

Fund No. 2 Portfolio Summary January 2004 - June 2012



LAND FUND No. 2

Total Contributions	\$31,331,642	100%	Projected Distributions from Expected Closing*	\$248,515	1%
Total Distributions	\$11,071,980	35%	Estimated Distributions from Remaining Properties*	\$23,277,420	74%
			Cash Balance	\$110,654	0%

Sales to Date	Acres	Purchase	Date	Sell	Purchase	Price	Sell	Hold Period/Mo.	Gross IRR	Cash Multiple
Beltway 8 & Antoine	8.27	Aug-04	Jan-06		(\$259,595)		\$376,269	18	29%	1.45
US 290 & Hempstead Hwy. (JV 50%)	62.8	Sep-04	Oct-05		(\$3,809,719)		\$6,735,040	13	71%	1.77
West Lake Houston Pkwy.	91	Oct-04	Apr-06		(\$1,232,606)		\$2,222,550	17	50%	1.80
Will Clayton and Wilson	6.99	Sep-04	Aug-07		(\$525,856)		\$1,000,000	35	25%	1.90
I-45 South of FM 1960 (JV 14%) (30.1 ac.)	21.35	Jan-04	Nov-07		(\$293,426)		\$354,338	46	5%	1.21
US 290 & Hempstead Hwy. (JV 50%)	19.37	Oct-04	Nov-07		(\$1,154,339)		\$1,687,558	37	13%	1.46
US 59 and Rankin (40.82ac)	1.230	May-04	Dec-07		(\$165,912)		\$361,530	42	25%	2.18
I-45 South of FM 1960 (JV 14%) (30.1 ac.)	1.377	Jan-04	Dec-09		(\$18,929)		\$49,586	71	18%	2.62

Subtotal (\$7,460,382) \$12,786,871

Contract/Option/LOI	Acres	Purchase	Date	Contract	Purchase	Price	Contract	Hold Period/Mo.	Gross IRR	Cash Multiple
I-45 South of FM 1960 (JV 86%) - Contract	7.38	Jan-04	Oct-12		(\$101,410)		\$276,128	105	12%	2.72

Subtotal (\$101,410) \$276,128

Remaining Properties	Acres	Purchase	Date	Projected Sale	Purchase	Price	Appraisal	Hold Period/Mo.	Gross IRR	Cash Multiple
League City	17.97	Oct-04	Dec-12		(\$1,668,049)		\$2,740,000	99	6%	1.64
US 59 and Rankin	94.20	Mar-04	Dec-12		(\$5,062,522)		\$6,150,000	105	2%	1.21
US 59 and Rankin (42.24ac)	40.92	May-04	Dec-12		(\$1,103,455)		\$3,565,000	103	15%	3.23
US 59 and Rankin	21.59	Mar-04	Dec-12		(\$1,910,359)		\$2,350,000	105	3%	1.23
West Lake Houston Pkwy. (JV 37.6%)	760.25	Nov-04	Dec-12		(4,549,644)		\$5,658,800	97	3%	1.24
FM 517 League City (JV 50%) (838ac)	800.39	Aug-04	Dec-12		(\$3,386,813)		\$5,400,000	100	6%	1.59

*Net of Estimated Fees and Expenses

Subtotal (\$17,680,842) \$25,863,800

June 30, 2012

Jim McAlister, Sr oversaw underwriting and acquisition of all investments in this fund. In November 2008, Jim transferred his management responsibilities for disposition of the investments but remains a limited partner in the fund.

Past Performance Not a Predictor of Future Results. The track record of senior management is provided for informational purposes only, and it does not predict any level of future performance of the General Partner or the Partnership. Management's performance and the performance of the Partnership is dependent on future events is inherently uncertain. The Partnership's Offering Memorandum discusses in further detail the reasons why past performance should not be relied upon as an indication of the Partnership's or the General Partner's future performance.