuant to or within the meaning of this Section 4.
h ☐	**The Subscriber is a corporation, partnership, limited liability company, Massachusetts or similar business trust, entity described under 501(c)(3) of the Internal Revenue Code of 1986**, **or a plan established and maintained by a state or its political subdivisions for the benefit of its employees**, not formed for the specific purpose of acquiring the Units, with total assets in excess of $5,000,000.
i ☐	**The Subscriber is one of the following:** *(please specify)* ☐ **a bank** as defined in Section 3(a)(2) of the Securities Act, or **a savings and loan association** as defined in Section 3(a)(5)(A) of the Securities Act, acting in its individual or fiduciary capacity; ☐ **a broker or dealer** registered under Section 15 of the Securities Exchange Act of 1934, as amended; ☐ **an insurance company** as defined in Section 2 (a)(13) of the Securities Act; ☐ **an investment company** registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"); ☐ **a business development company** as defined in section 2(a)(48) of the Investment Company Act; ☐ **a Small Business Investment Company** licensed by the U. S. Small Business Administration under Section 301 (c) or (d) of the Small Business Investment Act of 1958, as amended; or ☐ **a private business development company** as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

READ TERMS AND CONDITIONS AND **COMPLETE BOTH SIGNATURE PAGES AND W9**

Subscription Agreement Terms and Conditions

This Subscription Agreement (this "*Agreement*") relates to the offering (the "*Offering*") of units (the "*Units*") in Walton U.S. Land Fund 3, LP, a Delaware limited partnership (the "*Issuer*"). By signing this Agreement, the undersigned subscriber (the "*Subscriber*") confirms acceptance of the Issuer's offer of Units on the terms and conditions set out in the Confidential Private Placement Memorandum dated August 1, 2012 (the "*Memorandum*"). Terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Memorandum.

The Subscriber represents and warrants that the Subscriber has examined the suitability of investment in the Units for the Subscriber's own needs, investment objectives and financial capabilities, and has made an independent investigation and decision as to suitability and as to the risk and potential gain involved in the investment. Also, the Subscriber represents and warrants that the Subscriber has had the opportunity to consult his, her or its attorneys, accountants, financial consultants or other business or tax advisors regarding the risks and merits of the proposed purchase of Units.

The Subscriber represents and warrants to, and agrees with, the Issuer, WUSF 3 GP, LLC, a Delaware limited liability company and the general partner of the Issuer (the "*General Partner*"), and Walton Securities, Inc., the placement agent for the Offering (the "*Placement Agent*"), as follows:

1. The Subscriber has received, read and fully understands the Memorandum and the exhibits to the Memorandum. The Subscriber recognizes that an investment in Units involves substantial risk and is fully cognizant of and understands all of the risk factors related to the purchase of Units, including those risks in the section of the Memorandum entitled "Risk Factors". The Subscriber meets the criteria set forth in the section of the Memorandum entitled "Who May Invest".

2. Subject to the terms and conditions of this Agreement, the Subscriber irrevocably subscribes for and agrees to purchase the Units at the price set forth on the cover page of the Memorandum and agrees to be admitted as a limited partner of the Issuer and to be bound by all of the terms and conditions of the Partnership Agreement applicable to limited partners. Together with this Agreement, the Subscriber is delivering a check, official bank, or wire transfer in the amount of the aggregate subscription price. The Subscriber is purchasing the Units for its own account, and not with a view to, or for resale in connection with, any distribution in violation of the Securities Act, and no one other than the Subscriber will have any interest in, or any right to acquire, all or any part of the Units or have any interest in this subscription.

3. The Subscriber acknowledges that this Agreement will not be binding against the Issuer until accepted and executed by the Issuer. The General Partner, in its sole discretion, on behalf of the Issuer, reserves the right to accept or reject this subscription or any other subscription for Units, in whole or in part, for any reason at any time, and that the subscription proceeds paid under this Agreement will be promptly deposited in escrow and held in escrow until accepted or rejected by the Issuer. If this subscription is rejected, the Issuer will promptly return to the Subscriber this executed Agreement and related documents, together with the purchase price (or the applicable part of the purchase price) paid by the Subscriber for the Units, without deduction and with a pro rata portion of any interest or earnings accrued on the aggregate of all escrowed subscription funds, and this Agreement shall have no further force or effect to that extent. The Subscriber agrees that if this subscription is accepted, any interest or earnings accrued or paid on the subscription proceeds while in escrow belong to the Issuer.

4. If the Subscriber is a Benefit Plan Investor then the Subscriber agrees to promptly notify the General Partner if its status as a Benefit Plan Investor changes.

5. If the Subscriber has indicated above that it is a Benefit Plan Investor, it represents and acknowledges that (i) it has been informed of and understands the Issuer's investment objectives, policies and strategies, (ii) the decision to invest in the Units has been made with appropriate consideration of all relevant investment factors applicable to the Subscriber, (iii) the decision to invest in the Units is consistent with the duties and responsibilities imposed upon the Subscriber, including fiduciary duties, under ERISA or other applicable law and the terms of the Benefit Plan, and (iv) the investment in the Issuer does not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. If the Subscriber is an employee benefit plan or IRA that will be obligated to make "required minimum distributions" to plan participants or owners beginning at age 70½ (or as otherwise required by law), the employee benefit plan or IRA has sufficient assets to make any such required minimum distributions without taking into account the funds it is investing in the Issuer. If the Subscriber is an insurance company investing in the Issuer with its general account assets or any entity whose underlying assets include "plan assets" by reason of a plan's investment in such entity, the Subscriber agrees to inform the General Partner of the percentage of its investment that constitutes "plan assets" as defined under ERISA.

6. Power of Attorney. For the Units to be acquired by Subscriber by this Agreement, Subscriber hereby irrevocably constitutes and appoints the General Partner the true and lawful attorney-in-fact of Subscriber in Subscriber's name, place and stead (a) to make, execute, acknowledge, deliver and file any of the following documents: (i) the Partnership Agreement and all documents permitted to be executed thereunder, and (ii) to the extent consistent with the provisions of the Partnership Agreement: (A) all amendments or restatements of the Partnership Agreement adopted in accordance with its provisions and (B) all documents that may be required to effect the dissolution and winding up of the Issuer under the Partnership Agreement and the cancellation of the Certificate of Limited Partnership, and (b) to take any such other action as may be necessary in connection with any aspect of the operations and activities of the Issuer by giving the General Partner full power and authority to do and perform each and every act and thing whatever required and necessary to be done in and about the foregoing as fully as the undersigned might or could do if personally present, and hereby ratifies and confirms all that the General Partner shall lawfully do or cause to be done by virtue thereof. This power of attorney is coupled with an interest, is irrevocable and shall survive and be unaffected by any subsequent disability or incapacity of Subscriber or, if Subscriber is not a natural person, the dissolution or termination of Subscriber.

7. The Subscriber agrees to indemnify and hold harmless the Issuer, the General Partner, the Placement Agent and each limited partner, member, shareholder, officer, director, employee and agent of the Issuer, the General Partner and the Placement Agent and any person who controls the Issuer, the General Partner or the Placement Agent as defined in Section 15 of the Securities Act, against any loss, liability, claim, damage, cost and expense whatsoever (including any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false or incorrect representation, warranty or acknowledgment of the Subscriber or any failure by the Subscriber to comply with any covenant or agreement, made by the Subscriber in this Agreement or in any other document furnished by the Subscriber to any of the foregoing persons in connection with this subscription or the sale to it of all or part of the Units.

8. All of the information that the Subscriber has furnished to the Issuer and the Placement Agent in connection with executing this Agreement or which is included in this Agreement is correct and complete as of the date of this Agreement or, if provided thereafter, as of that later date and will be true and correct on the date that the Units are issued to the Subscriber and will continue to be true, correct and complete thereafter. If there should be any material change to that information, the Subscriber will immediately furnish revised or corrected information to the Issuer, the General Partner and the Placement Agent.

9. The Subscriber agrees to hold the Memorandum and its exhibits in confidence. The Memorandum is strictly for the Subscriber's use and is not to be redistributed or reduplicated by the Subscriber. This Agreement supersedes any previous subscription agreement executed by or on behalf of the Subscriber relating to Units in the Issuer, and any such previous agreement is rescinded and is of no further force and effect. The Subscriber understands that this Agreement and the Partnership Agreement constitute the entire agreement between the parties thereto with respect to the subject matter thereof, that there are no representations, covenants or other agreements related to the subject matter thereof except as stated or referred to in this Agreement and the Partnership Agreement, and that this Agreement may be amended or terminated only by a writing executed by both parties. This Agreement shall be enforced, governed and construed in all respects in accordance with the laws of the State of Arizona and venue for any litigation arising out of, under, or in connection with this Agreement shall lie in the state courts having jurisdiction over such matters located in Arizona.

10. The Subscriber acknowledges and agrees to the following: U.S. Bank National Association is acting only as an escrow agent in connection with the Offering described herein, and has not endorsed, recommended or guaranteed the purchase, value or repayment of the Units.

INVESTOR AND CUSTODIAN SIGNATURE PAGE

The undersigned hereby represents, agrees and certifies that (1) the undersigned has carefully read and understands the Memorandum, Subscription Agreement and Partnership Agreement, and (2) the execution of this signature page constitutes the execution of, and agreement to be bound by all the provisions of, the Subscription Agreement and the Partnership Agreement. **This page will serve as counterpart signature pages to the Subscription Agreement and the Partnership Agreement**.

For Subscribers who are INDIVIDUALS
(Including IRA owners)

SIGNATURE _____ / ___ / _____ **DATE**

Print Name _____

SIGNATURE (for Joint Subscriber, if any) _____ / ___ / _____ **DATE**
If community property State, both signatures required

Print Name _____

For Subscribers that are ENTITIES
(Including corporations, partnerships, limited liability companies and trusts)

*** The undersigned warrants that he/she has full power and authority to execute this Agreement on behalf of the named entity, and an investment by such entity in the Units offered pursuant to the Offering is not prohibited by the governing documents of the entity or by any law applicable to such entity.**

Entity Name _____

Date of Formation: ___ / ___ / _____

SIGNATURE* _____ / ___ / _____ **DATE**

Entity Address *(If different from Section 1)* _____

Print Name _____

City: _____ State _____ Zip _____

Title _____

Phone _____ - _____ - _____

For CUSTODIANS
(Including authorized fiduciaries of BENEFIT PLAN INVESTORS and IRA Custodians)

*** The undersigned warrants that he/she has full power and authority to execute this Agreement on behalf of the named Plan/IRA, and an investment by such Plan/IRA in the Units offered pursuant to the Offering is not prohibited by the governing documents of the Plan/IRA or by any law applicable to such Plan/IRA.**

Plan/IRA Name _____

SIGNATURE 1* _____ / ___ / _____ **DATE**

Print Name _____

Title _____

Custodian Address _____

City _____ State _____ Zip _____

Custodian Phone: _____ - _____ - _____

For Custodian Use – Affix Medallion Signature Stamp Here

Account # (If Applicable) _____

REGISTERED REPRESENTATIVE AND OSJ SIGNATURE PAGE

CERTIFICATE OF REGISTERED REPRESENTATIVE

The undersigned registered representative of the Broker-Dealer set forth below hereby certifies that it has procured this subscription and that it is familiar with the Subscriber named above and it has determined that the Subscriber meets the requirements set forth under the caption "Who May Invest?" in the Memorandum. **The undersigned warrants that: (i) he/she has performed a suitability analysis, in accordance with applicable FINRA rules with respect to an investment in the Units by the Subscriber in light of the Subscriber's needs, investment objectives and financial capabilities, and (ii) he/she has apprised the Subscriber of the risks of an investment in the Units as set forth in the Memorandum, and particularly the risks of time and illiquidity.**

☐ Check here if the Registered Representative is the Investor identified in Section 2 of the Subscription Agreement.

Registered Representative certifies he/she is licensed in the state of _____ where the customer resides.

_____
Print Name of Registered Representative

_____
Registered Representative Address

_____ _____/___/_____
SIGNATURE REGISTERED REPRESENTATIVE **DATE**

City: _____ State _____ Zip _____

Phone: _____-_____-_____

Email: _____

****IMPORTANT****

- OSJ SIGNATURE REQUIRED
- CHECK MADE OUT TO U.S. BANK, N.A. / WUSF 3 ESCROW
- MUST INCLUDE W-9

OSJ and BROKER – DEALER INFORMATION

_____
Print Name of OSJ Manager or Registered Principal *

_____
Print Name of Brokerage Firm

_____/___/_____
OSJ SIGNATURE or Registered Principal **DATE**

**NOTE:* OSJ MUST BE DIFFERENT THAN REGISTERED REPRESENTATIVE

OSJ INFORMATION AND SIGNATURE REQUIRED

FOR WALTON USE ONLY

Subscription accepted by the Issuer:

Date: _____

Walton U.S. Land Fund 3, LP

By: WUSF 3 GP, LLC,
Its General Partner
By: Walton Land Management (USA), Inc.
Its Manager

By: _____

Name: _____

Title: _____

SUBSTITUTE FORM W-9 – TO BE COMPLETED BY ALL SUBSCRIBERS

NOTE: *FOR JOINT SUBSCRIBERS, PLEASE RETURN A COMPLETED W-9 FOR EACH SUBSCRIBER; FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFERING.*

PART I — CERTIFICATION. Under penalties of perjury, I certify that:

(1) The number set forth in the attached Subscription Agreement is my current taxpayer identification number (or I am waiting for a number to be issued to me), (2) I am not subject to backup withholding because (A) I am exempt from backup withholding, (B) I have not been notified by the Internal Revenue Service (the "***IRS***") that I am subject to backup withholding as a result of failure to report all interest or dividends, or (C) the IRS has notified me that I am no longer subject to backup withholding and (3) I am a U.S. person (including a U.S. resident alien).

Certification instructions -- You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you are subject to backup withholding you receive another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).

Social Security Number _____ OR Employer Identification Number _____

SIGNATURE _____ DATE _____

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

Complete this PART II certificate ONLY if you are awaiting a Taxpayer Identification Number:

PART II – CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number, a portion of all reportable payments made to me will be withheld.

SIGNATURE _____ DATE _____

Copy No.: _____ To: _____

FIRST SUPPLEMENT, DATED OCTOBER 31, 2012,
TO CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

WALTON U.S. LAND FUND 3, LP

a Delaware limited partnership
Up to 5,000,000 Class A Units
at $10.00 per Unit

Walton U.S. Land Fund 3, LP (the "***Issuer***") is offering up to 5,000,000 (which may be increased to, but not exceed 10,000,000) of its Class A limited partnership interest units (the "***Units***") to eligible investors at $10.00 per Unit (the "***Offering***") pursuant to the terms of that certain Confidential Private Placement Memorandum, dated August 1, 2012 (the "***Memorandum***"). The Units are being offered on a best-efforts basis on behalf of the Issuer through broker-dealers registered with the Financial Industry Regulatory Authority, Inc. who may be selected by us and by any other agents or sub-agents as we may appoint. All capitalized terms in this First Supplement not otherwise defined herein have the meanings given to them in the Memorandum, and all references to the Memorandum shall mean the Memorandum as supplemented or amended, including by this First Supplement.

Investment in the Units will be subject to numerous risks. See "***Risk Factors***" in the Memorandum. The Units are not and will not be listed for trading or quoted on any securities market and will be subject to restrictions on resale and transfer. See "***Restrictions on Transfer and Resale of Notes and Units***" in the Memorandum.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Units or passed upon the adequacy or accuracy of the Memorandum or this First Supplement. Any representation to the contrary is a criminal offense.

THE INFORMATION CONTAINED IN THE MEMORANDUM, INCLUDING THIS FIRST SUPPLEMENT, IS INTENDED ONLY FOR THE PERSONS TO WHOM IT IS TRANSMITTED FOR THE PURPOSES OF EVALUATING THE UNITS OFFERED IN THE OFFERING. PROSPECTIVE INVESTORS SHOULD ONLY RELY ON THE INFORMATION IN THE MEMORANDUM AS MAY BE SUPPLEMENTED OR AMENDED, INCLUDING BY THIS FIRST SUPPLEMENT. NO PERSONS ARE AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN RESPECT OF THE ISSUER OR THE SECURITIES OFFERED IN THE MEMORANDUM AS SUPPLEMENTED BY THIS FIRST SUPPLEMENT AND ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

THE MEMORANDUM IS HEREBY SUPPLEMENTED AS FOLLOWS:

1. STATUS OF THE OFFERING. As of the date of this First Supplement, there have been no closings of the Offering, and accordingly the Issuer has not yet acquired any interest in any Properties.

2. THE RIVER PARK, REDWOOD MEADOWS AND DOBSON CREEK PROPERTIES. The General Partner has identified three properties as potential suitable investments for the Issuer. The Memorandum is hereby supplemented to include the following information about these potential investments:

The River Park Property

One potential suitable investment for the Issuer consists of approximately 144 acres of undeveloped land located 12 miles northwest of Uptown Charlotte in the City of Mount Holly in Gaston County, North Carolina (the "***River Park Property***"). The River Park Property is approximately 4 miles outside of the Outer Beltway, or Interstate 485 ("***I-485***") and has direct access onto North Carolina Highway 273 - called Main Street within Mt.

Holly municipal limits. Highway 273 connects to Highway 27 one mile to the south, which then connects directly to Uptown Charlotte. Additionally, the River Park Property is located approximately:

- 4 miles from Interstate 485/Charlotte Outer Loop
- 5 miles from State Route 16
- 11 miles from Charlotte Douglas International Airport
- 13 miles from Uptown Charlotte
- 14 miles from the City of Gastonia
- 23 miles from UNC Charlotte
- 27 miles from Charlotte Motor Speedway

The River Park Property consists of the undeveloped portion of an existing subdivision that also includes 60 recorded, finished single-family lots and an amenity center featuring a pool, clubhouse and associated infrastructure. The amenity center is owned and operated by the River Park HOA. Of the 60 lots (none of which are included in the River Park Property), two builders have constructed houses on 32 lots.

The River Park Property

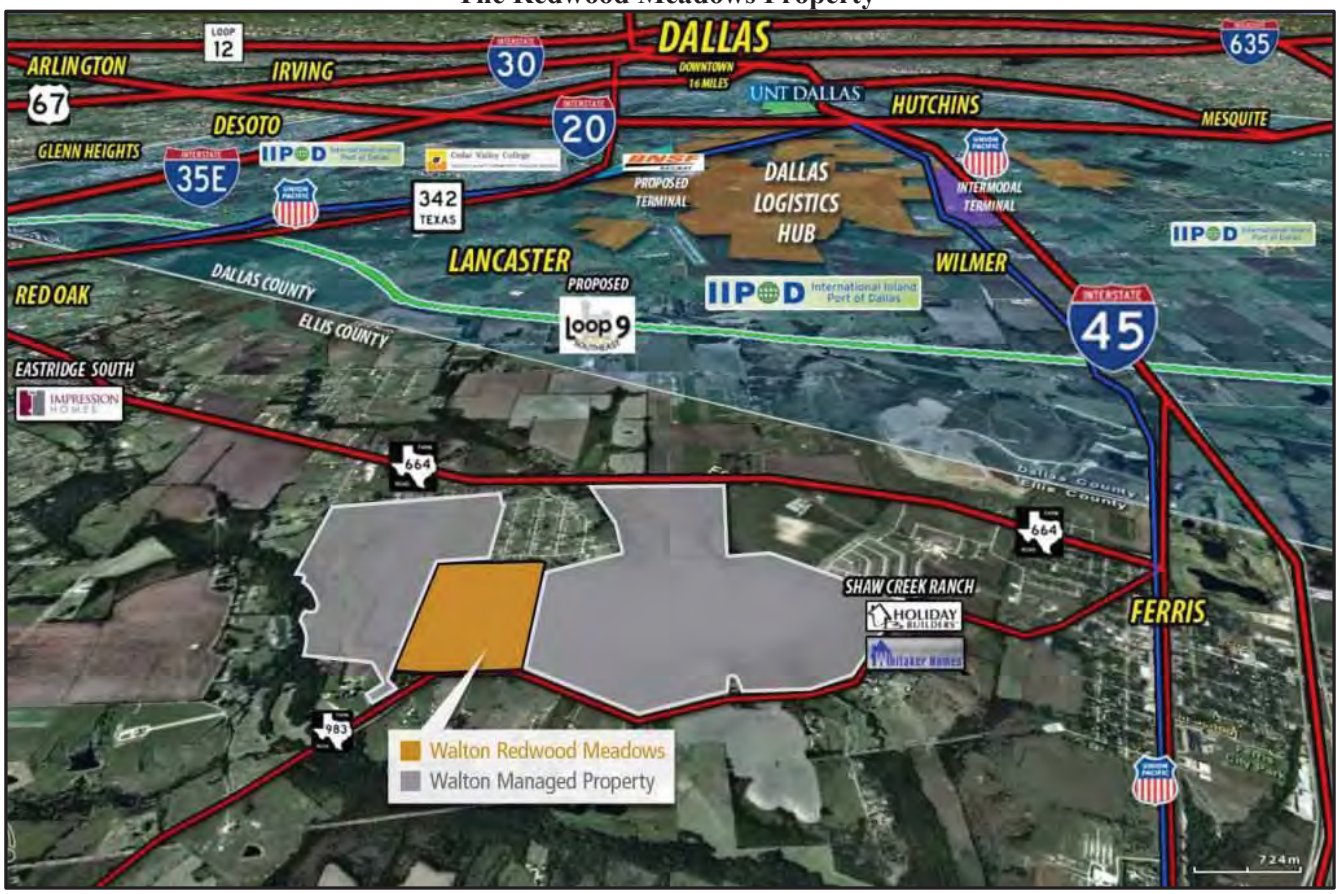
Aerial photo of the River Park Property and surrounding area

On June 4, 2012, Walton North Carolina, LLC, a North Carolina limited liability company and subsidiary of Walton USA ("***Walton NC***"), acquired from the seller the River Park Property for $1,000,000, or $6,945 per acre, and the 28 finished lots for $600,000, for an aggregate purchase price of $1,600,000. The Issuer intends to acquire from Walton NC an Interest in the River Park Property, which includes only the undeveloped portion. The acquisition of an Interest in the River Park Property by the Issuer is subject to a number of conditions, including, without limitation, the number of Units sold in this Offering. In the event the Issuer acquires an Interest in the River Park Property, Walton NC will retain the remaining interest, with a minimum of 5%.

The Redwood Meadows Property

Another potential suitable investment for the Issuer consists of approximately 105 acres of undeveloped land located adjacent to the city limits of Ferris, approximately 21 miles south of downtown Dallas in Ellis County, Texas (the "***Redwood Meadows Property***"). The Redwood Meadows Property is strategically located between two major interstate highways: 2.3 miles west of Interstate 45 ("***I-45***") and 7 miles east of Interstate 35 ("***I-35***"). Additionally, the Redwood Meadows Property is in close proximity to multiple employment centers, including downtown Dallas, the 4,300 acre Dallas Logistic Hub (5 miles north), and the Union Pacific Rail Intermodal Terminal (5 miles north). The Redwood Meadows Property is intended to be planned primarily for single-family residential development.

The Redwood Meadows Property



Aerial photo of the Redwood Meadows Property and surrounding area

On September 27, 2012, Walton Texas, LP, a Texas limited partnership and subsidiary of Walton USA ("***Walton TX***"), acquired the Redwood Meadows Property from the seller for an aggregate purchase price of $1,443,750, or $13,750 per acre. The acquisition of an Interest in the Redwood Meadows Property by the Issuer is subject to a number of conditions, including, without limitation, the number of Units sold in this Offering. In the event the Issuer acquires an Interest in the Redwood Meadows Property, Walton TX will retain the remaining interest, with a minimum of 5%.

The Dobson Creek Property

Another potential suitable investment for the Issuer consists of two parcels constituting approximately 623 acres of undeveloped, partially entitled land located in south Prince George's County, Maryland, within a 30-minute drive to central Washington D.C. and other major employment centers (the "***Dobson Creek Property***"). The Dobson Creek Property has frontage on U.S. Highway 301 ("***US 301***") and is roughly six miles east of Maryland Route 210 ("***MD 210***"). Both of these arteries lead to the Capital Beltway ("***I-495***" or the "***Beltway***") and into the District of Columbia which is approximately 20 miles to the north. The Dobson Creek Property is intended to be planned primarily as a mixed-use development with retail, office, apartments and higher density residential units.

The Dobson Creek Property

Aerial photo of the Dobson Creek Property and surrounding area

Walton Maryland, LLC, a Maryland limited liability company and subsidiary of Walton USA ("***Walton MD***"), has the option to acquire the Dobson Creek Property from the seller on or before May 7, 2013 for an aggregate purchase price of $17,385,728, or $27,885 per acre. The acquisition of an Interest in the Dobson Creek Property by the Issuer is subject to a number of conditions, including, without limitation, the number of Units sold in this Offering. In the event the Issuer acquires an Interest in the Dobson Creek Property, Walton MD will retain the remaining interest, with a minimum of 5%.

In order to acquire the River Park, Redwood Meadows and Dobson Creek Properties and to fund the respective associated Reserve amounts, the Issuer will be required to raise $3,025,000 in respect of the River Park Property, $2,850,000 in respect of the Redwood Meadows Property, and $33,035,000 in respect of the Dobson Creek Property, as follows:

Projected Use of Proceeds (assuming sufficient Units are sold)

	River Park Property		Redwood Meadows Property		Dobson Creek Property		Cumulative (3 Properties)***	
	Amount	%	Amount	%	Amount	%	Amount	%
Gross proceeds	$ 3,025,000	100.0%	$ 2,850,000	100.0%	$33,035,000	100.0%	$38,910,000	100.0%
Organizational and Issue Costs:								
Selling Commissions	$ 211,750	7.0%	$ 199,500	7.0%	$ 2,312,450	7.0%	$ 2,723,700	7.0%
Selling Group members' fee	$ 90,750	3.0%	$ 85,500	3.0%	$ 991,050	3.0%	$ 1,167,300	3.0%
Offering Expenses	$ 27,368	0.9%	$ 25,784	0.9%	$ 298,874	0.9%	$ 352,026	0.9%
Net proceeds	$ 2,695,132	**89.1%**	$ 2,539,216	**89.1%**	$29,432,626	**89.1%**	$34,666,974	**89.1%**
Land and Reserves:		**68.4%**		**68.4%**		**68.4%**		**68.4%**
Acquisition of Property:								
Acquisition of interest in Property *	$ 1,106,816	36.6%	$ 1,437,039	50.4%	$17,481,977	52.9%	$20,025,832	51.5%
Reserve items:								
Concept Planning expenses	$ 469,431	15.5%	$ 124,436	4.4%	$ 1,185,675	3.6%	$ 1,779,542	4.6%
Issuer expenses	$ 292,363	9.7%	$ 156,799	5.5%	$ 1,085,301	3.3%	$ 1,534,463	3.9%
Management Fee **	$ 199,639	6.6%	$ 230,838	8.1%	$ 2,853,739	8.6%	$ 3,284,216	8.4%
Operating Expenses of Walton USA	$ 536,133	**17.7%**	$ 504,604	**17.7%**	$ 5,834,884	**17.7%**	$ 6,875,621	**17.7%**
Acquisition fee to Walton USA	$ 90,750	**3.0%**	$ 85,500	**3.0%**	$ 991,050	**3.0%**	$ 1,167,300	**3.0%**
Net proceeds:	$ 2,695,132	**89.1%**	$ 2,539,216	**89.1%**	$29,432,626	**89.1%**	$34,666,974	**89.1%**

* includes capitalized and closing costs of $156,816 for the River Park Property, $65,738 for the Redwood Meadows Property and $965,535 for the Dobson Creek Property.

** reserved and paid to Walton USA in annual amounts of $49,910 in respect of the River Park Property, $46,168 for the Redwood Meadows Property, and $531,578 in respect of the Dobson Creek Property; unearned amounts remaining upon final exit, if any, will be distributed to the partners.

*** includes the River Park Property, the Redwood Meadows Property, and the Dobson Creek Property.

A. Description of the River Park Property and Surrounding Area

The River Park Property is situated in eastern Gaston County, within the municipal limits of the City of Mt. Holly, approximately 13 miles from Uptown Charlotte.

The major transportation route passing through Mt. Holly is SR 27, which is accessed approximately 1 mile south of the River Park Property. SR 27 crosses over the Catawba River and leads into Charlotte. The River Park Property consists of 142.47 acres of undeveloped land approved for 240 future lots and open space. The entire River Park subdivision includes the River Park Property as well as an additional 60 final platted lots, on 32 of which lots homes have already been constructed. The approved plans for the River Park community include a total of 300 lots overall. River Park was planned as a single family residential community with an amenity center featuring a pool, clubhouse and associated infrastructure.

Other highlights of the River Park Property include the following:

1. **Favorable Zoning and Services**. There are currently two single-family residential zoning categories applicable to the River Park Property, both of which are suitable for the contemplated residential use. With favorable zoning in place, and with its proximity to existing services, the River Park Property is well-situated for the future residential development for which it has been planned.

2. **Access**. The River Park Property benefits from its inclusion in an existing subdivision, and from its regional access. The River Park Property is accessed via River Park Drive, also referred to on the final plat as Stone River Parkway, an undivided collector road providing access to all of the interior roads of the subdivision. The interior roads that have been constructed include Stowe Creek Lane, Moores Branch Road, Clauser Road, Matuka Court, Marabou Court and Sculpin Lane. Currently the River Park Property has access to SR 273, a two-lane, undivided roadway that provides access through Mt. Holly and connects with SR 27, a four-lane undivided highway that provides access into Mecklenburg County and Charlotte.

3. **Proximity to Current and Anticipated Future Regional Transportation Infrastructure**. A CSX rail line runs to the east of the River Park Property parallel to SR 273. This line originates at a junction in Mt. Holly and runs approximately 20 miles to the north through Gaston, Lincoln and Catawba Counties, ending in the community of Terrell, North Carolina. Three miles to the northeast of the River Park Property is a spur line that heads northeast, away from the main line that continues north. This spur line crosses over SR-16 and leads to a switch yard at the Riverbend Steam Station which is a coal fired generating facility operated by Duke Energy. In addition, the Belmont-Mt. Holly Loop is included in the 2035 Gaston County Long Range Transportation Plan, produced by the Gaston County Metropolitan Planning Organization ("***MPO***"). The intent of the Belmont-Mt Holly loop is to provide relief to SR 273, by creating a new north-south connector. The loop is also projected to create a direct connection between the cities of Belmont, Cramerton, McAdenville and Mt. Holly. The planned route for the Loop passes through the River Park Property. Provisions for the loop have been made in the approved development plans for the River Park Property in the form of a 100 foot right of way that is allocated for a "Possible Future Thoroughfare". Although discussions with the City of Mt. Holly will be held during Concept Planning to determine whether the right-of-way should be realigned, the right-of-way is included in a vested plan with Mt. Holly and the River Park Property is entitled to be developed with the right-of-way in its current location.

4. **Acquisition Opportunity**. In 2007, the River Park Property and the 28 lots were acquired through a foreclosure proceeding after the original developer defaulted on a $6,832,250 loan secured by a deed of trust on the River Park Property and the 28 lots. Walton MD subsequently negotiated a purchase price of $1,600,000 for the River Park Property and the 28 lots, which represents a substantial discount below the prior foreclosure price in 2007. The purchase price for the River Park Property alone is $1,000,000, or approximately $6,945 per acre.

Demographic Trends

North Carolina

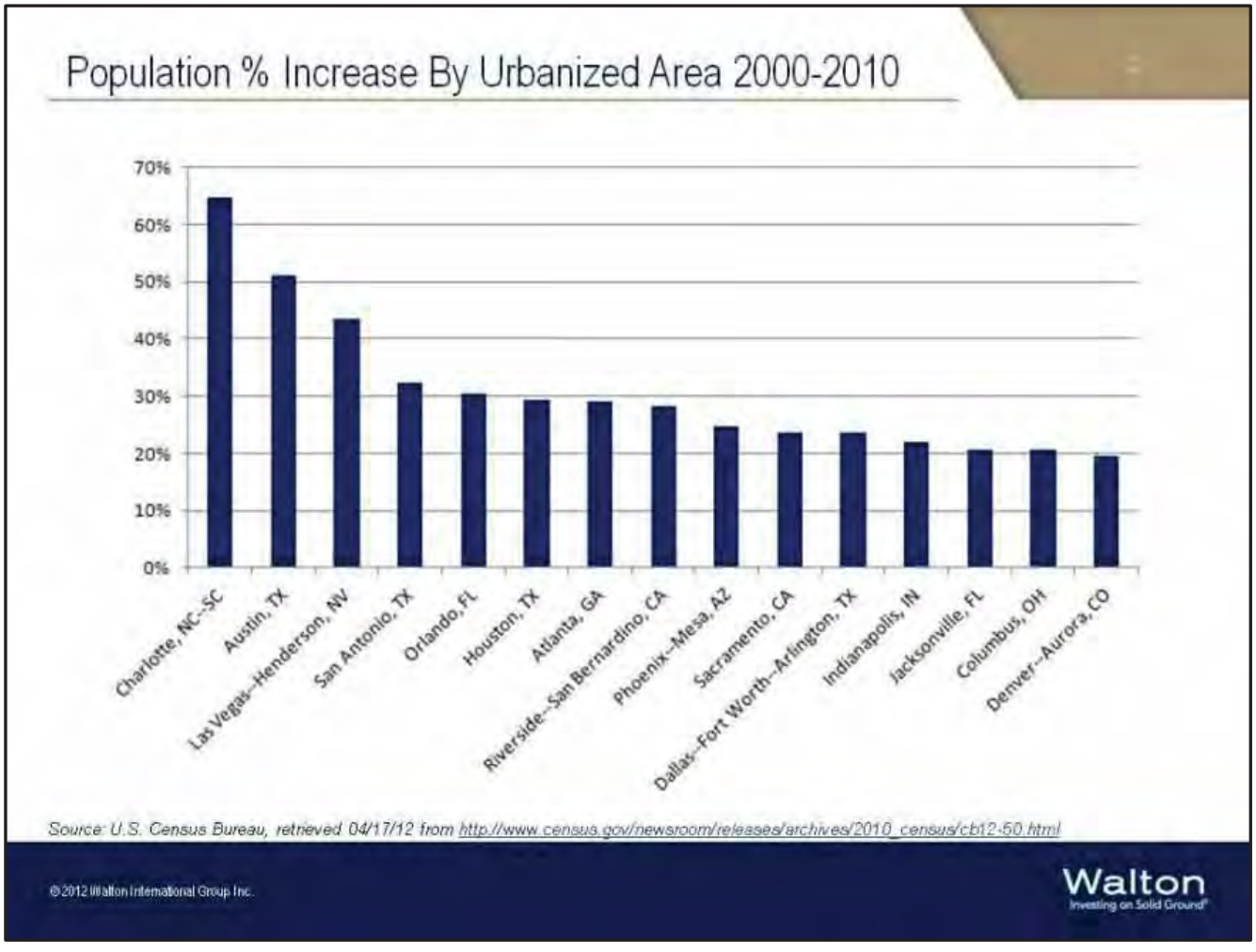
Between 2000 and 2010, North Carolina experienced population growth of more than 1.4 million or 18.5%, which was more than twice the national average. North Carolina's rapid population growth is primarily due to net migration, as 50% of the growth is a result of individuals moving to North Carolina from other states. In 2011, North Carolina was estimated to have a population of approximately 9.7 million (*Source: US Census Bureau, retrieved 04/12/12 from http://quickfacts.census.gov/qfd/states/37000.html*, *2011 North Carolina*

Economic Index, p.11 released June 2011, retrieved 04/12/12 from http://www.nccommerce.com/Portals/0/Research/EconIndex/2011%20Economic%20Index.pdf). By 2040, the North Carolina population is projected to increase to 13.65 million, which represents a 40% increase over the state's estimated 2011 population (*Source: Woods & Poole Economics, Inc., http://www.woodsandpoole.com, retrieved 06/21/12*).

Charlotte

Charlotte is the largest city in North Carolina and is located in Mecklenburg County, just southeast of Gaston County, where the River Park Property is situated. The City of Charlotte is home to a number of colleges and universities, including University of North Carolina – Charlotte, which has more than 25,000 students (*Source: About UNC Charlotte, retrieved April 5, 2012 from http://www.uncc.edu/landing/about*). Charlotte is the 18th largest U.S. city with a population of approximately 772,627, and is the largest city within the region. Of the major metro centers in the southeast, Charlotte has 7.3 million people living within a 100 mile radius (*Source: http://charlottechamber.com/clientuploads/Economic_pdfs/FactSheets/Charlotte_Overview.pdf, Charlotte Chamber, Charlotte Overview, retrieved April 11, 2012*). Between 2000 and 2010, the Charlotte area grew at the fastest rate among urbanized areas (densely developed residential, commercial and other non-residential areas) with populations of 1 million or more, increasing by 64.6%. Charlotte also had the highest rate of land area change, increasing by 70.5% (*Source: U.S. Census Bureau, Growth in Urban Population Outpaces Rest of Nation, http://www.census.gov/newsroom/releases/archives/2010_census/ cb12-50.html*).

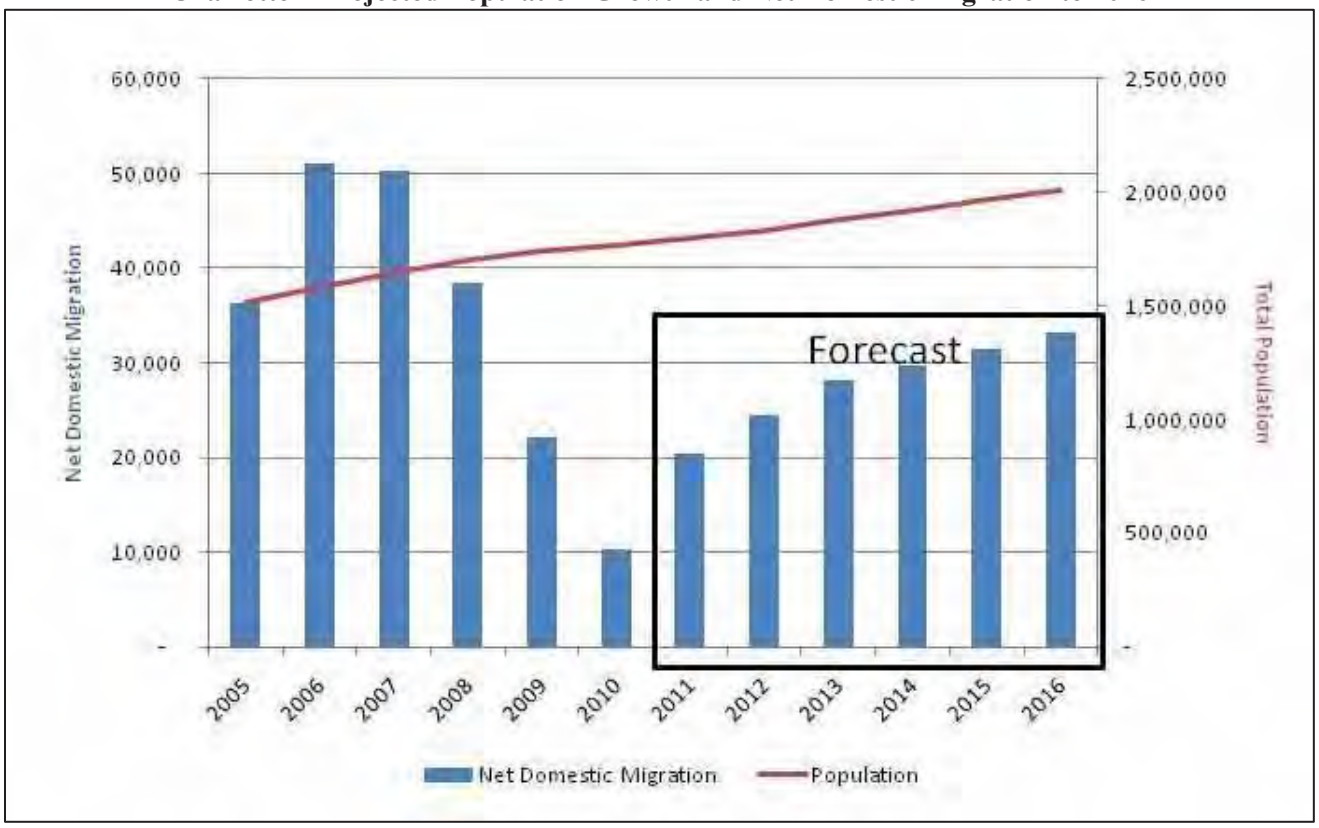
Population % Increase By Urbanized Area 2000 – 2010



Source: U.S. Census Bureau, retrieved 04/17/12 from http://www.census.gov/newsroom/releases/archives/2010_census/cb12-50.html

Charlotte's population is projected to increase, due in large part to consistently high net domestic migration into the area.

Charlotte – Projected Population Growth and Net Domestic Migration to 2016



Source: Moody's Analytics Precis Report, Charlotte 4Q2011

Regional Economic Trends

The North Carolina economy is forecast to grow 2.0% in 2012, up from a projected gain of 1.1% in 2011. Twelve of North Carolina's fifteen economic sectors are forecast to experience output increases this year. The sectors with the strongest expected growth are business and professional services, up 3.8%; retail trade, up 3.7%; educational and health services, up 2.9%; and finance, insurance and real estate, up 2.7%. Further, North Carolina is projected to gain 49,500 net jobs this year, an increase of 1.3% from the employment level in December 2011 (*Source: Charlotte Business Journal – North Carolina economy to grow 2% this year, says UNC Charlotte economist John Connaughton, released March 13, 2012, retrieved April 12, 2012 from http://www.bizjournals.com/charlotte/news/2012/03/13/north-carolina-economy-to-grow-2-this.html*).

Although historically known as a textile center, Charlotte is now the second-largest banking center in the U.S. after New York. It is home to Charlotte-based Bank of America and Wells Fargo/Wachovia (*Source: North Carolina in the Global Economy, retrieved April 5, 2012 from http://www.soc.duke.edu/NC_GlobalEconomy/banks/overview.shtml*). Charlotte experienced significant job losses in its banking and finance sector during the recent financial crisis. Nevertheless, Charlotte is anticipated to experience modest employment gains through 2012, and is expected to accelerate in late 2012 driven by anticipated growth in the area's large service sector. Additionally, anticipated population growth is expected to lead to expansion in healthcare, consumer industries and housing (*Source: Moody's Analytics / Precis U.S. Metro / South / November 2011*). Charlotte is also a developed wholesale center, with the highest per capita sales in the U.S. (*Source: Charlotte Chamber, Charlotte Overview; http://charlottechamber.com/clientuploads/Economic_pdfs/FactSheets/Charlotte _Overview.pdf, retrieved 04/11/12*).

Annual Job Growth, by Metropolitan Area

Custom Rankings ▸▸▸ | View by State | View by CBSA | View by Selected | metrosearch | Updated through August 2012

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(Click name for history Detail) (Press column headings to sort ascending/descending)

Rank	State	Name	Ann Permit (SF)	Ann. Chg (SF)	Ann Permit (MF)	Ann. Chg (MF)	Current Employment	Ann. Job Growth #	Ann. Job Growth %	E-P Ratio	Population (Estimate)	Select / Clear
1	NY	New York-Northern New Jersey-Long Island NY-NJ-PA	6,446	334	17,672	2,240	8,514,400	117,900	1.4%	4.9	19,007,339	☑
2	CA	Los Angeles-Long Beach-Santa Ana CA	4,206	-75	11,276	3,147	5,186,900	103,000	2.0%	6.7	12,698,029	☑
3	TX	Houston-Baytown-Sugar Land TX	26,539	5,406	12,166	5,337	2,682,900	89,500	3.5%	2.3	6,152,242	☑
4	TX	Dallas-Fort Worth-Arlington TX	16,142	2,539	13,365	3,385	2,985,400	61,100	2.1%	2.1	6,581,212	☑
5	CA	San Francisco-Oakland-Fremont CA	2,634	852	4,360	357	1,941,900	59,400	3.2%	6.5	4,365,977	☑
6	WA	Seattle-Tacoma-Bellevue WA	7,133	1,180	7,750	2,622	1,716,600	48,000	2.9%	3.2	3,505,739	☑
7	AZ	Phoenix-Mesa-Glendale AZ	10,952	4,031	2,409	764	1,745,600	47,200	2.8%	3.5	4,324,298	☑
8	IL	Chicago-Naperville-Joliet IL-IN-WI	5,101	1,094	3,996	944	4,254,000	38,600	0.9%	4.3	9,521,901	☑
9	DC	Washington-Arlington-Alexandria DC-VA-MD-WV	10,558	1,499	8,782	2,918	3,023,900	38,200	1.3%	2.0	5,708,580	☑
10	CO	Denver-Aurora CO	4,931	1,360	5,674	3,387	1,253,400	33,800	2.8%	3.2	2,600,457	☑
11	CA	San Diego-Carlsbad-San Marcos CA	2,112	-90	3,675	1,437	1,253,300	30,300	2.5%	5.2	3,131,923	☑
12	CA	San Jose-Sunnyvale-Santa Clara CA	1,344	480	4,252	1,738	903,800	29,600	3.4%	5.3	1,854,052	☑
13	GA	Atlanta-Sandy Springs-Marietta GA	8,058	1,975	3,935	2,079	2,339,000	29,400	1.3%	2.5	5,425,233	☑
14	MI	Detroit-Warren-Livonia MI	3,693	1,039	489	-55	1,802,200	27,400	1.5%	6.6	4,262,222	☑
15	OH	Cincinnati-Middletown OH-KY-IN	2,590	139	645	-124	1,022,400	27,400	2.8%	6.5	2,144,096	☑
16	FL	Orlando-Kissimmee-Sanford FL	6,125	2,072	2,199	940	1,027,300	26,400	2.6%	3.2	2,197,758	☑
17	TX	Austin-Round Rock-San Marcos, TX	7,442	1,634	7,882	4,692	819,300	25,700	3.2%	1.7	1,793,850	☑
18	CA	Riverside-San Bernardino-Ontario CA	3,681	-298	1,709	675	1,142,600	25,400	2.3%	4.7	4,355,079	☑
19	OH	Columbus OH	2,682	410	3,587	1,831	936,600	22,900	2.5%	3.7	1,865,381	☑
20	OK	Oklahoma City OK	3,697	735	936	600	586,500	22,100	3.9%	4.8	1,281,091	☑
21	PA	Philadelphia-Camden-Wilmington PA-NJ-DE-MD	4,997	287	4,034	2,250	2,696,100	21,200	0.8%	2.3	6,006,365	☑
22	TX	San Antonio-New Braunfels, TX	4,873	609	2,964	1,745	871,700	20,700	2.4%	2.6	2,216,681	☑
23	MN	Minneapolis-St. Paul-Bloomington MN-WI	4,769	1,311	2,942	1,496	1,754,500	19,800	1.1%	2.6	3,330,087	☑
24	OR	Portland-Vancouver-Hillsboro, OR-WA	4,109	1,033	2,949	1,372	1,002,500	19,500	2.0%	2.8	2,273,679	☑
25	CA	Sacramento--Arden-Arcade--Roseville CA	2,474	677	456	-144	813,400	17,700	2.2%	6.0	2,195,767	☑
26	IN	Louisville KY-IN	2,181	449	971	358	818,900	17,700	2.9%	5.8	1,303,089	☑
27	FL	Tampa-St. Petersburg-Clearwater FL	5,186	921	2,981	368	1,149,400	17,000	1.5%	2.1	2,833,932	☑
28	UT	Salt Lake City UT	2,406	369	1,322	-84	637,600	15,300	2.5%	4.1	1,151,864	☑
29	NC	Raleigh-Cary NC	5,773	1,330	3,449	2,464	524,200	15,300	3.0%	1.7	1,184,822	☑
30	LA	Lafayette LA	878	248	131	55	165,200	14,200	9.4%	14.1	277,895	☑
31	IN	Indianapolis IN	3,796	228	988	-375	896,400	13,900	1.6%	2.9	1,792,570	☑
32	MO	Kansas City MO-KS	2,878	615	1,154	296	989,800	13,300	1.4%	3.3	2,067,995	☑
33	PA	Pittsburgh PA	2,917	-121	390	170	1,160,200	12,700	1.1%	3.6	2,352,432	☑
34	OK	Tulsa OK	2,484	611	780	-284	415,100	10,300	2.5%	3.2	951,718	☑
35	AR	Fayetteville-Springdale-Rogers AR-MO	1,399	436	58	-284	208,700	9,400	4.7%	6.5	482,480	☑
36	IA	Omaha-Council Bluffs NE-IA	2,303	182	1,463	601	472,400	9,300	2.0%	2.5	881,929	☑
37	NC	Charlotte-Gastonia-Rock Hill, NC-SC	5,991	1,938	4,184	2,583	840,700	9,200	1.1%	0.9	1,826,286	☑
38	OH	Cleveland-Elyria-Mentor OH	1,722	97	258	111	1,089,500	9,200	0.9%	4.8	2,063,628	☑
39	CA	Stockton CA	881	124	0	-158	192,900	9,100	5.0%	10.3	700,912	☑

Source: Metrosearch MSA Annual Job Growth as of August 2012

Mecklenburg County, where Charlotte is located, ranks 8th nationally in the number of Fortune 500 companies headquarters. These companies represented more than $171.5 billion in revenue for 2011. Further, 264 of the Fortune 500 companies have made a commitment to the city by placing one or more of their facilities within Mecklenburg County (*Source: Charlotte Chamber Economic Development, http://charlottechamber.com/clientuploads/Economic_pdfs/Fortune500List.pdf retrieved 04/05/12).*

Top Cities (with 6 or more HQ)		
Rank	**City**	**HQ**
1	New York	42
2	Houston	23
3	Atlanta	10
4	Dallas	9
5	Minneapolis	8
5	San Francisco	8
5	St. Louis	8
8	**Charlotte**	**6**
8	Chicago	6
8	Cleveland	6
8	Englewood, Colo.	6
8	McLean, Va.	6
8	Pittsburgh	6

Source: Charlotte Chamber, retrieved October 18, 2012 from http:// http://charlottechamber.com/clientuploads/Economic_pdfs/Fortune500List.pdf

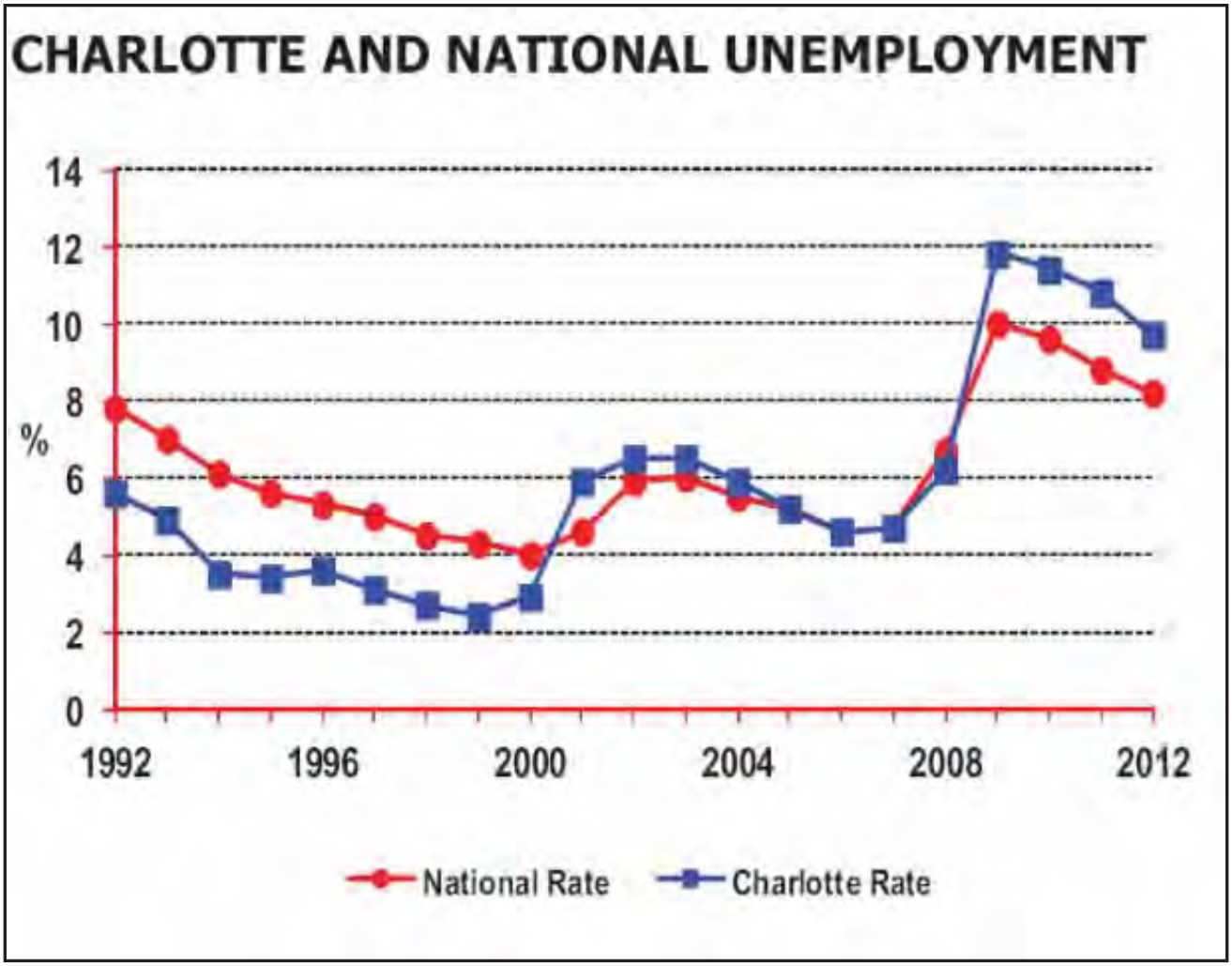
Charlotte-Mecklenburg's largest employers represent sectors including manufacturing, health care, retail, education, banking and finance, and transportation. (*Source: Charlotte Chamber, http://charlottechamber.com/clientuploads/Economic_pdfs/MajorEmployers2012.pdf, retrieved 10/18/12*).

TOP EMPLOYERS	
Carolinas HealthCare System	31,000
Wells Fargo	20,000
Wal-Mart Stores, Inc.	16,100
Bank of America Corporation	15,000
Presbyterian Healthcare/Regional Healthcare	13,323
Food Lion	8,658
Duke Energy	7,700
Ruddick/Harris Teeter, Inc.	7,000
Lowe's Companies, Inc.	6,858
US Airways	5,955
Adecco USA, Inc.	5,000
Carolinas Medical Center - Northeast	4,200
CaroMont Health	3,700
Target Corporation	3,655
Daimler Trucks North America	3,400
Compass Group	3,117
Corestaff Services	2,900
AT&T	2,800
University of North Carolina at Charlotte	2,800
Belk, Inc.	2,700

Source: Moody's Charlotte Precis Report, November 2011

The Charlotte MSA's unemployment rate declined from 10.4% in December 2011 to 9.5% in May 2012. Though Charlotte's annual 2012 job growth remains relatively weak, 10,900 new jobs were added from June 2011 to June 2012. Job growth was primarily in trade, transportation, utilities, education, and health service and business sectors while the greatest losses occurred in Government and the Leisure and Hospitality sectors (*Source: Metrostudy Charlotte Briefing 2Q 2012 retrieved 08/10/12*).

Charlotte and National Unemployment



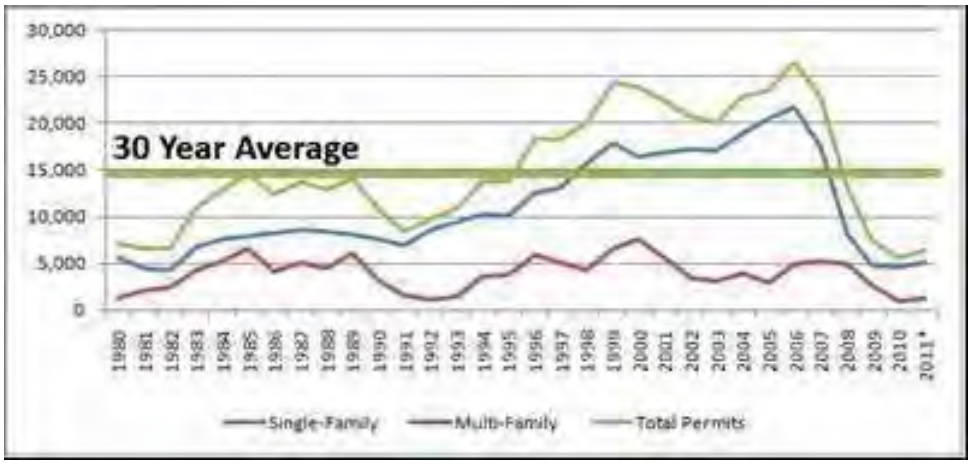
Source: Metrostudy Charlotte Executive Summary 2Q 2012, retrieved 10/01/12

Chiquita Brands International recently announced that it intends to move its global headquarters to Charlotte, bringing approximately 400 jobs including accountants, human resources staff, IT workers and finance specialists. The jobs will pay an average salary of over $106,000, according to state officials. The company was enticed by more than $22 million in state and local government incentives and the promise of easier international travel from Charlotte/Douglas International Airport, which has grown as the airport near Chiquita's current headquarters in Cincinnati has decreased. Chiquita, which had $3.2 billion in sales in 2010, has negotiated to lease office space in the NASCAR Plaza office tower adjoining the racing league's Hall of Fame (*Source: http://www.charlotteobserver.com/2011/11/30/2813157/ charlotte- chamber holding business.html, Chiquita Relocating Headquarters to Charlotte, 11/30/11, retrieved 04/11/12*).

Regional Real Estate Trends

As indicated in the below chart, the Charlotte MSA has averaged 14,860 total residential permits per year since 1980.

Historical Permit Activity in the Charlotte Metro Area 1980 - 2011

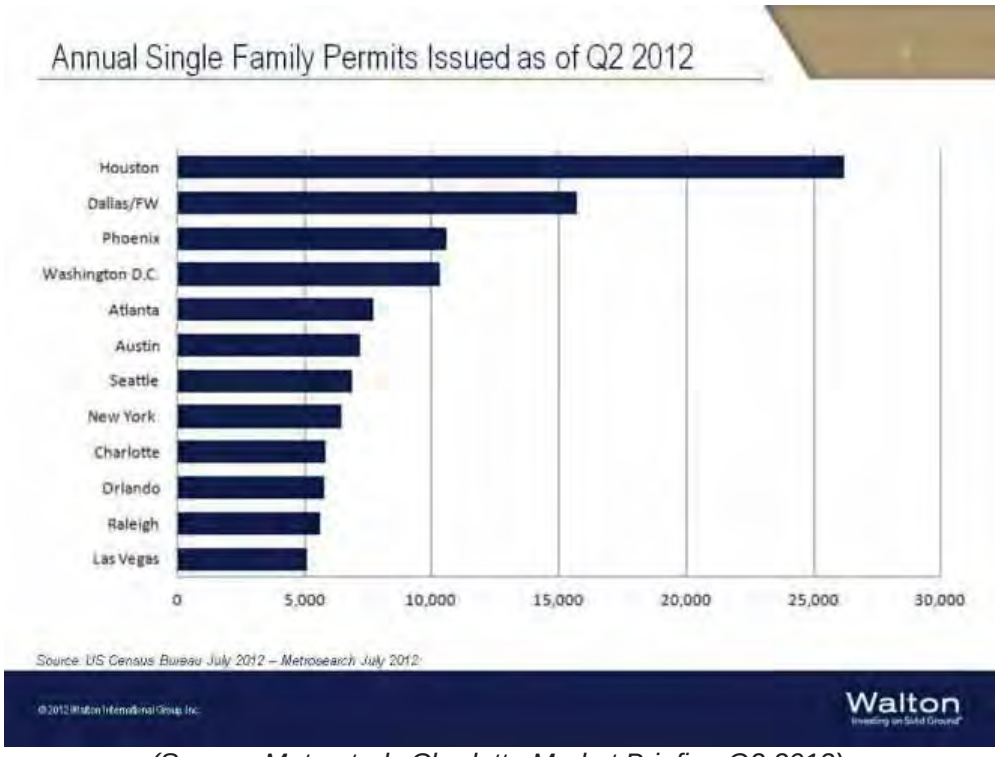


(Source: US Census Bureau. (2011 numbers are preliminary and subject to revision by the USCB)

Total permit activity peaked in 2006 with over 21,000 permits but hit a historical low in 2010 with 4,649 total permits. Preliminary numbers for 2011 show a moderate increase in total permit issuance to 5,126 from a low of 4,649 in 2010, for a 10.3% year-over-year increase (*Source: Real Estate Center at Texas A&M University; Building Permits, retrieved 10/18/12*).

The Charlotte MSA has historically been a single-family dominated housing market. There has been an average of 11,000 single-family permits per year since 1980, which comprises 74% of all market activity. Over this same time, multi-family dwellings averaged 4,000 permits per year, capturing 26% of the market (*Source: Real Estate Center at Texas A&M University retrieved 10/18/21).* At 5,653 single-family permits annually through 2Q 2012 – less than half of the MSA's historical rate – Charlotte ranked 9th in the nation in terms of permit activity. (*Source: Metrostudy Charlotte Market Briefing Q2 2012, retrieved 10/01/12*)

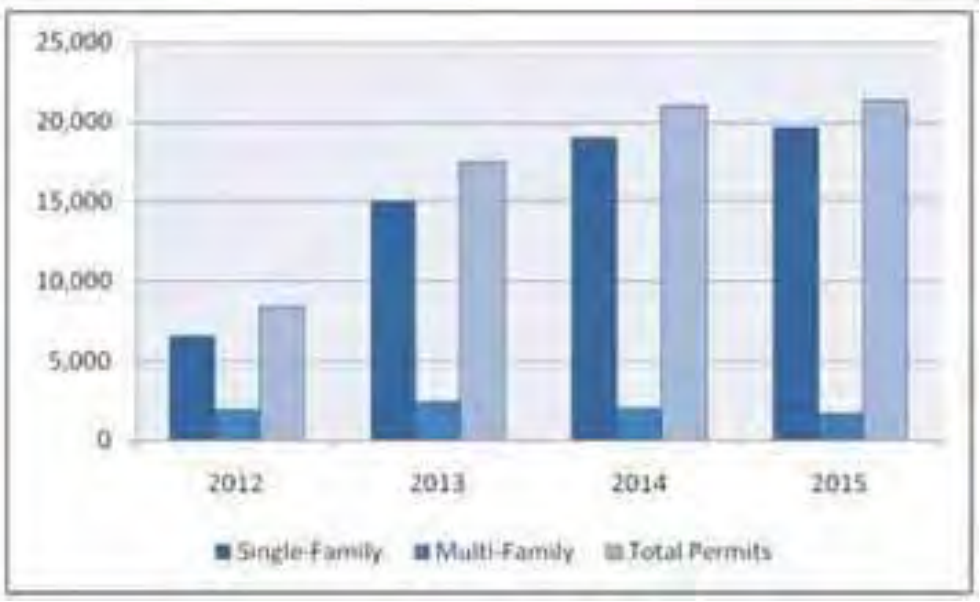
Annual Single-Family Permits Issued, as of 2Q 2012



(Source: Metrostudy Charlotte Market Briefing Q2 2012)

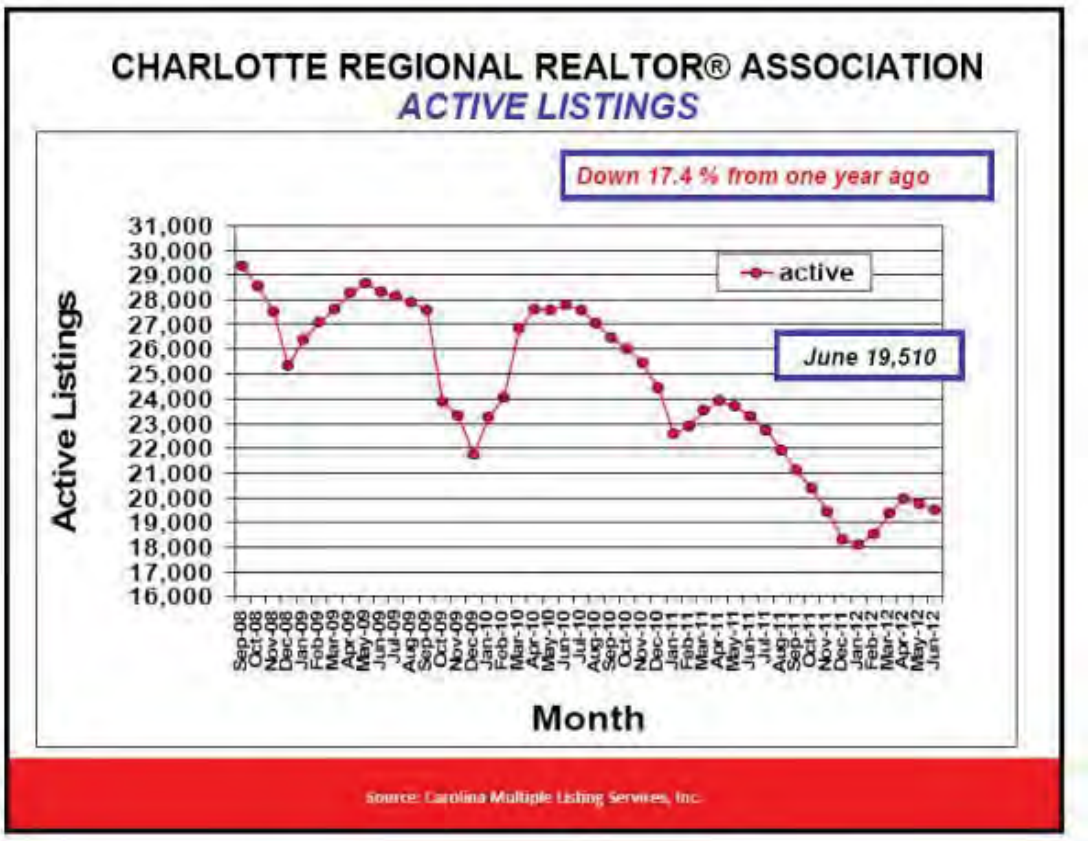
As indicated in the chart below, permits are projected to increase modestly in 2012 before rapidly accelerating from 2013 to 2015.

Permit Activity Forecast for Charlotte



(Source: Moody's Analytics Precis Report Charlotte, November 2011)

Resale inventory declined steadily over the last 12 months as active listings dropped 17.4% from June 2011 down to 19,510 in June 2012. (*Source: Carolina Multiple Listing Services, Inc., retrieved 10/01/12*).



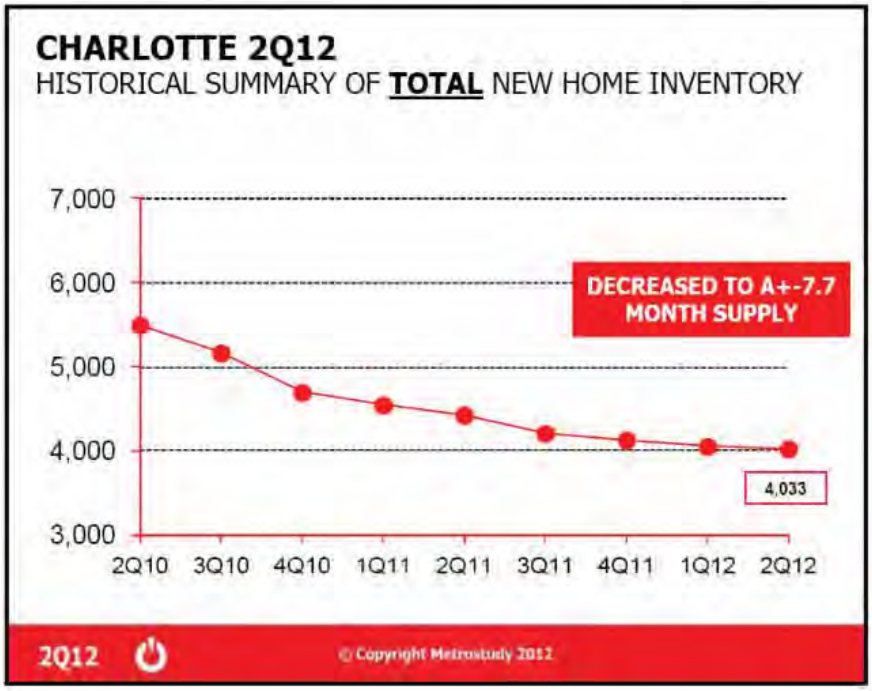
(*Source: Metrostudy Charlotte Market Briefing Q2 2012, retrieved 10/01/12*)

The reduction in resale inventory has begun to help stabilize median resale prices in Charlotte. As of June 2012, the median resale price was $171,500, an increase of 9.4% year-over-year and an increase of 22.5% from the February 2010 low of $140,000. *(Source: Metrostudy Charlotte Market Briefing Q2 2012 / Carolina Multiple Listing Services, Inc., retrieved 10/01/12)*

Source: Metrostudy Charlotte Executive Summary 2Q 2012, retrieved 10/01/12

The Charlotte area new home inventory months of supply remains elevated at just under eight months. However, this inventory level is also a function of depressed demand. The projected increase in permit activity is a reflection of the belief that demand is beginning to increase and inventory levels are falling.

Charlotte New Home Inventory and Months Supply 2Q 2012



Source: Metrostudy Market Briefing Online 2Q 2012, retrieved 01/10/12

River Park is the 9th most active subdivision in the submarket based on its 11 annual starts as of 1Q 2012, whereas the top-performing subdivision, located immediately southeast across the Catawba River, has 27. It is also noteworthy that nine out of the top ten subdivisions are located outside of the I-485 Outer Loop and four out of ten are located west of the Catawba River. The migration of development outwards is a result of land scarcity closer to the Outer Loop. Additionally, six out of the top ten subdivisions have no future lot supplies, and once the existing vacant lot supplies are absorbed, the builders currently active in these subdivisions will need to find new lot supplies in the submarket. As the developed lots within the region are absorbed the River Park property will become a more likely opportunity for builders looking to buy entitled and serviced land with access to existing amenities.

Zoning and Other Property Features

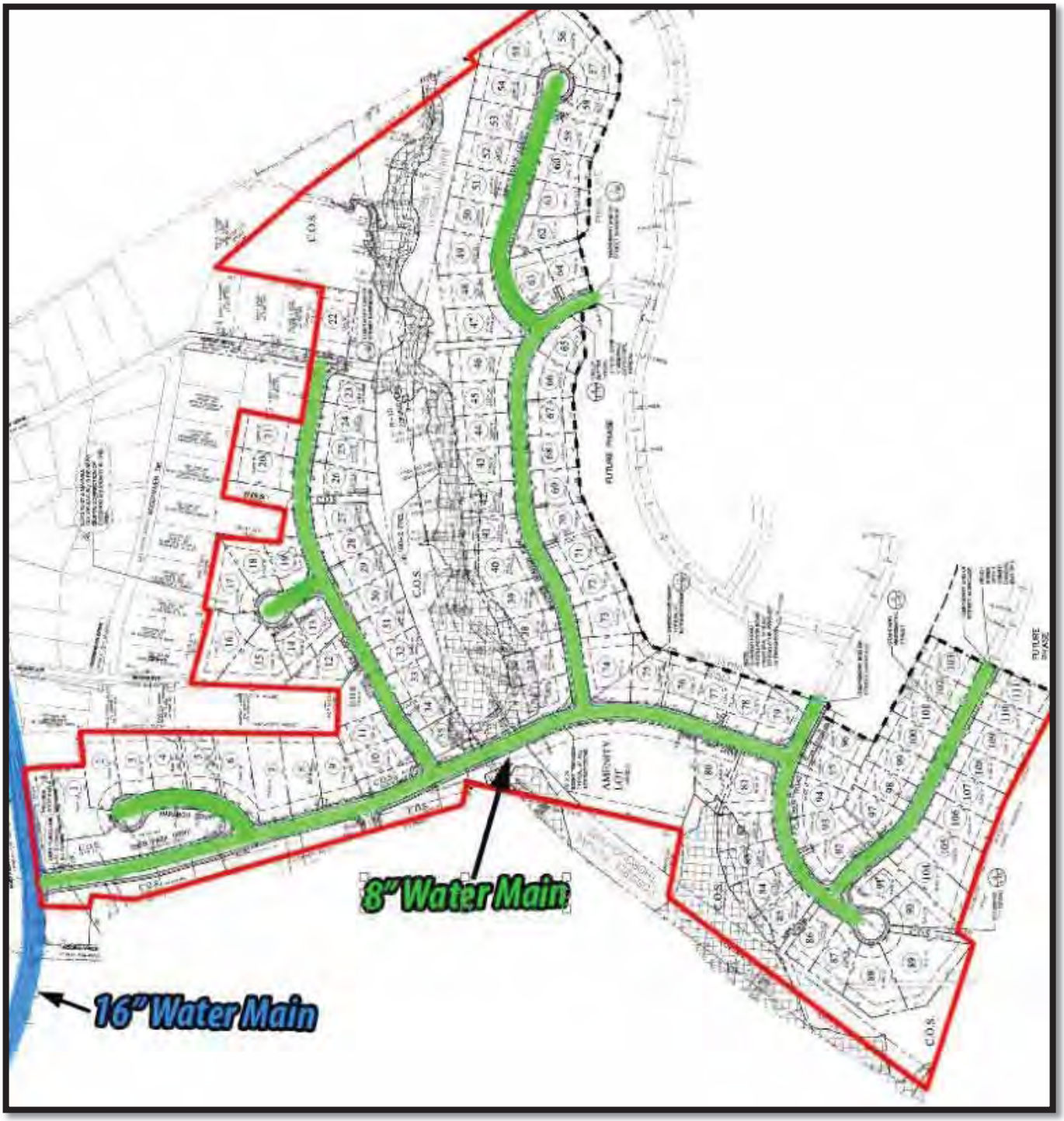
The River Park Property is currently located in the City of Mt. Holly and will be subject to the subdivision ordinances and regulations of the city. The River Park Property is currently zoned R-10 and R-12 Single Family under a Planned Unit Development ("***PUD***") zoning overlay. The PUD overlay offers variations to the standard setbacks, lot size and widths. As a result, the areas of the River Park Property under R-10 zoning are approved for 70-foot minimum lot width and the areas under R-12 zoning are approved for an 80-foot minimum lot width. This zoning is suitable for the intended end uses of the River Park Property.

Wetlands

Wetland data with respect to the River Park Property was obtained using the U.S. Fish and Wildlife Service's (USFWS) National Wetlands Mapper. According to the wetlands mapper, there are no USFWS wetlands identified on the River Park Property. As part of Concept Planning, Walton may commission a Wetlands Delineation Study that will field verify the presence of any wetlands, and if found, these areas will be incorporated into the open space design contemplated for the development of the River Park Property.

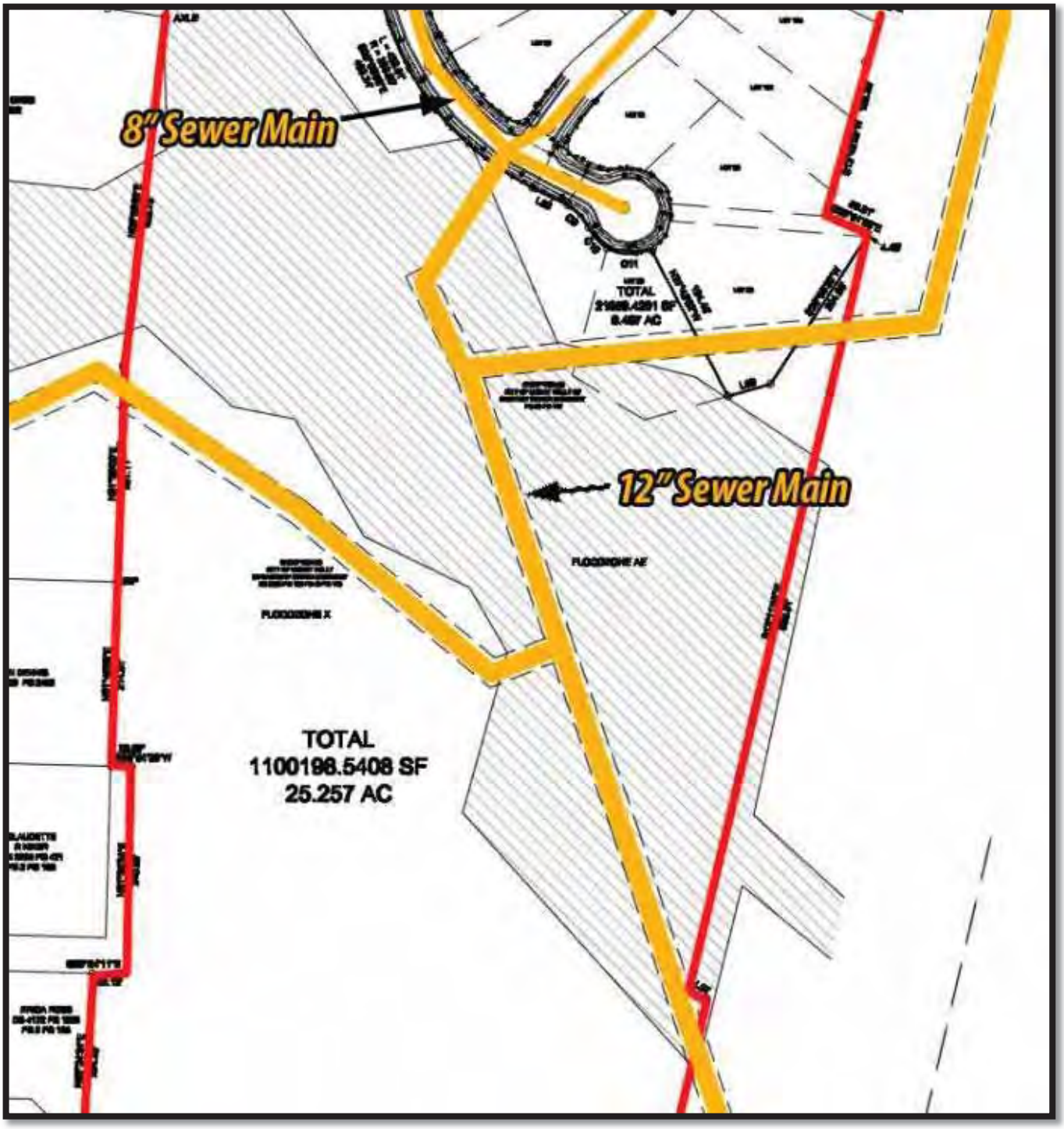
Water Supply

The River Park Property is served by a 16" water main that runs along SR-273. An 8" line connects to the 16" main and runs along River Park Drive serving the existing homes on site. The water provider is the City of Mt. Holly Public Utilities Department.



Wastewater Transmission and Treatment

The existing homes and lots are served by 8" sanitary sewer mains which connect to a 12" gravity fed sewer main that exits the River Park Property in the southwest. The sewer provider is the City of Mt. Holly Public Utilities Department. The River Park Property has reserved capacity and will be serviced by the Mt. Holly Wastewater Treatment Plant ("***WWTP***"). Located in city limites approximately 4 miles south of the River Park Property, Mt. Holly's WWTP was constructed in 1973 and currently has a capacity of 4 million gallons per day (MGD).



Leases

The River Park Property is not currently encumbered by any leases. However, short-term leases for the River Park Property may be negotiated from time to time with third parties for the purposes of offsetting some of the ongoing administrative, development and operating costs of Walton NC and the Issuer with respect to the River Park Property, provided that such leases do not interfere with the preliminary development of the River Park Property. Any such lease revenue, which is anticipated to be minimal, will become part of the Reserve and distributed to the Issuer if not expended during the hold period. The River Park Property may be subject to third-party leases for all or part of the River Park Property in the future.

Floodplain

The majority of the River Park Property lies in Zone X outside of the floodplain, however areas along the tributary of the Catawba River are classified as Zone AE, as determined by FEMA, and require the purchase of mandatory flood insurance. Walton intends to incorporate the constrained areas as open space.

Dry Utilities

Duke Energy provides the electric service to the River Park Property and there are existing service lines on the site. PSNC Energy provides the natural gas service to, and there are existing service lines on, this site. Telecommunications can be provided by Vonage, AT&T, Windstream or Time Warner. Walton intends to negotiate service agreements with utility providers closer to the time of future development of the River Park Property by the ultimate developer.

Emergency Services

Police service is currently provided by the Mt. Holly Police Department. The station is located at 400 E. Central Avenue, 1 mile to the south of the River Park Property. Fire and emergency medical services (EMS) are expected to be provided by Mt. Holly Fire and Rescue. The station is located at 433 Killian Avenue, 1 mile to the south of the River Park Property. Currently, the nearest hospital to the River Park Property is Gaston Memorial Hospital, approximately 15 miles to the southwest. Upon its completion, the River Park Property will be served by the CaroMont emergency facility. The complex is expected to feature a full-time emergency department, radiology and laboratory services and an EMS station with two ambulances. The facility is expected to be located at the intersection of SR 27 and SR 273, one mile to the south of the River Park Property.

Schools

The River Park Property is located within the district of Gaston County Schools. North Carolina currently has no official district rankings. Distances to the nearest elementary, middle and high schools are as follows:

- Pinewood Elementary School – 2 miles north
- Mount Holly Middle School – 2 miles southwest
- East Gaston High School – 6 miles west

Taxes

Funds to pay estimated property taxes during the preliminary development period of the River Park Property will be included in the Reserve. The Issuer will pay its proportionate share of the property taxes on the River Park Property out of such reserved funds. There can be no assurances that the property taxes for the River Park Property will not materially increase above the current level, particularly in the event the agricultural use and classification of the River Park Property are changed.

Contemplated Concept Planning Activities

Concept Planning for the River Park Property is anticipated to consist of one or more of the following steps:

- Development feasibility assessment. The Issuer intends to engage consultants to perform preliminary studies to assess the existing land use and intensity of potential future development on the River Park Property, together with the infrastructure necessary to serve that development. A goal land use plan based on the existing PUD has been prepared as the initial basis for identifying potential future land uses. The preliminary studies may include, but may not be limited to, a traffic study, a hydrology study and drainage analysis, and a storm water management plan. In addition, the Issuer may engage consultants to perform market studies to ascertain the market demand for the proposed land uses for the River Park Property, which are anticipated to include residential uses.
- Land Use Approvals. The Issuer may seek specific land use rights for the River Park Property from the City of Mt. Holly. The Issuer may request zoning with the City of Mt. Holly to preserve the rights for certain land uses as necessary to facilitate the ultimate development objectives for the River Park Property and to reflect market conditions. Land use is a legislative act over which the city council exercises significant discretion. If this approval is neither solicited nor received, the River Park

Property is marketable under existing regulations in the City of Mt. Holly in accordance with the PUD provided that other approvals as described herein are secured. See "Risk Factors – Risks Related to Investments in Real Estate."

- Subdivision plat and related plan approvals. A preliminary subdivision plat conforming to the City of Mt. Holly zoning and subdivision standards may be prepared and submitted for approval. This process will likely entail preparation of preliminary subdivision improvement plans in order to meet existing requirements.
- Major regulatory approvals. The Issuer may seek additional approvals as a part of Concept Planning activities. For instance, a portion (approximately 11.5 acres) of the River Park Property is within the Federal Emergency Management Agency's ("***FEMA***") federally regulated Special Flood Hazard Zone AE (commonly known as the 100-year floodplain). The Issuer may submit an application to FEMA to limit the existing flood hazard zone in order to prepare the River Park Property for development. The Issuer may elect to not submit an application if the proposed land plan conforms to the existing flood hazard zone. In either event, the impact on the entitlement value and the ability to develop the River Park Property as contemplated is anticipated to be negligible. See "Risk Factors – Risks Related to Investments in Real Estate."

B. Description of the Redwood Meadows Property and Surrounding Area

The Redwood Meadows Property consists of approximately 105 acres of undeveloped agricultural land located adjacent to the city limits of Ferris, approximately 21 miles south of downtown Dallas in Ellis County, Texas. The city centre of Ferris is approximately 2 miles to the east of the Redwood Meadows Property and the city centre of Red Oak - the fastest growing city in Ellis County - is approximately 7 miles to the west. The Redwood Meadows Property is generally situated between Farm to Market Road 664 to the north, and Farm to Market Road 983 ("***FM 983***") to the south, with approximately 1,115 feet of frontage along FM 983. Additionally, the Redwood Meadows Property is part of a larger 1,200-acre Walton-managed master plan the current conceptual plan for which contemplates a mixed-use development incorporating single-family and multi-family residential, office and retail uses.

The Redwood Meadows Property lies within the Dallas Fort Worth Outer Loop study area and approximately 2 miles south of the proposed alternative alignment for Loop 9. The purpose of this road is to improve access to services and employers in the south of Dallas and Fort Worth by providing a direct link from Interstate 20 ("***I-20***") to US-287. According to the Texas Department of Transportation, this is a critically needed infrastructural improvement for the region that will help reduce congestion, enhance safety and expand economic opportunity for the region. A Draft Environmental Impact Statement (DEIS) is being developed to assess the impact of the two different proposed alignments. The document must undergo several rounds of review and approvals and no dates are currently available regarding future public hearings.

The Issuer believes the Redwood Meadows Property is well situated in the path of future development, particularly with respect to single family residential development, due to its location in the path of population growth opportunities and the ease of access to both the I-35 and I-45 transportation corridors. As an unconstrained parcel of land with access to water services, established transportation infrastructure and proximity to proven and developing employment centers, the Issuer believes developers and builders will find the Redwood Meadows Property attractive.

Other highlights of the Redwood Meadows Property include the following:

1. **Proximity to Established Transportation Infrastructure**. With approximately 1,115 feet along FM 983, the Redwood Meadows Property has ready access to I-35 and I-45. In addition, the Redwood Meadows Property is approximately 5 miles south of Union Pacific Railway's Southern Dallas Intermodal Terminal and a projected future air cargo facility at Lancaster Airport.

2. **Proximity to Employment Centers**. The Redwood Meadows Property is in close proximity to multiple employment opportunities, including downtown Dallas, and the International Inland Port of Dallas ("***IIPOD***"), located just north of the Redwood Meadows Property. With more than one-third of its area in foreign trade zone

status, IIPOD is expected to be a key component to securing Dallas's position as a logistics and distribution center for the nation. *(Source: IIPOD Project Description from http://iipod-texas.org/project-description/index.htm.)* The primary constituent of the IIPOD, the Dallas Logistics Hub ("***DLH***") is expected to create thousands of direct and indirect jobs in the southern sector of Dallas (*Source: The Allen Group Dallas Logistics Hub Site Features from http://www.dallashub.com/thehub_ektid84.aspx, last visited October 14, 2011*). Located adjacent to four major highway connectors (I-20, I-45 and I-35 and the proposed Loop 9), recently emerging from Chapter 11 restructuring proceedings, and benefiting from triple freeport tax exempt status, the DLH has the potential to be the largest logistics and warehousing operator within the IIPOD, with a 4,300-acre logistics park master-planned for distribution, manufacturing, office and retail development *(Source: http://www.dallashub.com/thehub_ektid83.aspx, last visited October 14, 2011; http://www.dallasnews.com/business/commercial-real-estate/headlines/20120117-dallas-logistics-hub-sold-more-than-half-its-acreage.ece).* The Issuer believes that the employment opportunities created by the IIPOD and the DLH will likely, in turn, drive the submarket's future demand for residential and supporting retail and commercial uses.

Demographic Trends

Texas has the second-largest population in the United States, second only to California. From 2000 to 2010, Texas had the largest total numerical population increase of any state, adding an additional 4.3 million people to its population. From 2000 to 2009, Texas had the second-largest numerical net migration into any state, following only Florida, accounting for approximately 1.8 million of the total numerical increase for Texas over this period (*Source: US Census Bureau State Resident Population Components of Change 2000-2009*).

Based on forecast statistics published in 2005, the population of Texas is expected to increase approximately 60% from 2000 to 2030, increasing the state's population to more than 33.3 million residents. (*Source: US Census Bureau State Population Estimates and Projections April 1 2000 - July 1 2030, last visited February 12, 2009*).

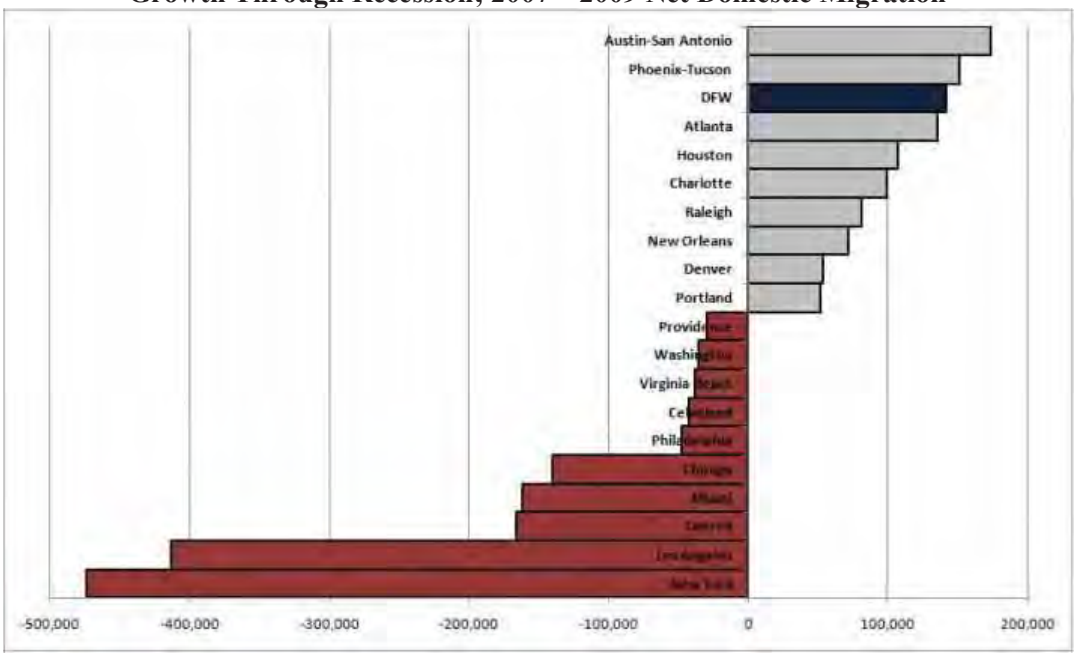
2030 Projections			**Change: 2000 to 2030**			
State	**Population**	**Rank**	**State**	**Number**	**Percent**	**Rank in % Change**
United States	363,584,435	(x)	United States	82,162,529	29.2	(x)
California	46,444,861	1	Nevada	2,283,845	114.3	1
Texas	33,317,744	2	Arizona	5,581,765	108.8	2
Florida	28,685,769	3	Florida	12,703,391	79.5	3
New York	19,477,429	4	Texas	12,465,924	59.8	4
Illinois	13,432,892	5	Utah	1,252,198	56.1	5
Pennsylvania	12,768,184	6	Idaho	675,671	52.2	6
North Carolina	12,227,739	7	North Carolina	4,178,426	51.9	7
Georgia	12,017,838	8	Georgia	3,831,385	46.8	8
Ohio	11,550,528	9	Washington	2,730,680	46.3	9
Arizona	10,712,397	10	Oregon	1,412,519	41.3	10

(Source: US Census Bureau State Population Estimates and Projections April 1 2000 - July 1 2030 Release date April 25, 2005)

Dallas-Fort Worth Metropolitan Area

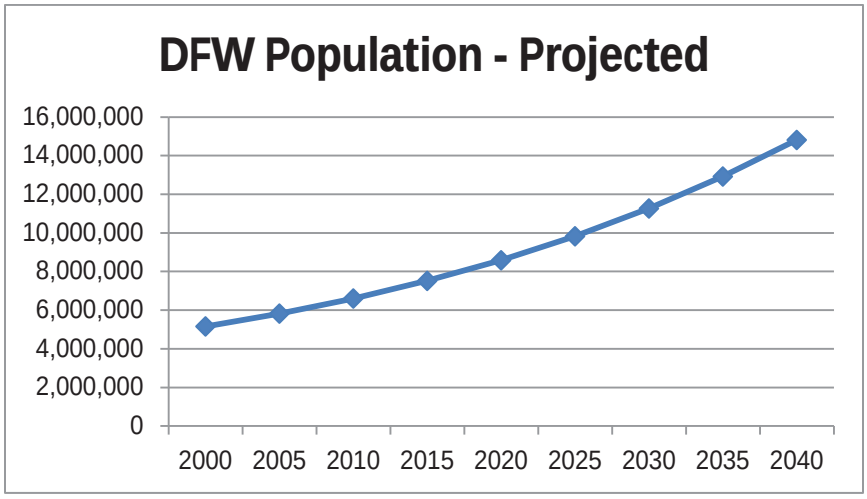
From 2000 to 2009, the Dallas-Fort Worth metropolitan area ("***DFW***" or the "***Metroplex***") ranked second in the nation in population growth, adding over 1.2 million people. Further, despite the economic downturn in the U.S., DFW continued to lead the nation in population growth between 2007 and 2009, adding 290,963 people. More than half of this population gain (317,062) was the result of net domestic migration into the metropolitan area from across the U.S. (*Source: US Census Bureau Annual Estimates of the Population of Metropolitan and Micropolitan Statistical Areas: April 1, 2000 to July 1, 2009 and Cumulative Estimates of the Components of Population Change for Metropolitan Statistical Areas: April 1, 2000 to July 1, 2009*).

Growth Through Recession; 2007 – 2009 Net Domestic Migration



(Source: U.S. Census Bureau, Metropolitan Statistical Area Estimates)

According to the Texas State Data Center, DFW's population is projected to surpass 14 million by 2040.

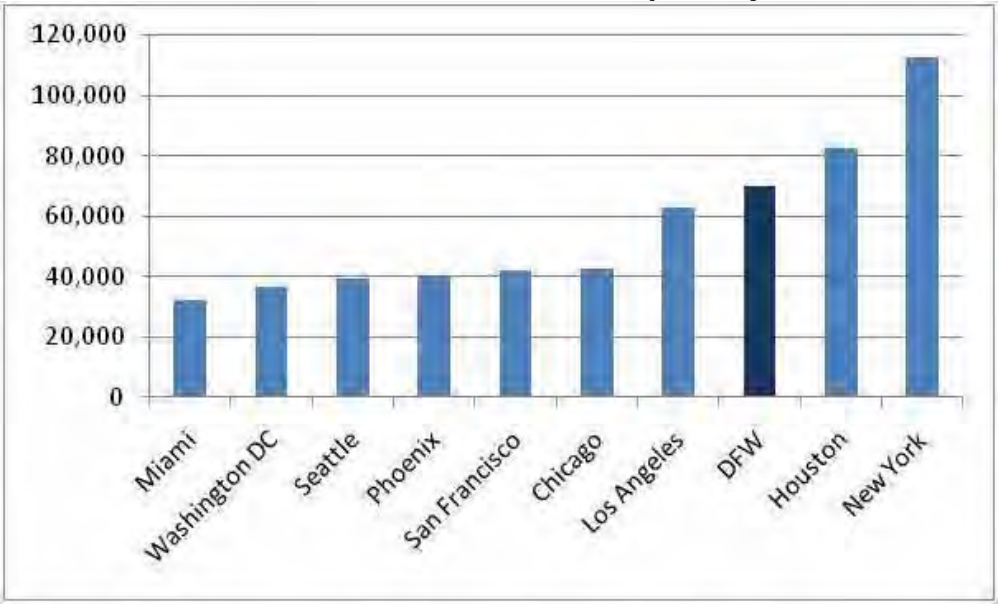


(*Source: http://txsdc.utsa.edu/cgi-bin/prj2008totnum.cgi; Texas State Data Center: Projections of the Population of Texas and Metropolitans Areas for 2000-2040, issued February 2009; last visited May 12, 2010*)

Regional Economic Trends

From 1990 to 2010, DFW led the nation in job creation, adding 863,000 jobs, thereby establishing the fifth-largest employment base in the nation at 2,864,300. The DFW unemployment rate as of April 2012 was at 6.5%, as compared to a national average of 7.7% as of the same date. A key driver of the low DFW unemployment rate is a result of DFW's addition of 70,000 jobs on a year-over-year basis as of March 2012, ranking DFW third in the nation. (*Source: MetroStudy 1Q2012 Annualized Job Growth and Permits by MSA*).

Year-over-Year Job Growth, March 2012– by Metropolitan Area



(Source:MetroStudy 1Q2012 Annualized Job Growth and Permits by MSA)

As of 2011, the DFW metropolitan statistical area was home to 20 Fortune 500 headquarters, ranked fourth (together with Los Angeles) behind the New York, Chicago and Houston metropolitan areas (*Source: The Business Community – Fortune 500 List http://www.dallaschamber.org/files/Fact%20Sheets/2012DFWFact Sheets/TheBusinessCommunity%20-%20Fortune500%20-%20080-083.pdf).*

Fortune 500 Headquarters in the DFW Metroplex

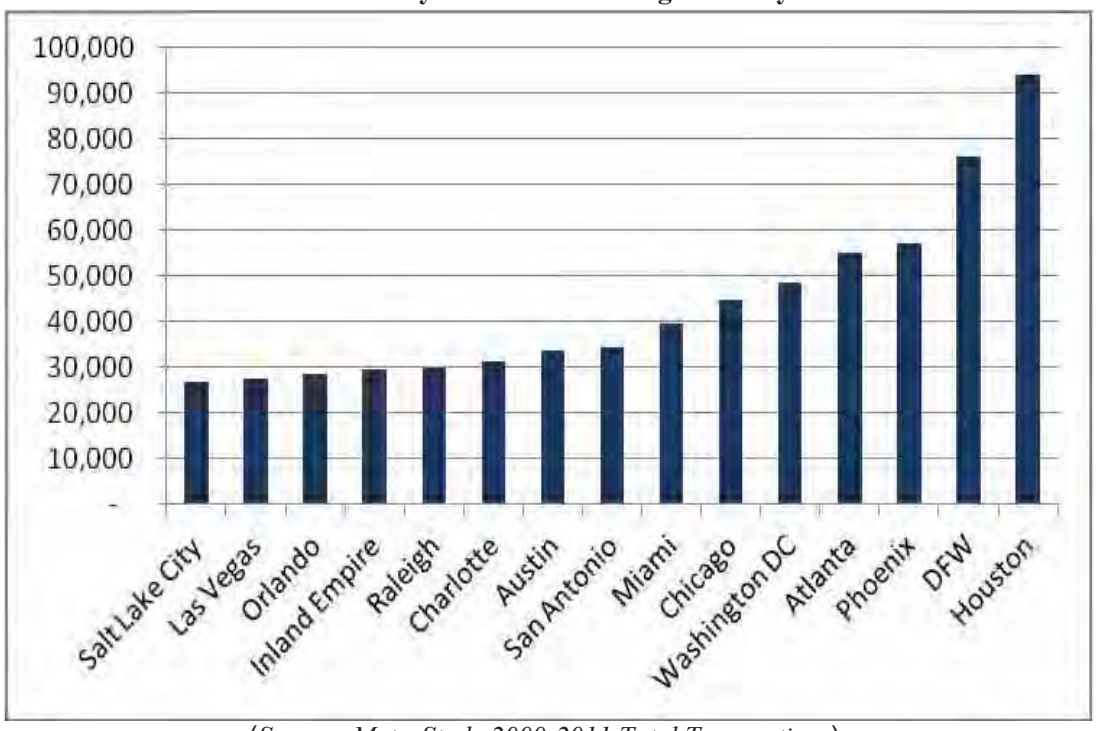
State Rank	Company	Fortune 500 rank	City	Revenues ($ millions)
1	Exxon Mobil	2	Irving	354,674
3	AT&T	12	Dallas	124,629
10	AMR	118	Fort Worth	22,170
11	Fluor	124	Irving	20,849
13	Kimberly-Clark	130	Irving	19,746
16	J.C. Penney	146	Plano	17,759
18	Texas Instruments	175	Dallas	13,966
21	Dean Foods	203	Dallas	12,149
22	Southwest Airlines	205	Dallas	12,104
26	GameStop	262	Grapevine	9,474
27	Tenet Healthcare	266	Dallas	9,233
30	Holly	289	Dallas	8,323
31	Energy Future Holdings	292	Dallas	8,235
36	Energy Transfer Equity	351	Dallas	6,598
37	Commercial Metals	361	Irving	6,429
40	Celanese	388	Dallas	5,918
43	Dr Pepper Snapple Group	404	Plano	5,636
47	Atmos Energy	473	Dallas	4,790
49	RadioShack	492	Fort Worth	4,473
51	D.R. Horton	499	Fort Worth	4,400

(*Source: http://money.cnn.com/magazines/fortune/fortune500/2011/states/TX.html, last visited October 13, 2011*)

Regional Housing Activity

The DFW Metroplex is one of the strongest performing housing markets in the nation, albeit currently at depressed levels relative to the MSA's historic rates. From 2008 to 2011, DFW ranked second in the nation with 76,186 new detached single-family home closes for all MetroStudy markets.

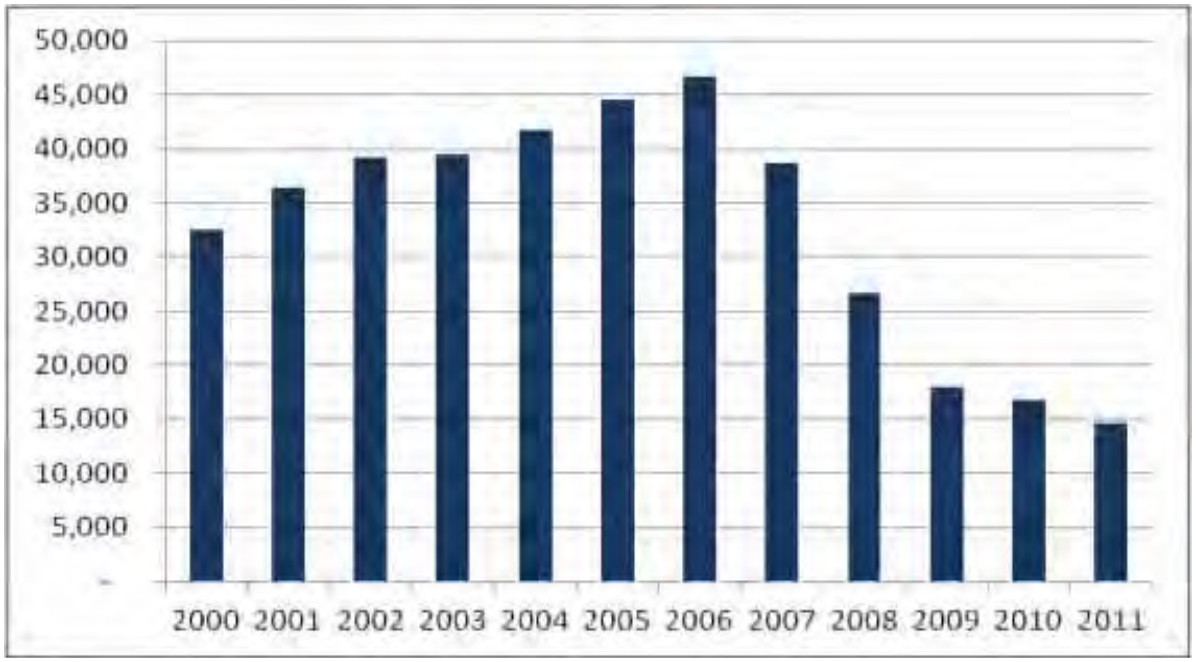
2008 – 2011 MetroStudy Markets New Single-Family Home Closes



(*Source: MetroStudy 2000-2011 Total Transactions*)

From 2000 to 2011, DFW issued 380,538 single-family permits, which ranked it third in the nation for building activity, trailing only Atlanta and Houston (*Source: U.S. Census Bureau Permits by MSA 2000-2011*).

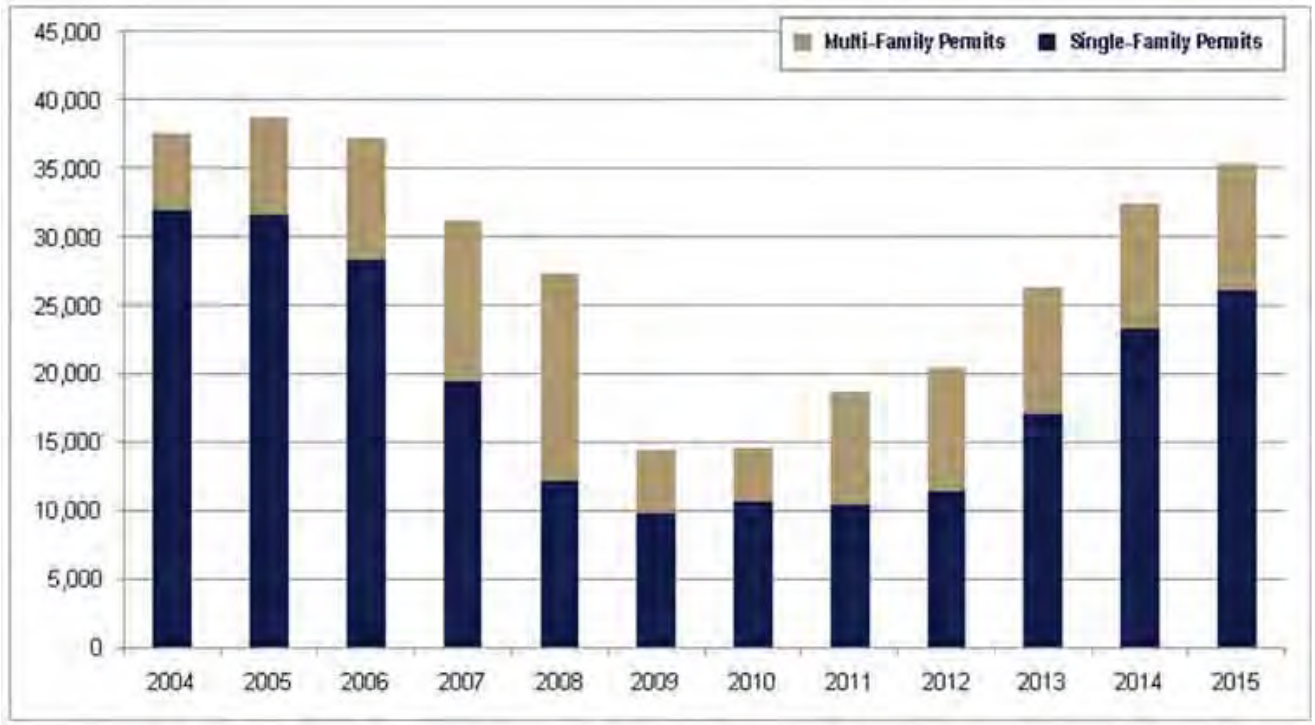
2000 – 2011 DFW MSA New Single-Family Home Permits



(Source: US Census Bureau Permits by MSA 2000-2011)

In 2011, DFW issued 14,000 single-family permits, and although well below historic norms for the Metroplex, it ranked second in the nation behind Houston, and permit activity in the Metroplex is projected to increase through at least 2015 (*Source: National Association of Home Builders, Building Permits by MSA, 2011*).

Dallas-Fort Worth: Historical Permits and Projections



(Source: Moody's, Précis *Reports-Dallas, November 2011)*

Zoning and Other Property Features

The Redwood Meadows Property is located in Ellis County and is therefore outside of any zoning jurisdiction, however, the Property is located within the future planning area of the City of Ferris, known as an Extra-Territorial Jurisdiction or "ETJ". Currently the Redwood Meadows Property is considered to have no entitlements, however, the Issuer plans to create a Fresh Water Supply District ("***FWSD***") on the Redwood Meadows Property to serve as a financing mechanism for large scale water, sewer and drainage facilities. The Redwood Meadows Property lies wholly within the Rockett Special Utility District ("***SUD***"), the local retail water provider, which can offer water servicing solutions. The Issuer intends to work with the City of Ferris to bring the Redwood Meadows Property to its highest and best use through a development agreement which will regulate development standards and land uses.

Water Service

Water service to the Redwood Meadows Property will be provided by Rockett SUD. Rockett SUD provides bulk treated water to cities in the immediate area and retail water to those customers not directly served by the nearby municipalities. Currently the Rockett Utility District has the capacity to service the Redwood Meadows Property with potable water based on a 12" water main that sits beneath a 15' utility easement along FM 983 along the southern boundary. Provisions for usage and designation between the City of Ferris and the Rockett SUD will be evaluated as part of Concept Planning activities.

Wastewater Transmission and Treatment

The sewer provider will be the City of Ferris. The Ten Mile Creek Regional Wastewater System that treats the region's water ("***TMCRWS***") began service in November 1970. This advanced wastewater collection and treatment facility provides service for a 98-square-mile service area in southern Dallas and northern Ellis counties. Contracting parties include Cedar Hill, DeSoto, Duncanville, Lancaster and Ferris. More than

125,000 citizens of these cities benefit from these services. The treatment plant for this system was developed on a 100-acre tract of land a short distance northeast of the City of Ferris with an initial treatment capacity of 6.8 million gallons per day. In its current configuration, the TMCRWS treatment plant operates as three separate treatment trains providing primary, secondary and advanced treatment. The system treats wastewater to a 99-percent level of purity.

Minerals

A mineral estate research report was commissioned with respect to the Redwood Meadows Property from Jackson Resources, Inc. According to the report, dated May 18, 2012, the surface and mineral estates of the Redwood Meadows Property are owned entirely by the seller, with no indication of mineral production based on the deeds or upon visual inspection of the Redwood Meadows Property. Walton has contracted to purchase 100% of the surface rights to the Redwood Meadows Property with the seller retaining the subsurface mineral rights in perpetuity, provided that any exploration of sub-surface mineral deposits must take place by pooling or directional drilling from well sites located on other real property. No current oil and gas leases were discovered in the title search conducted or in Jackson Resources, Inc.'s research.

Additionally, according to the online mapping tool of the Texas Railroad Commission (http://www.rrc.state.tx.us/data/online/gis/index.php#), there are no registered active wells on the Redwood Meadows Property. Drilling activity appears to be trending north and west away from Ellis County. Accordingly, the Issuer believes that it is unlikely that any exploration or development will occur on or near the Redwood Meadows Property and the mineral owner is specifically prohibited from accessing any such mineral from the physical surface of the Property.

Leases

Commensurate with the closing, the Redwood Meadows Property will become encumbered by a three-year agricultural lease, to be entered into with the seller of the Redwood Meadows Property, for farming and grazing purposes. Other short-term leases for the Redwood Meadows Property may be negotiated from time to time with third parties for the purposes of offsetting some of the ongoing administrative, development and operating costs of Walton TX and the Issuer with respect to the Redwood Meadows Property, provided that such leases do not interfere with the preliminary development of the Redwood Meadows Property. Any such lease revenue, which is anticipated to be minimal, will become part of the Reserve and distributed to the Issuer if not expended during the hold period. The Redwood Meadows Property may be subject to third-party leases for all or part of the Redwood Meadows Property in the future.

Dry Utilities

The electricity provider in the area is Oncor Electric Delivery. The natural gas service provider is Atmos Energy. AT&T currently provides telecommunications (telephone, cable and internet) service to the area.

Emergency Services

Police protection will be provided by the Ellis County Sherriff's Department. Fire protection is provided by Ferris Fire Department, whose fire station is located approximately one mile east of the Redwood Meadows Property. The nearest hospital is Baylor Medical Center at Waxahachie, located approximately 10 miles southwest of the Redwood Meadows Property.

School District

The Redwood Meadows Property is located entirely within the Ferris Independent School District ("***ISD***"). Enrollment in the Ferris ISD in 2010 was estimated to be 2,438. There are a total of five campuses, one Administrative Services Building and one Business and Maintenance Facility. The Ferris ISD is recognized by the Texas Education Agency (TEA) and operates within a balanced budget of $17,632,091 with 356 employees, making the school district the largest single employer in Ferris. Schools in the Ferris ISD include:

- Ingram Elementary, 347 Students
- Lucy Mae McDonald Elementary, 527 Students
- Ferris Intermediate, 531 Students

- Ferris High School, 667 Students

The TEA gave the district a 2010-2011 Accountability Rating of "Recognized" (*Source: http://www.ferrisisd.org/default.aspx?name=pi.06-07_accountability*).

Taxes

Funds to pay property taxes during the preliminary development period of the Redwood Meadows Property will be included in the Reserve. The Issuer will pay its proportionate share of the property taxes on the Redwood Meadows Property out of such reserved funds. There can be no assurances that the property taxes for the Redwood Meadows Property will not materially increase above the current level, particularly in the event the agricultural use and classification of the Redwood Meadows Property are changed.

Contemplated Concept Planning Activities

Concept Planning for the Redwood Meadows Property is anticipated to consist of one or more of the following steps:

- Development feasibility assessment. The Issuer intends to engage consultants to perform preliminary studies to assess the likely land use and intensity of potential future development on the Redwood Meadows Property, together with the infrastructure necessary to serve that development. A goal land use plan has been prepared as the initial basis for identifying potential future land uses. The preliminary studies may include, but may not be limited to, a traffic study, a hydrology study and drainage analysis, and a storm water management plan. In addition, the Issuer may engage consultants to perform market studies to ascertain the market demand for the proposed land uses for the Redwood Meadows Property, which are anticipated to include residential uses.
- Utility District. The Issuer plans to create a FWSD to serve as a reimbursement mechanism for large scale infrastructure such as water, wastewater and storm drainage facilities. The FWSD can issue bonds and tax the property owners within the FWSD to retire such bond debt. The bond proceeds are used for the reimbursement of large scale infrastructure items that a developer must front to service the lots.
- Land Use Approvals. The Issuer may seek specific land use rights for the Redwood Meadows Property from the City of Ferris as this property is located within Ferris' ETJ, or future planning jurisdiction. The Issuer may memorialize such land uses in a development agreement, which requires a legislative act over which the city council exercises significant discretion. If this approval is neither solicited nor received, the Redwood Meadows Property may be marketable under existing regulations in Ellis County and Ferris' ETJ, provided that other approvals as described herein are secured. See "Risk Factors – Risks Related to Investments in Real Estate."
- Negotiate water and wastewater solutions. The Redwood Meadows Property is located outside of a certificated area for sewer service. Accordingly, a wastewater solution for the Redwood Meadows Property will need to be negotiated.
- Major regulatory approvals. The Issuer may seek additional approvals as a part of Concept Planning activities. See "Risk Factors – Risks Related to Investments in Real Estate."

C. Description of the Dobson Creek Property and Surrounding Area

The Dobson Creek Property consists of approximately 623 acres of undeveloped land situated in south Prince George's County, within a 30-minute drive to Washington D.C. Located east of the Potomac River and immediately north of the community of Waldorf, the Dobson Creek Property fronts on State Route 5/U.S. Highway 301 ("***US 301***") and is roughly six miles east of MD 210. Both of these arteries lead to the Beltway and into the District of Columbia, approximately 20 miles to the north. The Dobson Creek Property is contemplated to be planned as a mixed-use development with retail, office, apartments and higher density residential units. The Dobson Creek Property is part of a larger 821-acre assembly that includes a 198-acre parcel adjacent to the Dobson Creek Property that Walton MD acquired from the seller of the Dobson Creek Property. The conceptual plan for this adjacent, Walton-managed parcel is consistent with the mix of residential

and commercial uses contemplated for the entire assembly. The approximate distances from the Dobson Creek Property to key infrastructure and landmarks in the Washington D.C. metropolitan area are as follows:

- 3 miles from Saint Charles Towne Center Shopping
- 10 miles from Andrews Air Force Base
- 16 miles from Ronald Reagan National Airport
- 17 miles from FedEx Field
- 19 miles from Downtown Washington D.C.

Existing improvements on the Dobson Creek Property include three occupied residences as well as various farm complexes and outbuildings along the frontage on US 301. Highlights of the Dobson Creek Property include the following:

1. **Access**. The Dobson Creek Property benefits from extensive frontage on Highway 301/Route 5, as well as direct access to McKendree Road on the northeastern portions of the site. The westernmost parcel features frontage on Gardner Road, which is expected to provide for an ultimate back entrance to the community. US Highway 301/Route 5 is the major north south artery in the region, connecting the Dobson Creek Property to retail and services in Waldorf and St. Charles just a mile to the south. It also connects the site to the Washington D.C. Beltway (I-495), which is 11 miles to the north, providing access to the employment cores along it, as well as the District of Columbia. The road is a four lane divided highway through the entire region. Two and a half miles north of the Dobson Creek Property, US 301 and Route 5 split, with Route 5 continuing north towards Washington D.C. and the Beltway, and US 301 continuing to the northeast to Baltimore, 46 miles away. Heading south, US 301 bisects Charles County then crosses the Potomac River into Virginia, eventually intersecting with Interstate 95, 55 miles to the south.

2. **Favorable Zoning**. A significant portion of the Dobson Creek Property is located within the developing tier, according to the Prince George's County planning ordinances, and thus will not require a plan amendment during Concept Planning to receive the entitlements necessary for high-density development. Also, an approximately 49-acre portion of the Dobson Creek Property located to the east and which fronts Highway 301 is currently zoned for commercial uses. The expansion of this area and transition to less intensive zoning categories may allow Walton to create a unique mixed use development with retail, office, apartments and higher density residential units.

Prince George's County General Plan

The Prince George's County General Plan, dated October 2002 (the "***County General Plan***"), makes comprehensive recommendations for guiding future development within the county. It was designed to address growth through the year 2025 and proposes three development tiers: Developed, Developing and Rural. Each tier is categorized by the historical intensity of development. The majority of the Dobson Creek Property is currently located within the Developing Tier while the remainder is within the Rural Tier. The purpose of the Developing Tier is to maintain a pattern of low to moderate density suburban residential communities, distinct commercial centers and employment areas that are increasingly transit serviceable. The purpose of the Rural tier is to conserve large portions of land for woodland, wildlife habitat, recreation and agricultural pursuits and to preserve rural characters and vistas. It is anticipated that contemplated changes in the zoning of the Dobson Creek Property may necessitate an amendment to the County General Plan.

Countywide Green Infrastructure Plan

The Countywide Green Infrastructure Plan, or GIP, is a functional master plan to make recommendations regarding the environmental infrastructure needed for a proposed development. The purpose of this environmental master plan is to guide development, green space protection, and mitigation activities in the County. Proposed developments within the GIP will be required to perform environmental evaluation studies of the applicable area to determine the potential and/or uniqueness of the site. Regulated Green Areas will be incorporated into the open space requirements during Concept Planning of the Dobson Creek Property.

Demographic Trends

Washington D.C. Metropolitan Area

Ranked as one of the United States' top performing economies coming out of the recession, Washington D.C. has had annual GDP growth of 5.3% over the last 20 years. The region created 9,050 jobs in 2010 and 35,025 in 2011. *(Source: Bureau of Labor Statistics, State and Area Employment for Washington-Arlington-Alexandria MSA 2000 to 2012, http://data.bls.gov/pdq/SurveyOutputServlet;jsessionid=0A4F88FE1336525B17A46BFE45248125.tc_instance4; last retrieved October 2, 2012).* The Dobson Creek Property is located in south Prince George's County within a 30-minute drive to central Washington D.C. and other major employment centers in a market experiencing relatively high household incomes and low unemployment. The Dobson Creek Property is expected to benefit from the relative affordability of Prince George's County, as well as the waning development opportunities in the more mature markets of Howard and Montgomery Counties, which have respective average new home prices of $713,948 and $710,123. By contrast, 81% of the new housing market within a five-mile radius of the Dobson South Property trades between $300,000 and $500,000 with an additional 5% priced over $500,000. *(Source: MetroStudy, MetroSearch 2Q2012 datatset).*

Regional Demographic Trends

From 2000 to 2010, the Washington MSA's population grew by 785,987 or 16.4%, which ranked the Washington MSA fourth among the most populous MSAs. Additionally, Washington D.C. attracted over 18,000 net domestic migrants during the U.S. recession (*Source: U.S. Census Bureau, http://www.census.gov/prod/cen2010/briefs/c2010br-01.pdf, 2010 Census Briefs, Population Distribution and Change: 2000-2010; U.S. Census Bureau, Net Domestic Migration, 2007-2009*).

From 2010 to 2015, the Washington MSA's population is projected to grow by 6.2% (*Source: Moody's Précis Report, Washington D.C., September 2011).* Prince George's County grew by 7.8% between 2000 and 2010, adding over 60,000 people, and ranking 2nd in the State of Maryland. Prince George's County is projected to grow its population from 863,420 in 2010 to 902,500 by 2020, an increase of over 30,000 residents (*Source: U.S. Census Bureau, Intercensal Estimates of the Resident Population for Counties of Maryland, 2000-2010; Maryland Department of Business and Economic Development, Brief Economic Facts-Prince George's County, MD, 2011*).

Regional Economic Trends

Prince George's County income levels exceed the national averages and mirror the Maryland averages, as shown in the table below.

Household and Per Capita Income

	Prince George's County	Maryland	United States
Median Household	$70,525	$69,695	$51,369
Average Household	$84,283	$90,500	$70,404
Per Capita	$31,093	$34,384	$27,100

Source: Prince George's County Economic Development Corporation Brief Economic Facts, http://www.pgcedc.com/docs/common/bef0910.pdf

Moreover, as of July 2012, the unemployment rates for Prince George's County (7.0%) and Maryland (7.0%) were considerably below the national rate of 8.2% *(Source: U.S. Bureau of Labor Statistics, Unemployment Rates by County in Maryland, July 2012, http://bls.gov/ro3/mdlaus.htm)*.

In the latest American Community Survey (U.S. Census Bureau), the Washington D.C. MSA had an average commuting time of 33.3 minutes. Further, the survey shows that 29.3% of the population has a commute time of greater than 45 minutes and 15.8% has a commute time of greater than one hour. *(Source: U.S. Census Bureau American Community Survey, Travel Time to Work)*. The drive time map below shows the Dobson Creek Property's proximity to multiple employment markets throughout the Washington D.C. MSA. The Dobson

Creek Property is located 15 minutes from the Capital Beltway (I-495 ring road) and less than 30 minutes from neighboring employment markets, including Joint Forces Base Andrews, the District of Columbia, and across the Potomac River to Alexandria, Virginia.

A 30-minute drive time (middle range in the map below) provides access to the Capitol, Union Station, downtown Washington D.C., and the Northern Virginia employment markets in Alexandria and Arlington. As a suburb to the Washington D.C. employment market, the Dobson Creek Property benefits from the higher income and employment opportunities of the core regions, while offering the demographic and housing qualities not available in the core.

Property Drive Time Map

(Source: U.S. Census Bureau, as reported by ESRI Business Analyst Online from http://www.bao.esri.com/)

Regional Housing Activity

Household formation within the south region of Prince George's County averaged a growth rate of 6.4% from 2000 to 2010, more than six times the national average. *(Source: U.S. Census Bureau as reported by ESRI Business Analyst, Submarket vs. National Household Formation Annual Growth from http://www.bao.esri.com/).* To accommodate growth from 2000 to 2010, the Washington D.C. region issued 230,035 single-family permits, ranking 7th in the nation. In 2011, the Washington D.C. MSA issued 9,280 single-family permits and ranked 3rd in the nation behind Houston and Dallas for single-family permit activity. Resale home prices in the metro area dropped by 5.4% from $331,100 in December 2010 to $313,300 in December 2011. This is a 27% decrease from the 2006 median resale peak of $431,000. According to the Q4 2011 National Association of Home Builders Housing Opportunity Index, used to measure the relative housing affordability of a market, the Washington D.C. MSA scores an 88.2, well above the national index of 74.6. This return to affordability has maintained buying activity. In 2011, the Washington D.C. MSA ranked 8th in the nation for total real estate transactions with 70,272 (*Source: U.S. Census Bureau, Single-Family Permits, 1999 to 2011; National Association of Realtors, Median Resale Values, 2006 & 4Q2011; ; The National Association of Home Builders, Housing Opportunity Index, 4Q2011; MetroStudy, Total Home Sales, Q4 2011).*

Prince George's County has captured approximately 31% of total single-family housing activity in the Suburban Maryland market (not including Baltimore) since 2003. (*Source: MetroStudy, Prince George's county, Single-family Detached Starts and Closings, 2003 - 2011).* With adjacent Howard and Montgomery Counties continuing to mature and grow increasingly more expensive, the Issuer expects that Prince George's County will see an increase in market share as builders migrate southward along Highway 301, Route 5 and Highway 221 in search of a new, more affordable land supply. The table below shows that new home values in Prince George's County are 37% less than the average in Montgomery County and 38% less than those in Howard County.

Average New Home Price in Prince George's, Howard, and Montgomery Counties

	3Q10 Averages			4Q10 Averages			1Q11 Averages			2Q11 Averages			3Q11 Averages		
Market Area	Price	SqFt	$/SF	Price	SqFt	$/SF	Price	SqFt	$/SF	Price	SqFt	$/SF	Price	SqFt	$/SF
Howard	$722,614	3,350	$215.8	$694,542	3,206	$216.2	$683,991	3,166	$215.4	$663,016	3,104	$213.6	$707,270	3,267	$215.2
Montgomery	$773,288	3,197	$252.0	$756,746	3,279	$235.4	$749,232	3,108	$252.0	$719,100	3,062	$241.2	$676,412	3,036	$221.4
Prince George's	$456,569	2,996	$155.0	$447,738	2,947	$154.3	$447,658	2,982	$152.8	$449,459	3,024	$150.2	$446,981	3,030	$149.6

Source: MetroStudy- Market Summary Report for Suburban Maryland, 3Q 2011

As of June 2012, the Maryland portion of the Washington D.C. MSA has only a 4.1-month supply of listings on the market, down from over 12 months at the peak and below the 6-month supply that is considered equilibrium. Most of the initial improvement occurred in 2009, though the months of supply of inventory did not fall to under 6 months until mid-2011.

Existing Home Supplies by Subregion

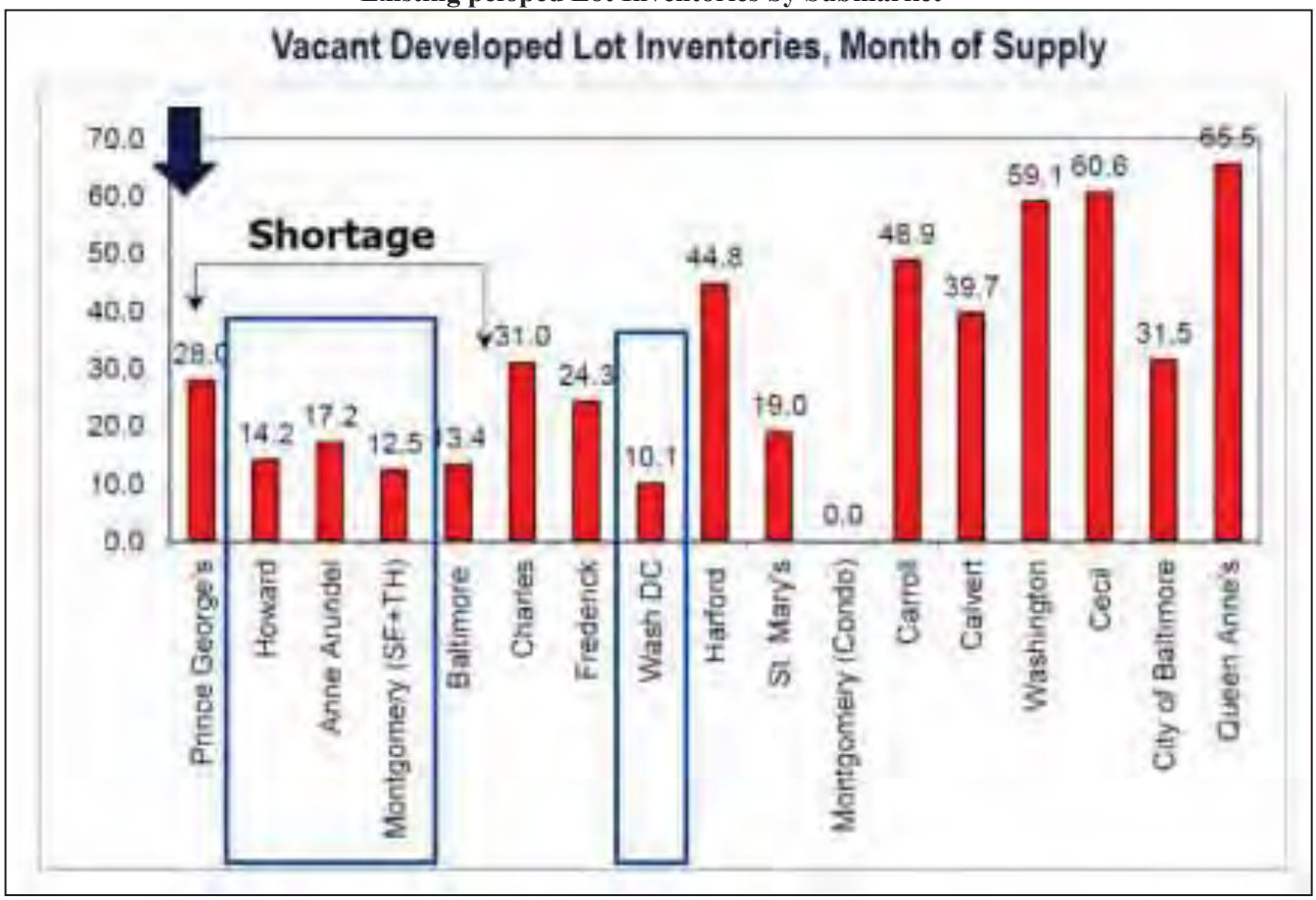
(*Source: Metrostudy, MRIS, Mid-Atlantic Market Briefing 2Q2012*)

With reduced inventory and increasing activity, existing home pricing in the metro area has stabilized and is now beginning to appreciate. After falling 23% from a 2006 median resale peak of $431,000, the 2011 median resale price was $325,000, up over 5% from $308,600 in 2010. As the local resale market has firmed up and dipped below equilibrium, there has been an increase in new home activity. New homebuyer traffic was 10% above the level seen in the first quarter of 2011, while contracts were up by 7%. As a result, new housing production has picked up over the past year. In Maryland, new home starts are up 1.6% in 2Q 2012 as compared with 2Q 2011, the third consecutive quarterly year-over-year increase.

(*Source: Metrostudy, MRIS, Mid-Atlantic Market Briefing 2Q2012*)

New home closings are up 10.4% compared to the previous year, marking the third quarter in a row with an increase in closings. The busiest submarket in the Maryland side of the DC metro area continues to be Prince George's County with 1,101 starts and 1,120 closings. Lot inventories in Maryland are very tight, and in particular, Montgomery, Anne Arundel, Howard and the District of Columbia have the tightest lots supplies in the market. As such, the Issuer anticipates that the demand for housing will push into neighboring counties with lot availability, including Prince George's County.

Existing peloped Lot Inventories by Submarket



(*Source: Metrostudy, MRIS, Mid-Atlantic Market Briefing 2Q2012)*

Regional Commercial and Multifamily Market

To take advantage of the extensive frontage that the Dobson Creek Property has on US 301, the Issuer anticipates that approximately 49.4 acres of retail and office space along US 301 will be incorporated into the preliminary plan for the site. Historically there has been little commercial space available in the southern Prince George's region, as most of the office space has been developed to the north closer to the Beltway, and retail space has been concentrated to the south in the City of Waldorf in neighboring Charles County. Brandywine Crossing, located less than one mile north of the Dobson Creek Property, is the most recent retail addition in the region. Initially constructed and leased in 2007 and 2008 and already undergoing a major expansion, the 650,000 square foot power center has attracted anchors such as Costco, Target, Safeway, Jo Anne's and Marshalls. The current expansion is expected to feature a Bow Tie Cinema movie theater and a CarMax dealership.

Historically, nearly all of the multi-family construction in this submarket has been for rental apartments, with very few condominiums constructed in the region. As with commercial space, most rental apartments are located either to the north along the Beltway or to the south in St. Charles, Maryland. The Washington D.C. apartment market is tight with a 3.8% vacancy rate, and rents that are up 2.1% over the previous year, and

suburban Maryland's vacancy rate is only 5.4%. The newest rental apartment development in the vicinity of the Dobson Creek Property was completed in 2010 and has an occupancy rate of over 95%, and as of 1Q 2012, there was only one new apartment project that is planned or under construction in southern Prince George's County and Charles County. (*Source: Delta Associates, 1Q 2012 Multifamily Outlook*).

Zoning and Other Property Features

The Dobson Creek Property is zoned R-A Residential Agricultural, R-T Residential Townhome and C-S-C Commercial Shopping Center. According to the Code of Ordinances for Prince George's County the purpose of the R-A zone is to provide for large lot one-family detached residential subdivisions, while encouraging the retention of agriculture as a primary use. Other intentions of the R-A designation are to encourage the preservation of trees, open spaces and to prevent soil erosion and stream valley flooding. It allows for a standard lot size of 2 acres and maximum density of 1 unit per 2 acres. The general purpose of the R-T Zone is to provide for attractive communities with a variety of dwelling types designed to efficiently utilize available land area, public utilities, and public facilities. The maximum density for one-family dwellings in general is 6.7 units per acre. The purpose of the C-S-C Zone is to provide locations for predominantly retail commercial shopping facilities.

The current zoning designation of R-A does not reflect the intended end uses of the Dobson Creek Property. The Issuer intends to pursue a rezoning of the Dobson Creek Property that allows for higher density and mixed-use entitlements. Such a zoning change, however, will likely necessitate a change to either the County General Plan or the Area Master Plan.

Wetlands

Wetland data with respect to the Dobson Creek Property was obtained using the U.S. Fish and Wildlife Service's (USFWS) National Wetlands Mapper. Freshwater Forested Shrub wetlands exist along the two branches of Crooked Creek and Freshwater Emergent wetlands exist along the southern boundary of the Dobson Creek Property and one of the tributaries of the Mattawoman Creek. As part of Concept Planning, Walton intends to commission a Wetlands Delineation Study that will field verify the presence of any wetlands, and if found, these areas will be incorporated into the open space design contemplated for the development of the Dobson Creek Property.

Water Service

The Adopted 2008 Water and Sewer Plan outlines the goals, objectives and legal requirements for providing water and sewer service in the County. The plan assigns categories that determine whether land can be developed using public water and sewer or individual wells and septic systems. There are two water and sewer categories that affect the Dobson Creek Property. The western portion of the Dobson Creek Property is currently classified as "Category 6: Individual System." As stated in the plan: "This category consists of all areas outside the limit of planned water and sewer service (Sewer Envelope), and of certain larger tracts of parkland and open space inside the Sewer Envelope. Development in Category 6 must use permanent individual water supply and wastewater disposal systems (i.e., well and septic systems) or shared facilities and smaller community systems as approved by the County". The eastern portion of the Dobson Creek Property is currently classified as "Category 4: Community System Adequate for Development Planning," which category includes all properties inside the Sewer Envelope for which the subdivision process is required.

The current designation of Category 4 (the eastern portion of the Dobson Creek Property) under the Water and Sewer Plan is adequate for the intended end uses of the Dobson Creek Property. In order to allow for adequate water service to the western portion of the Dobson Creek Property a redesignation to a more suitable service area category will be necessary. Such redesignation is achieved through an application process to the Prince George's County Department of Environmental Resources, which is anticipated to be undertaken as part of the Concept Planning for the Dobson Creek Property.

Sewer and water utilities exist on and at the boundary of the Dobson Creek Property. There is currently a 16" water main that follows McKendree Road and a 24" interceptor sewer line that passes through the eastern end of the Dobson Creek Property, draining into the Mattawoman Creek interceptor sewer line.

Wastewater Transmission and Treatment

The eastern portion of the Dobson Creek Property is within the service area of the Mattawoman WWTP. There is an existing sewer line in a 50' easement that generally follows the centerline of the Mattawoman Creek on the Charles County side at the south of the Dobson Creek Property. It is identified as the Mattawoman interceptor sewer and is granted to the Charles County Sanitary District. The Dobson Creek Property lies within the Mattawoman drainage basin which flows to the southwest into Charles County and eventually drains into the Potomac River. This basin is the catchment area for the Mattawoman WWTP, located 11 miles to the southwest of the Dobson Creek Property. The Mattawoman WWTP is owned and operated by Charles County. Currently, 20 percent of the plant's usage, or 3 million gallons per day (MGD) is allocated to the Washington Suburban Sanitary Commission (the "***WSSC***") and Prince George's County through an agreement between Charles County and the WSSC. The facility is currently undergoing expansion from its 15 MGD capacity to a capacity of 20 MGD.

Minerals

The Dobson Creek Property has been previously mined for sand and gravel. The mining began sometime after an approved plan dated April 1979 and continued into the 1980's when reclamation of the mining sites began. Walton commissioned Geo-Technology Associates ("***GTA***") to perform a Preliminary Geotechnical Evaluation consisting of 12 soil borings at selected location within the fill areas of the former mine. GTA determined that the existing fill materials will likely be suitable for support of limited controlled fills and lightly loaded residential structures. As recommended by GTA, the Issuer anticipates commissioning additional geotechnical evaluations as part of Concept Planning closer to the time of development of the Dobson Creek Property. No current mining activity is undertaken on the Dobson Creek Property.

Cultural Resource Survey

Walton commissioned a Cultural Phase 1A Survey of the Dobson Creek Property by Cultural Resources Inc. ("***CRI***"). The Phase 1A survey was performed to classify areas of high and moderate probability for archaeological sites to obtain sufficient information to make recommendations about the further research potential of each site based on potential eligibility for listing on the National Register of Historic Places ("***NRHP***"). As noted in the Cultural Phase 1A survey report dated on June 10, 2012, one architectural and one archaeological resource were identified on the Dobson Creek Property, neither of which, however, was recommended as eligible for listing to the NHRP.

CRI has created two classifications: high and low potential for cultural resources. The low potential areas include the former surface mining operation and the poorly drained floodplains along the Mattawoman Creek. The remaining area, along the higher well drained ground of the Dobson Creek Property is classified as enhanced potential area and comprises most of the eastern portion of the Dobson Creek Property. Should further review be required later in the development stages of the assembly, CRI recommends a systematic Phase 1 survey including all areas defined as enhanced potential area and a 10 percent sample of the low potential areas. Walton intends to incorporate the low potential areas in the open space requirements of the Dobson Creek Property during Concept Planning.

Leases

The Dobson Creek Property is currently encumbered by four leases, including one agricultural lease and a residential lease for each of the three homes on the site. The agricultural lease was entered into in early 2012, and expires at the end of 2014. The three residential leases are all month-to-month leases, and were all entered into within the last year. Other short-term leases for the Dobson Creek Property may be negotiated from time to time with third parties for the purposes of offsetting some of the ongoing administrative, development and operating costs of Walton MD and the Issuer with respect to the Dobson Creek Property, provided that such leases do not interfere with the preliminary development of the Dobson Creek Property. Any such lease revenue, which is anticipated to be minimal, will become part of the Reserve and distributed to the Issuer if not expended during the hold period. The Dobson Creek Property may be subject to third-party leases for all or part of the Dobson Creek Property in the future.

Floodplain

The majority of the Dobson Creek Property lies in Zone C, defined as areas of minimal flood hazard, however portions of the Dobson Creek Property along the Mattawoman Creek and its tributaries contain Zones A and B, as determined by FEMA, and, with respect to Zone A, require the purchase of mandatory flood insurance. Walton intends to incorporate the constrained areas as open space.

Dry Utilities

Electricity providers in the area are Allegheny Power, Potomac Electric Power Company, Baltimore Gas and Electric and SMECO. The natural gas service providers are Washington Gas and MXenergy. Verizon currently provides telecommunications (telephone, cable and internet) service to the area.

Emergency Services

Police services will be provided by the Prince George's County Office of the Sheriff. The closest station to the Dobson Creek Property, which is located in District 5, is the Groveton Station located in Clinton, MD. The two facilities closest to the Dobson Creek Property that provide fire, ambulance and rescue services are the Accokeek Volunteer Fire Department to the west and the Volunteer Fire Department of Brandywine to the east. The hospitals nearest to the Dobson Creek Property are Fort Washington Medical Center, Southern Maryland Hospital Center in Clinton and Civista Medical Centre in La Plata.

School District

The Dobson Creek Property is located in District 9 of Prince George's County Public Schools. The district is comprised of 21 schools and education centers, including 11 elementary schools, 3 middle schools, 4 high schools and 3 private or specialized schools. According to a preliminary enrollment report for 2011, the district has an enrollment totaling 12,447 students. The following is a list of the schools closest to the Dobson Creek Property:

- Brandywine Elementary
- Gwynn Park Middle School
- Gwynn Park High School
- Eugene Burroughs Middle School
- Henry G. Ferguson Elementary School
- Piscataway Public School

Taxes

Funds to pay property taxes during the preliminary development period of the Dobson Creek Property will be included in the Reserve. The Issuer will pay its proportionate share of the property taxes on the Dobson Creek Property out of such reserved funds. There can be no assurances that the property taxes for the Dobson Creek Property will not materially increase above the current level, particularly in the event the agricultural use and classification of the Dobson Creek Property are changed.

Contemplated Concept Planning Activities

Concept Planning for the Dobson Creek Property is anticipated to consist of one or more of the following steps:

- Development feasibility assessment. The Issuer intends to engage consultants to perform preliminary studies to assess the likely land use and intensity of potential future development on the Dobson Creek Property, together with the infrastructure necessary to serve that development. A goal land use plan is anticipated to be prepared as the initial basis for identifying potential future land uses. The preliminary studies may include, but may not be limited to, a traffic study, a hydrology study and drainage analysis, and a storm water management plan. In addition, the Issuer may engage consultants to perform market studies to ascertain the market demand for the proposed land uses for the Dobson Creek Property, which are anticipated to include a mix of commercial and higher-density residential uses.
- Land Use Approvals. The Issuer may seek specific land use rights for the Dobson Creek Property from Prince George's County and the Maryland National Capital Park and Planning Commission to preserve

the rights for certain land uses as necessary to achieve the development objectives for the Dobson Creek Property and to reflect market conditions. Such an application requires a legislative act over which the county council exercises significant discretion. See "Risk Factors – Risks Related to Investments in Real Estate."

- Obtain water and wastewater designations. A portion of the Dobson Creek Property is located outside of a designated area for sewer service. Accordingly, a redesignation for that portion of the Dobson Creek Property will need to be obtained.
- Major regulatory approvals. The Issuer may seek additional approvals as a part of Concept Planning activities. For instance, a portion of the Dobson Creek Property along the Mattawoman Creek and its tributaries is within the Federal Emergency Management Agency's ("***FEMA***") Zones A and B. The Issuer may submit an application to FEMA to limit the existing flood hazard zone in order to prepare the Dobson Creek Property for development if studies indicate that a reduction of the amount of flood plain is feasible. The Issuer may elect to not submit an application if the proposed land plan conforms to the existing flood hazard zone. In either event, the impact on the entitlement value and the ability to develop the Dobson Creek Property is anticipated to be negligible. See "Risk Factors – Risks Related to Investments in Real Estate."

D. Risks related to the River Park, Redwood Meadows and Dobson Creek Properties

The Issuer may be subject to environmental liabilities

As part of its due diligence process, Walton USA procured a Phase I Environmental Site Assessment ("***ESA***"), dated March 6, 2012, from ATC Associates, Inc. for the River Park Property, an ESA from C&E Environmental, LLC, dated May 14, 2012, for the Redwood Meadows Property, and an ESA, dated August 10, 2012, from Geo-Technology Associates for the Dobson Creek Property. C&E observed some piles of trash and debris on the Redwood Meadows Property. It is anticipated that Walton will categorize and appropriately remove any trash on the Redwood Meadows Property. Geo-Technology Associates noted that the several farm complexes and outbuildings on the Dobson Creek Property may have utilized underground storage tanks, or USTs. It is recommended that if buried wastes, USTs, or contaminated media are encountered during further site activities, such materials should be removed and a follow-up environmental evaluation of the area performed. The ESAs did not identify the presence of any recognized environmental conditions in connection with any of the properties at the time of their preparation. There can be no assurance however, that all adverse environmental conditions and environmental risks have been identified in the ESAs. *See,* "Risk Factors - Risks Related to Investments in Real Estate - The Issuer may be subject to environmental liabilities with respect to one or more Properties" for additional disclosure regarding the impact of potential environmental liabilities.

The entitlements for the Dobson Creek Property may not be vested during the anticipated hold period

Vesting laws in the State of Maryland are largely not statutory, but have developed through the State courts. These laws can vary somewhat based on the variables regarding any particular property, but generally require that (a) the zoning for the property allows the use in question as a "permitted use"; (b) the necessary construction permits have been issued; and (c) actual physical commencement of significant, and in good faith, construction be undertaken. Because the Issuer does not intend to undertake any construction or physical improvement of the Dobson Creek Property, there is a risk that certain entitlements will not be deemed vested during the anticipated hold period of the Dobson Creek Property. In such event, the additional costs that would potentially be incurred by a prospective purchaser may adversely impact the marketability of the Dobson Creek Property, which could negatively impact our financial performance and the value of your Units.

All other provisions of the Memorandum remain unchanged and in full force and effect.

The date of this First Supplement is October 31, 2012

Copy No.: _____ To: _____

SECOND SUPPLEMENT, DATED MARCH 1, 2013,
TO CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

WALTON U.S. LAND FUND 3, LP

a Delaware limited partnership
Up to 5,000,000 Class A Units
at $10.00 per Unit

Walton U.S. Land Fund 3, LP (the "***Issuer***") is offering up to 5,000,000 of its Class A limited partnership interest units (the "***Units***") to eligible investors at $10.00 per Unit (the "***Offering***") pursuant to the terms of that certain Confidential Private Placement Memorandum, dated January 1, 2012 (the "***Memorandum***"), as amended by the First Supplement dated March 1, 2012, and as further amended by this Second Supplement dated March 1, 2013 ("***Second Supplement***"). The Units are being offered on a best-efforts basis on behalf of the Issuer through broker-dealers registered with the Financial Industry Regulatory Authority, Inc. who may be selected by us, and by any other agents or sub-agents as we may appoint. All capitalized terms in this Second Supplement not otherwise defined herein have the meanings given to them in the Memorandum, and all references to the Memorandum shall mean the Memorandum as supplemented or amended, including by this Second Supplement.

Investment in the Units will be subject to numerous risks. See "***Risk Factors***" in the Memorandum. The Units are not and will not be listed for trading or quoted on any securities market and will be subject to restrictions on resale and transfer. See "***Restrictions on Transfer and Resale of Notes and Units***" in the Memorandum.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Units or passed upon the adequacy or accuracy of the Memorandum or this Second Supplement. Any representation to the contrary is a criminal offense.

THE INFORMATION CONTAINED IN THE MEMORANDUM AND THIS SECOND SUPPLEMENT IS INTENDED ONLY FOR THE PERSONS TO WHOM IT IS TRANSMITTED FOR THE PURPOSES OF EVALUATING THE UNITS OFFERED IN THE OFFERING. PROSPECTIVE INVESTORS SHOULD ONLY RELY ON THE INFORMATION IN THE MEMORANDUM AS MAY BE SUPPLEMENTED OR AMENDED, INCLUDING BY THIS SECOND SUPPLEMENT. NO PERSONS ARE AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN RESPECT OF THE ISSUER OR THE SECURITIES OFFERED IN THE MEMORANDUM AS AMENDED BY THIS SECOND SUPPLEMENT AND ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

THE MEMORANDUM IS HEREBY SUPPLEMENTED AS FOLLOWS:

1. **STATUS OF THE OFFERING**. As of the date hereof, eight closings of the Offering have been held, resulting in aggregate gross proceeds to the Issuer of $16,889,510, of which $3,760,842 has been utilized to acquire interests in Properties and $1,473,506 has been deposited into the Issuer's reserve account, with the remaining proceeds, net of organizational and offering expenses and distribution costs, deposited into the Issuer's operating account, pending investment in Properties. Limited Partners hold 1,688,951 Units of the Issuer as of the date hereof, for an aggregate of 16.89% of the Units offered in the Offering, in view of the increased Maximum Offering (see #3 below).

2. **INTERESTS IN PROPERTIES ACQUIRED TO DATE**. As of the date hereof, the Issuer has acquired 95% tenant-in-common interests in the River Park Property and the Redwood Meadows Property for a purchase price of $1,733,699 and $2,027,143, respectively.

3. **INCREASE IN THE MAXIMUM OFFERING**. The General Partner has elected, at its discretion, to increase the maximum amount of the Offering from $50,000,000 to $100,000,000, subject to the right of the General Partner to terminate the Offering at any time.

4. **THE VISTA RANCH PROPERTY**. The General Partner has identified property as a potential suitable investment for the Issuer. The Memorandum is hereby supplemented to include the following information about this potential investment:

The potential suitable investment for the Issuer consists of approximately 319 acres of undeveloped land located in close proximity to Interstate-10 ("***I-10***") in the Phoenix-Tucson corridor, within the city limits of Casa Grande in Pinal County, Arizona (the "***Vista Ranch Property***"). The Vista Ranch Property is located adjacent to Walton's Casa Grande Commons property, with a half mile of proximate exposure to I-10 and a mile of frontage along the east-west Kortsen Road along the northern boundary. The Vista Ranch Property is intended to be planned as a mixed use development incorporating commercial office, retail, multifamily and single-family residential components.

The Vista Ranch Property

Aerial photo of the Vista Ranch Property and surrounding area

Walton Arizona, LLC, an Arizona limited liability company and subsidiary of Walton USA ("***Walton AZ***"), has the right to acquire the Vista Ranch Property from the sellers on or before November 29, 2013 for an aggregate purchase price of $6,180,000, or $19,398 per acre. The acquisition of an Interest in the Vista Ranch Property by the Issuer is subject to a number of conditions, including, without limitation, the number of Units sold in this Offering. In the event the Issuer acquires an Interest in the Vista Ranch Property, Walton AZ will retain the remaining interest, with a minimum of 5%.

In order to acquire the Vista Ranch Property and to fund associated Reserve amounts, the Issuer will be required to raise $11,710,000 as follows:

Projected Use of Proceeds (assuming sufficient Units are sold)

	Vista Ranch Property		Cumulative (4 Properties)***	
	Amount	%	Amount	%
Gross proceeds	$11,710,000	100.0%	$ 50,620,000	100.0%
Organizational and Issue Costs:				
Selling Commissions	$ 819,700	7.0%	$ 3,543,400	7.0%
Selling Group members' fee	$ 351,300	3.0%	$ 1,518,600	3.0%
Offering Expenses	$ 105,942	0.9%	$ 457,968	0.9%
Net proceeds	$10,433,058	**89.1%**	$ 45,100,032	**89.1%**
Land and Reserves:		**68.4%**		**68.4%**
Acquisition of Property:				
Acquisition of interest in Property *	$ 6,085,760	52.0%	$ 26,111,592	51.6%
Reserve items:				
Concept Planning expenses	$ 713,202	6.1%	$ 2,492,744	4.9%
Issuer expenses	$ 96,877	0.8%	$ 1,631,340	3.2%
Management Fee **	$ 1,117,828	9.5%	$ 4,402,044	8.7%
Operating Expenses of Walton USA	$ 2,068,091	**17.7%**	$ 8,943,712	**17.7%**
Acquisition fee to Walton USA	$ 351,300	**3.0%**	$ 1,518,600	**3.0%**
Net proceeds:	$10,433,058	**89.1%**	$ 45,100,032	**89.1%**

* includes capitalized and closing costs of $156,816 for the River Park Property, $65,738 for the Redwood Meadows Property, $965,535 for the Dobson Creek Property, and $214,760 for the Vista Ranch Property.

** reserved and paid to Walton USA in annual amounts of $49,910 in respect of the River Park Property, $46,168 for the Redwood Meadows Property, $531,578 in respect of the Dobson Creek Property, and $186,305 in respect of the Vista Ranch Property; unearned amounts remaining upon final exit, if any, will be distributed to the partners.

*** includes the River Park Property, the Redwood Meadows Property, Dobson Creek Property and Vista Ranch Property.

Description of the Vista Ranch Property and Surrounding Area

The Vista Ranch Property consists of approximately 319 acres of undeveloped land located within the city limits of Casa Grande in Pinal County, Arizona, approximately 32 miles south of the Phoenix metropolitan area. With approximately one mile of exposure along I-10 and one mile of frontage along Kortsen Road, the Vista Ranch Property benefits from its proximity to the I-10, which serves as the economic backbone and driver of growth for the entire region. The Vista Ranch Property is located approximately one mile north of a one million square foot regional shopping and entertainment center, The Promenade at Casa Grande.

The Issuer believes the Vista Ranch Property is well situated in the path of future development, particularly with respect to retail, commercial and residential development. The Vista Ranch Property benefits from its already approved Planned Area Development ("***PAD***") zoning, its exposure along I-10 and its location in a proven commercial and residential market within Pinal County, the nation's second-fastest growing county over the last decade. (*Source: U.S. Census Bureau Population Distribution and Change 2000 2010, March 2011*). Additionally, the Vista Ranch Property is located approximately:

- 1 mile northwest of the Promenade Mall at Casa Grande
- 2.3 miles north of Casa Grande Regional Medical Center
- 5 miles northeast of downtown Casa Grande
- 8 miles north of Interstate 8 and I-10 Intersection
- 12 miles southeast of Casa Grande Municipal Airport

- 17 miles from Coolidge
- 25 miles from Chandler and Southeast Valley

Other highlights of the Vista Ranch Property include the following:

1. **Located in a Historic Growth Corridor**. Pinal County and Maricopa County make up the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area, or MSA. The MSA added 941,011 residents from 2000 to 2010, ranking fourth in the nation for total new residents, and was the seventh-fastest growing MSA at a 28.9% growth rate *(Source: US Census Bureau, Large MSA, Population growth 1990-2000 and 2000-2010)*. During this same timeframe, Pinal County was the second-fastest growing county among the 3,143 counties in the United States, with a growth rate of 109% (*Source: U.S. Census Bureau Population Distribution and Change 2000 2010, March 2011)*. The Vista Ranch Property is located within the Casa Grande city limits, approximately 5 miles from downtown Casa Grande. Casa Grande grew from 25,224 to 48,571 residents during the last decade at a significant growth rate of 92.6% *(Source: Casa Grande, AZ Population - Census 2010 and 2000 Interactive Map, Demographics, Statistics, Quick Facts)*. In addition, the Vista Ranch Property is near several other Arizona municipalities that serve as employment centers, including the cities of Coolidge, Eloy and the town of Florence. I-10 also provides access to the major cities of Chandler, Gilbert, Mesa, Phoenix and Tucson.
2. **Existing Zoning and Concept Plan**. The Vista Ranch Property has already been approved and designated as PAD zoning by the City of Casa Grande. The potential development of the Vista Ranch Property is enhanced by the favorable zoning already in place, allowing for multiple uses including commercial office, retail, multi-family and single-family residential.
3. **Access to Utilities**. The Vista Ranch Property is located in the vicinity of existing utility providers and infrastructure. The Vista Ranch Property lies within the boundary of the Arizona Water Company's Certificate of Convenience and Necessity. The Vista Ranch Property is within one mile of existing sewer lines with adequate capacity to service the Vista Ranch Property. The Vista Ranch Property will receive wastewater treatment services from the City of Casa Grande. The Casa Grande wastewater treatment facility is located approximately 4.5 miles from the Vista Ranch Property and currently has adequate capacity to service the Vista Ranch Property.
4. **Regional Access**. The Vista Ranch Property benefits from exposure along I-10 and one mile of frontage on Kortsen Road. In January 2011, the Arizona Department of Transportation began construction to widen ten miles of I-10, including that portion of I-10 along the Vista Ranch Property, from four lanes to six lanes.

Source: Arizona Department of Transportation

The I-10 widening project was completed in late 2012. Additionally, although not yet slated for funding, a new diamond traffic interchange is also planned for the intersection of Kortsen Road and I-10 to the northeast of the Vista Ranch Property (*Source: Casa Grande Small Area Transportation Study*).

5. **Proximity to Retail Hub**. The Vista Ranch Property is in close proximity to The Promenade at Casa Grande, an open-air mall with over one million square feet of retail space which includes amenities such as movie theatres, banks and restaurants. The Promenade at Casa Grande functions as the central retail district in Pinal County, serving not only the residents of Casa Grande but also the neighboring cities within the county.

6. **Acquisition Opportunity**. The Vista Ranch Property was acquired in 2004 for approximately $22,000 per acre, and then in 2005 for approximately $47,000 per acre. The owner at that time took the Vista Ranch Property through the entitlement process, obtaining the current PAD zoning. Notwithstanding such improvements, the Vista Ranch Property changed hands a number of times thereafter, and Walton AZ has contracted to acquire the Vista Ranch Property for a purchase price of approximately $19,000 per acre, or roughly 60% below the raw land acquisition price paid in 2005.

Demographic Trends

Pinal County

From 2000 to 2010, Pinal County was the second-fastest growing county in the nation, increasing by nearly 200,000 residents for a growth rate of 109% (*Source: U.S. Census Bureau, 2010 Population Distribution and Change, March 2011*), with Casa Grande's growth rate close behind at 92.6% (*Source: Casa Grande, AZ Population - Census 2010 and 2000 Interactive Map, Demographics, Statistics, Quick Facts*).

Population Growth 2000-2010
2nd Fastest Growing County in United States

County	Population		Change	
	2000	2010	Number	Percent
MOST POPULOUS				
Los Angeles, CA	9,519,338	9,816,605	299,267	3.1
Cook, IL	5,376,741	5,194,675	-182,066	-3.4
Harris, TX	3,400,578	4,092,459	691,881	20.3
Maricopa, AZ	3,072,149	3,817,117	744,968	24.2
San Diego, CA	2,813,833	3,095,313	281,480	10.0
Orange, CA	2,846,289	3,010,232	163,943	5.8
Kings, NY	2,465,326	2,504,700	39,374	1.6
Miami-Dade, FL	2,253,362	2,496,435	243,073	10.8
Dallas, TX	2,218,899	2,368,139	149,240	6.7
Queens, NY	2,229,379	2,230,722	1,343	0.1
FASTEST-GROWING				
Kendall, IL	54,544	114,736	60,192	110.4
Pinal, AZ	179,727	375,770	196,043	109.1
Flagler, FL	49,832	95,696	45,864	92.0
Lincoln, SD	24,131	44,828	20,697	85.8
Loudoun, VA	169,599	312,311	142,712	84.1
Rockwall, TX	43,080	78,337	35,257	81.8
Forsyth, GA	98,407	175,511	77,104	78.4
Sumter, FL	53,345	93,420	40,075	75.1
Paulding, GA	81,678	142,324	60,646	74.3
Henry, GA	119,341	203,922	84,581	70.9

Source: U.S. Census Bureau, 2010 Population Distribution and Change, March 2011.

As part of its long-range planning, Pinal County used a build-out interpretation of the Pinal County Comprehensive Plan (2009) to prepare a population and employment forecast for the future. This build-out database forecasts dramatic growth with the population in Pinal County to reach over 2.1 million by 2050. The following table sets forth the 2050 population and employment projections for each of the major Phoenix-Tucson Counties – Maricopa, Pima and Pinal.

Table 1. Population projections for Maricopa, Pima, and Pinal Counties, 2009 and 2050

County	2009 population[a]	2050 population[b, c]	Change (%)
Maricopa	4,023,000	7,622,700	90
Pima	1,018,000	1,990,300	96
Pinal	356,000	2,113,000	494
Total	**5,397,000**	**11,726,000**	**117**

[a] Arizona Department of Commerce Population Estimates, July 1, 2009
[b] Arizona Statewide Transportation Planning Framework Study, 2010
[c] population living in households

Table 2. Employment projections for Maricopa, Pima, and Pinal Counties, 2009 and 2050

County	2009 employment[a]	2050 employment[b]	Change (%)
Maricopa	1,815,000	4,205,700	132
Pima	449,000	837,500	87
Pinal	110,000	1,044,700	850
Total	**2,374,000**	**6,087,900**	**156**

[a] Arizona Department of Commerce Labor Force and Nonfarm Employment, 2010
[b] Arizona Statewide Transportation Planning Framework Study, 2010

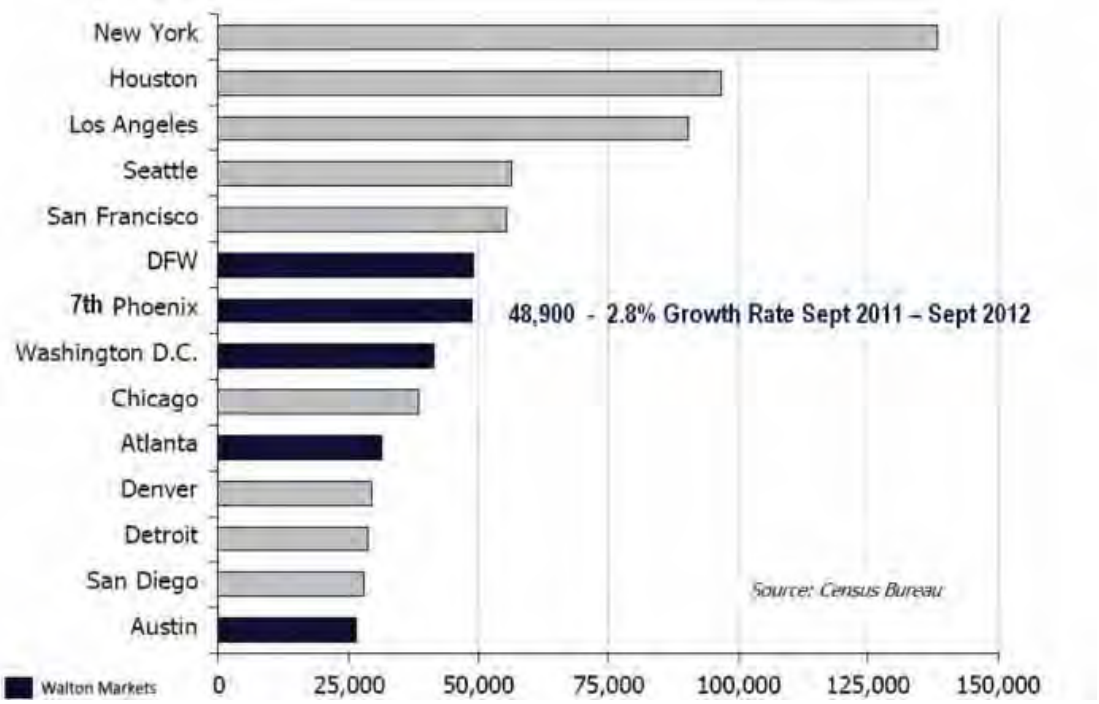
Population and employment increases of such magnitude in Pinal County reflect the infilling effect anticipated throughout this region, as the major urban centers in Maricopa and Pima Counties mature and growth is channeled into Pinal County.

Regional Economic Trends

Although the Phoenix MSA was hit hard by the recent recession, particularly with the loss of construction-based jobs, 2011 appeared to reveal the beginning of a recovery. Indeed, the Greater Phoenix region is once again at the forefront of job growth in the United States, up 2.8 % from September 2011 to September 2012, adding 48,900 jobs during that time. According to the Bureau of Labor Statistics, Greater Phoenix is currently ranked 7th among all US Metro areas which are led by New York, Houston and Los Angeles. Unemployment in the Phoenix MSA has come down significantly to 6.9 percent from 8.5 percent twelve months ago. The Phoenix MSA unemployment rate continues to be lower than the national average of 7.6 percent in September 2012 (*Source: Metrostudy 3Q 2012 - Phoenix Executive Summary*).

Moody's latest projections call for a total of 42,600 net new jobs in 2012, 42,600 in 2013, 48,500 in 2014, and 64,600 in 2015, while other analysts believe that such recent projections are on the conservative side, not accounting for the increases in jobs that are either underway or expected in the residential construction sector. Hiring has begun and is projected to continue at an accelerated pace. Such analysts project that the housing market will continue to improve as the number of jobs increase, whether jobs are in residential construction, another segment of the construction industry, or other sectors in the economy (*Source: Belfiore Current and Future Market Insights, November 2012*).

Greater Phoenix Job Growth National Ranking



Source: Metrostudy, Phoenix Briefing, 3Q 2012 Page 37

Regional Retail Real Estate Trends

Greater Phoenix Residential Market

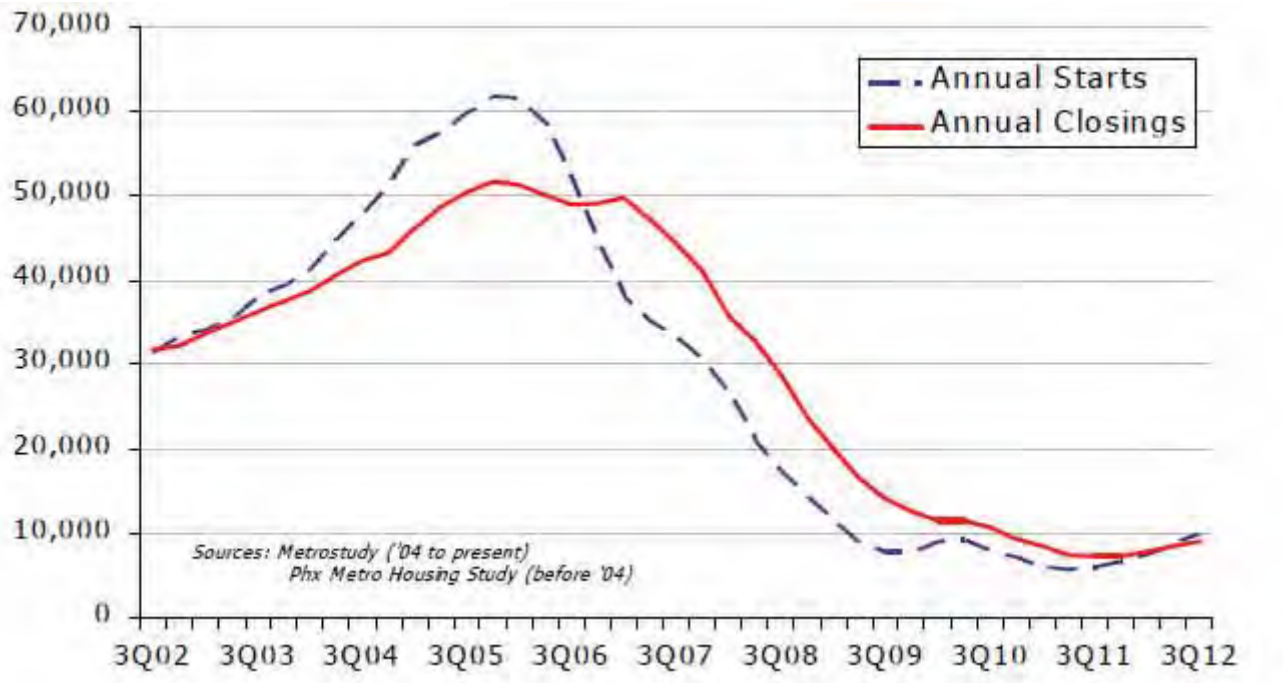
Median single-family home prices increased by a staggering 27.1% from $118,000 in September 2011 to $150,000 by September 2012 (*Source: W P Carey School of Business, Greater PHX Housing Market Monthly Report, September 2012*). Demand currently far outweighs supply and inventory levels have dropped to approximately 2 months, well below the historical 6 month equilibrium. Moreover, as of September 2012, there were only 15,019 single-family listings or 2.1 months of inventory, down from 50,483 listings and 13.2 months of supply in May 2008 (Source: *Metrostudy 3Q 2012 – Phoenix Briefing and Ben Sage Metrostudy ARMLS Analysis, June 2012*). Additionally, overall resale supply is down roughly 21%, year over year, at the beginning of October, and distressed supply is down 58% over the same time frame. As of September 2012, foreclosures were down 40%, bank owned home sales were down 74% and 45% fewer single-family homes reverted to lenders compared with September 2011. It is also noteworthy that 75% of the resale listings are priced above the current median sales price of $150,000 and 19% are priced over $500,000, so the scarcity of homes for sale is most severe below the median sales price and the inventory of single family homes for sale under $150,000 is equivalent to only 35 days of supply. (*Source: W P Carey School of Business, Greater PHX Housing Market Monthly Report, September 2012*).

A direct result of the dwindling foreclosures and resale inventory is the recent surge in new home construction and home builder confidence as of December 2012. Confidence among homebuilders increased to the highest level in more than six and a half years as builders reported the best market for newly built homes in Phoenix since the housing boom. The National Association of Home Builders/Wells Fargo builder sentiment index released in December 2012 increased 2 points to 47 from a revised 45 in November, representing the highest reading since the peak in April 2006 *(Source: USA Today, USA Today, Homebuilder confidence rises again in December, December 12, 2012)*. Home builders are now reporting that people are turning to the new home market as a result of the lack of resale supply, posting notable increases in home orders, backlogs and closings during the second quarter. Public home builder stock prices have also soared this year, and production builders have started positioning themselves in anticipation of surging new home demand leading to a shortage of entitled undeveloped land throughout Greater Phoenix.

In fact, home builders are currently experiencing more new home demand than they can accommodate due to capacity limitations, such as a lack of skilled construction labor or available lots in premium locations. These limitations are causing builders to increase their asking price and move further out to secure positions in alternative locations (*Source: Metrostudy 3Q 2012 – Phoenix Executive Summary*).

Annual home starts in the Phoenix MSA numbered 9,975 during the year ended 3Q 2012, representing a 66% increase from the 3Q 2011 annual rate, which is the largest annual increase in starts since 1983. Starts in the third quarter alone numbered 3,231, which is the most recorded since 3Q 2008. Annual new home closings were also up as builders closed 9,080 units during the year ending 3Q 2012 which represents an increase of 24% from one year ago (*Source: Metrostudy 3Q 2012 – Phoenix Executive Summary*). For the first time since 4Q 2006 the annual starts count has reached levels higher than the annual closes as spec inventory has dwindled and new home demand has increased. Builders are now preparing to ramp up building in anticipation of future demand.

Greater Phoenix Single Family Starts and Closes 3Q 2002 – 3Q 2012



Source: Metrostudy 3Q 2012 - Phoenix Executive Summary

Over the last two years, the Greater Phoenix market has consistently ranked within the top ten metropolitan areas for job growth, currently ranks highest for total sales activity and home price appreciation, and its current demand far outweighs its existing supply. With job growth, growing consumer confidence, record-low mortgage interest rates and repaired credit, participants are re-entering the housing market at a rapid pace. With little existing resale home supply on the market, there has been resulting upward pressure on new builds, with new home permits and sales doubling over the last year. The Issuer believes that this constrained supply bodes well for the Vista Ranch Property as the limited land supply in the Phoenix MSA's Southeast Valley will compel single-family builders, multi-family developers and commercial end users to turn to Pinal County.

Zoning and Other Property Features

The Vista Ranch Property is currently designated as a Planned Area Development, or PAD, by the City of Casa Grande (the "***City***"). Planned Area Developments offer more opportunity for flexibility and creativity than conventional zoning categories and are used to achieve the maximum allowable density under the City's 2020 General Plan. The types of land uses facilitated by PADs include residential, commercial, industrial and mixed-use projects. The Vista Ranch PAD was approved in July 2006 for 60 acres of Commercial uses, 240 acres of Single Family Residential and another 20 acres of multi-family residential.

Vista Ranch Property Conceptual Land Use Plan (Subject to Change)

The commercial area designated within Vista Ranch consists of approximately 60 acres that are ideally located at the northeast corner of the Vista Ranch Property off the future Kortsen Road and I-10 interchange. This commercial area is planned as a major commercial-retail and service area that will provide a wide range of amenities to the residents of Vista Ranch and the larger area. According to the approved Vista Ranch PAD the majority of the parcel, 240 acres, is slated for 792 units of single-family residential with an additional 20 acres approved for 320 units of multi-family product.

Water Supply

The Vista Ranch Property is located within the Pinal Active Management Area, or AMA, which includes the communities of Casa Grande, Coolidge, Florence, Eloy, and Maricopa, among others. The management goal of the Pinal AMA is to allow development of non-irrigation uses and to preserve existing agricultural economies in the AMA for as long as feasible, consistent with the necessity to preserve future water supplies for non-irrigation uses. The Seller has a grandfathered irrigation right in respect of the Vista Ranch Property - which confers the right to withdraw ground water for irrigation purposes - that will be transferred to Walton AZ upon closing. Currently, there are three registered wells sites on the Vista Ranch Property, at least two of which are currently being used by the Seller for agricultural purposes. Under Arizona state law and in order to subdivide property, a landowner must demonstrate that its property has an assured water supply for 100 years. The Vista Ranch Property has a Certificate of Assured Water Supply, establishing that sufficient water of adequate quality will be continuously available to satisfy the water demand at the time of development of the Vista Ranch Property for at least 100 years.

The Vista Ranch Property lies entirely within the boundaries of the Pinal Valley Certificate of Convenience and Necessity of the Arizona Water Company, which will be the water service provider for the Vista Ranch Property. Currently, water infrastructure to the Vista Ranch Property does not exist, although there is an

existing 24" water main along Kortsen Road to the northwest corner of the Vista Ranch Property and an existing 16" water main along the west property line. In order to facilitate future development, design of the water infrastructure may be undertaken during concept planning so that the ultimate developer may build off-site and on-site water infrastructure to service future development of the Vista Ranch Property.

Wastewater Transmission and Treatment

Sewer service will be provided for the Vista Ranch Property by the City of Casa Grande. An expansion to the City of Casa Grande`s Wastewater Master Plan was completed in July 2012, which doubled the capacity of the water reclamation facility from six million gallons per day to twelve million. Therefore, there is adequate capacity to serve the Vista Ranch Property. There are existing sewer lines less than a mile west of the Vista Ranch Property, just north of Kortsen Road, as well as lines approximately one mile south of the Vista Ranch Property on Cottonwood Lane. In order to facilitate future development, design of the sewer infrastructure may be undertaken during concept planning so that the ultimate developer may build off-site and on-site water infrastructure to service future development of the Vista Ranch Property.

Leases

The Vista Ranch Property is not currently encumbered by any leases. Short-term leases for the Vista Ranch Property may be negotiated from time to time with third parties for the purposes of offsetting some of the ongoing administrative and operating costs of Walton AZ and the Issuer with respect to the Vista Ranch Property, provided that such leases do not interfere with the preliminary development of the Vista Ranch Property. Any such lease revenue, which is anticipated to be minimal, will become part of the Reserve and distributed to the Issuer if not expended during the hold period. The Vista Ranch Property may be subject to third-party leases for all or part of the Vista Ranch Property in the future.

Floodplain

Although approximately half of the Vista Ranch Property lies in Zone X outside of the floodplain, the other half is located within the 100-year floodplain, and specifically flood Zones AE and AO, as determined by the Federal Emergency Management Agency ("***FEMA***").

The Zone AE and AO flood zones will require that future homeowners carry flood insurance, unless the limits of the floodplain are revised. The portion of the Vista Ranch Property within the 100-year floodplain can be mitigated through engineering, design, and ultimately the construction of a storm water channel, which efforts will be initiated as part of the Concept Planning activities. It is anticipated that this floodplain mitigation will not adversely impact the development potential of the Vista Ranch Property.

Dry Utilities

Electrical power will be supplied to the Vista Ranch Property by Hohokam Irrigation and Drainage District or Arizona Public Service (APS). Natural gas will be provided by Southwest Gas, which has existing gas lines along Kortsen Road. Telephone service will be provided by CenturyLink. Adequate facilities to service future

development are adjacent to the Vista Ranch Property. Walton will negotiate service agreements with utility providers closer to the time of the sale of the Vista Ranch Property to the ultimate developer.

Emergency Services

Emergency services will be provided by the Casa Grande Police and Fire Departments. The Vista Ranch Property is located within the Fire Department's District 502, with a fire station located approximately 3 miles from the Vista Ranch Property. The nearest Police Station is approximately five miles from the Vista Ranch Property. The nearest hospital is the Casa Grande Regional Medical Center, approximately three miles from the Vista Ranch Property.

Schools

The Casa Grande school system does not have a unified school district so the Vista Ranch Property will be served by separate school districts, in particular, the Casa Grande Elementary School District No. 4 and the Casa Grande High School District # 82. The nearest elementary school to the Vista Ranch Property is Desert Willow Elementary School, approximately one mile from the Vista Ranch Property; the nearest middle school is Cactus Middle School, approximately two miles from the Vista Ranch Property; and the nearest high school is Vista Grande High School, approximately two miles from the Vista Ranch Property.

Taxes

Funds to pay estimated property taxes during the preliminary development period of the Vista Ranch Property will be included in the Reserve. The Issuer will pay its proportionate share of the property taxes on the Vista Ranch Property out of such reserved funds. There can be no assurances that the property taxes for the Vista Ranch Property will not materially increase above the current level, particularly in the event the agricultural use and classification are changed upon the physical development of the Vista Ranch Property.

Contemplated Concept Planning Activities

Concept Planning for the Vista Ranch Property is anticipated to include, without limitation, one or more of the following steps:

- Development feasibility assessment. The Issuer intends to engage consultants to perform preliminary studies to assess whether or not it is feasible to modify the existing land uses and assess the intensity of potential future development on the Vista Ranch Property, together with the infrastructure necessary to serve that development. The existing land plan, approved by the City of Casa Grande, will be the initial basis for identifying future potential land uses. The preliminary studies required by the City of Casa Grande or the State of Arizona include, but are not limited to, a traffic study, a hydrology and drainage analysis, cultural/historic and archaeological resource studies, biological studies and environmental studies. In addition, the Issuer may engage consultants to perform market studies to ascertain the market demand for the proposed land uses for the Vista Ranch Property, which may include commercial office, retail, single-family and multi-family residential.
- Master Plan Modification. The Issuer may engage consultants to revise the existing zoning designation and record a final plat for the Vista Ranch Property in order to best utilize the existing infrastructure. The Issuer may engage consultants to design land use plans including proposed street layouts and utility layouts, which will tie into the existing infrastructure found in close proximity to the Vista Ranch Property.
- Zoning Approvals. The Issuer may seek amendments to the City of Casa Grande's existing Plan of the Vista Ranch Property. The Issuer may file an application for rezoning to the City of Casa Grande to revise the existing Plan as necessary to achieve the development objectives and to reflect market conditions, which requires public hearings before the appointed Planning and Zoning Commission and the elected city council. Rezoning is a legislative act over which the city council exercises significant discretion. If this approval is not received, the Vista Ranch Property will be marketed under the existing zoning approvals. See "Risk Factors – Risks Related to Investments in Real Estate."

- Subdivision plat and related plan approvals. The Vista Ranch Property may require the submittal of a Final Plat. Subdivision platting divides the Vista Ranch Property into blocks or lots suitable for sale for commercial development, residential development, or a combination thereof. Following approval of subdivision plats, a property owner typically proceeds to the preparation of drawings for certain improvements to the land. Under applicable Arizona law, such approvals are considered "ministerial" in character. Once the property owner has demonstrated compliance with all relevant city regulations and policies, the city has no discretion to deny the plats or related improvement plans.
- Major regulatory approvals. The Issuer may seek additional approvals as a part of Concept Planning activities. For instance, approximately half of the Vista Ranch Property is located within FEMA's Zones AE and AO. The Issuer may submit an application to FEMA to limit the existing flood hazard zone in order to prepare the Vista Ranch Property for development if studies indicate that a reduction of the amount of flood plain is feasible. The General Partner believes that this task is not subject to political discretion. See "Risk Factors – Risks Related to Investments in Real Estate."
- Negotiate ancillary agreements. The Issuer will likely seek to negotiate boundary conditions and traffic signal installation timing and conditions with the City of Casa Grande and adjacent property owners. The Issuer also intends to negotiate water agreements to identify infrastructure necessary to serve the development.
- Coordination of efforts with Arizona Department of Transportation. The Issuer will coordinate with the Arizona Department of Transportation as the Vista Ranch Property has proximate exposure to I-10. The extent of improvements to the freeway required by the ultimate developer may have to be negotiated. Accordingly, the Issuer anticipates conducting a traffic study for the Vista Ranch Property.

Risks related to the Vista Ranch Property

The Issuer may be subject to environmental liabilities

A Phase I Environmental Site Assessment ("***ESA***"), dated November 14, 2012, was procured by Walton USA from Speedie and Associates, Inc. as part of its due diligence process. The ESA identified the following recognized environmental concerns (RECs) on the Vista Ranch Property: utility transformers that have likely not been tested for contaminants, a former borrow pit, several areas containing soil staining due to leaking petroleum products (oils and lubricants) and two storage tanks for fuel and various partially buried piles of trash. As recommended in the Phase 1 ESA, a Phase 2 ESA was procured. The Phase 2 ESA, dated January 14, 2013, identified immaterial trace levels of contaminants and recommended removal of the trash and the stained soils. The Phase 2 ESA indicated that the environmental concern associated with the trace levels of contaminants is low and of no material consequence to the development feasibility of the Vista Ranch Property. *See,* "Risk Factors - Risks Related to Investments in Real Estate - The Issuer may be subject to environmental liabilities with respect to one or more Properties" for additional disclosure regarding the impact of potential environmental liabilities.

All other provisions of the Memorandum remain unchanged and in full force and effect.

The date of this Second Supplement is March 1, 2013.

Copy No.: _____ To: _____

THIRD SUPPLEMENT, DATED MAY 15, 2013,
TO CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

WALTON U.S. LAND FUND 3, LP

a Delaware limited partnership
Up to 10,000,000 Class A Units
at $10.00 per Unit

Walton U.S. Land Fund 3, LP (the "***Issuer***") is offering up to 10,000,000 of its Class A limited partnership interest units (the "***Units***") to eligible investors at $10.00 per Unit (the "***Offering***") pursuant to the terms of that certain Confidential Private Placement Memorandum, dated August 1, 2012 (the "***Memorandum***"), as amended by the First Supplement dated October 31, 2012, by the Second Supplement dated March 1, 2013, and as further amended by this Third Supplement dated May 15, 2013 ("***Third Supplement***"). The Units are being offered on a best-efforts basis on behalf of the Issuer through broker-dealers registered with the Financial Industry Regulatory Authority, Inc. who may be selected by us, and by any other agents or sub-agents as we may appoint. All capitalized terms in this Third Supplement not otherwise defined herein have the meanings given to them in the Memorandum, and all references to the Memorandum shall mean the Memorandum as supplemented or amended, including by this Third Supplement.

Investment in the Units will be subject to numerous risks. See "***Risk Factors***" in the Memorandum. The Units are not and will not be listed for trading or quoted on any securities market and will be subject to restrictions on resale and transfer. See "***Restrictions on Transfer and Resale of Notes and Units***" in the Memorandum.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Units or passed upon the adequacy or accuracy of the Memorandum or this Third Supplement. Any representation to the contrary is a criminal offense.

THE INFORMATION CONTAINED IN THE MEMORANDUM AND THIS THIRD SUPPLEMENT IS INTENDED ONLY FOR THE PERSONS TO WHOM IT IS TRANSMITTED FOR THE PURPOSES OF EVALUATING THE UNITS OFFERED IN THE OFFERING. PROSPECTIVE INVESTORS SHOULD ONLY RELY ON THE INFORMATION IN THE MEMORANDUM AS MAY BE SUPPLEMENTED OR AMENDED, INCLUDING BY THIS THIRD SUPPLEMENT. NO PERSONS ARE AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN RESPECT OF THE ISSUER OR THE SECURITIES OFFERED IN THE MEMORANDUM AS AMENDED BY THIS THIRD SUPPLEMENT AND ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

THE MEMORANDUM IS HEREBY SUPPLEMENTED AS FOLLOWS:

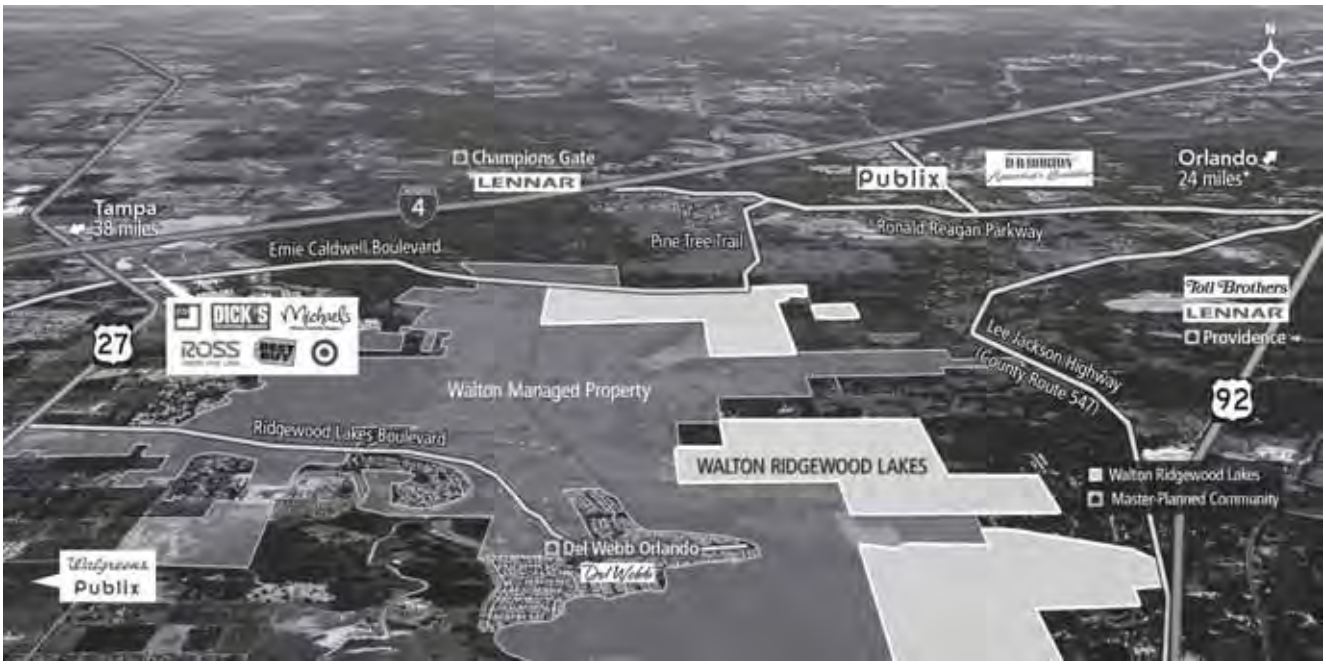
1. **STATUS OF THE OFFERING**. As of the date hereof, twenty-one (21) closings of the Offering have been held, resulting in aggregate gross proceeds to the Issuer of $44,666,200, of which $28,068,753 has been utilized to acquire interests in Properties and $6,598,221 has been deposited into the Issuer's reserve account, with the remaining proceeds, net of organizational and offering expenses and distribution costs, deposited into the Issuer's operating account, pending investment in Properties. Limited Partners hold 4,466,620 Units of the Issuer as of the date hereof, for an aggregate of 44.67% of the Units offered in the Offering.

2. **INTERESTS IN PROPERTIES ACQUIRED TO DATE**. As of the date hereof, the Issuer has acquired 95% tenant-in-common interests in the River Park Property, the Redwood Meadows Property and the Dobson Creek Property, for purchase prices of $1,733,699, $2,027,143 and $24,307,911, respectively.

3. <u>THE RIDGEWOOD LAKES PROPERTY</u>. The General Partner has identified property as a potential suitable investment for the Issuer. The Memorandum is hereby supplemented to include the following information about this potential investment:

The potential suitable investment for the Issuer consists of approximately 666.27 acres of undeveloped land located approximately 24 miles southwest of Orlando in close proximity to Interstate-4 ("***I-4***") near the City of Davenport in northeastern Polk County, Florida (the "***Ridgewood Lakes Property***"). Polk County is located in the center of the Florida peninsula, roughly equal distance from the east and west coasts. Situated in the Lakeland – Winter Haven Metropolitan Statistical Area (MSA), the Ridgewood Lakes Property is located less than one mile from the intersection of I-4 and Highway 27, two of the largest and most important arterial roads in the region. The Ridgewood Lakes Property is part of the larger 2,859 acre Ridgewood Lakes assembly, which includes a 200-acre golf course along the western portion of the assembly (which golf course is owned by a third party unaffiliated with Walton). The Ridgewood Lakes Property is intended to be planned as a mixed use development incorporating commercial, single-family and multifamily residential components.

The Ridgewood Lakes Property



Aerial photo of the Ridgewood Lakes Property and surrounding area

Walton Acquisitions FL, LLC, a Florida limited liability company and subsidiary of Walton USA ("***Walton FL***"), acquired the Ridgewood Lakes Property on April 30, 2013 for an aggregate purchase price of $6,264,508, or $9,358 per acre. The acquisition of an Interest in the Ridgewood Lakes Property by the Issuer is subject to a number of conditions, including, without limitation, the number of Units sold in this Offering. In the event the Issuer acquires an Interest in the Ridgewood Lakes Property, Walton FL will retain the remaining interest, with a minimum of 5%.

In order to acquire the Ridgewood Lakes Property and to fund associated Reserve amounts, the Issuer will be required to raise $16,350,000 as follows:

Projected Use of Proceeds (assuming sufficient Units are sold)

	Ridgewood Lakes Property		Cumulative (5 Properties)***	
	Amount	%	Amount	%
Gross proceeds	$16,350,000	100.0%	$66,970,000	100.0%
Organizational and Issue Costs:				
Selling Commissions	$ 1,144,500	7.0%	$ 4,687,900	7.0%
Selling Group members' fee	$ 490,500	3.0%	$ 2,009,100	3.0%
Offering Expenses	$ 147,921	0.9%	$ 605,890	0.9%
Net proceeds	$14,567,079	**89.1%**	$59,667,110	**89.1%**
Land and Reserves:		**68.4%**		**68.4%**
Acquisition of Property:				
Acquisition of interest in Property *	$ 6,489,709	39.7%	$32,601,301	48.7%
Reserve items:				
Concept Planning expenses	$ 981,744	6.0%	$ 3,474,488	5.2%
Issuer expenses	$ 1,926,772	11.8%	$ 3,558,112	5.3%
Management Fee **	$ 1,788,939	10.9%	$ 6,190,983	9.2%
Operating Expenses of Walton USA	$ 2,889,415	**17.7%**	$11,833,127	**17.7%**
Acquisition fee to Walton USA	$ 490,500	**3.0%**	$ 2,009,100	**3.0%**
Net proceeds:	$14,567,079	**89.1%**	$59,667,111	**89.1%**

* includes capitalized and closing costs of $156,816 for the River Park Property, $65,738 for the Redwood Meadows Property, $965,535 for the Dobson Creek Property, $214,760 for the Vista Ranch Property, and $423,826 for the Ridgewood Lakes Property.

** reserved and paid to Walton USA in annual amounts of $49,910 in respect of the River Park Property, $46,168 in respect of the Redwood Meadows Property, $531,578 in respect of the Dobson Creek Property, $186,305 in respect of the Vista Ranch Property, and $255,563 in respect of the Ridgewood Lakes Property; unearned amounts remaining upon final exit, if any, will be distributed to the partners.

*** includes the River Park Property, the Redwood Meadows Property, the Dobson Creek Property, the Vista Ranch Property and the Ridgewood Lakes Property.

Description of the Ridgewood Lakes Property and Surrounding Area

The Ridgewood Lakes Property consists of approximately 666.27 acres of undeveloped land in varying stages of entitlement located near the City of Davenport in Polk County, Florida, approximately 24 miles southwest of Orlando and 38 miles northeast of Tampa. The Ridgewood Lakes Property is located less than one mile southeast of the intersection of I-4 and Highway 27, two of the largest and most important roadways in the region. I-4 is the primary corridor connecting Orlando to Tampa, and is the location of the bulk of the region's major employment cores. Highway 27 is a significant north/south artery that supplies access to the suburban developments located in eastern Lake and Polk Counties. The site has frontage on and can be accessed via several major arterial roads, including Highway 27 on the western boundary, the recently improved four lane Ernie Caldwell Drive to the north, and County Route 547 to the east, commonly referred to locally as Lee Jackson Highway.

The Issuer believes the Ridgewood Lakes Property is well situated in the path of future development, particularly with respect to commercial and residential development. The Ridgewood Lakes Property benefits from its inclusion in the larger assembly, which already has an approved Development of Regional Impact ("***DRI***") and which has the potential to be one of the largest, golf-oriented master planned communities in the

Orlando region, as well as its proximity along the I-4 corridor where much of the region's major employment cores are located. Additionally, the Ridgewood Lakes Property is located approximately:

- 1 mile southeast of I-4
- 1 mile north of Davenport
- 16 miles southeast of Walt Disney World Resort
- 30 miles northeast of Lakeland
- 24 miles southwest of the Orlando metropolitan area
- 38 miles northeast of the Tampa metropolitan area.

Other highlights of the Ridgewood Lakes Property include the following:

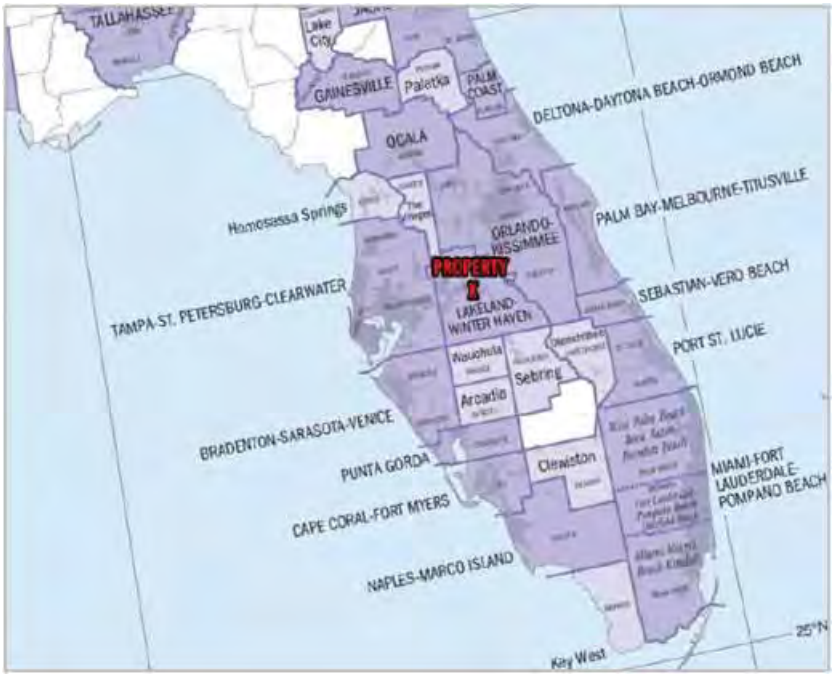
1. **Favorable Existing Zoning**. In 1985, Polk County approved a Development of Regional Impact or DRI for a master planned 2,991 acre parcel called Ridgewood Lakes. The DRI application contemplated development over a 25 year period in three phases. The total number of dwelling units approved in the DRI was 8,100. A Development Order was adopted for the Ridgewood Lakes master plan in conjunction with the DRI approval. After giving effect to a 2011 DRI amendment and development on parcels outside of the Ridgewood Lakes assembly acquired by Walton FL, approval remains under the current DRI for approximately 6,277 units on 2,091 acres. As part of concept planning activities, Walton anticipates seeking approval to add an additional 435 acres to the existing DRI.
2. **Access to Utilities**. The Ridgewood Lakes Property lies within the jurisdiction of the Northeast Regional Utility Service Area of Polk County. Public Works staff at Polk County has confirmed that there should be no issues related to providing water and wastewater services to the Ridgewood Lakes Property. There currently exist 12 inch and 24 inch water mains located within the Ridgewood Lakes assembly, including in the right-of-way along Ridgewood Lakes Boulevard. There are a number of lift stations on the north side of Ridgewood Lakes Boulevard. A recently-constructed master lift station pumps sewage to the Northeast Regional Wastewater Treatment Facility located near the I-4 and US 27 intersection. Although the lift stations in Ridgewood Lakes are currently at capacity and would require upgrades for use, it is anticipated that there will be adequate capacity to service the future development of the Ridgewood Lakes Property.
3. **Regional Access**. The Ridgewood Lakes Property benefits from its location one mile southeast of the intersection of I-4 and Highway 27, two major arterials in Central Florida, and from points of access via several major arterial roads, including Highway 27 on the western boundary, the recently improved four lane Ernie Caldwell Drive to the north, and County Route 547 or the Lee Jackson Highway to the east. In addition, the Ridgewood Lakes Property may also benefit from a proposed future connection of I-4 with Central Polk Parkway. The proposed alignment of Central Polk Parkway, which is anticipated to be a six-lane limited access highway, runs through the eastern portion of the Ridgewood Lakes Property, and will connect with I-4 between US 27 in Polk County and SR 429 in Osceola County. The Central Polk Parkway preliminary designs include a future interchange at US Highways 17/92, approximately ¼ mile to the east of the Property.

Demographic Trends

Florida

With a population of over 19 million, Florida is the fourth largest state in the nation by population and 22nd by size, and is expected to overtake New York State by population in the near future. Florida ranks in the top 10 of the fastest-growing and most populous states. In 2012, Florida was ranked second by Chief Executive's survey of CEO's opinion of the Best and Worst States in which to do business. (*Source: U.S. Census Bureau, Florida Quick Facts, released March 14, 2013, retrieved April 2, 2013; Tampa Bay Business Journal, Florida the Ninth-Fastest Growing State, released December 20, 2012, retrieved April 12, 2013; Chief Executive, Another Triumph for Texas: Best/Worst States for Business 2012, released May 2, 2012, retrieved April 2, 2013*.)

Location of Ridgewood Lakes Property in Central Florida



(Source: U.S. Census Bureau, retrieved April 9, 2013)

Florida had the third largest increase in population over the past decade, adding over 3 million people since 2000. It is the only state with over 2 million in net in-migration. Net migration is projected to be over 100,000 by 2015 and more than 200,000 per year thereafter. The population of Florida is forecasted to reach 25,583,157 by 2040. Florida has 19 Metropolitan Statistical Areas, four of which have over 1 million residents: Miami with 5.6 million; Tampa with 2.8 million; Orlando with 2.2 million; and Jacksonville with 1.4 million. (*Source: U.S. Census Bureau, Population, Distribution and Change 2000-2010; U.S. Census Bureau, Components of Change: 2000-2009; Office of Economic & Demographic Research, Population and Demographic Data, released February 2012, retrieved April 12, 2013; U.S. Census, Population by MSA 1990-2010, retrieved April 19, 2013*.)

Largest Increases in Population 2000-2010

	Total Change	Natural	International	Net Domestic
Texas	3,930,484	2,124,124	933,083	848,702
California	3,090,016	2,678,482	1,816,633	-1,509,708
Florida	2,555,130	479,586	851,260	1,182,974
Georgia	1,642,430	684,445	281,998	567,135
Arizona	1,465,171	464,238	272,410	714,354
North Carolina	1,334,478	457,927	214,573	675,016

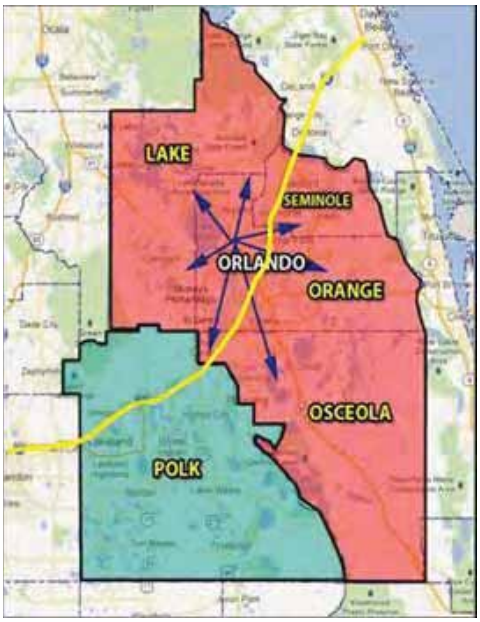
(Source: U.S. Census Bureau, Components of Change: 2000-2009, retrieved April 9, 2013)

In 2010, Florida saw an average annual population growth of 2%, in line with Texas, Georgia and North Carolina. (*Source: U.S. Census Bureau, Florida Quick Facts, retrieved April 10, 2013*.)

Orlando

The Orlando MSA consists of four counties: Lake, Seminole, Orange and Osceola Counties. The Orlando MSA has been, and remains, one of the largest housing markets in the nation, with strong in-migration and a diversifying economy. (*Source: Executive Office of the President, Update of Statistical Area Definitions and Guidance on their Uses, released December 1, 2009*.)

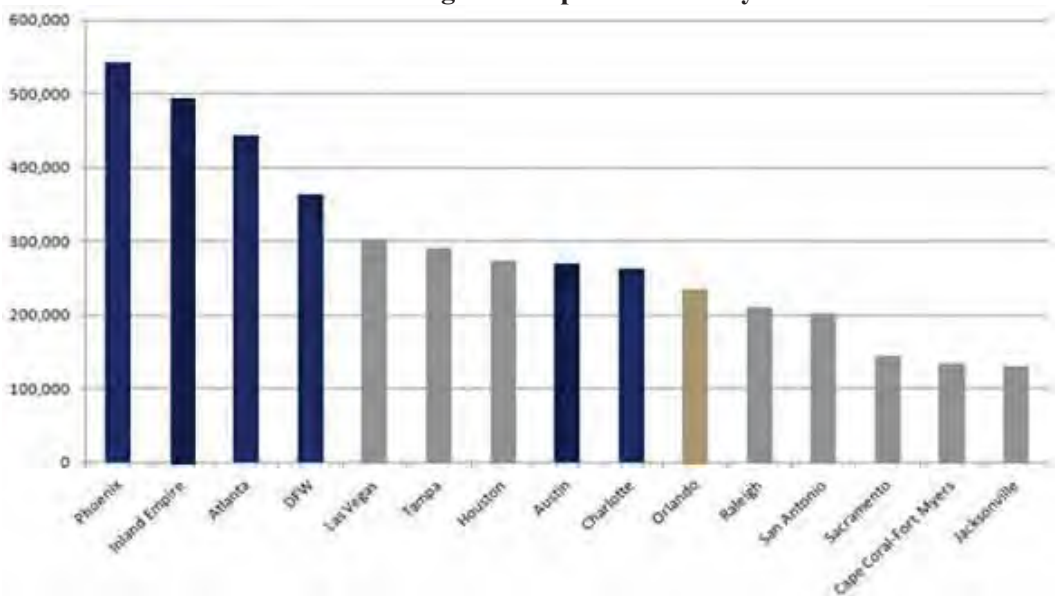
Orlando MSA Counties & Polk County



(Source: Walton International Group Inc.)

Over the past two decades, the Orlando MSA has seen an influx of new residents, with an increase of over 900,000 residents during that time period. (*Source: U.S. Census Bureau, Population by MSA 1990-2010, retrieved April 9, 2013; Moody's Precis Reports, Orlando, 3Q 2012*.)

Net Domestic Migration April 2000 – July 2011



(Source: U.S. Census Bureau, Migration 2000-2012.)

According to the U.S. Census, the Orlando MSA grew by over 419,717 residents between 1990 and 2000, or by 34%, adding an average of nearly 42,000 persons annually. The MSA added almost 490,000 new people from 2000 to 2010, representing a 30% growth in population. The Orlando MSA is expected to continue to grow at a rapid pace over the next five years, estimating the region will add 273,600 new people. The addition of over 300,000 new residents relocating to the region may create substantial demand for new housing. (*Source: U.S. Census Bureau, Population by MSA 1990-2010, retrieved April 9, 2013; Moody's Precis Reports, Orlando, 3Q 2012*.)

U.S. Metro Population Change 2011-2012

U.S. Metro	% Population Change, 2011-2012
Austin	3.0
Orlando	2.2
Raleigh	2.2
Houston	2.1
Dallas-Fort Worth	2.0
San Antonio	1.9
Phoenix	1.8
Denver	1.8
Charlotte	1.7
Nashville	1.7

■ Walton Investment Regions

(Source: Forbes, Fastest Growing Large Metros, released March 15, 2013, retrieved April 15, 2013.)

Polk County

Polk County's population was estimated to be 616,158 as of December 2012. From 2000 – 2010, the population growth rate of Northeast Polk County was 7%, which was well above the national and state averages. Polk County ranks as the ninth most populous of Florida's 67 counties, containing approximately 3.1% of Florida's population, and is expected to grow to an estimated 713,900 by 2020 and 932,300 by 2040. It is primarily a bedroom community for Orlando. (*Source: Enterprise Florida, Polk County Profile, retrieved April 15, 2013; United States Census Bureau, State & County Quickfacts, retrieved April 15, 2013; Source: ESRI Business Analyst, retrieved November 20, 2012*.)

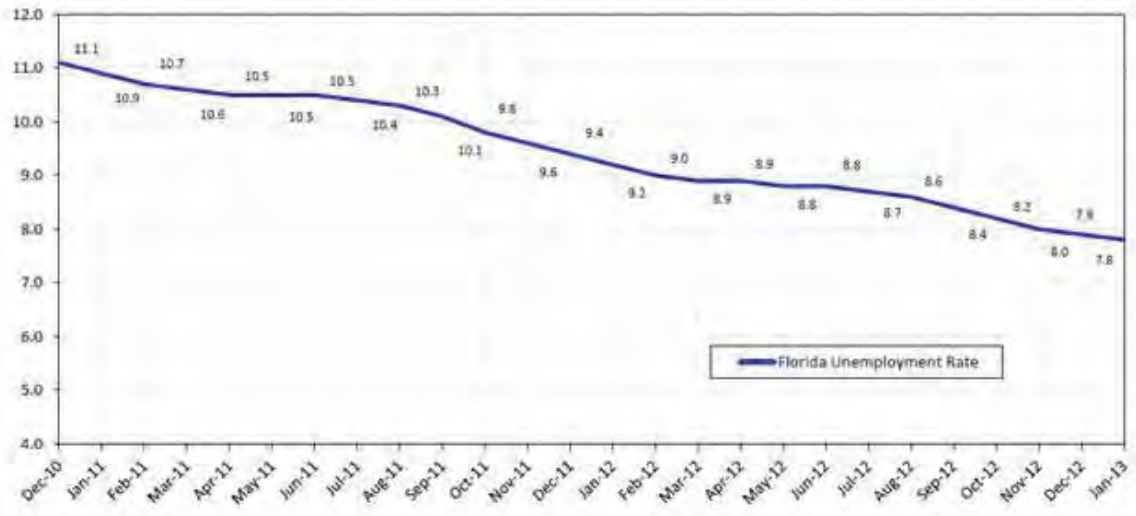
Regional Economic Trends

Florida

Florida's four core MSAs – Miami, Tampa, Orlando and Jacksonville – account for 71% of Florida's job growth. Although the prolonged real estate crisis caused Florida's recovery to lag, the state's economy is poised for positive growth in 2013. In 2013, tourism is anticipated to show substantial growth while construction is forecasted to show moderate growth. Non-residential construction is also expected to stimulate employment for the industry. Renovation of theme parks is expected to continue and the Orlando International Airport runway expansion is ongoing through 2013. (*Source: STAFDA, Florida Economic Forecast – 2013, retrieved April 17, 2013; Bureau of Labor Statistics, Dec 2012 Dataset, retrieved April 19, 2013, Metrosearch USA – March 2013*.)

In February 2013, Florida's unemployment rate dropped to 7.8%, compared to 8.4% in September 2012. The civilian labor force rose to 9,428,586 in February 2013, up from 9,413,648 at the end of 2012. From September 2012 to February 2013, an estimated 9,800 jobs were added. By 2018, Florida is projected to add approximately 438,110 jobs with an additional 567,111 by 2020. (*Source: Bureau of Labor Statistics, Florida Historical Unemployment Rate; Projections Central, Long Term, retrieved April 12, 2013; Florida Department of Economic Opportunity, Employment Projections*.)

Florida Unemployment Rate



(Source: Source: Florida Department of Economic Opportunity, Florida Job Growth Update, released March 19, 2013, retrieved April 15, 2013.)

Florida is home to 16 Fortune 500 companies including World Fuel Services, Office Depot, Darden Restaurants (which include Red Lobster and Olive Garden) and Winn-Dixie Stores. Four of these companies are located in Central Florida. Central Florida added approximately 55,400 jobs between May 2011 and May 2012, accounting for 40% of Florida's total employment growth. (*Source: CNN Money, Fortune 500, released May 21, 2012, retrieved April 2, 2013*.)

Florida Fortune 500 Company Headquarters List

Company	Fortune 500 Rank	City	Revenues ($ millions)
World Fuel Services	85	Miami	34,622.9
Publix Super Markets	106	Lakeland	27,178.8
Tech Data	109	Clearwater	26,488.1
Jabil Circuit	157	St. Petersburg	16,518.8
NextEra Energy	172	Juno Beach	15,341.0
AutoNation	197	Fort Lauderdale	13,832.4
CSX	226	Jacksonville	11,743.0
Office Depot	232	Boca Raton	11,489.5
Darden Restaurants	242	Orlando	7,500.2
Winn-Dixie Stores	363	Jacksonville	6,929.9
Well Care Health Plans	401	Tampa	6,106.9
Ryder System	407	Miami	6,050.5
Harris	413	Melbourne	5,924.6
Health Management Associates	423	Naples	5,822.1
Fidelity National Information Services	425	Jacksonville	5,757.4
Fidelity National Financial	472	Jacksonville	5,153.7

(Source: CNNMoney, Fortune 500, released May 21, 2012, retrieved April 15, 2013.)

Orlando

Orlando holds strong advantages for tourism, a steady supply of well-educated workers, competitive business costs and ample job opportunities in service industries. Orlando's recovery is outpacing the nation's, due to broad-based service industry expansion and a budding housing revival, Orlando continues to be Florida's fastest growing economy with economists forecasting a moderate rise in the overall economy in 2013. The consensus estimate is for economic growth of about 2.4% in 2013, an improvement from the 2012 growth rate of approximately 2%. (*Source: Moody's Precis Reports, Orlando, 3Q 2012; CNN Money, Housing to Drive Economic Growth, released January 27, 2013*.)

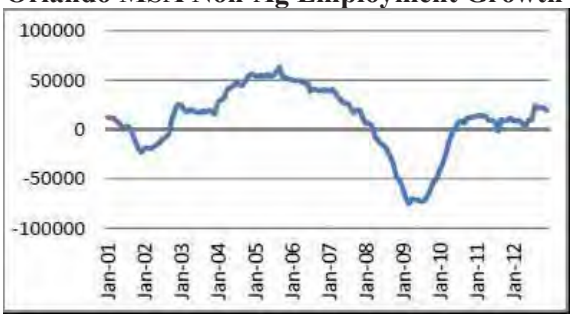
Interstate 4 (I-4) is often called the backbone of transportation in Central Florida. I-4 runs through Polk County and provides a crucial link between Tampa on the west coast and Daytona Beach on the east coast. The interstate also plays a vital role serving one of the world's most vibrant and popular travel destinations, Central Florida. I-4 consists of 117.48 km / 73 miles of roadway in Central Florida and accommodates an average of 1.5 million trips daily in Osceola, Orange, Seminole and Volusia counties. The I-4 corridor is also considered a Designated Strategic Intermodal System Highway Corridor link of the state's intermodal transportation network. (*Source: Moving-4-Ward, retrieved April 16, 2013.*)

Central Florida houses three airports, Orlando International Airport, Tampa International Airport and St. Petersburg-Clearwater International Airport, accumulating over 51 million passengers annually. Orlando International airport sees the bulk of the passenger travel with approximately 35 million passengers annually ranking it the 13th busiest airport on the nation. (*Source: Tampa Bay Times, 2012 Passenger Traffic Rose at St. Petersburg-Clearwater International Airport, released January 8, 2013; Airport Hotel Guide, Tampa International Airport, retrieved April 19, 2013; Flight Stats, Orlando International Airport, retrieved April 19,2013; Orlando International Airport, Orlando International Airport Reflects on 2011 and Looks to 2012, released January 5, 2012, retrieved April 19, 2013.*)

Florida is equipped with four major cargo gateway ports; Port of Jacksonville, Port of Tampa, Port Everglades and Port Miami. In 2011, employment in the seaport industry was one of the fastest-growing sectors. Florida's seaports moved more than 3 million containers in 2011. The Port of Tampa shipped 34 million tons of goods in 2011 ranking it as the 24th busiest port in the nation. (*Source: Port of Tampa, 2012 Directory, retrieved April 22, 2013.*)

Orlando began to experience job losses in mid 2008. In mid 2010, employment growth in the Orlando MSA returned. For the 12 months ending December 2012, 18,500 new jobs were added, which is an annual growth rate of 1.8%. From February 2012 to February 2013, 20,500 jobs were added. January to April 2013 have seen the fastest rate of employment growth experienced since July 2007. (*Source: Bureau of Labor Statistics Orlando Non-farm employment by Month, retrieved April 9, 2013.*)

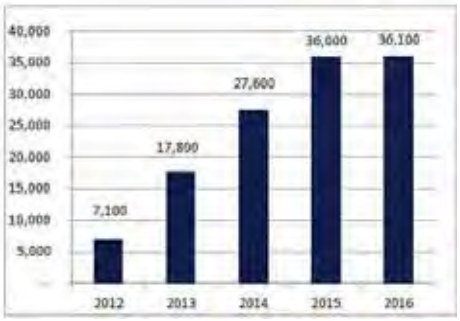
Orlando MSA Non-Ag Employment Growth



(Source: S. Census Bureau - Orlando Historical Permits and Employment, retrieved February 2013)

In February 2013, the Orlando region saw the unemployment rate drop to 7.2%, compared to 7.8% in October 2012, which is a 0.6% difference.

Orlando Job Forecast 2012-2016



(Source: Moody's Precis Reports, 3Q 2012, retrieved April 9, 2013)

Orlando job growth is forecasted to increase over the next four years, adding 117,500 jobs by 2016 which is an average of 29,375 jobs per year. (*Source: Bureau of Labor Statistics, Economy at a Glance, released on May 7, 2013, retrieved on May 7, 2013; Moody's Precis Reports, 3Q 2012, retrieved April 9, 2013*.)

Polk County

Polk County's economy has been historically based on three primary industries: phosphate mining, agriculture and tourism. The mining of the world's largest deposit of phosphate rock is known as the "Bone Valley Deposit", which provides approximately 75% of the nation's phosphate supply and 25% of the world supply. Polk County has the second largest amount of farmland in the state with an estimated 626,634 acres. Polk remains the sixth most productive agricultural county in Florida. The $878 million citrus industry employs approximately 8,000 people in Polk County. (*Source: Polk County, About Polk County, retrieved April 15, 2013*.)

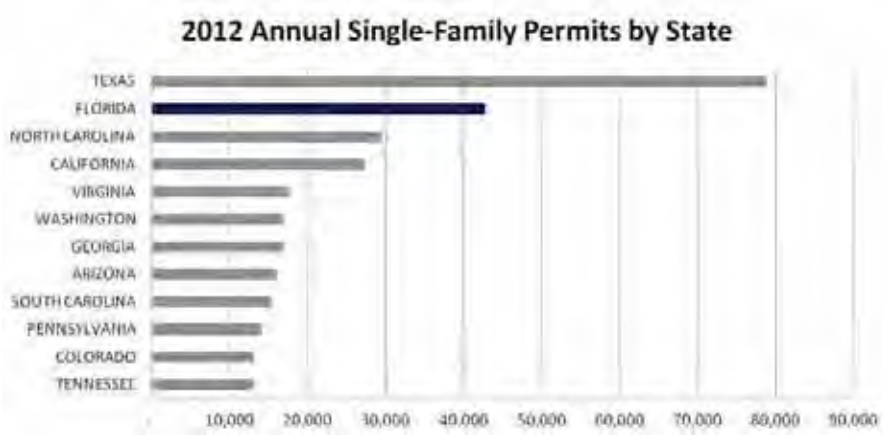
Tourism is a strong economic force in Polk County. Millions of people visit Polk County each year to enjoy attractions such as the Bok Tower Gardens, Fantasy of Flight, and the Sun 'n' Fun Air Museum. Polk County is also located within a one hour drive of a world-famous theme park resort area, Universal Studios, Sea World, Epcot and Busch Gardens. In addition to these attractions, Polk County is the spring training headquarters for the Detroit Tigers (Lakeland) and the Cleveland Indians (Winter Haven) baseball teams. In late 2011, LEGOLAND Florida opened its gates to the public in Winter Haven, providing as many as 1,000 jobs (700 full-time and 300 seasonal) and millions of dollars in tax revenue. Between 1.5 and 2 million visitors are estimated to visit the park annually. The company plans to invest hundreds of millions of dollars into the local economy, creating positive economic impact for the local economy. (*Source: Polk County, About Polk County, retrieved April 15, 2013 from http://www.polk-county.net/about.aspx*.)

Regional Real Estate Trends

Florida

Florida saw single-family permits issued rise to over 42,000 in 2012, up from an estimated 32,000 in 2011, a 31% year-to-date change. From March 2012 to March 2013, sales of existing single-family homes were up 9% with pending sales up 23.4% and listings up 2.7%. New housing permits in February 2013 rose to the highest level since 2008. Florida's four main urban centers, Miami, Tampa, Orlando and Jacksonville account for 22,449 or 53% of the state's single-family permits issued. (*Source: NAHB, Building Permits: States and Metro Areas, released March 31, 2013, retrieved April 11, 2013; Florida Realtors Association, March 2013 Report; MSN Real Estate, Single-family Housing Starts Back to 2008 Level, released March 19, 2013, retrieved April 2, 2013.*)

September 2012 Annual Single-Family Permits Issued by State



(Source: National Association of Homebuilders (NAHB), Building Permits by States and Metro Areas, released December 31, 2012, retrieved May 15, 2013)

Resale months of supply were at 5.5 months at the end of 2012, down from 8.3 months the previous year and down from almost 20 months in 2008.

Months of Supply of Inventory

Year	Months Supply	Percent Change Year-over-Year
2012	5.5	-33.5%
2011	8.3	-27.2%
2010	11.4	-1.4%
2009	11.6	-39.7%
2008	19.2	N/A

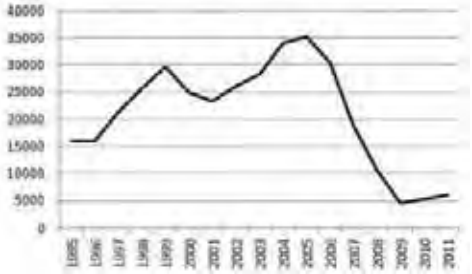
(Source: Florida Realtors, Yearly Market Detail – 2012 Single Family Homes FL, released February 11, 2013.)

Price appreciation has returned, increasing year-over-year in each of the last nine months. Single-family permits rebounded and were up 27% in September 2012, ranking Florida second in the nation. (*Source: Florida Realtors, Florida Housing Market Statistics, released February 2013*.)

Orlando

Orlando has averaged 21,000 single-family permits annually over the last 16 years with an average of 4,850 permits over the previous four years. As of December 2012, Orlando ranked eighth in the nation for single-family permits issued, with 74% of all permits issued in Orlando being single-family dwellings. (*Source: U.S. Census Bureau, retrieved April 9, 2013*.)

Orlando - Historical Single-Family Permit Issuance by Year



(*Source: U.S. Census Bureau, retrieved April 9, 2013*)

MSAs Ranked by Annual Single-Family Permits, December 2012

Rank	State	Name	Ann Permit (SF)	Ann Chg (SF)	Ann Permit (MF)	Ann Chg (MF)	Current Unemployment	Ann Job Growth #	Ann Job Growth %	E-P Ratio
1	TX	Houston-Baytown-Sugar Land TX	28,447	5,867	14,989	6,550	2,731,000	84,500	3.2%	1.9
2	TX	Dallas-Fort Worth-Arlington TX	17,627	3,662	14,906	4,372	3,040,500	79,200	2.7%	2.4
3	AZ	Phoenix-Mesa-Glendale, AZ	11,821	4,327	3,649	1,662	1,891,900	51,800	3.0%	3.3
4	DC	Washington-Arlington-Alexandria DC-VA-MD-WV	11,275	1,850	10,393	2,020	3,060,500	30,200	1.0%	1.4
5	GA	Atlanta-Sandy Springs-Marietta GA	9,317	3,026	5,077	2,819	2,371,500	37,400	1.6%	2.6
6	WA	Seattle-Tacoma-Bellevue WA	8,067	2,083	8,854	3,693	1,737,300	48,900	2.9%	2.9
7	TX	Austin-Round Rock-San Marcos, TX	7,872	1,892	10,566	6,502	833,900	34,600	4.3%	1.9
8	FL	Orlando-Kissimmee-Sanford, FL	7,012	2,559	4,065	2,316	1,045,000	16,900	1.8%	1.7
9	NY	New York-Northern New Jersey-Long Island NY-NJ-PA	6,748	963	20,118	4,851	8,654,000	118,700	1.4%	4.4
10	NC	Charlotte-Gastonia-Rock Hill, NC-SC	6,634	1,981	5,544	3,919	869,400	26,200	3.1%	2.2
11	NC	Raleigh-Cary NC	6,390	1,655	6,362	4,749	526,000	9,400	1.8%	0.7
12	NV	Las Vegas-Paradise NV	6,090	2,248	1,267	51	830,800	15,700	1.9%	2.1
13	FL	Tampa-St. Petersburg-Clearwater FL	5,900	1,506	4,181	2,255	1,175,000	21,000	1.8%	2.1
14	CO	Denver-Aurora CO	5,763	2,127	6,145	3,396	1,260,000	35,200	2.9%	3.0
15	IL	Chicago-Naperville-Joliet IL-IN-WI	5,644	1,422	3,480	-563	4,364,000	34,700	0.8%	3.8
16	MN	Minneapolis-St. Paul-Bloomington MN-WI	5,519	1,814	5,593	4,129	1,764,800	25,200	1.4%	2.3
17	TN	Nashville-Davidson--Murfreesboro TN	5,339	1,306	2,252	1,143	774,200	12,700	1.7%	1.7
18	PA	Philadelphia-Camden-Wilmington PA-NJ-DE-MD	5,221	719	3,729	1,109	2,757,800	24,800	0.9%	2.6
19	TX	San Antonio-New Braunfels, TX	5,039	676	2,834	1,029	878,800	22,000	2.6%	2.6
20	FL	Miami-Fort Lauderdale-Miami Beach FL	4,948	756	6,805	3,413	2,261,600	1,200	0.1%	0.1

(*Source: U.S. Census December 2012 Dataset, Metrosearch USA, retrieved April 10, 2013*)

Over the past nine months, there has been a significant increase in the number of new single-family homes permitted in Orlando, rising to an annual rate of 7,012 units as of December 2012. This is up 57.5% compared to the annual pace seen in the year prior, and is the fastest rate since 2008. (*Source: U.S. Census Bureau, retrieved April 9, 2013*.)

Polk County

The Northeast Polk County housing submarket is southwest of the city of Orlando and centered on the I-4. It includes portions of Polk and Osceola Counties and is bounded by wetlands to the west and south and bisected by the Upper Lakes Wetland Area. These constraints may result in development activity being intensified in the general vicinity of the Ridgewood Lakes Property. (*Source: Metrostudy Data Set, retrieved April 18, 2013 from Metrosearch Online*.)

Polk County Development Constraints

(*Source: U.S. Metrostudy Data Set, retrieved April 18, 2013 from Metrosearch Online*)

There were a total of 1,113 annual starts in the submarket in 2012 which is a 47% increase over 2011. Additionally there are 20 neighborhoods that had more than 18 annual starts which equates to an aggregate of 741 starts or 66% of the total market. Single-family units range in price from $150,000 to $250,000 while resort communities in the area are priced significantly higher. (*Source: Metrostudy 4Q 2012 Dataset, retrieved April 18, 2013 from Metrosearch Online*.)

Zoning and Other Property Features

The larger Ridgewood Lakes assembly, which includes the Ridgewood Lakes Property, is designated as Residential-Medium in the 2030 Polk County Comprehensive Plan, which allows for single-family and multi-family residential development with permitted densities of up to 10 dwelling units per acre. Community facilities are also permitted within this classification. The 2030 Polk County Comprehensive Plan Future Land Use Map has the following designations for the Ridgewood Lakes Property – Employment Center, Residential High (up to 10 units per acre), Residential Medium (up to 7 units per acre), Residential Low (up to 3 units per acre) and Preservation. In 1985, pursuant to the General Plan, Polk County approved a Development of Regional Impact, or DRI, for a master planned 2,991 acre parcel called Ridgewood Lakes. The DRI application contemplated development over a 25 year period in 3 phases, with a total of 8,100 dwelling units approved in the DRI. Ridgewood Lakes is subject to the Planned Development (or "***PD***") approval by Polk County, which was developed as part of the DRI. The PD approval pertains to specific development conditions including architectural controls, setbacks, and landscaping requirements and will modify and amend over time as the Ridgewood Lakes Property develops out. Also in conjunction with the DRI approval, Polk County issued a Development Order, (or "***DO***"), which confirms all requirements and conditions of approval for the DRI and PD actions. The DO for the project was adopted in 1985 following the approval of the Ridgewood Lakes DRI, and

has been amended, updated and restated several times as development continues to occur within the assembly, with the most recent amendment occurring in 2011. The DO sets out various conditions that the developer must comply with. The conditions of the Ridgewood Lakes DO are typical of a project of this magnitude including water monitoring, dedication of park and school sites, and transportation improvements. As the DO has approved entitlements for Phase 1 only, an amendment of the DO through a Notice of Proposed Change will be required in order to obtain approval for Phase 2 and 3.

The master plan for the Ridgewood Lakes assembly identifies eight different village units. The Master Association serves as the mandatory membership association for the residents in the assembly. To date, five villages have been established with residents currently occupying a total of 1,228 homes.

Water Supply

The Ridgewood Lakes Property is part of the Upper Florida Aquifer, which is one of the most productive aquifers in the region. The Upper Florida aquifer is highly permeable and yields sufficient water for most purposes. Treated potable water to the Ridgewood Lakes Property will be supplied by Polk County. The current Polk County water system status shows a permitted and working capacity of over 12 million gallons per day ("***MGD***"). Current usage is 6.9 MGD. Off-site 12-inch and 24-inch water mains are located along various rights of way within the assembly, but will need to be connected to another source to utilize their full capacity. It is projected that an adequate water supply will exist for the future development of the Ridgewood Lakes Property.

Wastewater Transmission and Treatment

Wastewater transmission and treatment is provided for the Ridgewood Lakes assembly by Polk County. A series of lift stations, owned and operated by Polk County, serve the assembly to convey wastewater flow to the Polk County Treatment plant. This treatment plant currently has the physical capacity of 6 MGD, with a current permitted capacity of 3 MGD. The County has submitted an application to bring the permitted capacity up to the physical capacity. It is anticipated that adequate wastewater transmission and treatment capacity will exist to service the future development of the Ridgewood Lakes Property.

Leases

The Ridgewood Lakes Property is currently encumbered by two leases, including a five-year mining lease that allows the tenant to excavate sand from a portion of the Ridgewood Lakes Property. The Ridgewood Lakes Property is also encumbered by a pasture lease that expires December 31, 2014, and can be renewed for an additional five years thereafter. Other short-term leases for the Ridgewood Lakes Property may be negotiated from time to time with third parties for the purposes of offsetting some of the ongoing administrative and operating costs of Walton FL and the Issuer with respect to the Ridgewood Lakes Property, provided that such leases do not interfere with the preliminary development of the Ridgewood Lakes Property. Any such lease revenue, which is anticipated to be minimal, will become part of the Reserve and distributed to the Issuer if not expended during the hold period. The Ridgewood Lakes Property may be subject to third-party leases for all or part of the Ridgewood Lakes Property in the future.

Floodplain; Wetlands

The Ridgewood Lakes assembly is covered by Federal Emergency Management Agency ("***FEMA***") Flood Insurance Rate Map ("***FIRM***") panels 12105C0220F, 12105C0225F, 12105C0240F, 12105C0250F, each dated December 20, 2000. Based on these FIRMs and the ultimate conceptual master plan for the Ridgewood Lakes Property, the appropriate size and location of the floodplain will be determined. Additionally, approximately one-half of the Ridgewood Lakes Property is comprised of wetlands, including numerous ponds and a man-made drainage channel known as Horse Creek. To a certain extent, the portions of the Ridgewood Lakes Property containing wetlands or otherwise lying within the floodplain can be mitigated through engineering, design, and wetlands management, which efforts will be initiated as part of the Concept Planning activities. It is intended that the impacted areas that are not otherwise recoverable will be incorporated into the open space of the master plan, with a goal of minimizing the loss of developable land. It is anticipated that floodplain mitigation and wetlands management will not adversely impact the development potential of the Ridgewood Lakes Property.

Dry Utilities

Progress Energy and Central Florida Gas are currently the main providers of electric and natural gas service, respectively, to the area and the Ridgewood Lakes Property. Brighthouse Networks and Verizon currently have cable, phone and internet service throughout the area, with Brighthouse Networks currently serving a portion of the Ridgewood Lakes assembly. Walton will negotiate service agreements with utility providers closer to the time of the sale of the Ridgewood Lakes Property to the ultimate developer.

Emergency Services

Emergency services will be provided to the Ridgewood Lakes Property by the Polk County Sherriff's Office and Fire Rescue. The Sherriff's Office is a full service law enforcement agency that serves all of Polk County. Fire Rescue is a sub-division of the Polk County Board of County Commissioners, and provides fire and rescue services for the unincorporated portions of Polk County through 31 fire stations. Polk County residents are currently served by five primary hospitals, including Bartow, Heart of Florida, Lake Wales, Lakeland and Winter Haven hospitals.

Schools

The Ridgewood Lakes Property is located in the Polk County School District, which is the eighth largest in Florida. Polk County has 163 school sites and centers including 66 elementary, 4 elementary/middle, 7 elementary/middle/high, 18 middle, 3 middle/high, 18 high, 2 technical career centers, 2 adult, 11 alternative education and 24 charter schools. More than 94,000 students are enrolled in Polk County schools and the district is the largest employer in Polk County with over 13,000 employees.

Taxes

Funds to pay estimated property taxes during the preliminary development period of the Ridgewood Lakes Property will be included in the Reserve. The Issuer will pay its proportionate share of the property taxes on the Ridgewood Lakes Property out of such reserved funds. There can be no assurances that the property taxes for the Ridgewood Lakes Property will not materially increase above the current level, particularly in the event the agricultural use and classification are changed upon the physical development of the Ridgewood Lakes Property.

Contemplated Concept Planning Activities

Concept Planning for the Ridgewood Lakes Property is anticipated to include, without limitation, one or more of the following steps:

- Development feasibility assessment. The Issuer intends to engage consultants to perform preliminary studies to assess whether or not it is feasible to modify the existing land uses and assess the intensity of potential future development on the Ridgewood Lakes Property, together with the infrastructure necessary to serve that development. The preliminary studies that may be required by Polk County include, but are not limited to, a traffic study, a hydrology and drainage analysis, cultural/historic and archaeological resource studies, biological studies and environmental studies. In addition, the Issuer may engage consultants to perform market studies to ascertain the market demand for the proposed land uses for the Ridgewood Lakes Property, which may include commercial, single-family and multi-family residential uses.
- Master Plan Modification. The Issuer may engage consultants to amend the DRI to incorporate the additional acreage in the assembly not currently included in the DRI in order to best utilize the existing infrastructure. The Issuer may engage consultants to design land use plans including proposed street layouts and utility layouts, which will tie into the existing infrastructure found in close proximity to the Ridgewood Lakes Property.
- Zoning Approvals. The Issuer may seek amendments to the existing DRI, Development Agreement and DO for the Ridgewood Lakes Property. The Issuer may file an application to revise the existing DRI as necessary to achieve the development objectives and to reflect market conditions, which requires public hearings before Polk County and the Central Florida Regional Planning Council. Associated approvals

from Polk County, Florida and federal agencies will also be pursued. If this approval is not received, the Ridgewood Lakes Property will be marketable under the existing zoning approvals. See "Risk Factors – Risks Related to Investments in Real Estate."

- Subdivision plat and related plan approvals. The Ridgewood Lakes Property may require the submittal of a Final Plat. Subdivision platting divides the Ridgewood Lakes Property into blocks or lots suitable for sale for commercial development, residential development, or a combination thereof. Following approval of subdivision plats, a property owner typically proceeds to the preparation of drawings for certain improvements to the land.
- Major regulatory approvals. The Issuer may seek additional approvals as a part of Concept Planning activities. For instance, approximately one-third of the Ridgewood Lakes Property is located within FEMA floodplain or is otherwise comprised of wetlands. The Issuer may submit an application to FEMA to limit the existing flood hazard zone in order to prepare the Ridgewood Lakes Property for development if studies indicate that a reduction of the amount of flood plain is feasible. Additionally, the Issuer may seek to recover a portion of the wetlands through management of Horse Creek and its related tributaries. See "Risk Factors – Risks Related to Investments in Real Estate."
- Sinkhole Risk Mitigation. The Issuer will likely seek to minimize lakes and wells in or near developable areas to reduce the potential for sinkholes.
- Negotiate ancillary agreements. The Issuer will likely seek to negotiate boundary conditions and traffic signal installation timing and conditions with Polk County and adjacent property owners. The Issuer also intends to negotiate water agreements to identify infrastructure necessary to serve the development.
- Coordination of efforts with Florida Department of Transportation. The Issuer will coordinate with the Florida Department of Transportation as the current proposed alignment of the Central Polk Parkway runs through the Ridgewood Lakes Property. The Issuer may conduct a traffic study for the Ridgewood Lakes Property in connection with the proposed alignment.

Risks related to the Ridgewood Lakes Property

The Issuer may be subject to environmental liabilities

A Phase I Environmental Site Assessment ("***ESA***"), dated February 15, 2013, was procured by Walton USA from Florida Permitting, Inc. as part of its due diligence process. The ESA did not report the presence of recognized environmental conditions at the time of its preparation. There can be no assurance, however, that all adverse environmental conditions and environmental risks have been identified in the ESA report. *See,* "Risk Factors - Risks Related to Investments in Real Estate - The Issuer may be subject to environmental liabilities with respect to one or more Properties" for additional disclosure regarding the impact of potential environmental liabilities.

The presence of sinkholes in the future could impair the marketability of the Ridgewood Lakes Property

Significant portions of Polk County are substantially affected by sinkhole problems. Although there are currently no sinkholes present on the Ridgewood Lakes Property, there is a possibility that significant sinkhole damage may occur on or near the Ridgewood Lakes Property in the future, which may impair the marketability of the Ridgewood Lakes Property.

A portion of the Ridgewood Lakes Property may be condemned for a contemplated freeway interchange

The Florida Department of Transportation ("***FDOT***") plans to construct an interchange called Central Polk Parkway (the "***Parkway***"). FDOT is currently studying locations for the Parkway, but the tentative location identified by FDOT would run along the eastern boundary of the Ridgewood Lakes assembly and through the eastern portion of the Ridgewood Lakes Property. If such alignment is approved, there is a risk that a portion of the Property could be taken by FDOT in a condemnation proceeding. Such a forced sale could have adverse consequences if, for example, the amount received as compensation for the taking is less than its anticipated value, or if the taking significantly decreases the amount of developable acreage on the Ridgewood Lakes

Property, otherwise requires substantial changes in our development plans for the Ridgewood Lakes Property or results in unanticipated legal, expert witness and related litigation expenses for which severance damages, if any, are inadequate.

Wetlands and protected species mitigation could impair the value of the Ridgewood Lakes Property

Wetlands are very common in the region of Florida where the Ridgewood Lakes Property is located, and compliance with Florida state wetlands regulations can be onerous. Wetlands constitute a significant portion of the Ridgewood Lakes Property and include Horse Creek (a man-made canal), drainage ditches and laterals that feed into Horse Creek, numerous ponds, and floodplains. Additionally, a Wildlife and Habitat Survey conducted on the Property revealed the presence of three specials – gopher tortoises, fox squirrels and wading birds – that are protected by either Florida state or federal law. Walton intends to incorporate the wetlands that are not otherwise recoverable into its development plan as part of the open space system, and to implement the mitigation and management plans required for the protected species located on the Property during concept planning. Nonetheless, there is a risk that compliance with state and federal law regulating these wetlands and protected species could limit the net usable acreage of the Property and/or entail costly mitigation efforts.

Public opposition to the sand excavation activities could impede the development approval process

The Ridgewood Lakes Property is subject to five-year mining lease that allows the tenant to mine sand from a portion of the Ridgewood Lakes Property. Shortly after mining operations commenced in 2012, landowners adjacent to the mining site obtained an injunction temporarily halting mining activities on the Ridgewood Lakes Property. Recently, Walton negotiated an amendment with the mining tenant that limited the duration of the mining operations and imposed mitigation requirements on the tenant, including the construction of a berm to shield from sight the trucks hauling the sand from the site. Nonetheless, once mining resumes, and for the duration of the lease term, there is a risk that the adjacent landowners will object to the development of the Ridgewood Lakes Property in an effort to forestall future mining activity.

Public opposition to the DRI amendment could impede development approvals

Polk County approved the original DRI for the Ridgewood Lakes assembly in 1985, and subsequently adopted a number of Development Orders, or DOs, the most recent of which was adopted in 2011, and provides specific entitlements for Phase 1 of the larger development contemplated in the DRI. Although Polk County appears to be receptive to Walton's proposed preliminary concept plan, a notice and public comment process is required before Polk County will grant specific approvals for Phases 2 and 3 under the DRI. There is a risk that someone or some group in the area would generate public opposition to applications for specific development approvals submitted for the Ridgewood Lakes Property, which may delay the entitlement process and adversely impact the value of your Units.

All other provisions of the Memorandum remain unchanged and in full force and effect.

The date of this Third Supplement is May 15, 2013.

Copy No.: _____ To: _____

FOURTH SUPPLEMENT, DATED OCTOBER 22, 2013,
TO CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

WALTON U.S. LAND FUND 3, LP

a Delaware limited partnership
Up to 10,000,000 Class A Units
at $10.00 per Unit

Walton U.S. Land Fund 3, LP (the "***Issuer***") is offering up to 10,000,000 of its Class A limited partnership interest units (the "***Units***") to eligible investors at $10.00 per Unit (the "***Offering***") pursuant to the terms of that certain Confidential Private Placement Memorandum, dated August 1, 2012 (the "***Memorandum***"), as amended by the First Supplement dated October 31, 2012, by the Second Supplement dated March 1, 2013, by the Third Supplement dated May 15, 2013, and as further amended by this Fourth Supplement dated October 22, 2013 ("***Fourth Supplement***"). The Units are being offered on a best-efforts basis on behalf of the Issuer through broker-dealers registered with the Financial Industry Regulatory Authority, Inc. who may be selected by us, and by any other agents or sub-agents as we may appoint. All capitalized terms in this Fourth Supplement not otherwise defined herein have the meanings given to them in the Memorandum, and all references to the Memorandum shall mean the Memorandum as supplemented or amended, including by this Fourth Supplement.

Investment in the Units will be subject to numerous risks. See "***Risk Factors***" in the Memorandum. The Units are not and will not be listed for trading or quoted on any securities market and will be subject to restrictions on resale and transfer. See "***Restrictions on Transfer and Resale of Notes and Units***" in the Memorandum.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Units or passed upon the adequacy or accuracy of the Memorandum or this Fourth Supplement. Any representation to the contrary is a criminal offense.

THE INFORMATION CONTAINED IN THE MEMORANDUM AND THIS FOURTH SUPPLEMENT IS INTENDED ONLY FOR THE PERSONS TO WHOM IT IS TRANSMITTED FOR THE PURPOSES OF EVALUATING THE UNITS OFFERED IN THE OFFERING. PROSPECTIVE INVESTORS SHOULD ONLY RELY ON THE INFORMATION IN THE MEMORANDUM AS MAY BE SUPPLEMENTED OR AMENDED, INCLUDING BY THIS FOURTH SUPPLEMENT. NO PERSONS ARE AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN RESPECT OF THE ISSUER OR THE SECURITIES OFFERED IN THE MEMORANDUM AS AMENDED BY THIS FOURTH SUPPLEMENT AND ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

THE MEMORANDUM IS HEREBY SUPPLEMENTED AS FOLLOWS:

1. **STATUS OF THE OFFERING**. As of the date hereof, forty-four (44) closings of the Offering have been held, resulting in aggregate gross proceeds to the Issuer of $90,605,060, of which $62,375,961 has been utilized to acquire interests in Properties and $18,348,872 has been deposited into the Issuer's reserve account, with the remaining proceeds, net of organizational and offering expenses and distribution costs, deposited into the Issuer's operating account, pending investment in Properties. Limited Partners hold 9,060,506 Units of the Issuer as of the date hereof, for an aggregate of 90.61% of the Units offered in the Offering.

2. **INTERESTS IN PROPERTIES ACQUIRED TO DATE**. As of the date hereof, the Issuer has acquired 95% tenant-in-common interests in the River Park Property, the Redwood Meadows Property, the Dobson Creek Property, the Ridgewood Lakes Property and the Vista Ranch Property for purchase prices of

$1,733,699, $2,027,143, $24,307,911, $9,869,624, and $8,505,151, respectively, and has acquired a 79.68% tenant-in-common interest in the Harvest Grove North Property for a purchase prices of $15,932,433. A description of the Harvest Grove North Property is set forth below.

3. **<u>THE HARVEST GROVE NORTH PROPERTY</u>**. The General Partner has identified property as a potential suitable investment for the Issuer. The Memorandum is hereby supplemented to include the following information about this potential investment:

The suitable investment for the Issuer consists of approximately 727 acres of undeveloped land located within two miles of Interstate-4 ("***I-4***") approximately 16 miles northeast of Tampa in eastern Hillsborough County, Florida (the "***Harvest Grove North Property***"). The Harvest Grove North Property is part of a larger, approximately 1,008-acre assembly (the "***Assembly***"), owned or managed by Walton USA and its affiliates, and is intended to be part of a mixed-use planned development. Situated within the city limits of Plant City, the Harvest Grove North Property is located 2 miles north of the I-4, with access to I-4 along the interchanges at Park Road and County Line Road. The Harvest Grove North Property is intended to be planned as a residential development with multifamily and single-family components.

The Harvest Grove Assembly

Aerial photo of the Harvest Grove North Property and surrounding area

On October 4, 2013, Walton Acquisitions FL, LLC, a Florida limited liability company and subsidiary of Walton USA ("***Walton FL***"), acquired a 23.2% interest in the Harvest Grove North Property and the Issuer indirectly acquired a 76.8% interest in the Harvest Grove North Property from the sellers. The aggregate purchase price for the Harvest Grove North Property, under the purchase and sale agreement with the sellers, was $13,132,670, or $18,056 per acre. The acquisition of further interests in the Harvest Grove North Property by the Issuer is subject to a number of conditions, including, without limitation, the number of Units sold in this Offering. In the event the Issuer acquires further interest in the Harvest Grove North Property, Walton FL will retain the remaining interest, with a minimum of 5%.

In order to acquire the Harvest Grove North Property and to fund associated Reserve amounts, the Issuer will be required to raise $28,275,000 as follows:

Projected Use of Proceeds (assuming sufficient Units are sold)

	Harvest Grove North Property		Cumulative (6 Properties)***	
	Amount	%	Amount	%
Gross proceeds	$28,275,000	100.0%	$95,245,000	100.0%
Organizational and Issue Costs:				
Selling Commissions	$ 1,979,250	7.0%	$ 6,667,150	7.0%
Selling Group members' fee	$ 848,250	3.0%	$ 2,857,350	3.0%
Offering Expenses	$ 255,809	0.9%	$ 861,699	0.9%
Net proceeds	$25,191,691	**89.1%**	$84,858,801	**89.1%**
Land and Reserves:		**68.4%**		**68.4%**
Acquisition of Property:				
Acquisition of interest in Property *	$13,231,069	46.8%	$45,832,370	48.1%
Reserve items:				
Concept Planning expenses	$ 1,720,688	6.1%	$ 5,195,176	5.5%
Issuer expenses	$ 2,107,719	7.5%	$ 5,665,831	5.9%
Management Fee **	$ 2,290,154	8.1%	$ 8,481,137	8.9%
Operating Expenses of Walton USA	$ 4,993,811	**17.7%**	$16,826,937	**17.7%**
Acquisition fee to Walton USA	$ 848,250	**3.0%**	$ 2,857,350	**3.0%**
Net proceeds:	$25,191,691	**89.1%**	$84,858,801	**89.1%**

* includes capitalized and closing costs of $156,816 for the River Park Property, $65,738 for the Redwood Meadows Property, $965,535 for the Dobson Creek Property, $214,760 for the Vista Ranch Property, $423,826 for the Ridgewood Lakes Property and 755,032 for the Harvest Grove North Property.

** reserved and paid to Walton USA in annual amounts of $49,910 in respect of the River Park Property, $46,168 in respect of the Redwood Meadows Property, $531,578 in respect of the Dobson Creek Property, $186,305 in respect of the Vista Ranch Property, $255,563 in respect of the Ridgewood Lakes Property and $458,031 in respect of the Harvest Grove North Property; unearned amounts remaining upon final exit, if any, will be distributed to the partners.

*** includes the River Park Property, the Redwood Meadows Property, the Dobson Creek Property, the Vista Ranch Property, the Ridgewood Lakes Property and the Harvest Grove North Property.

Description of the Harvest Grove North Property and Surrounding Area

The Harvest Grove North Property consists of approximately 727 acres of undeveloped land located in Hillsborough County, Florida, in close proximity to the I-4, which leads directly southwest to employment cores within Brandon and downtown Tampa, 14 and 23 miles to the southwest, respectively. The Harvest Grove North Property was annexed into Plant City in 2011, and therefore benefits from its access to municipal water and sewer service. Access to municipal services makes the Harvest Grove North Property one of the last large properties that will be capable of being developed as a mixed-use master planned community in the region.

Situated along the western edge of the Florida peninsula in Hillsborough County, Tampa has historically expanded both to the north (up Interstate 75 and the newly built Suncoast Parkway) and to the south (down Interstate 75 and Highway 301). The northeastern portion of the county is wet, with extensive parklands and protected wetland area, while the southeastern portions of Hillsborough County consist of large tracts of land that were historically strip mined for phosphorus, which has restricted development in this area. In addition to physical boundaries, Hillsborough County created an Urban Service Area, or USA, in 1993, limiting the area in which county water and sewer services would be extended. Over the past five years, development has reached the limits of this USA in almost all directions, and large undeveloped sites that are suitable for large scale development, such as the Harvest Grove North Property, are becoming difficult to find and expensive to acquire.

The Issuer believes the Harvest Grove North Property is well situated in the path of future development, particularly with respect to residential and commercial development. The Harvest Grove North Property benefits from its proximity to I-4, the major east-west thoroughfare between Tampa and Orlando. Additionally, the Harvest Grove North Property is located approximately:

- 2 miles north of I-4
- 11 miles northwest of Lakeland
- 25 miles northeast of Tampa
- 45 miles southwest of Walt Disney World Resort
- 62 miles southwest of Orlando

Other highlights of the Harvest Grove North Property include the following:

1. **Favorable Existing Zoning**. On January 22, 2007, the City Commission of Plant City approved the voluntary annexation of the Assembly into the jurisdiction of Plant City and rezoned the Assembly to Community Unit (CU) district. Subsequently, a map amendment application to bring the Assembly's adopted future land use into compliance with the Northeast Plant City Area Master Plan was approved by the Planning Board and Hillsborough County City-County Planning Commission, and plan approval was received on July 14, 2008, allowing for the overall development of a maximum of 2,640 residential dwelling units, 345,000 square feet of commercial space, and 50,000 square feet of office use.
2. **Access to Utilities**. There is adequate water and sewer capacity to service the future development of the Harvest Grove North Property. The Harvest Grove North Property will receive water and wastewater treatment services from the City of Plant City Utilities.
3. **Regional Access**. The Harvest Grove North Property benefits from its proximity to I-4, the primary corridor connecting Orlando to Tampa, and the commuter corridor for the bulk of the region's employment cores. The Harvest Grove North Property represents a large, well positioned asset in a core suburban submarket in Tampa that is beginning to experience lot shortages. The Harvest Grove North Property's location within Hillsborough County and its proximity to the I-4, together with its access to municipal utilities, make it a suitable candidate for the development of a large, master planned community.

Demographic Trends

Florida

With a population of over 19 million, Florida is the fourth largest state in the nation by population and 22nd by size, and is expected to overtake New York State by population in the near future. Florida ranks in the top 10 of the fastest-growing and most populous states. In 2012, Florida was ranked second by Chief Executive's survey of CEO's opinion of the Best and Worst States in which to do business. (*Source: State of Florida, Florida Quick Facts, Retrieved May 6, 2013; Tampa Bay Business Journal, Florida the Ninth-Fastest Growing State, released December 20, 2012, retrieved April 12, 2013; Chief Executive, Another Triumph for Texas: Best/Worst States for Business 2012, released May 2, 2012, retrieved April 2, 2013*.)

Florida had the third largest increase in population over the past decade, adding over 3 million people since 2000. It is the only state with over 2 million in net in-migration Net migration is projected to be over 100,000 by 2015 and more than 200,000 per year thereafter. The population of Florida is forecasted to reach 25,583,157 by 2040. Florida has 19 Metropolitan Statistical Areas, four of which have over 1 million residents: Miami with 5.6 million; Tampa with 2.8 million; Orlando with 2.2 million; and Jacksonville with 1.4 million. (*Source: U.S. Census Bureau, Population, Distribution and Change 2000-2010; U.S. Census Bureau, Components of Change: 2000-2009; Office of Economic & Demographic Research, Population and Demographic Data, released February 2012, retrieved April 12, 2013; U.S. Census, Population by MSA 1990-2010, retrieved April 19, 2013*.)

Largest Increases in Population 2000-2010

	Total Change	Natural	International	Net Domestic
Texas	3,930,484	2,124,124	933,083	848,702
California	3,090,016	2,878,482	1,816,633	-1,509,708
Florida	2,555,130	479,586	851,260	1,182,974
Georgia	1,642,430	684,445	281,998	567,135
Arizona	1,465,171	464,238	272,410	714,354
North Carolina	1,334,478	457,927	214,573	675,016

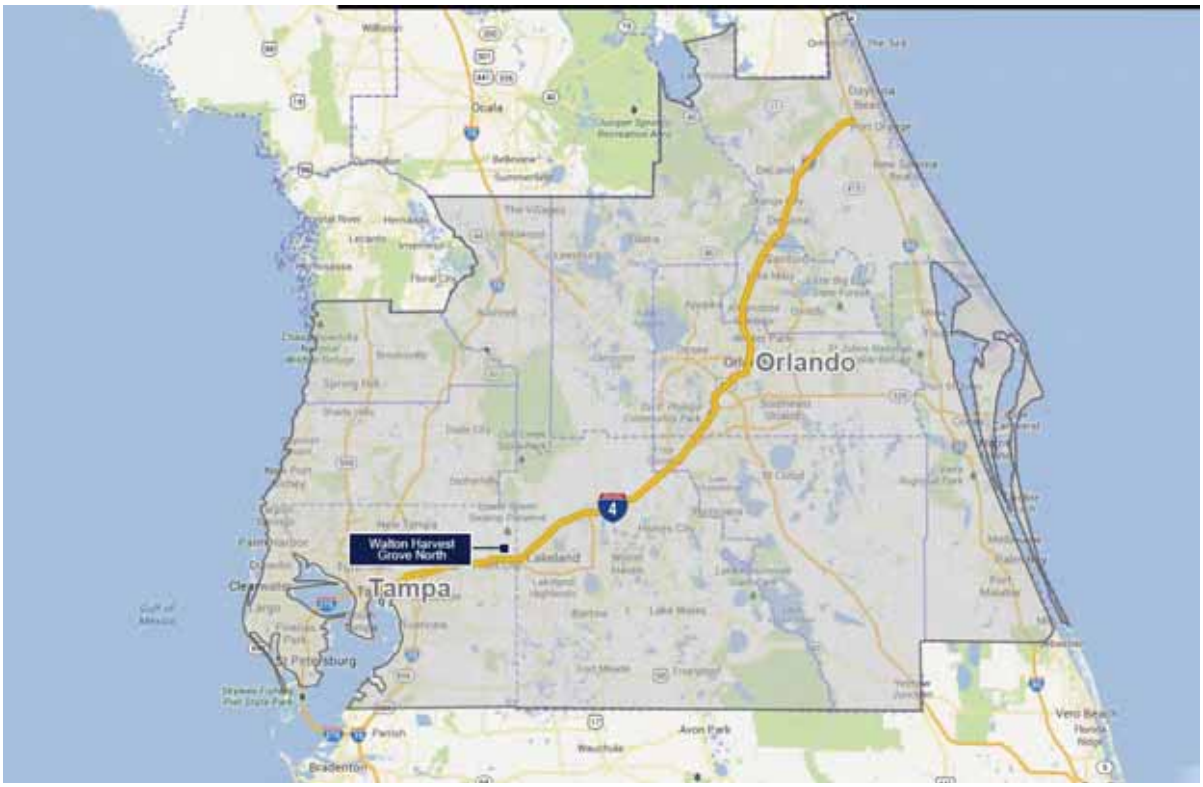
(Source: U.S. Census Bureau, Components of Change: 2000-2009, retrieved April 9, 2013)

From 2010 to 2012, Florida saw an average annual population growth of 2.7%, in line with Texas, Georgia and North Carolina. (*Source: U.S. Census Bureau, Florida Quick Facts, retrieved April 10, 2013.*)

Central Florida

Central Florida is consists of six metropolitan statistical areas, or MSAs: Tampa, Orlando, Sarasota-Bradenton, Lakeland-Winter Haven, Melbourne – Palm Bay and Daytona Beach.

Central Florida Counties



(Source: Walton International Group Inc.)

Approximately 40% of Florida's population, or roughly 7.5 million people, reside in Central Florida, and over the last 12 months, 69,726 jobs were added in Central Florida, representing 46% of Florida's total employment growth (*Source: US Census Bureau; Bureau of Labor Statistics, July 2013 dataset*). Central Florida also accounts for 44% of the state's single-family permits (*Source: US Census Bureau*).

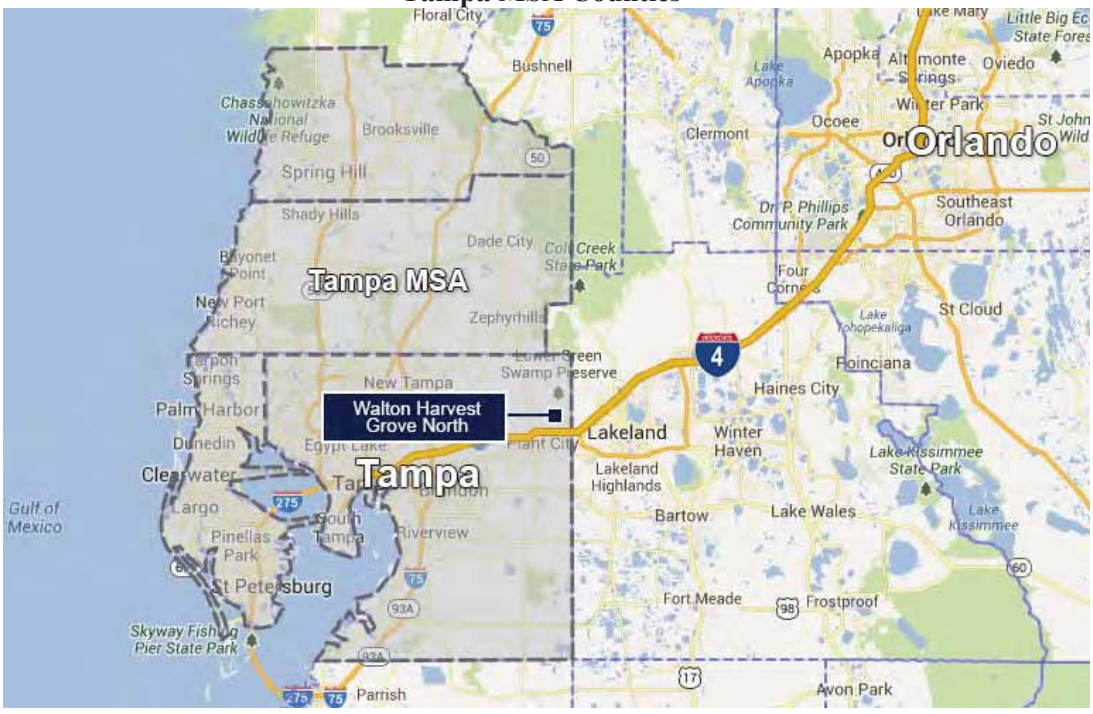
Location of Harvest Grove North Property in Central Florida

(Source: U.S. Census Bureau, retrieved April 9, 2013)

Tampa

The Tampa MSA consists of four counties: Hillsborough, Pinellas, Pasco and Hernando Counties (*Source: US Census Bureau*). Most of the major employment cores in the MSA are proximate to Tampa, St. Petersburg and Brandon, along the I-4 corridor.

Tampa MSA Counties



(Source: Walton International Group Inc.)

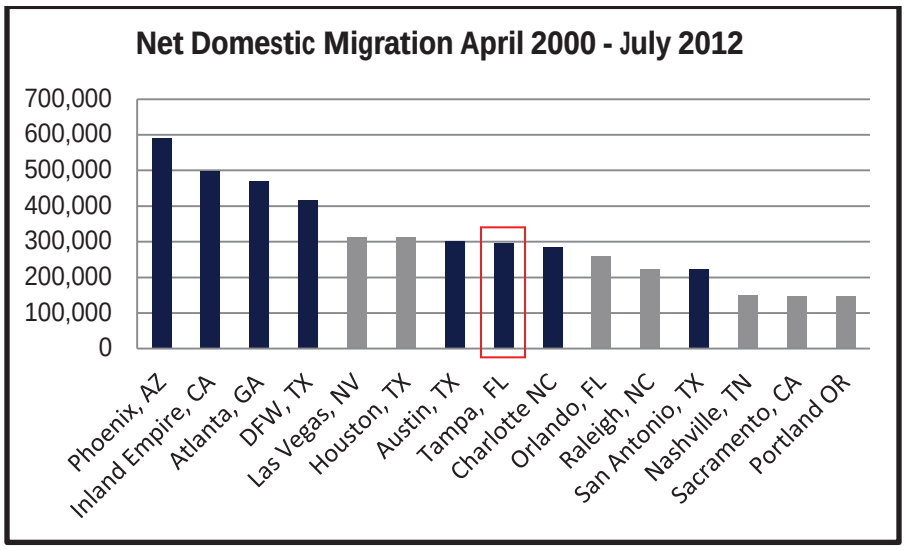
Tampa has seen historically strong population growth, adding 387,246 new residents between 2000 and 2010, which ranks 16th in the nation in absolute terms (*Source: US Census Bureau, Population by MSA 1990-2010*).

US MSA Population Growth Rankings, 2000 – 2010

Rank	Areaname	StAb	Population '00	Population '10	PChg0010
1	Houston-Sugar Land-Baytown, TX MSA	TX	4,715,407	5,946,800	1,231,393
2	Dallas-Fort Worth-Arlington, TX MSA	TX	5,161,544	6,371,773	1,210,229
3	Atlanta-Sandy Springs-Marietta, GA MSA	GA	4,247,981	5,268,860	1,020,879
4	Riverside-San Bernardino-Ontario, CA MSA	CA	3,254,821	4,224,851	970,030
5	Phoenix-Mesa-Glendale, AZ MSA	AZ	3,251,876	4,192,887	941,011
6	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	DC	4,796,183	5,582,170	785,987
7	Las Vegas-Paradise, NV MSA	NV	1,375,765	1,951,269	575,504
8	New York-Northern New Jersey-Long Island, NY-NJ-PA ...	NY	18,323,002	18,897,109	574,107
9	Miami-Fort Lauderdale-Pompano Beach, FL MSA	FL	5,007,564	5,564,635	557,071
10	Orlando-Kissimmee-Sanford, FL MSA	FL	1,644,561	2,134,411	489,850
11	Austin-Round Rock-San Marcos, TX MSA	TX	1,249,763	1,716,289	466,526
12	Los Angeles-Long Beach-Santa Ana, CA MSA	CA	12,365,627	12,828,837	463,210
13	San Antonio-New Braunfels, TX MSA	TX	1,711,703	2,142,508	430,805
14	Charlotte-Gastonia-Rock Hill, NC-SC MSA	NC	1,330,448	1,758,038	427,590
15	Seattle-Tacoma-Bellevue, WA MSA	WA	3,043,878	3,439,809	395,931
16	Tampa-St. Petersburg-Clearwater, FL MSA	FL	2,395,997	2,783,243	387,246
17	Denver-Aurora-Broomfield, CO MSA	CO	2,157,756	2,543,482	385,726
18	Chicago-Joliet-Naperville, IL-IN-WI MSA	IL	9,098,316	9,461,105	362,789

(*Source: US Census Bureau*)

Additionally, the Tampa MSA ranks eighth in the nation in net domestic migration over the period from 2000 to July 2012, and is projected to add 169,600 new residents, or more than 40,000 annually, by 2017 (*Source: U.S. Census Bureau; Moody's Precis Analytics, Tampa, 2Q 2013*).



(*Source: U.S. Census Bureau*).

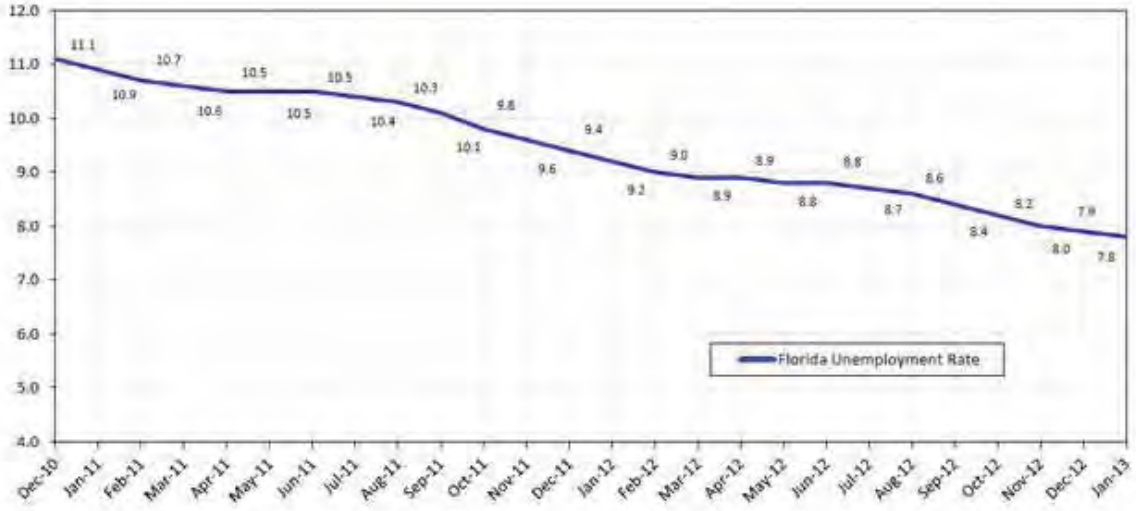
Regional Economic Trends

Florida

Florida's four core MSAs – Miami, Tampa, Orlando and Jacksonville – account for 80% of Florida's job growth. Although the prolonged real estate crisis caused Florida's recovery to lag, the state's economy is poised for positive growth in 2013. In 2013, tourism is anticipated to show substantial growth while construction is forecasted to show moderate growth. Non-residential construction is also expected to stimulate employment for the industry. Renovation of theme parks is expected to continue and the Orlando International Airport runway expansion is ongoing through 2013. (*Source: STAFDA, Florida Economic Forecast – 2013, retrieved April 17, 2013; Metrosearch USA, Permits, Employment and Population by State – March 2013.*)

In February 2013, Florida's unemployment rate dropped to 7.8%, compared to 8.4% in September 2012. The civilian labor force rose to 9,428,586 in February 2013, up from 9,413,648 at the end of 2012. From September 2012 to February 2013, an estimated 97,760 jobs were added. By 2018, Florida is projected to add approximately 438,110 jobs with an additional 567,111 by 2020. (*Source: Bureau of Labor Statistics, Florida Historical Unemployment Rate; Projections Central, Long Term, retrieved April 12, 2013; Florida Department of Economic Opportunity, Employment Projections*.)

Florida Unemployment Rate



(Source: Source: Florida Department of Economic Opportunity, Florida Job Growth Update, released March 19, 2013, retrieved April 15, 2013.)

Florida is home to 16 Fortune 500 companies including World Fuel Services, Office Depot, Darden Restaurants (which include Red Lobster and Olive Garden) and Winn-Dixie Stores. Four of these companies are located in Central Florida. Central Florida added approximately 52,800 jobs between May 2011 and May 2012, accounting for 21% of Florida's total employment growth. (*Source: CNN Money, Fortune 500, released May 21, 2012, retrieved April 2, 2013; U.S. Bureau of Labor Statistics, Central Florida*; *Bureau of Labor Statistics, Florida Historical Unemployment Rate*.)

Florida Fortune 500 Company Headquarters List

Company	Fortune 500 Rank	City	Revenues ($ millions)
World Fuel Services	85	Miami	34,622.9
Publix Super Markets	106	Lakeland	27,178.8
Tech Data	109	Clearwater	26,488.1
Jabil Circuit	157	St. Petersburg	16,518.8
NextEra Energy	172	Juno Beach	15,341.0
AutoNation	197	Fort Lauderdale	13,832.4
CSX	226	Jacksonville	11,743.0
Office Depot	233	Boca Raton	11,489.5
Darden Restaurants	242	Orlando	7,500.2
Winn-Dixie Stores	363	Jacksonville	6,929.9
Well Care Health Plans	401	Tampa	6,106.9
Ryder System	407	Miami	6,050.5
Harris	413	Melbourne	5,924.6
Health Management Associates	423	Naples	5,822.1
Fidelity National Information Services	425	Jacksonville	5,757.4
Fidelity National Financial	472	Jacksonville	5,153.7

(Source: CNNMoney, Fortune 500, released May 21, 2012, retrieved April 15, 2013.)

Central Florida

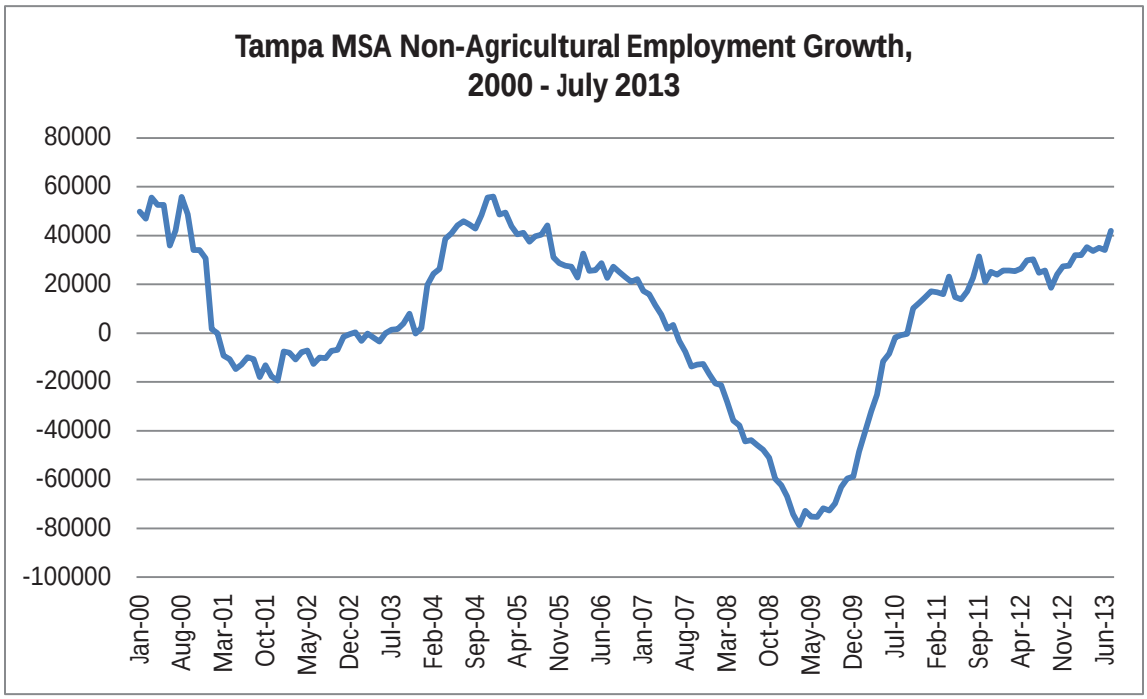
Interstate-4, or I-4, is often called the backbone of transportation in Central Florida. I-4 runs through Hillsborough County and provides a crucial link between Tampa on the west coast and Daytona Beach on the east coast. The interstate also plays a vital role serving one of the world's most vibrant and popular travel destinations, Central Florida. I-4 consists of 117.48 km / 73 miles of roadway in Central Florida and accommodates an average of 1.5 million trips daily in Osceola, Orange, Seminole and Volusia counties. The I-4 corridor is also considered a Designated Strategic Intermodal System Highway Corridor link of the state's intermodal transportation network. (*Source: Moving-4-Ward, retrieved April 16, 2013.*)

Central Florida houses three airports, Orlando International Airport, Tampa International Airport and St. Petersburg-Clearwater International Airport, accumulating over 51 million passengers annually. Orlando International airport sees the bulk of the passenger travel with approximately 35 million passengers annually ranking it the 13th busiest airport on the nation. (*Source: Tampa Bay Times, 2012 Passenger Traffic Rose at St. Petersburg-Clearwater International Airport, released January 8, 2013; Airport Hotel Guide, Tampa International Airport, retrieved April 19, 2013; Flight Stats, Orlando International Airport, retrieved April 19,2013; Orlando International Airport, Orlando International Airport Reflects on 2011 and Looks to 2012, released January 5, 2012, retrieved April 19, 2013.*)

Florida is equipped with four major cargo gateway ports; Port of Jacksonville, Port of Tampa, Port Everglades and Port Miami. In 2011, employment in the seaport industry was one of the fastest-growing sectors. Florida's seaports moved more than 3 million containers in 2011. The Port of Tampa shipped 34 million tons of goods in 2011 ranking it as the 24th busiest port in the nation. (*Source: Port of Tampa, 2012 Directory, retrieved April 22, 2013.*)

Tampa

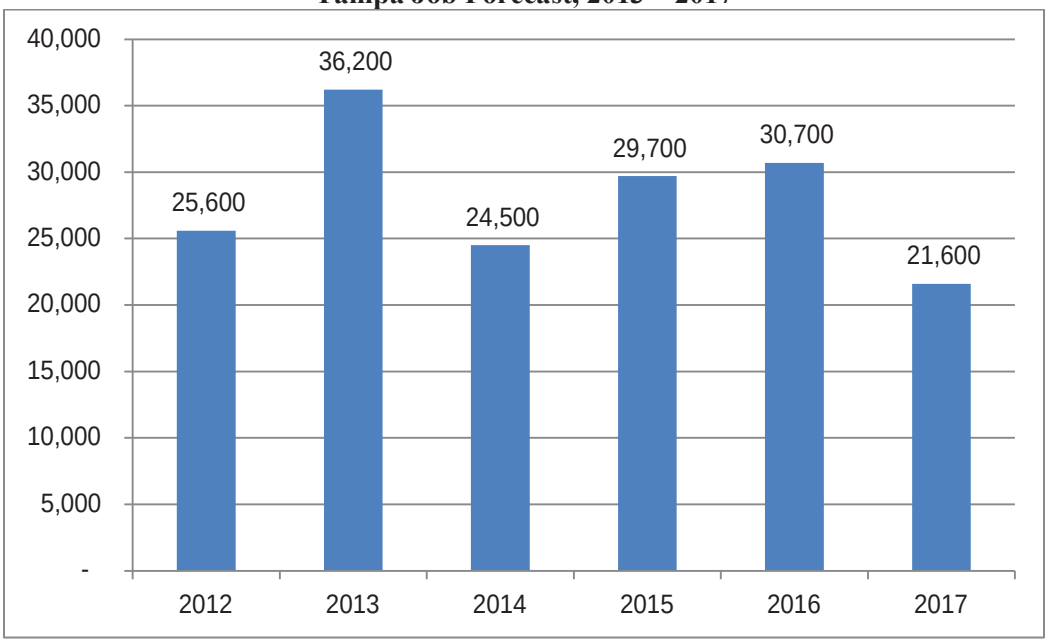
Over the past decade, the Tampa MSA has led the state in job growth at a 3.7% annual rate, and added 41,900 jobs this year through July 2013.



(*Source: Bureau of Labor Statistics, July 2013 dataset)*

This job growth is expected to continue over the next five years, with the expectation of adding 142,700 jobs between 2013 and 2017, or an average of 28,540 jobs per year (*Source: Moodys Precis Analytics, Tampa, 2Q2013*).

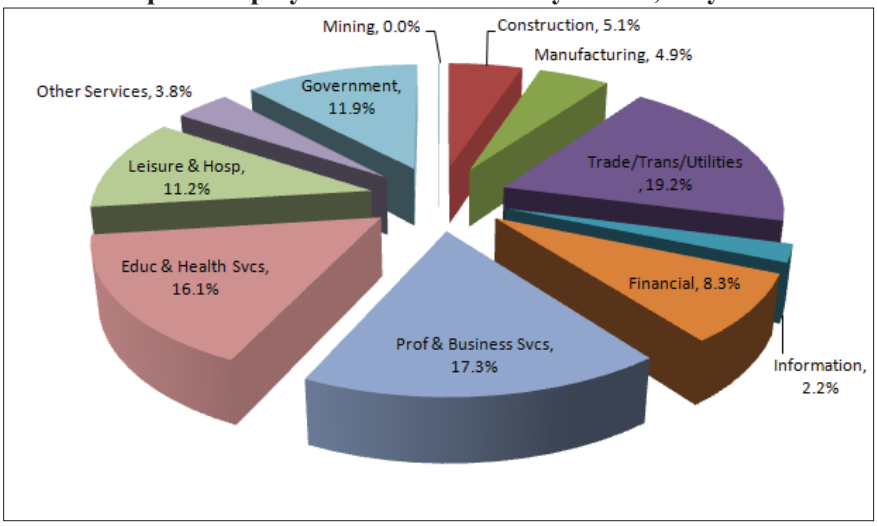
Tampa Job Forecast, 2013 – 2017



(Source: Moodys Precis Analytics, Tampa, 2Q2013

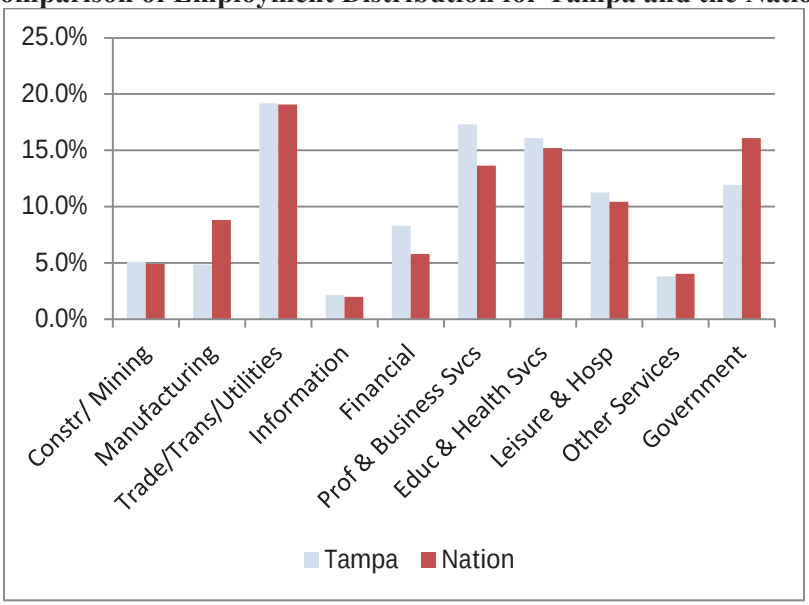
The Tampa MSA holds strong advantages for tourism and a steady supply of well-educated workers. Although often associated with the leisure and hospitality industry, the Tampa economy is considerably diverse with only five sectors each constituting 11% or more of the employment base. Additionally, Tampa has a higher percentage of jobs within white-collar sectors than the nation as a whole, with finance, professional & Business Services, Education and Health Services notably represented (*Source: Bureau of Labor Statistics, July 2013 dataset*).

Tampa's Employment Distribution by Sector, July 2013



(*Source: Bureau of Labor Statistics, July 2013 dataset*)

Comparison of Employment Distribution for Tampa and the Nation

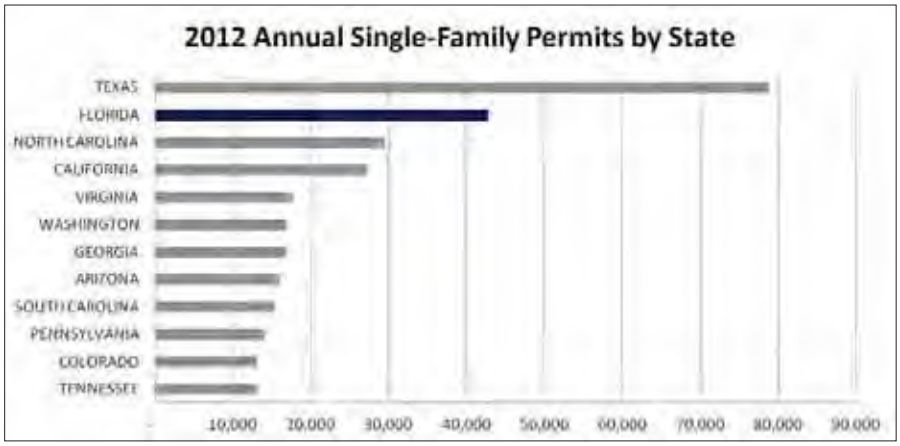


(*Source: Bureau of Labor Statistics, July 2013 dataset*)

Regional Real Estate Trends

Florida

Florida saw single-family permits issued rise to over 42,000 in 2012, up from an estimated 32,000 in 2011, a 31% year-to-date change. From March 2012 to March 2013, sales of existing single-family homes were up 9% with pending sales up 23.4% and listings up 2.7%. New housing permits in February 2013 rose to the highest level since 2008. Florida's four main urban centers, Miami, Tampa, Orlando and Jacksonville account for 22,449 or 53% of the state's single-family permits issued. (*Source: NAHB, Building Permits: States and Metro Areas, released March 31, 2013, retrieved April 11, 2013; Florida Realtors Association, March 2013 Report; MSN Real Estate, Single-family Housing Starts Back to 2008 Level, released March 19, 2013, retrieved April 2, 2013.*)



(Source: National Association of Homebuilders (NAHB), Building Permits by States and Metro Areas, released March 31, 2013, retrieved April 11, 2013)

Resale months of supply were at 5.5 months at the end of 2012, down from 8.3 months the previous year and down from almost 20 months in 2008.

Months of Supply of Inventory

Year	Months Supply	Percent Change Year-over-Year
2012	5.5	-33.5%
2011	8.3	-27.2%
2010	11.4	-1.4%
2009	11.6	-39.7%
2008	19.2	N/A

(Source: Florida Realtors, Yearly Market Detail – 2012 Single Family Homes FL, released February 11, 2013.)

Price appreciation has returned, increasing year-over-year in March 2013 by 14.3% Single-family permits rebounded and were up 46% in March 2013. (*Source: Florida Realtors, Florida Housing Market Statistics, released March 2013; National Association of Homebuilders (NAHB), Building Permits by States and Metro Areas, released March 31, 2013, retrieved April 11, 2013.*)

Tampa

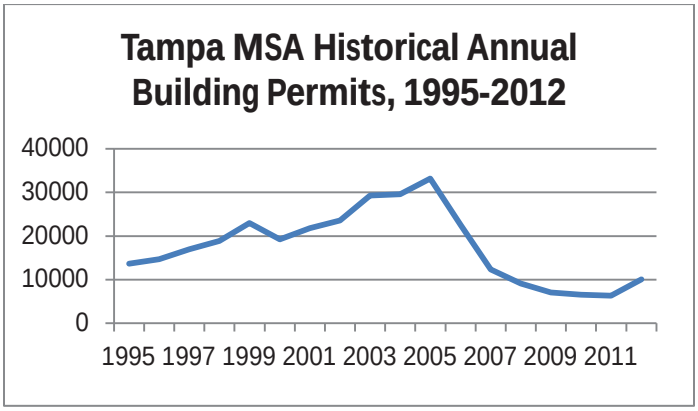
As of July 2013, Tampa ranked 12th in the nation for single-family permits issued, with 58% of all permits issued in Tampa being permits for single-family dwellings. (*Source: U.S. Census Bureau, July 2013 dataset; Metrosearch USA.)*

MSAs Ranked by Annual Single-Family Permits, July 2013

Rank	State	Name	Ann Permits (SF)	Ann. Chg (SF)
1	TX	Houston-Baytown-Sugar Land TX	32,858	6,641
2	TX	Dallas-Fort Worth-Arlington TX	20,302	4,623
3	DC	Washington-Arlington-Alexandria DC-VA-MD-WV	13,718	3,336
4	GA	Atlanta-Sandy Springs-Marietta GA	13,045	5,347
5	AZ	Phoenix-Mesa-Glendale, AZ	12,402	1,798
6	WA	Seattle-Tacoma-Bellevue WA	9,109	2,215
7	FL	Orlando-Kissimmee-Sanford, FL	8,874	3,085
8	TX	Austin-Round Rock-San Marcos, TX	8,678	1,481
9	NC	Charlotte-Gastonia-Rock Hill, NC-SC	8,271	2,459
10	NY	New York-Northern New Jersey-Long Island NY-NJ-PA	7,938	1,497
11	NC	Raleigh-Cary NC	7,619	2,003
12	FL	Tampa-St. Petersburg-Clearwater FL	7,440	2,373
13	NV	Las Vegas-Paradise NV	6,940	1,838
14	CO	Denver-Aurora CO	6,849	2,166
15	IL	Chicago-Naperville-Joliet IL-IN-WI	6,747	1,860

(*Source: U.S. Census Bureau, July 2013 dataset; Metrosearch USA*)

Tampa - Historical Single-Family Permit Issuance by Year



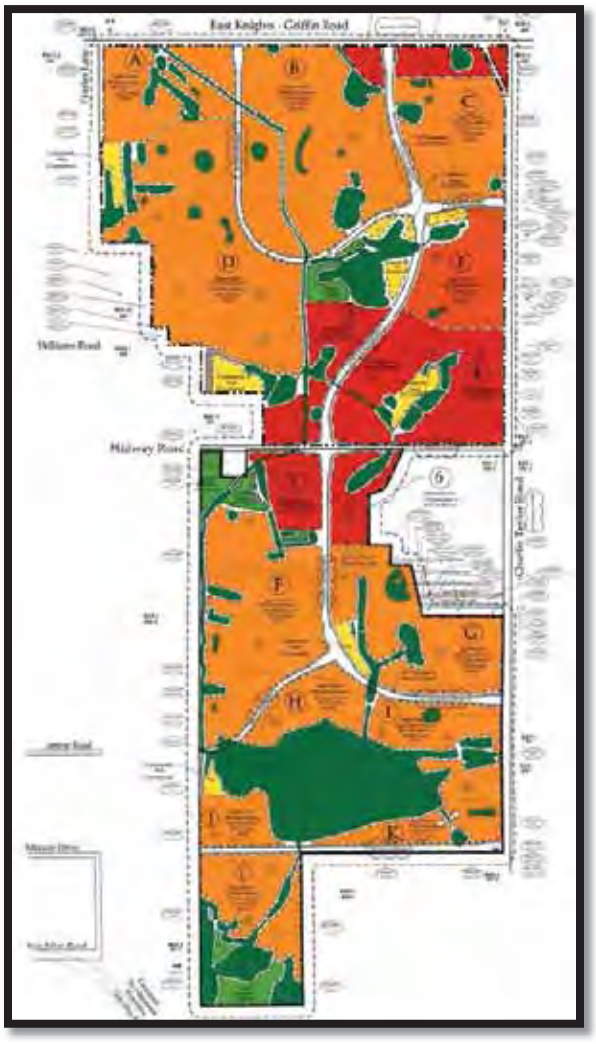
(*Source: U.S. Census Bureau*)

Tampa has averaged 17,646 single-family permits annually over the last 18 years with an average of 7,797 permits over the previous five years (*Source: U.S. Census Bureau*.) The Tampa MSA has a significant national home builder presence in the master planned communities in and around the MSA. The top 20 builders account for two-thirds of the market, and 15 of those are national builders (*Source: Metrostudy, 2Q2013 dataset*).

Zoning and Other Property Features

The Assembly, which includes the Harvest Grove North Property, is situated in Plant City (the "***City***") and is subject to the ordinances and zoning regulations of the City. The City Commission approved the voluntary annexation of the Assembly into the jurisdiction of the City and the rezoning to Community Unit (CU) district. Subsequently, the below map amendment was approved by both the Planning Board and Hillsborough County City-County Planning Commission as consistent with the Northeast Plant City Area Master Plan. The plan for the Assembly was ultimately adopted on July 14, 2008. The current plan for the Assembly contemplates the overall development of a maximum of 2,907 residential dwelling units and 5 acres of commercial use.

Harvest Grove Assembly Community Unit Development Plan (Subject to Change)



Source: Atwell Planning

Water Supply

The Assembly lies entirely within the boundaries of Plant City, which will be the water service provider for the Harvest Grove North Property. There exists adequate capacity for potable water for the future development of the Harvest Grove North Property; however the existing water main will need to be extended. It is anticipated

that during concept planning, Walton will incorporate easements into the site plan and negotiate utility agreements with the local municipality and utility providers.

Wastewater Transmission and Treatment

There are a series of lift stations on the south side of I-4, and there exists adequate sewer capacity to service the future development of the Harvest Grove North Property; however the sewer line and reclaimed water line will need to be extended. It is anticipated that during concept planning, Walton will incorporate easements into the site plan and negotiate utility agreements with the local municipality and utility providers.

Leases

The Assembly is currently encumbered by a dwelling lease for a residential dwelling (which does not encumber the Harvest Grove North Property), as well as an agricultural lease for cattle grazing (which does encumber the Harvest Grove North Property). Additional short-term leases for the Harvest Grove North Property may be negotiated from time to time with third parties for the purposes of offsetting some of the ongoing administrative and operating costs of Walton FL and the Issuer with respect to the Harvest Grove North Property, provided that such leases do not interfere with the preliminary development of the Harvest Grove North Property. Any such lease revenue, which is anticipated to be minimal, will become part of the Reserve and distributed to the Issuer if not expended during the hold period. The Harvest Grove North Property may be subject to third-party leases for all or part of the Harvest Grove North Property in the future.

Floodplain

The Assembly is covered by Federal Emergency Management Agency ("***FEMA***") Flood Insurance Rate Map, or FIRM, panels 12057C0280H and 12057C0290H, both dated August 28, 200812057C0280H and 12057C0290H, both dated August 28, 2008. Based on these FIRMs and the ultimate conceptual master plan for the Harvest Grove North Property, the appropriate size and location of the floodplain will be determined. According to the maps, the Assembly is located in zones A, AE, and X. Encroachment into the 100 year floodplain will require compensation floodplain mitigation by storm water modeling to show no adverse impacts. There are two mapped floodways through the Assembly; any proposed changes in the areas will require a no-rise certification from FEMA. It is anticipated that Walton will incorporate the existing overland drainage patterns into the master plan. To a certain extent, the portions of the Harvest Grove North Property containing wetlands, protected wildlife habitat or otherwise lying within the floodplain can be mitigated through engineering, design, and wetlands management, which efforts will be initiated as part of the Concept Planning activities. It is intended that the impacted areas that are not otherwise recoverable will be incorporated into the open space of the master plan, with a goal of minimizing the loss of developable land. It is anticipated that floodplain mitigation and wetlands and wildlife habitat management will not adversely impact the development potential of the Harvest Grove North Property.

Dry Utilities

Electrical power will be supplied to the Harvest Grove North Property by Duke Energy or Tampa Electric Company, and natural gas will be provided by Tampa Electric Company. Telephone, internet and cable service will be provided by Bright House and Verizon will provide additional telephone service. Adequate facilities to service future development are adjacent to the Harvest Grove North Property. Walton will negotiate service agreements with utility providers closer to the time of the sale of the Harvest Grove North Property to the ultimate developer.

Emergency Services

Emergency services will be provided by the Plant City Police Department and Fire Rescue, each 10 miles from the Harvest Grove North Property. There are four hospitals that serve Plant City residents, including Brandon Regional, South Florida Baptist, Lakeland Regional Medical Center and Brandon Regional Hospital Emergency Center, each between 9 and 22 miles from the Harvest Grove North Property.

Schools

The Harvest Grove North Property is located in the Hillsborough County School District, which operates public schools in the county. Hillsborough County has the eighth largest school district in the United States consisting

of 206 schools. Twelve out of Hillsborough County's 25 high schools are ranked in Newsweek's list of America's Best High Schools. The nearest schools to the Harvest Grove North Property are Knights Elementary School (4.5 miles), Marshall Middle School (9 miles) and Plant City High School (10.5 miles). The donation of land for a potential future school site may be contemplated in the future development plans for the Harvest Grove North Property.

Taxes

Funds to pay estimated property taxes during the preliminary development period of the Harvest Grove North Property will be included in the Reserve. The Issuer will pay its proportionate share of the property taxes on the Harvest Grove North Property out of such reserved funds. There can be no assurances that the property taxes for the Harvest Grove North Property will not materially increase above the current level, particularly in the event the agricultural use and classification are changed upon the physical development of the Harvest Grove North Property.

Contemplated Concept Planning Activities

Concept Planning for the Harvest Grove North Property is anticipated to include, without limitation, one or more of the following steps:

- Development feasibility assessment. The Issuer intends to engage consultants to perform preliminary studies to assess whether or not it is feasible to modify the existing land uses and assess the intensity of potential future development on the Harvest Grove North Property, together with the infrastructure necessary to serve that development. The preliminary studies that may be required by Plant City include, but are not limited to, a traffic study, a hydrology and drainage analysis, cultural/historic and archaeological resource studies, biological studies and environmental studies. In addition, the Issuer may engage consultants to perform market studies to ascertain the market demand for the proposed land uses for the Harvest Grove North Property, which may include commercial, single-family and multi-family residential uses.
- Master Plan Modification. The Issuer may engage consultants to design land use plans including proposed street layouts and utility layouts, which will tie into the existing infrastructure found in close proximity to the Harvest Grove North Property.
- Zoning Approvals. The Issuer may seek amendments to the existing zoning for the Harvest Grove North Property as necessary to achieve the development objectives and to reflect market conditions, which would likely requires public hearings before Plant City officials. Associated approvals from Hillsborough County, Florida and federal agencies may also be pursued. If such approvals are not received, the Harvest Grove North Property will be marketable under the existing zoning approvals. See "Risk Factors – Risks Related to Investments in Real Estate."
- Subdivision plat and related plan approvals. The Harvest Grove North Property may require the submittal of a Final Plat. Subdivision platting divides the Harvest Grove North Property into blocks or lots suitable for sale for commercial development, residential development, or a combination thereof. Following approval of subdivision plats, a property owner typically proceeds to the preparation of drawings for certain improvements to the land.
- Major regulatory approvals. The Issuer may seek additional approvals as a part of Concept Planning activities. For instance, a portion of the Assembly is located within FEMA's Zones A, AE, and X. The Issuer may submit an application to FEMA to limit the existing flood hazard zone in order to prepare the Harvest Grove North Property for development if studies indicate that a reduction of the amount of flood plain is feasible. The General Partner believes that this task is not subject to political discretion. See "Risk Factors – Risks Related to Investments in Real Estate."
- Sinkhole Risk Mitigation. The Issuer will likely seek to minimize lakes and wells in or near developable areas to reduce the potential for sinkholes.
- Negotiate ancillary agreements. The Issuer will likely seek to negotiate boundary conditions and traffic signal installation timing and conditions with Plant City, Hillsborough County and adjacent property

owners. The Issuer also intends to negotiate water agreements to identify infrastructure necessary to serve the development.

- Coordination of efforts with Florida Department of Transportation. The Issuer will likely coordinate with the Florida Department of Transportation in connection with the Preferred Build Network to establish new and extended east-west roadway alignments that support connectivity within the area and attempt to provide parallel corridor facilities to I-4. The Issuer may conduct a traffic study for the Harvest Grove North Property in connection with any such proposed alignments.

Risks related to the Harvest Grove North Property

The Issuer may be subject to environmental liabilities

A Phase I Environmental Site Assessment ("***ESA***") was procured by Walton USA from Florida Permitting, Inc. in June 2013 as part of its due diligence process. The ESA revealed evidence of recognized environmental conditions, or RECs, and recommended further investigation with regard to the cattle operation (not situated on the Harvest Grove North Property) and the citrus grove (which was situated on the Harvest Grove North Property). As recommended in the Phase 1 ESA, Phase 2 ESAs were commissioned to conduct soil sampling and testing services and revealed (i) arsenic in the soil associated with a former citrus grove, and in the groundwater near the barn area; (ii) toxaphene, lindane, dielddrin and DDT in various locations among the cattle pen, the cattle corral and the barn area. Based on the findings in the ESAs, it appears that the compound area (the cattle pen, cattle corral and barn area) is less contaminated than similarly situated properties in the area and that the citrus grove area has a level of contamination typical of similarly situated properties in the area. The concept planning budget in respect of the Harvest Grove North Property include amounts sufficient to cover not only the anticipated cost of the necessary testing and remediation, but also the anticipated cost of coordination the remediation efforts with the Florida Department of Environmental Protection and obtaining a close-out letter from the environmental firm that undertakes the remediation, all of which is anticipated to be undertaken during concept planning. *See,* "Risk Factors - Risks Related to Investments in Real Estate - The Issuer may be subject to environmental liabilities with respect to one or more Properties" for additional disclosure regarding the impact of potential environmental liabilities.

The presence of sinkholes in the future could impair the marketability of the Harvest Grove North Property

Significant portions of Hillsborough County are substantially affected by sinkhole problems. Although there are currently no reported sinkholes present on the Assembly, the Florida Geologic Survey's sinkhole database revealed two reported sink holes within approximately one mile of the subject Property, and there is a possibility that significant sinkhole damage may occur on or near the Harvest Grove North Property in the future, which may impair the marketability of the Harvest Grove North Property.

Wetlands and protected species mitigation could impair the value of the Harvest Grove North Property

Wetlands are very common in the region of Florida where the Harvest Grove North Property is located, and compliance with Florida state wetlands regulations can be onerous. Wetlands constitute a significant portion of the Assembly and include forested wetlands in the northeast corner of the Assembly and herbaceous wetlands, which are scattered across most of the Assembly, but concentrated in the forested wetlands area. Additionally, a Wildlife and Habitat Survey conducted on the Assembly revealed the presence of gopher tortoise, fox squirrel and wading bird species - each a species of concern that is protected by either Florida state or federal law. Walton intends to incorporate the wetlands that are not otherwise recoverable into its development plan as part of the open space system, and to implement the mitigation and management plans required for the protected species located on the Assembly during concept planning. Nonetheless, there is a risk that compliance with state and federal law regulating these wetlands and protected species could limit the net usable acreage of the Property and/or entail costly mitigation efforts.

4. **AUDITED EXIT TRACK RECORD AS OF DECEMBER 31, 2012**. PricewaterhouseCoopers LLP (Canada) ("***PwC***") has completed its audit of the schedule of investment returns for fully and partially exited Walton pre-development projects for the exit period from December 1, 1998 to December 31, 2012, (the "***Updated Schedule***"). As a result of the foregoing:

(a) The Report and the cover page thereto attached as ***Exhibit B*** to the Memorandum are hereby replaced in their entirety with the Updated Schedule and the cover page thereto attached as ***Exhibit B*** to this Second Supplement.

(b) The second and third paragraphs under the heading "***Investment Background of Walton***" on pages 48-49 of the Memorandum are hereby replaced in their entirety with the following:

The schedule of investment returns for exited Walton pre-development programs for the exit period from December 1, 1998 to December 31, 2012 (the "***Schedule***"), prepared by Walton and audited in accordance with Canadian generally accepted auditing standards by PricewaterhouseCoopers LLP (Canada), is attached hereto as **Exhibit B**. The Schedule contains certain information on the historical returns achieved by investors who acquired UDIs or limited partnership units in past land programs that were sold and managed by Walton, which programs may have been implemented through a different business structure than the limited partnership structure utilized in this Offering and which may have had different investment objectives. Any returns to be realized on the Units may be greater or lesser than the returns set forth with respect to the pre-development programs in the Schedule. In particular, the Schedule summarizes 56 programs located in and around Calgary and Edmonton, Alberta and in Ontario that exited, or partially exited, between December 1, 1998 and December 31, 2012, representing 14.85% of the overall programs of Walton from inception to December 31, 2012. The Schedule is attached to provide information about Walton's business experience in syndicating real estate investments where land has been acquired, syndicated to investors, planned and then exited. For additional information about the Schedule, please see the information provided in the cover page to **Exhibit B**, which is incorporated herein by reference.

As shown in Table 1, Walton affiliates currently manage a significant number of properties in strategic submarkets in Alberta and Ontario, Canada, and in Arizona, California, Georgia, North and South Carolina, Texas and the Washington D.C. area, for which no returns have been realized to date, and any returns to be realized on such land projects, including the Properties, may be greater or lesser than the returns set forth in the Schedule. The land in the programs referred to in the Schedule is in Alberta and Ontario, whereas the Properties will be located in the United States, and although the land acquisition, land planning and exit strategy aspects of both structures are generally similar, the UDI programs referred to in the Schedule were implemented through a different business structure than the limited partnership structure utilized in this Offering. Additionally, some of the UDI programs referred to in the Schedule exited a number of years ago. **For the above and other reasons, the past performance of the programs referred to in the Schedule, particularly the UDI programs, are not indicative of the future performance of the Units offered hereunder or of other land programs currently managed by Walton or to be managed by Walton in the future and must not be relied upon as a forecast or projection of the probable returns, if any, on an investment in the Units or on other Walton investments**. The information presented in the Schedule is not necessarily representative of the risks or potential upside of the investment in the Units. See "Risk Factors" for a more complete description of the factors that may affect the value of the Property, the Interests and your investment in Units.

5. DISCLOSURE PURSUANT TO RULE 506(e). The General Partner has been made aware of the following items relating to members of the Selling Group and is disclosing such items pursuant to Rule 506(e) of Regulation D under the Securities Act.

Capital Financial Services, Inc.: On or about December 16, 2011, the United States Securities and Exchange Commission issued an Order pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), ordering Capital Financial Services, Inc. to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act of 1933, as amended, Section 10(b) of the Exchange Act and Rule 10B-5 thereunder. For additional information please go to FINRA BrokerCheck at www.finra.org.

All other provisions of the Memorandum remain unchanged and in full force and effect.

The date of this Second Supplement is October 22, 2013.

EXHIBIT B TO MEMORANDUM

AUDIT OF INVESTMENT RETURNS FOR EXITED WALTON PROJECTS

[See attached]

Attached is the schedule of investment returns for exited Walton pre-development programs for the exit period from December 1, 1998 to December 31, 2012 (the "***Schedule***"), prepared by Walton and audited in accordance with Canadian generally accepted auditing standards by PricewaterhouseCoopers LLP (Canada). The Schedule contains certain information on the historical returns achieved by investors who acquired UDIs or limited partnership units in past land programs that were sold and managed by Walton, which programs may have been implemented through a different business structure than the limited partnership structure utilized in this Offering and which may have had different investment objectives. Any returns to be realized on the Units may be greater or lesser than the returns set forth with respect to the pre-development programs in the Schedule. In particular, the Schedule summarizes 56 programs located in and around Calgary and Edmonton, Alberta and in Ontario that exited, or partially exited, between December 1, 1998 and December 31, 2012, representing 14.85% of the overall programs of Walton from inception to December 31, 2012. The Schedule is attached to provide information about Walton's business experience in syndicating real estate investments where land has been acquired, syndicated to investors, planned and then exited. In the 50 fully exited land investment programs included in the Schedule, the programs earned, on exit, an average weighted Internal Rate of Return ("**IRR**") of 13.57% per annum as set out in the Schedule. The Schedule does not include four UDI programs that were fully exited as development programs but started as pre-development programs. The range of IRRs earned by the exited programs was from 4.75% to 28.51%. The Schedule provides information about Walton's business experience in acquiring, syndicating, planning and exiting real estate investments.

As the returns in the Schedule are reflected on a project basis, it is not entirely equivalent to the ultimate return received by the investors in the programs as a result of exit costs and fees that investors may incur. In addition, the IRRs in the Schedule only represent exited programs and investors need to consider and understand the potential limitations of this information and what factors may affect their ultimate returns. Walton does not obtain valuations of its unexited investment programs and no information is provided on unexited programs in the Schedule. Returns on the unexited programs will not be known until the programs are closed. There is no assurance that unexited programs will be sold at a profit or at all. There may be unexited programs that have a current realizable value less than the original cost.

The duration of the 50 fully exited programs (based upon the weighted average syndication date to the date of exit) ranges from 2.33 years to 19.08 years, with an average of 8.06 years. The average duration of unexited programs that were fully syndicated as of December 31, 2012 (based upon the weighted average syndication date to December 31, 2012) is 4.83 years. As of December 31, 2012, the longest duration for an unexited project is 11.53 years. For fully exited programs, the IRRs presented represent the total return achieved over the duration of the programs. The duration of the programs are from the average date that Walton originally sold the land to the third party UDI investors, to the date when the UDI investors' interests in the land were ultimately sold. The UDI investor purchase price used in the calculation represents the price the UDI investors paid for the land as per the purchase and sale agreements and the certificates of title. The exit price represents the gross amount that the UDI investors received upon sale of the project as per the applicable sale and purchase agreements.

As of December 31, 2012 Walton has been involved in over 377 pre-development land syndication programs comprised of over 70,000 acres and has completed the syndication of 361 programs, with another 16 in the process of syndicating. Of these 377 pre-development programs, 56 programs, or 14.85% of the 377 programs have had full or partial exits to December 31, 2012 (excluding the four programs that exited as development programs), as illustrated in the following table.

Total Programs Syndicated and Exited to December 31, 2012

Year[1]	Programs Syndicated	Fully Exited	Partially Exited	Active	% Fully or Partially Exited	% of Programs that have Exceeded Forecasted/Stated Hold Period[8]
Pre 1995	14[3]	14[3]	Nil	Nil	100%	N/A[4]
1995-1999	10	10	Nil	Nil	100%	N/A[4]
2000-2004	65	26	3	36	45%	100%[5]
2005-2009	190	4	2	184	3.16%	12.96%[6]
2010+[2]	98	Nil	1	97	1.02%	0%[7]
Total	**377**	**54**	**6**	**317**	**15.92%**	**8.78%[9]**

Notes:

(1) Weighted average syndication date.

(2) Includes 16 pre-development programs in the process of syndication as at December 31, 2012.

(3) Includes four UDI programs that were fully exited as development programs but started as pre-development programs.

(4) These programs did not have any stated hold period.

(5) Of the 65 total programs, 63 do not have a stated hold period. Of the 2 programs with a stated hold period, both have exceeded such period.

(6) Of the 190 total programs, 28 do not have a stated hold period. Of the 162 programs with a stated hold period, 21 have exceeded such period.

(7) All of these programs had a stated hold period.

(8) Information current as at December 31, 2012. There is no representation or guarantee that an exit will occur within the projected/stated hold period in the future.

(9) Based on programs with a stated hold period.

(10) The lands in the UDI programs referred to in the Schedule were located in Alberta and Ontario, and such UDI programs were implemented through a different business structure than the structures being utilized in other securities offerings. Some of the UDI programs referred to in the Schedule were syndicated and exited a number of years ago, in a different economic climate. The majority of the unexited programs are in geographic locations outside of Alberta and Ontario which may have their own unique and different set of circumstances and economic drivers which will impact returns and need to be considered by potential investors.

Walton affiliates currently manage a significant number of properties in strategic submarkets in Alberta and Ontario, Canada, and in Arizona, California, Georgia, North and South Carolina, Texas and the Washington D.C. area, for which no returns have been realized to date, and any returns to be realized on such land projects, including the Properties, may be greater or lesser than the returns set forth in the Schedule. The land in the programs referred to in the Schedule is in Alberta and Ontario, whereas the Properties will be located in the United States, and although the land acquisition, land planning and exit strategy aspects of both structures are generally similar, the UDI programs referred to in the Schedule were implemented through a different business structure than the limited partnership structure utilized in this Offering. Additionally, some of the UDI programs referred to in the Schedule exited a number of years ago. **For the above and other reasons, the past performance of the programs referred to in the Schedule, particularly the UDI programs, are not indicative of the future performance of the Units offered hereunder or of other land programs currently managed by Walton or to be managed by Walton in the future and must not be relied upon as a forecast or projection of the probable returns, if any, on an investment in the Units or on other Walton investments**. The information presented in the Schedule is not necessarily representative of the risks or potential upside of the investment in the Units. See "Risk Factors" for a more complete description of the factors that may affect the value of the Property, the Interests and your investment in Units.

July 18, 2013

Independent Auditor's Report

To the Directors of
Walton International Group Inc.

We have audited the calculations of Internal Rate of Return ("IRR") for pre-development projects managed by Walton International Group Inc., which were fully exited in the period from December 1, 1998 to December 31, 2012 as presented in the attached schedule using the basis of calculation of IRR as described in notes 2 and 3 to the schedule.

Management's responsibility for the IRR

Management of Walton International Group Inc. is responsible for the preparation of the calculations of IRR in accordance with the basis of calculation as described in notes 2 and 3 to the schedule, and for such internal control as management of Walton International Group Inc. determines is necessary to enable the preparation of the calculations of IRR that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the calculations of IRR based on our audit. We conducted our audit in accordance with assurance standards as set out in the Canadian Institute of Chartered Accountants (CICA) Handbook. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the calculations of IRR are free from material misstatement.

An audit involves performing procedures to obtain audit evidence supporting the calculations of IRR, and such other procedures as we consider necessary in circumstances, as well as evaluating the overall presentation of the calculations of the IRR. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the calculations of IRR, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the calculations of IRR in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the IRR.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the IRR for projects managed by Walton International Group Inc., which were fully exited in the period from December 1, 1998 to December 31, 2012 have been calculated, all material respects, in accordance with the basis of calculation of IRR as described in notes 2 and 3 to the schedule of IRR.

Other matter

An IRR for partially exited projects have not been calculated since these projects are not yet fully exited.

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Walton Group of Companies
SCHEDULE OF INVESTMENT RETURNS FOR PRE-DEVELOPMENT PROJECTS
For the exit period spanning December 1, 1998 to December 31, 2012

SCHEDULE ONE: FULLY EXITED PROJECTS

#	PRE-DEVELOPMENT PROJECTS	Nature	REFERENCE	ACRES (Note 2)	INVESTOR PURCHASE PRICE (Note 2)	EXIT PRICE (Note 2)	INVESTOR PURCHASE DATE (Note 2)	EXIT DATE (Note 2)	DURATION (Note 2)	INTERNAL RATE OF RETURN ("IRR") (Note 3)
CANADA										
Alberta - Calgary										
1	14 Acre	Residential		13.99	$ 606,770	$ 2,100,000	Sep 04, 1987	Sep 30, 2006	19.08	6.72%
2	Aberdeen Heights Phase 1	Residential		71.38	$ 4,033,891	$ 15,346,467	Feb 06, 1998	Nov 06, 2007	9.75	14.68%
3	Bridlewood	Residential		35.50	$ 1,076,025	$ 3,195,000	Mar 24, 1990	Sep 13, 2003	13.48	8.41%
4	Church Hill	Residential		74.94	$ 5,628,687	$ 10,116,618	Sep 26, 2000	Jan 31, 2007	6.35	9.67%
5	Fairweather Heights Phase 1	Residential		39.74	$ 2,700,000	$ 5,961,000	Apr 27, 2004	Mar 13, 2008	3.88	22.65%
6	Four Seasons	Residential		98.17	$ 5,650,276	$ 13,252,718	Jul 07, 1998	Jan 31, 2007	8.57	10.45%
7	North Point Estate Phase 3	Residential	Note 5 (a)	159.00	$ 3,128,552	$ 20,670,633	Aug 13, 1995	Jun 29, 2007	11.88	17.22%
8	North Point Estate Phase 4	Residential	Note 5 (a)	79.00	$ 1,699,957	$ 10,270,495	Dec 27, 1996	Jun 29, 2007	10.51	18.67%
9	North Point Estate Phase 6	Residential	Note 5 (a)	79.49	$ 1,700,855	$ 11,922,750	Jun 30, 1996	Mar 31, 2008	11.76	18.01%
10	North Point Estate Phase 7	Residential	Note 5 (a)	158.97	$ 3,967,197	$ 23,818,500	Jan 25, 1997	Mar 31, 2008	11.18	17.38%
11	North Point Estate Phase 8	Residential	Note 5 (a)	159.00	$ 3,794,349	$ 23,851,304	Oct 22, 1996	Mar 20, 2008	11.41	17.47%
12	North Point Estate Phase 9	Residential	Note 5 (a)	158.16	$ 4,435,963	$ 20,561,628	Feb 02, 1998	Jun 29, 2007	9.41	17.71%
13	North Point Estate Phase 11	Residential	Note 5 (a)	154.72	$ 7,852,911	$ 23,211,344	Dec 01, 1999	Mar 31, 2008	8.34	13.88%
14	North Point Estate Phase 13	Residential	Note 5 (a)	145.50	$ 10,908,725	$ 18,922,375	May 15, 2002	Jun 29, 2007	5.12	11.34%
15	North Point Residential Phase 1	Residential	Note 5 (b)	159.28	$ 3,120,610	$ 23,891,738	Dec 24, 1994	Nov 30, 2012	17.95	12.01%
16	North Point Residential Phase 2	Residential	Note 5 (b)	157.96	$ 2,994,009	$ 23,694,038	Jun 26, 1994	Nov 30, 2012	18.44	11.87%
17	North Point Residential Phase 5	Residential	Note 5 (b)	157.95	$ 3,403,445	$ 23,691,994	Jan 13, 1997	Nov 30, 2012	15.89	12.99%
18	North Point Residential Phase 10	Residential	Note 5 (b)	145.64	$ 7,172,601	$ 21,845,645	Dec 01, 1999	Nov 30, 2012	13.01	8.94%
19	North Point Residential Phase 12	Residential	Note 5 (b)	106.05	$ 8,460,833	$ 15,908,224	Aug 17, 2001	Nov 30, 2012	11.29	5.75%
20	North Point Residential Phase 14	Residential	Note 5 (b)	92.21	$ 7,899,900	$ 13,831,299	Nov 29, 2003	Nov 30, 2012	9.01	6.41%
21	North Point Residential Phase 15A	Residential	Note 5 (b)	123.52	$ 10,686,277	$ 18,527,836	Feb 23, 2004	Nov 30, 2012	8.77	6.47%
	North Point Residential Phase 15B	Residential	Note 5 (b)	32.17	$ 2,838,702	$ 4,826,139	Sep 04, 2004	Nov 30, 2012	8.24	6.65%
22	Panorama (Evanston) Phase 1	Residential	Note 6	155.61	$ 5,272,607	$ 7,780,742	Sep 11, 1993	Dec 11, 1998	5.25	7.69%
23	Panorama (Evanston) Phase 2	Residential	Note 6	122.66	$ 4,777,694	$ 6,133,000	Jul 26, 1993	Dec 11, 1998	5.38	4.75%
24	Panorama (Evanston) Phase 3	Residential	Note 6	48.45	$ 2,064,128	$ 2,450,000	Aug 17, 1995	Dec 11, 1998	3.32	5.30%
25	Spruce Meadow Estates	Residential		159.33	$ 12,580,689	$ 29,476,670	Jul 24, 2000	Apr 01, 2007	6.69	13.57%
	Alberta - Calgary - Residential			***2,888.39***	***$ 128,455,653***	***$ 395,258,156***			**10.15**	**11.08%**
26	North Point Commercial Phase 1	Commercial/Industrial		115.93	$ 8,534,104	$ 18,546,647	Aug 30, 2002	Nov 24, 2006	4.24	20.10%
27	North Point Commercial Phase 2	Commercial/Industrial		159.13	$ 13,131,915	$ 25,457,070	Feb 10, 2003	Nov 24, 2006	3.79	19.09%
28	North Point Commercial Phase 3	Commercial/Industrial		158.00	$ 13,324,501	$ 25,451,403	Apr 02, 2003	Nov 24, 2006	3.65	19.40%
29	North Point Commercial Phase 4	Commercial/Industrial		77.99	$ 5,712,500	$ 12,479,504	Jan 14, 2003	Nov 24, 2006	3.86	22.42%
30	Point Trotter Phase 1	Industrial	Note 5 (c)	35.24	$ 1,147,835	$ 7,223,360	Feb 06, 1993	Jan 11, 2010	16.94	11.47%
31	Point Trotter Phase 2	Industrial	Note 5 (c)	62.92	$ 1,880,442	$ 12,898,395	May 16, 1995	Jan 11, 2010	14.67	14.03%
	Alberta - Calgary - Industrial			***609.21***	***$ 43,731,297***	***$ 102,056,379***			**7.86**	**19.40%**
	Total Calgary			***3,497.60***	***$ 172,186,950***	***$ 497,314,535***			**9.72**	**13.19%**
Alberta - Edmonton										
32	Big Lake Phase 2	Residential	Note 5 (d)	130.79	$ 8,842,750	$ 18,344,067	Oct 28, 2004	Dec 31, 2010	6.18	12.54%
33	Heritage Valley Phase 1	Residential		157.00	$ 10,594,569	$ 18,840,657	Nov 25, 2003	May 16, 2007	3.47	18.02%
34	Heritage Valley Phase 2	Residential		149.66	$ 10,062,104	$ 17,959,386	Nov 29, 2003	May 16, 2007	3.46	18.21%
35	Pilot Sound Phase 1	Residential	Note 5 (e)	238.85	$ 17,068,991	$ 33,918,270	Jun 11, 2002	Jun 29, 2007	5.05	14.56%
36	Pilot Sound Phase 2	Residential	Note 5 (e)	107.72	$ 8,792,490	$ 15,320,378	Jul 16, 2003	Jun 29, 2007	3.96	15.07%
37	Pilot Sound Phase 3	Residential		141.08	$ 11,707,805	$ 23,278,742	Jul 23, 2003	Aug 31, 2011	8.11	8.84%
38	Pilot Sound Phase 7	Residential	Note 5 (f)	80.93	$ 7,865,000	$ 14,767,853	Oct 22, 2004	Nov 19, 2012	8.08	8.11%
39	River View Phase 1	Residential		143.23	$ 6,192,950	$ 9,310,181	Aug 16, 2004	Dec 15, 2006	2.33	19.11%
40	River View Phase 3	Residential		87.07	$ 5,220,000	$ 9,758,713	Sep 30, 2004	Jul 14, 2011	6.79	9.65%
41	South Ellerslie	Residential		179.02	$ 12,336,000	$ 23,272,529	Mar 03, 2003	Dec 17, 2007	4.79	14.16%
42	South Ellerslie Phase 2	Residential		79.50	$ 5,855,432	$ 10,336,022	Apr 25, 2003	Jul 24, 2006	3.25	19.11%
43	Westside Phase 1	Residential	Note 5 (g)	38.02	$ 3,800,000	$ 7,050,703	Mar 22, 2005	Apr 17, 2012	7.08	9.13%
44	Westside Phase 4	Residential	Note 5 (g)	35.90	$ 3,575,000	$ 6,658,487	Aug 02, 2005	Apr 17, 2012	6.71	9.71%
	Alberta-Edmonton-Residential			***1,568.77***	***$ 111,913,091***	***$ 208,815,988***			**5.33**	**13.92%**
45	Northeast Edmonton Phase 8	Industrial		83.95	$ 1,962,240	$ 3,156,092	Jan 30, 2005	Dec 04, 2009	4.84	10.30%
46	Northwest Industrial	Industrial		129.89	$ 7,598,081	$ 16,236,324	Oct 14, 2003	Oct 23, 2006	3.02	28.51%
47	South Ellerslie Phase 5	Industrial		84.44	$ 7,120,928	$ 12,244,860	Oct 07, 2003	Oct 02, 2007	3.99	14.56%
48	Stony Industrial Phase 4	Industrial	Note 5 (g)	80.41	$ 8,177,500	$ 15,277,900	Apr 05, 2004	Mar 15, 2012	7.95	8.18%
49	Yellowhead Industrial Phase 2	Industrial	Note 5 (h)	127.15	$ 12,700,000	$ 24,222,993	Dec 15, 2004	Dec 29, 2011	7.04	9.60%
	Alberta - Edmonton - Industrial			***505.84***	***$ 37,558,749***	***$ 71,138,169***			***5.37***	***14.09%***
	Total Edmonton			***2,074.61***	***$ 149,471,840***	***$ 279,954,157***			***5.34***	***13.96%***
	Total Alberta			***5,572.21***	***$ 321,658,790***	***$ 777,268,692***			***8.14***	***13.55%***
Ontario										
50	Rosehill	Residential	Note 5(i)	45.86	$ 2,200,000	$ 3,897,769	Mar 14, 2007	Dec 03, 2010	3.72	16.59%
	Total Ontario			***45.86***	***2,200,000***	***3,897,769***			***3.72***	***16.59%***
CANADA SUBTOTAL				**5,618.07**	**$ 323,858,790**	**$ 781,166,461**		**AVERAGE DURATION: 8.06**		
									WEIGHTED AVERAGE (Note 4)	**13.57%**

SCHEDULE TWO: PARTIALLY EXITED PROJECTS

#	PRE-DEVELOPMENT PROJECTS		REFERENCE	ACRES (Note 2)	INVESTOR PURCHASE PRICE (Note 2)	EXIT PRICE (Note 2)	INVESTOR PURCHASE DATE (Note 2)	EXIT DATE (Note 2)	DURATION (Note 2)	INTERNAL RATE OF RETURN ("IRR") (Note 3)
CANADA										
51	Rockyview Phase 1	Residential		15.26	$ 1,525,875	$ 2,097,718	Aug 04, 2005	Oct 26, 2009	4.23	n/a
	Alberta - Calgary			***15.26***	***$ 1,525,875***	***$ 2,097,718***			***4.23***	***n/a***
52	Edgemont Estates Phase 3	Residential	Note 5 (j)	68.65	$ 2,986,216	$ 9,319,684	Sep 10, 2002	Nov 30, 2011	9.23	n/a
53	Edgemont Estates Phase 4	Residential	Note 5 (j)	11.34	$ 538,186	$ 1,539,812	Dec 16, 2002	Nov 30, 2011	8.96	n/a
54	Edgemont Estates Phase 5	Residential	Note 5 (j)	113.05	$ 5,328,964	$ 15,346,556	Sep 20, 2002	Oct 12, 2011	9.06	n/a
	Alberta - Edmonton			***193.04***	***$ 8,853,366***	***$ 26,206,052***			***9.08***	***n/a***
	Total Alberta			***208.30***	***$ 10,379,241***	***$ 28,303,770***			***7.87***	***n/a***
55	Walton Ontario Land L.P. 1	Industrial	Note 5 (k)	154.93	$ 16,069,567	$ 21,480,000	Apr 16, 2010	Nov 15, 2012	2.58	n/a
56	Walton Tutela Heights Ontario Limited Partnership	Residential	Note 5 (i)	204.05	$ 12,753,158	$ 16,748,933	Feb 27, 2007	Nov 26, 2010	3.75	n/a
	Total Ontario			***358.98***	***$ 28,822,725***	***$ 38,228,933***			***3.17***	***n/a***
		CANADA SUBTOTAL		**567.28**	**$ 39,201,966**	**$ 66,532,703**		**AVERAGE DURATION: 6.30**		**n/a**

OVERALL

PRE-DEVELOPMENT PROJECTS	ACRES	INVESTOR PURCHASE PRICE	EXIT PRICE
AGGREGATED TOTAL	**6,185.35**	**$ 363,060,756**	**$ 847,699,164**

Past performance is not necessarily indicative of future results.
See accompanying notes to the schedule of investment returns.

1. Composition of investment returns

The investment returns are for pre-development projects (the "**Projects**") managed by members of the Walton Group of Companies (collectively "**Walton**") for the exit period spanning December 1, 1998 to December 31, 2012. The schedule does not include any development projects managed by Walton.

The internal rate of return is commonly used in the investment industry to measure the performance of the investment. The basis of calculation for the internal rate of return is described in Note 2 and 3.

The investment returns have been computed using underlying investment data measured in Canadian dollars.

Fully exited projects

The Projects included in Schedule One are those that were initially sold to undivided interest ("**UDI**") investors and which have been fully exited.

Partially exited projects

The Projects included in Schedule Two are those that have been partially exited. Rockyview Phase 1 ("**Rockyview**") and Edgemont Estates Phases 3, 4 and 5 (collectively known as "**Edgemont**") were initially sold to UDI investors. Walton Tutela Heights Ontario Limited Partnership ("**Tutela Heights**") and Walton Ontario Land L.P. 1("**WOLLP1**") include limited partnership units which were sold to initial investors.

2. Basis of computation of the investment returns

Fully exited projects

The acres represent the land acreage related to the undivided interest purchased by the initial UDI investors.

The purchase price used in the calculation represents the initial cash flow ("F_0") on the project's acquisition date. That is, the price the UDI investors paid for the land, as per the Purchase and Sale Agreement and the Certificate of Title.

The exit price represents the final cash flow ("F_x") on the Project's disposition date. That is, the gross amount that the UDI investors received upon sale of the Project, as per the applicable Purchase and Sale Agreement.

The duration ("**x**") of the Project is from the purchase date that represents the average date UDI investors acquired their interest in the project, to the exit date that represents the date when the investor's interest in the project was sold.

Partially exited projects

The acres presented for partially exited projects only represent the portion of acreage that was sold.

The purchase price used in calculation represents the price that the UDI investors paid for the land or that the investors paid for limited partnership units, prorated to the acres sold.

The exit prices for Rockyview and Edgemont represent the gross amount that the UDI investors received upon the sale of the portion of the Projects, as per the applicable Purchase and Sale Agreement.

The exit price of Tutela Heights and WOLLP1 represent the distributions that Tutela Heights and WOLLP1 paid to the investors.

For Rockyview and Edgemont, the durations of the Projects are from the purchase date that represents the average date that Walton originally sold the interest to the UDI investors, to the exit date that represents the date that the Projects paid the distributions to the investors.

For Tutela Heights and WOLLP1, the duration of the Projects are from the average purchase date that represents when the limited partnership units were purchased, to the date that distributions were paid to the investors.

3. Internal rate of return

The internal rate of return ("**IRR**") is the annualized implied discount rate (effective compounded nominal rate) that equates the present value of all of the appropriate cash inflows associated with an investment with the sum of the present value of all the appropriate cash outflows.

The IRR is calculated using the formula:

$$-F_0 + \frac{Fx}{(1+IRR)^x} = 0$$

The IRRs on the partially exited projects are not available until the projects have been fully liquidated.

4. Weighted average rate of return

The weighted average rate of return is the average rate of return weighted by the purchase price of all fully exited projects.

5. Related party transactions

The following real estate projects were sold to entities related to Walton through common management:

a) Eight North Point Phases were purchased from investors for cash in the aggregate amount of $153.2 million by an entity in which Walton and related parties owned 32% (the "**Acquiring Entity**").

The arm's length companies that held a 68% interest in the Acquiring Entity included a large Canadian insurance company, a local builder in the City of Calgary and a private company. The insurance company contributed 41%, the local builder contributed 18% and the private company contributed 9% to the Acquiring Entity, and therefore to the acquisition.

The Acquiring Entity also obtained third party loan financing of approximately $100 million from a lending institution.

b) Seven North Point East phases were acquired from investors for the aggregate amount of $146.2 million by a limited partnership in which Walton owns the general partner (the "**Acquiring LP**").

The arm's length parties that held a 81.6% interest in the Acquiring LP included a large Canadian insurance company, two local builders in the City of Calgary, a private company, a private investor and two limited partnerships owned by individual investors.

The Acquiring LP also obtained third party loan financing of approximately $61.1 million from a lending institution.

Walton's interests in these properties were transferred to the Acquiring LP for an interest in that entity.

c) The Point Trotter lands were purchased from investors at the amount of $20.1 million for development by Walton acting in its own capacity.

d) Big Lake Phase 2 was purchased from investors for cash of $18.3 million by an entity related to Walton (the "**Partnership**"). The Partnership raised capital through an initial public offering and a private placement offering to acquire this property. Walton's interest in the land was transferred in exchange for an interest in the Partnership.

e) The Pilot Sound Phase 1 and 2 lands were purchased from investors for cash of $49.2 million by an entity related to Walton. Further, the entity related to Walton obtained third party financing in the amount of $29.8 million from a lending institution for the acquisition of these lands.

f) The Pilot Sound 7 lands were acquired by Walton Vita Crystallina Development LP ("**Vita**"), a limited partnership that Walton owns 61%. Vita acquired the land using funds raised in a private placement along with debt financing of approximately $14.1 million. Walton's interest in this land was transferred to Vita in exchange for an interest in Vita.

g) Walton Canadian Land 1 Development Investment Corporation ("**Canadian Land**") acquired the properties related to the UDI offerings; Stony Industrial Phase 4, Westside Phase 1 and Westside Phase 4, for a total of $29.0 million. Canadian Land raised the funds to acquire the properties through a private placement offering in 2011. Walton's interests in these properties were transferred to Canadian Land in exchange for an interest in that entity.

h) The investors in Yellowhead Industrial Phase 2 sold for cash of $24.2 million, their interests to Walton Yellowhead Development Corporation ("**WYDC**"), a company related to Walton. WYDC raised funds through an initial public offering to acquire this property. Walton's interest in this property was transferred to WYDC in exchange for an interest in WYDC.

i) The lands of Rosehill and Tutela Heights were purchased from investors for cash of $3.9 million and $16.7 million, respectively, by an entity related to Walton that had raised capital through a private placement offering to acquire these properties. Walton's interest in the land was transferred in exchange for an interest in the Walton related entity. The sale of the Rosehill land represents a fully exited project for those UDI investors. For the investors in Tutela Heights, this exit only represents a partial exit, as the partnership still owns 145.3 acres of land. Walton's interest in these properties were transferred to the Walton related entity in exchange for an interest in that entity.

j) The three Edgemont properties were purchased from investors for cash of $26.2 million by Walton Edgemont Development Corporation ("**WEDC**"), a company related to Walton. WEDC raised capital through an initial public offering and subsequent private placement offering to acquire these properties. Walton's interest in the properties was transferred to WEDC in exchange for an interest in WEDC. This exit only represents a partial exit, as the UDI investors still own 68.78 acres in Edgemont Estates Phase 3, 121.93 acres in Edgemont Estates Phase 4, and 26.05 acres in Edgemont Estates Phase 5.

k) WOLLP1 sold its holdings in their 55 acre Alliston Ontario property to Walton Alliston Ontario L.P. ("**Alliston**") for approximately $24.1 million in 2012. As a result of the sale of that property, WOLLP1 was able to declare a distribution to its limited partnership unit holders in the amount of $21.5 million. Alliston raised funds to acquire the property through a private placement offering in 2012.

All of the above transactions were in the normal course of business and were measured at the exchange amount. The exchange amount is the amount of consideration established and agreed to by the parties, which included the investors.

6. Partial Reinvestment of Panorama (Evanston) Exit Proceeds

As a result of the UDI investors participation in the three Panorama (Evanston) projects, they had the option to invest in a development joint venture called West Nose Creek Development Corp. ("**WNCD**") which was managed by a third party development company. Walton and the UDI investors own a 25% share of the WNCD at a cost of approximately $1.6 million which was approximately 10% of the exit proceeds from the sale of the pre-development projects. A bare trustee named Panorama Holdings Corp ("**PHC**") was created by Walton to hold the UDI and Walton interest in WNCD. PHC, as trustee, is responsible for the collection, reporting and payment of funds received from WNCD to the participating UDI investors. WNCD was formed on November 25, 1998. Since the inception of WNCD, the following distributions have been made to PHC from WNCD:

Year	Distribution Amount
2004	$ 539,000
2005	675,000
2006	1,500,000
2007	0
2008	2,250,000
2009	1,250,000
2010	6,125,000
2011	5,750,000
2012	3,125,000
Total (to date)	**$ 21,214,000**