IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:	§	
	§	
TNP TITAN PLAZA FUND, LLC	§	BANKRUPTCY NO. 16-50780-RBK
	§	
DEBTOR	§	CHAPTER 11 CASE
	§	

DISCLOSURE STATEMENT REGARDING FIRST AMENDED PLAN OF LIQUIDATION FOR TNP TITAN PLAZA FUND, LLC, DEBTOR AND DEBTOR-IN-POSSESSION

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ATTORNEYS FOR DEBTOR AND DEBTOR-IN-POSSESSION

PLEASE READ THIS IMPORTANT INFORMATION

THIS DOCUMENT IS THE DISCLOSURE STATEMENT FOR THE PLAN DESCRIBED HEREIN. THE DISCLOSURE STATEMENT INCLUDES CERTAIN EXHIBITS, EACH OF WHICH ARE INCORPORATED INTO AND MADE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN. THE STATEMENTS AND OTHER INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT WERE MADE AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DATE SET FORTH ON THE COVER PAGE HEREOF. HOLDERS OF CLAIMS AND INTERESTS MUST RELY ON THEIR OWN EVALUATION OF THE DEBTOR AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO ACCEPT OR REJECT THE PLAN.

THE BANKRUPTCY COURT HAS REVIEWED THIS DISCLOSURE STATEMENT, AND HAS DETERMINED THAT IT CONTAINS ADEQUATE INFORMATION AND MAY BE SENT TO YOU TO SOLICIT YOUR VOTE TO ACCEPT THE PLAN.

ALL HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS CITED HEREIN AND THE PLAN ATTACHED HERETO, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

DEBTOR IS PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT SOLELY FOR PURPOSES OF SOLICITING HOLDERS OF CLAIMS AND INTERESTS TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PERSON FOR ANY OTHER PURPOSE. THE CONTENTS OF THIS DISCLOSURE STATEMENT SHALL NOT BE DEEMED AS PROVIDING ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE. THE DEBTOR URGES EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY SUCH LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLAN. MOREOVER, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE SUMMARY OF THE PLAN AND OTHER DOCUMENTS DESCRIBED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED BY REFERENCE TO DOCUMENTS THEMSELVES AND THE EXHIBITS THERETO. THE DEBTOR BELIEVES THAT THE INFORMATION HEREIN IS ACCURATE BUT IS UNABLE TO WARRANT THAT IT IS WITHOUT ANY INACCURACY OR OMISSION.

DEBTOR HAS NOT AUTHORIZED ANY PARTY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OR THE DEBTOR OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS

DISCLOSURE STATEMENT. HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT RELY UPON ANY OTHER INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN ACCEPTANCE OR REJECTION OF THE PLAN.

THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

NEITHER THIS DISCLOSURE STATEMENT NOR THE PLAN HAS BEEN FILED WITH OR REVIEWED BY ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER ANY STATE SECURITIES LAW ("BLUE SKY LAW"). THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, CERTAIN OTHER DOCUMENTS, AND CERTAIN FINANCIAL INFORMATION. DEBTOR BELIEVES THAT THESE SUMMARIES ARE FAIR AND ACCURATE. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS OR FINANCIAL INFORMATION INCORPORATED HEREIN BY REFERENCE, THE PLAN, OR SUCH OTHER DOCUMENTS, AS APPLICABLE, SHALL GOVERN FOR ALL PURPOSES.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER OF A CLAIM OR INTEREST IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE; (B) SUCH DISCUSSION IS INCLUDED HEREBY BY THE DEBTOR IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

TABLE OF EXHIBITS

ARTICLE I
BRIEF EXPLANATION OF CHAPTER 11

Chapter 11 is the principal business reorganization chapter of title 11 of the United States Code (as amended, the "Bankruptcy Code"). Chapter 11 authorizes a debtor to reorganize its business for the benefit of its creditors, equity interest holders, and other parties in interest. Commencing a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The principal objective of a chapter 11 case is to consummate a plan of reorganization. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court binds a debtor, any issuer of securities thereunder, any person acquiring property under the plan, any creditor or equity interest holder of a debtor, and any other person or entity the bankruptcy court may find to be bound by such plan. Chapter 11 requires that a plan treat similarly situated creditors and similarly situated equity interest holders equally, subject to the priority provisions of the Bankruptcy Code.

Subject to certain limited exceptions, a bankruptcy court order confirming a plan of reorganization discharges a debtor from any debt that arose prior to the date of confirmation of the plan and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

Prior to soliciting acceptances of a proposed plan of reorganization, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan of reorganization. This Disclosure Statement is submitted in accordance with section 1125 of the Bankruptcy Code.

BRIEF DESCRIPTION OF THE DEBTOR AND STATUS OF THE CASE

2.1. Historical Background

Debtor is limited liability company organized under the laws of the state of Delaware. The rights and obligations for the membership interests are governed by the Limited Liability Company Agreement of TNP Titan Plaza Fund, LLC, attached hereto as Exhibit D, which became effective on October 19, 2010.

Debtor owned and leased commercial real estate located at 2700 NE Loop 410 and 8200 Perrin Beitel, San Antonio, Texas 78218 (the "Real Property"). Debtor conducted no other business operations besides the management and leasing of the Real Property. The Real Property constituted "single asset real estate" (as defined under Section 101(51B) of the Bankruptcy Code) and Debtor is a "single asset real estate" entity.

On or about October 19, 2010, Debtor, as Borrower, and A10 Capital, LLC, a Delaware limited liability company ("A10"), as Lender, entered into that specific Loan Agreement,

whereby Debtor entered into that certain Promissory Note (the "Note") in order to borrow funds in the principal amount of $6,300,000.00 (the "Loan"). Payment of the Note was secured by a first priority security interest in the Real Property and an assignment of the leases and rents.

On or about November 1, 2013, the Note matured; however, Debtor was unable to pay the remaining balance due under the Note, causing A10 to declare a default under the Note. On November 27, 2013, Debtor and A10 entered into that certain Extension Agreement, whereby the maturity date for the Note was extended to November 1, 2015.

On November 1, 2015, the Note matured; however, Debtor was unable to pay the remaining balance due under the Note, causing A10 to declare a default under the Note. Debtor and A10 agreed to a forbearance agreement that extended the date upon which Debtor was required to pay the remaining balance due under the Note. The Loan, along with the other Loan Documents, were then assigned to Romeo Echo Oscar, LLC ("REO"). REO sent Debtor notice that a foreclosure sale of the Real Property was to occur on April 5, 2016.

On April 4, 2016, Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code in order to protect the value of the equity in the Real Property. As of the Petition Date, the Debtor was indebted to REO in the amount of at least $3,983,262.01, plus fees, costs, expenses and attorney's fees incurred as of the Petition Date (collectively, the "Pre-Petition Claim").

2.2. Events in the Chapter 11 Case

During the course of this Chapter 11 case, Debtor continued its operations. On June 1, 2016, the Court entered the *Final Order Approving Use of Cash Collateral and Granting Adequate Protection* [Doc. # 36], wherein the Court approved Debtor's ability to continue using REO's cash collateral in order to fund ongoing operations.

On June 16, 2016, the Court entered its *Order on the Application to Employ Endura Advisory Group as Broker* [Doc. # 49], wherein Debtor was authorized to retain Endura Advisory Group ("Endura") as real estate broker for the marketing and sale of the Real Property. Endura immediately began marketing the Real Property, and on July 18, 2016, Endura received several offers to purchase the Real Property ranging between $4.225 million and $7.25 million.

After negotiating with several prospective buyers for the purchase of the Real Property, Debtor accepted the offer of $7.25 million submitted by Brockwell Investments, LLC ("Brockwell") and proposed to sell the Real Property pursuant to Bankruptcy Code section 363. In connection with the Brockwell Sale, Debtor proposed to pay all allowed Secured Claims, as well as any outstanding 2016 property taxes attributable to the Debtor at Closing. Debtor also assumed and assigned each of the Tenant Leases related to the Real Property to Brockwell. On November 1, 2016, the Court entered the *Order Approving Debtor's Motion for Authorization to (I) Sell Property of the Estate Pursuant to 11 U.S.C. § 363 and (II) Assume and Assign Executory Contracts Pursuant to 11 U.S.C. § 365* [Doc. # 84].

In connection with the sale, Debtor had only one significant cure claim associated with assumption and assignment of the Tenant Leases, which was litigation arising out of a lease with VHS San Antonio Partners, LLC ("VHS"). Debtor was ultimately able to achieve a settlement with VHS, whereby VHS was granted an allowed cure claim of $200,000.

The sale of the Real Property closed on January 19, 2017. At closing, Debtor paid all secured claims in full, as well as the cure claim owed to VHS. After payment of closing fees and expenses, Debtor received $2,754,474.64 from the sale of the Real Property.

ARTICLE III
GENERAL OUTLINE OF THE PLAN

THE PRINICPAL PROVISIONS OF THE PLAN ARE SET FORTH BELOW. THIS IS A BROAD OVERVIEW OF THE PLAN AND IS QUALIFIED IN ITS ENTIRITY BY REFERENCE TO THE PLAN, WHICH IS ATTACHED HERETO AS EXHIBIT A. AS NOTED ABOVE, ALL CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE DEFINED IN THE BANKRUPTCY CODE SHALL HAVE THE MEANING ASSSIGNED TO THEM IN THE PLAN ATTACHED HERETO.

3.1. Classification and Treatment of Claims Against and Interest in the Debtor

Class 1 Allowed Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim will receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Non-Tax Claim, either (i) on, or as soon as reasonably practicable thereafter, the later of the Effective Date or the date on which such Claim becomes an Allowed Claim, Cash in an amount equal to the principal amount of such Allowed Claim, plus Post-Petition Interest at the Plan Rate on such Allowed Claim or (ii) such different treatment as agreed to in writing. Twana Lynn Becker has asserted a priority non-tax claim of $4,000.00.

Class 2 Allowed General Unsecured Claims. Each holder of an Allowed General Unsecured Claim will receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, either (i)(a) on, or as soon as reasonably practicable thereafter, the later of the Effective Date or the date on which such Claim becomes an Allowed Claim, Cash in an amount equal to the principal amount of such Allowed Claim, plus Post-Petition Interest at the Plan Rate on such Allowed Claim or (ii) such different treatment as agreed to in writing. Debtor estimates that the Allowed General Unsecured Claims total approximately $479,000.

Class 3 Allowed Interests. Class 3 is comprised of all Holders of Interests in the Debtor. Each Holder of Class 3 Interests will receive, in full satisfaction, settlement, release and discharge of and in exchange for such Class 3 Interests, payment in Cash as provided under Section 5.2 of the LLC Agreement. Upon completion of the payments required by the LLC Agreement, all existing Interests shall, without any further actions, be cancelled, annulled and extinguished and any certificates representing such Interests shall become null, void and of no force or effect.

3.2. Treatment of Unclassified Claims

Administrative Claims. Subject to the provisions of Article XI of the Plan, on, or as soon as reasonably practicable thereafter, the later of (i) the Effective Date, (ii) the date such Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date such Administrative Claim becomes payable pursuant to any agreement, the holder of each Allowed Administrative Claim shall receive in full satisfaction, release, settlement and discharge of such Allowed Administrative Claim: (a) Cash equal to the unpaid portion of such Allowed Administrative Claim; or (b) in accordance with the terms of any written agreement regarding such Allowed Administrative Claim; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by a Debtor in the ordinary course of business during this Case will be paid in the ordinary course of business in accordance with the terms and conditions of any agreement relating thereto. Debtor believes that other than Professional Fees, no other Administrative Expense Claims will need to be paid.

Priority Tax Claims. On, or as soon as reasonably practicable thereafter, the later of (a) the Effective Date or (b) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Tax Claim, (i) Cash equal to the due and unpaid portion of such Allowed Priority Tax Claim or (ii) such different treatment agreed to in writing. Priority Tax Claims totaling $5,500.00 have been filed by the California Franchise Tax Board and the Texas Comptroller of Public Accounts.

Title 28 U.S.C. § 1930 Fees. On or before the Effective Date, the Debtor shall have paid in full, in Cash (including by check or wire transfer), in U.S. dollars, all fees payable pursuant to section 1930 of title 28 of the United States Code, in the amount determined by the Bankruptcy Court at the Confirmation Hearing. Based on the sale to Brockwell, Debtor anticipates a fee of $13,000 being owed to the United States Trustee.

Allowed Administrative Expenses of Professionals. All final requests for compensation or reimbursement of Professional Fees pursuant to sections 327, 328, 330, 331, 363, 503(b) or 1103 of the Bankruptcy Code for services rendered to or on behalf of the Debtor prior to the Effective Date (other than Substantial Contribution Claims under section 503(b)(4) of the Bankruptcy Code) must be filed and served on the Debtor and its counsel no later than the thirty (30) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be filed and served on the Debtor and the requesting Professional or other entity no later than twenty-one (21) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served. Debtor anticipates that Professional Fees and expenses for Pulman, Cappuccio, Pullen, Benson & Jones, LLP and Kelly Hart & Hallman, LLP will be approximately $120,000.00 on the Effective Date.

3.3. Implementation of the Plan

On the Effective Date, Debtor will fund a Creditor Payment Account for payment in full, including interest, of all Claims, including Allowed Priority Non-Tax Claims, Allowed Priority Tax Claims, Allowed General Unsecured Claims, Administrative Claims and the Disputed Claims Reserve. Debtor will make all required payments to Holders of Allowed Claims. Distributions will be made pursuant to Articles IX, X and XI of the Plan. The remainder of the funds held by Debtor may be distributed, at the Debtor's discretion, to Holders of Interests pursuant to Section 5.2 of the LLC Agreement.

3.4. Executory Contracts and Leases

On the Effective Date, and to the extent permitted by applicable law, all of the Debtor's executory contracts and unexpired leases will be rejected by Debtor unless such executory contract or unexpired lease: (a) is being assumed pursuant to the Plan; (b) is the subject of a motion to assume filed on or before the Confirmation Hearing; or (c) has been previously rejected or assumed.

3.5. Effect of Confirmation

The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Debtor or its Estate, assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Interests in the Debtor shall be satisfied, discharged, and released in full. Neither Brockwell, nor any of its successors or assigns, shall be responsible for any pre-Effective Date obligations of the Debtor, except those expressly set forth in the Plan. Except as otherwise provided herein, all Persons and Entities shall be precluded and forever barred from asserting against Debtor, Brockwell, their respective successors or assigns, or their estates, assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

Under Sections 105 and 1142 of the Bankruptcy Code, and notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of or related to the Chapter 11 Case and the Plan, to the fullest extent permitted by law.

ARTICLE IV
VOTING

4.1. Ballots and Voting Deadline. The Plan as proposed by Debtor does not impair any classes of Claims or Interests under section 1124 of the Bankruptcy Code. Therefore, all Holders of Claims and Interests are deemed to have accepted the Plan.

4.2. Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied. Debtor believes that the Plan satisfies or will satisfy the applicable requirements, as follows:

- The Plan complies with the applicable provisions of the Bankruptcy Code.

- The Debtor, as plan proponent, will have complied with the applicable provisions of the Bankruptcy Code.

- The Plan has been proposed in good faith and not by any means forbidden by law.

- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Case, or in connection with the Plan and incident to the Case, has been disclosed to the Bankruptcy Court, and any such payment: (a) made before the confirmation of the Plan is reasonable; or (b) subject to the approval of the Bankruptcy Court as reasonable if it is to be fixed after the confirmation of the Plan.

- Either each holder of an impaired claim or equity interest has accepted the Plan, or will receive or retain under the Plan on account of that claim or equity interest, property of a value, as of the effective date of the Plan, that is not less than the amount that the holder would receive or retain if the Debtor were liquidated on that date under chapter 7 of the Bankruptcy Code.

- The Debtor has disclosed the identity and affiliations of any individual prepared to serve, after confirmation of the Plan, as a director, officer or voting trustee of the reorganized debtor or a successor to the debtor under the Plan and the appointment to, or continuance in, such office of such individual is consistent with the interests of the creditors and equity holders and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by such Debtor, and the nature of the compensation for such insider.

- The reorganized debtor is not proposing any rate change requiring approval by any governmental regulatory commission.

- Each class of claims that is entitled to vote on the Plan has either accepted the Plan or is not impaired under the Plan, or the Plan can be confirmed without the approval of each voting class pursuant to section 1129(b) of the Bankruptcy Code.

- Except to the extent that the holder of a particular claim will agree to a different treatment of its claim, the Plan provides that administrative claims, priority tax claims and, other priority claims will be paid in full, in cash, on the effective date, or as soon thereafter as practicable.

- At least one class of impaired claims will accept the Plan, determined without including any acceptance of the Plan by any insider holding a claim of that class.

- Confirmation of the plan is not likely to be followed by the liquidation or the need for further financial reorganization of the reorganized debtor or any successor thereto under the Plan unless such a liquidation or reorganization is proposed in the plan.

- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the effective date.

- The Plan provides for the continuation after consummation of the Plan of payment of all retirement benefits, if any, at the level established under section 1114(e)(1)(b) or (g) of the Bankruptcy Code at any time prior to confirmation of the Plan, for the duration of the period each of the reorganized debtor has obligated itself to provide such benefits.

Debtor believes that: (a) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (b) it complies or will have complied with all of the requirements of chapter 11; and (c) the Plan has been proposed in good faith.

A. Best Interest of Creditors Test/Liquidation Analysis

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each holder of a claim or interest in such Class either: (a) has accepted the Plan; or (b) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such person would receive or retain if the Debtor liquidated under chapter 7 of the Bankruptcy Code. In chapter 7 liquidation cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior Class receiving any payments until all amounts due to senior Classes have been paid fully or any such payment is provided for:

- Secured creditors (to the extent of the value of their collateral);

- Administrative and other priority creditors;

- Unsecured creditors;

- Debt expressly subordinated by its terms or by order of the bankruptcy court; and

- Equity interest holders.

As described in more detail in the Liquidation Analysis set forth in Exhibit C hereto, the Debtor believes that the value of any distributions in a chapter 7 case would be less than the value of distributions under the Plan because, among other reasons, distributions in a chapter 7 case may not occur for a longer period of time, thereby reducing the present value of such distributions. In this regard, the distribution of the proceeds from liquidation would be delayed

until a chapter 7 trustee and its professionals become knowledgeable about the Case and the Claims against the Debtor. Debtor would also have to pay the fees and expenses of a chapter 7 trustee in addition to the Professionals' pre-conversion fees and expenses (thereby further reducing cash available for distribution).

B. Feasibility

The Bankruptcy Code requires a bankruptcy court to find, as a condition to confirmation, that confirmation is not likely to be followed by a debtor's liquidation or the need for further financial reorganization, unless that liquidation or reorganization is contemplated by the Plan. For purposes of showing that the Plan meets this feasibility standard, Debtor analyzed its ability to meet its obligations under the Plan, determining that Debtor has the means to liquidate as provided in its Plan. Accordingly, Debtor believes that the Plan complies with the financial feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

C. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation that, except as described in the following section, each class of claims or equity interests that is impaired under the Plan accept the Plan. A class that is not "impaired" under a plan of reorganization is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of that claim or equity interest; or (b) notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest after the occurrence of a default—(1) cures any such default that occurred before or after the commencement of the case under this title, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (2) reinstates the maturity of such claim or interest as such maturity existed before such default; (3) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (4) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and (5) does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

There are no Classes of Claims or Interests Impaired under the Plan.

D. Confirmation without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan, even if impaired classes entitled to vote on the plan have not accepted it, provided that the plan has been accepted by at least one impaired Class. Section 1129(b) of the Bankruptcy Code states that, notwithstanding an impaired class' failure to accept a plan of reorganization, the plan shall be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down,"

so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured claims includes the following requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) the holder of any claim or equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or equity interest any property.

Debtor reserves the right to alter, amend, modify, revoke or withdraw the Plan or any Exhibit or Schedule; including amending or modifying it to satisfy section 1129(b) of the Bankruptcy Code, if necessary.

ARTICLE V
CERTAIN RISK FACTORS RELATED TO THE PLAN

5.1. General

The following provides a non-exhaustive summary of various important considerations and risk factors associated with the Plan. In considering whether to vote for or against the Plan, Holders of Claims or Interests should read and carefully consider the factors set forth below, as well as all other information set forth or otherwise referenced in this Disclosure Statement.

5.2. Certain Bankruptcy Law Considerations

(a) Parties-in-Interest May Object To the Plan and Confirmation

Section 1129 of the Bankruptcy Code provides certain requirements for a chapter 11 plan to be confirmed, Parties-in-Interest may object to confirmation of a plan based on an alleged failure to fulfill these requirements or other reasons. Debtor believes that the Plan complies with the requirements of the Bankruptcy Code.

(b) Parties-in-Interest May Object To the Debtor's Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class.

Debtor believes that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because each class of Claims and Interests encompass Claims or Interests that are substantially similar to the other Claims or Interests in each such class.

(c) The Debtor May Not Be Able To Obtain Confirmation of the Plan

There can be no assurance that the Bankruptcy Court will confirm the Plan. The Bankruptcy Court could still decline to confirm the Plan if it were to determine that any of the statutory requirements for confirmation had not been met, including a determination that the terms of the Plan are not fair and equitable to Classes not accepting the Plan. Therefore, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the resolicitation of votes.

(d) Risk of Non-Occurrence of the Effective Date

Although the Debtor believes that the Effective Date may occur within a reasonable time following the Confirmation Date, there can be no assurance as to such timing.

ARTICLE VI
TAX ISSUES

6.1. Introduction

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtor and certain Holders of Claims and Interests, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to any particular Holder of a Claim or Interest. This discussion does not purport to be a complete analysis or listing of all potential tax considerations.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated thereunder (the "Regulations"), judicial decisions and published administrative rules and pronouncements of the Internal Revenue Service ("IRS") as in effect on the date hereof. Legislative, judicial or administrative changes or new interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the United States federal income tax consequences of the Plan. Any such changes or new interpretations may have retroactive effect and could significantly affect the federal income tax consequences of the Plan.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. Debtor has not requested and will not request a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary does not address foreign, state or local tax consequences of the Plan, nor does it purport to address the U.S. federal income tax consequences of the Plan to (i) special classes of taxpayers (such as Persons who are related to the Debtor within the meaning of the Tax Code, foreign taxpayers, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, investors in pass-through entities and Holders of Claims who are themselves in bankruptcy) or (ii) Holders not entitled to vote on the Plan, including Holders whose Claims or Interests are entitled to reinstatement or payment in full in cash under the Plan or Holders whose Claims or Interests are to be extinguished without any distribution.

This discussion assumes that the various debt and other arrangements to which Debtor is a party will be respected for federal income tax purposes in accordance with their form. Furthermore, this discussion assumes that Holders of Claims or Interests hold only Claims or Interests in a single Class. Holders of multiple Classes of Claims or Interests should consult their own tax advisors as to the effect such ownership may have on the federal income tax consequences described below.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE TO THEM UNDER THE PLAN.

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE UNITED STATES INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) (1) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE TAX CODE, AND (2) IS WRITTEN TO SUPPORT THE PROMOTION, MARKETING OR PROMOTION OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

6.2. Tax Status of the Debtor

For federal income tax purposes, Debtor is a Limited Liability Company and as a result of the implementation of the Plan, Debtor is a pass through entity, is unlikely to have potential attribute reduction to itself, but may have such an effect on Interest Holders when their Interests are cancelled under the Plan.

6.3. Generally Applicable U.S. Federal Income Tax Consequences of the Exchanges Pursuant to the Plan to Holders of Allowed Claims

Pursuant to the Plan, Holders of Allowed Claims will receive, in exchange for and in full satisfaction and discharge of such Claims, cash in some cases, and in other cases non-cash assets (i.e., interest in the Creditor Trust being established pursuant to the Plan).

A. <u>Tax Consequences of the Exchanges.</u>

For U.S. federal income tax purposes, the Holders of Allowed Claims will be treated as exchanging their Claims for cash in a fully taxable exchange. Each Holder will recognize gain or loss equal to the difference between (i) the sum of the amount of cash and (ii) the Holder's adjusted tax basis in the Claims surrendered. The amount, and the character of any gain or loss as

long-term or short-term capital gain or loss or as ordinary income or loss, will be determined by a number of factors, including, the tax status of the Holder, whether the Claim constitutes a capital asset in the hands of the Holder and how long it has been held, whether the Claim was acquired at a market discount, and whether and to what extent the Holder had previously claimed a bad debt deduction in respect of the Claim.

B. Accrued but Unpaid Interest.

To the extent that a portion of the Applicable Consideration received by a Holder in the exchange is allocable to accrued but unpaid interest not previously included by the recipient Holder in taxable income, such amount should be taxable to the Holder as interest income. Conversely, a Holder of a Claim may be able to recognize a deductible loss (or, possibly, a write-off against a reserve for worthless debts) to the extent that any accrued interest on the Claim or Interest was previously included in the Holder's gross income but was not paid (or treated as paid) in full by the Debtor.

C. Market Discount.

A Holder that purchased its Allowed Claim from a prior holder at a market discount may be subject to the market discount rules of the Tax Code. Under the "market discount" provisions of sections 1276 through 1278 of the Tax Code, some or all of any gain realized by a Holder of an Allowed Claim may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the Allowed Claim. In general, a debt instrument is considered to have been acquired with "market discount" if its Holder's adjusted tax basis in the debt instrument is less than (i) the sum of all remaining payments to be made on the debt instrument (excluding "qualified stated interest") or (ii) in the case of a debt instrument issued with original issue discount, its adjusted issue price, in each case, by at least a de minimis amount (equal to 0.25% of the sum of all remaining payments to be made on the Allowed Claim, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

D. Bad Debt and/or Worthless Security Deduction.

A Holder who, under the Plan, receives in respect of a Claim an amount less than the Holder's tax basis in the Claim may be entitled to a bad debt deduction in some amount under section 166(a) of the Tax Code or a worthless security deduction under section 165 of the Tax Code. The rules governing character, timing and amount of bad debt or worthless security deductions place considerable emphasis on the facts and circumstances of the Holder, the obligor and the instrument with respect to which a deduction is claimed. Holders of a Claim therefore are urged to consult their tax advisors with respect to their ability to take such a deduction.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION AND CONTAINS NO DISCUSSION AS TO STATE, LOCAL OR FOREIGN TAX ASPECTS. ALL HOLDERS OF CLAIMS OR INTERESTS

SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

Dated: March 23, 2017

Respectfully Submitted,

Debtor and Debtor-in-Possession:

TNP TITAN PLAZA FUND, LLC,
a Delaware limited liability company

By: TNP 2008 Participating Notes Program, LLC, a Delaware limited liability company
Its: Manager

By: Thompson National Properties, LLC, a Delaware limited liability company
Its: Manager

By: */s/ Anthony W. Thompson*
Name: Anthony W. Thompson
Its: Chairman and Chief Executive Officer

Counsel:

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ATTORNEYS FOR DEBTOR AND DEBTOR-IN-POSSESSION

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:	§	
	§	
TNP TITAN PLAZA FUND, LLC	§	BANKRUPTCY NO. 16-50780-RBK
	§	
DEBTOR	§	CHAPTER 11 CASE
	§	

FIRST AMENDED PLAN OF LIQUIDATION FOR TNP TITAN PLAZA FUND, LLC, DEBTOR AND DEBTOR-IN-POSSESSION

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ATTORNEYS FOR DEBTOR AND DEBTOR-IN-POSSESSION

INTRODUCTION

TNP Titan Plaza Fund, LLC (the "Debtor"), Debtor and Debtor-in-Possession in the above-captioned chapter 11 bankruptcy case pending before the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the "Bankruptcy Court"), hereby proposes the *First Amended Plan of Liquidation for TNP Titan Plaza Fund, LLC, Debtor and Debtor-in-Possession* (the "Plan") for the resolution of the outstanding claims against and interests in the Debtor. Capitalized terms used herein shall have the meanings ascribed to such terms in Article I of this Plan.

Subject to certain restrictions and requirements set forth in Section 1127 of the Bankruptcy Code and Fed. R. Bankr. P. 3019, Debtor expressly reserves its right to alter, amend, modify, revoke or withdraw this Plan, one or more times, prior to its substantial consummation.

ARTICLE I

DEFINED TERMS AND RULES OF INTERPRETATION

A. Definitions

For purposes of this Plan, except as otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meaning set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or Bankruptcy Rules, will have the meaning given to the term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1.1. "**Administrative Claim**" means a Claim for payment of an administrative expense of a kind specified in section 503(b) of the Bankruptcy Code and entitled to priority pursuant to section 507(a)(1) of the Bankruptcy Code, including, without limitation, (a) any actual and necessary costs and expenses, incurred after the Petition Date, of preserving the Estate and operating the business of Debtor (including wages, salaries, and commissions for services rendered after the Petition Date), (b) Professional Fee Claims, and (c) all fees and charges assessed against the Estate under Chapter 123 of title 28 of the United States Code.

1.2. "**Administrative Claims Bar Date**" means the deadline for filing proofs of Administrative Claims which shall be thirty (30) days after the date on which the Debtor mails written notice of the occurrence of the Effective Date.

1.3. "**Administrative Tax Claim**" means an Unsecured Claim by a governmental unit for taxes (and for interest or penalties related to such taxes) for any tax year or period, all or a portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date.

1.4. "**Allowed Claim**" means a Claim or any portion thereof:

a. if no proof of Claim has been timely filed, such amount of the Claim or group of Claims which has been scheduled by Debtor as liquidated in amount and not disputed or contingent and as to which no objection has been filed within the time required under this Plan, or otherwise fixed by the Bankruptcy Court, and which Claim is not disallowed under section 502(d) or (e) of the Bankruptcy Code; or

b. if a proof of Claim has been filed by the Claims Bar Date, or is deemed timely filed by the Bankruptcy Court pursuant to Final Order, such amount of the Claim as to which any party in interest has not filed an objection within the time required under this Plan or otherwise fixed by the Bankruptcy Court and which Claim is not disallowed under section 502(d) or (e) of the Bankruptcy Code; or

c. that has been allowed by a Final Order of the Bankruptcy Court; or

d. that is expressly allowed in a liquidated amount in this Plan.

1.5. "**Allowed Class … Claim**" means an Allowed Claim in the particular Class described.

1.6. "**Assets**" means all assets of the Estate as of the Effective Date including "property of the estate" as described in section 541 of the Bankruptcy Code.

1.7. "**Avoidance Actions**" means Causes of Action arising under sections 502, 510, 541, 542, 543, 544, 545, 547 through 551 or 553 of the Bankruptcy Code, or under similar or related state or federal statutes and common law, including fraudulent transfer laws, whether or not litigation is commenced to prosecute such Causes of Action.

1.8. "**Bankruptcy Code**" means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., including all amendments thereto, to the extent such amendments are applicable to the Case.

1.9. "**Bankruptcy Court**" means the United States Bankruptcy Court for the Western District of Texas, San Antonio Division.

1.10. "**Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended and applicable to the Cases.

1.11. "**Bar Date**" means the deadline for filing proofs of claim established by the Notice of Bankruptcy as August 1, 2016, and any supplemental bar dates established by the Bankruptcy Court pursuant to a Final Order, except as otherwise provided in Section 8.5.

1.12. "**Business Day**" means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

1.13. "**Case**" means the case under chapter 11 of the Bankruptcy Code commenced by Debtor on or about April 4, 2016, pending in the Bankruptcy Court and administered under Case No. 16-50780.

1.14. "**Cash**" means cash or cash equivalents including, but not limited to, bank deposits, checks or other similar items.

1.15. "**Causes of Action**" means any and all actions, causes of action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whether know, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise, including Avoidance Actions unless otherwise waived by the Debtor.

1.16. "**Claim**" means a claim against the Debtor, whether or not asserted, as defined in section 101(5) of the Bankruptcy Code.

1.17. "**Claims Objection Deadline**" means as applicable (except for Administrative Claims) (a) the day that is the later of (i) the first Business Day that is thirty (30) days after the

Effective Date, and (ii) as to proofs of claim filed after the Bar Date, excluding those filed under Section 8.5, the first Business Day that is thirty (30) days after a Final Order is entered deeming the late filed claim to be treated as timely filed, or (b) such later date as may be established by the Bankruptcy Court as may be requested by Debtor.

1.18. "**Class**" means a category of holders of Claims or Interests as described in Article III of this Plan.

1.19. "**Collateral**" means any property or interest in property of the Estate that is subject to a valid and enforceable lien to secure a Claim.

1.20. "**Committee**" means the Official Committee of Unsecured Creditors appointed pursuant to section 1102(a) of the Bankruptcy Code in this Case.

1.21. "**Confirmation Date**" means the date upon which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

1.22. "**Confirmation Hearing**" means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan; as such hearing may be adjourned or continued from time to time.

1.23. "**Confirmation Order**" means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

1.24. "**Creditor Payment Account**" means an account established by Debtor to make distributions to Creditors on the Effective Date, as well as subsequent distributions to Creditors holding Allowed Claims.

1.25. "**Disallowed Claim**" means a Claim, or any portion thereof, that (a) has been disallowed by a Final Order or pursuant to a settlement, or (b)(i) is Scheduled at zero or as contingent, disputed or unliquidated and (ii) as to which a Bar Date has been established but no proof of claim has been filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

1.26. "**Disbursing Agent**" shall mean the party who is responsible for, *inter alia*, paying Claims and disbursing funds.

1.27. "**Disclosure Statement**" means the written disclosure statement (including all schedules thereto or referenced therein) that relates to the Plan, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, as such disclosure statement may be amended, modified or supplemented from time to time.

1.28. "**Disputed Claim**" means a Claim, or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, Claims that (a) have not been Scheduled by the Debtor or have been Scheduled at zero, or as contingent, unliquidated or disputed or (b) are the subject of a pending objection filed in the Bankruptcy

Court and which objection has not been withdrawn or overruled by a Final Order of the Bankruptcy Court.

1.29. "**Disputed Claims Reserves**" means, as applicable, one or more reserves of Cash for Distribution to holders of Allowed Claims to be reserved pending allowance of Disputed Claims in accordance with Article X of the Plan.

1.30. "**Distribution**" means any transfer under this Plan of Cash or other property or instruments.

1.31. "**Distribution Date**" means the date upon which Distributions are made to holders of Allowed Claims and Interests entitled to receive Distributions under the Plan. As to Claims that are Allowed Claims on the Effective Date, the Distribution Date will be the Effective Date. As to Disputed Claims, such date shall not occur until at least thirty (30) days after the later of either: (a) the Claims Objection Deadline or (b) a Final Order on a Disputed Claim.

1.32. "**Distribution Record Date**" means the record date for purposes of making Distributions under the Plan on account of Allowed Claims or Interests, which shall be the same as the Effective Date.

1.33. "**Effective Date**" means the date upon which the Debtor files notice that all conditions necessary for the Plan to go effective have occurred, but no later than thirty (30) days following the Confirmation Order becoming a Final Order, unless otherwise extended by Court Order. In the event a party requests revocation of the Confirmation Order, the Effective Date will occur despite such request, unless an order is entered staying the Effective Date pending conclusion of the request for revocation.

1.34. "**Estate**" means the bankruptcy estate of the Debtor as created under section 541 of the Bankruptcy Code.

1.35. "**Exhibit**" means an exhibit annexed to either the Plan or as an appendix to the Disclosure Statement.

1.36. "**Final Order**" means an order, decree or judgment of the Bankruptcy Court, the operation or effect of which has not been reversed, stayed, modified or amended, and as to which order, decree or judgment (or any revision, modification or amendment thereof), the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing has been taken or is pending.

1.37. "**Fraud**" means a demonstration of actual fraud that requires a specific demonstration of a misrepresentation of a material fact with the intention to deceive, manipulate, defraud or induce action or inaction, where there is actual reliance on the misrepresentation by a person who, as a result of such reliance, suffers actual injury.

1.38. "**General Unsecured Claim**" means a Claim, however arising, including from the rejection of an executory contract or an unexpired lease, which is not an Administrative Claim or Priority Non-Tax Claims.

1.39. "**Impaired**" means, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.40. "**Interest**" means the right of any current or former holder or owner of any of Debtor's membership interests as issued pursuant to the LLC Agreement, or any other equity securities as defined in the Bankruptcy Code that were issued prior to the Petition Date.

1.41. "**IRS**" means the Internal Revenue Service of the United States of America.

1.42. "**LLC Agreement**" means and refers to that certain Limited Liability Company Agreement of TNP Titan Plaza Fund, LLC effective October 19, 2010.

1.43. "**Notice of Bankruptcy**" means the Notice of Chapter 11 Bankruptcy, Meeting of Creditors, & Deadlines that was filed by the Clerk of the Court on April 5, 2016.

1.44. "**Person**" means an individual, partnership, corporation, association, joint stock company, joint venture, estate, trust, unincorporated organization, limited liability company, limited liability partnership, or other entity.

1.45. "**Petition Date**" means April 4, 2016.

1.46. "**Plan**" means this chapter 11 plan of liquidation for the Debtor as herein proposed, including all supplements, appendices and schedules thereto, either in its present form or as the same may be further altered, amended or modified from time to time in accordance with the Bankruptcy Code.

1.47. "**Plan Rate**" means interest at a rate of five (5%) percent per annum.

1.48. "**Plan Schedule**" means a schedule annexed either to this Plan or as an appendix to the Disclosure Statement, as the same may be altered, amended or modified from time to time.

1.49. "**Priority Non-Tax Claim**" means a Claim, other than an Administrative Claim or Priority Tax Claim, which is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.

1.50. "**Priority Tax Claim**" means a Claim entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

1.51. "**Professional**" means any professional employed in the Cases pursuant to section 327, 328 or 1103 of the Bankruptcy Code.

1.52. "**Professional Fee Claim**" means a Claim under sections 328, 330(a), 331, or 503 of the Bankruptcy Code for compensation of a Professional for services rendered or expenses incurred in the Case on or prior to the Effective Date (including expenses of the members of the Committee incurred as members of the Committee in discharge of their duties as such).

1.53. "**Released Parties**" means (i) all former and current directors, officers and employees of the Debtor, (ii) Thompson National Properties, LLC, (iii) Anthony W. Thompson (iv) Pulman, Cappuccio, Pullen, Benson & Jones, LLP, (v) Kelly, Hart and Hallman, LLP and (vi) members of the Committee, and with respect to each of the foregoing, such Person's respective officers, directors, partners, members, employees, attorneys, financial advisors, accountants, investment bankers, agents, professionals and representatives retained by such Person.

1.54. "**Scheduled**" means with respect to any Claim, the status and amount, if any, of such Claim as set forth in the Schedules.

1.55. "**Schedules**" means the schedules of assets and liabilities and the statements of financial affairs filed in the Case by the Debtor, as such schedules have been or may be further modified, amended or supplemented from time to time in accordance with Rule 1009 of the Bankruptcy Rules or Orders of the Bankruptcy Court.

1.56. "**Unclaimed Property**" means any funds or property distributed to Creditors (together with any interest earned thereon) which are unclaimed as of one hundred eighty (180) days after a Distribution. Unclaimed Property will include, without limitation, Cash and any other property which is to be distributed pursuant to this Plan which has been returned as undeliverable without a proper forwarding address, or which was not mailed or delivered because of the absence of a proper address to which to mail or deliver such property.

1.57. "**Unimpaired Claim**" means a Claim that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

1.58. "**Unsecured Claim**" means any Claim to the extent such Claim is not a Secured Claim.

1.59. "**U.S. Trustee**" means the Office of the United States Trustee, or a representative thereof.

B. Rules of Interpretation.

For purposes of this Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) any reference in this Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such agreement or document will be substantially in such form or substantially on such terms and conditions; (c) any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented; (d) unless otherwise specified, all references in this Plan to sections, articles and exhibits are references to sections, articles and exhibits of or to this Plan; (e) the words "herein" and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan; (f) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of, or to affect, the interpretation of this Plan; (g) "after notice and a hearing," or a similar phrase has the meaning ascribed in Bankruptcy Code § 102;

(h) "includes" and "including" are not limiting; (i) "may not" is prohibitive, and not permissive; (j) "or" is not exclusive; and (k) U.S. Trustee includes a designee of the U.S. Trustee.

C. Computation of Time.

In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

ADMINISTRATIVE EXPENSES AND TAX PRIORITY CLAIMS

2.1. Administrative Claims

Subject to the provisions of Article XI of this Plan, on, or as soon as reasonably practicable thereafter, the later of (i) the Effective Date, (ii) the date such Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date such Administrative Claim becomes payable pursuant to any agreement, the holder of each Allowed Administrative Claim shall receive in full satisfaction, release, settlement and discharge of such Allowed Administrative Claim: (a) Cash equal to the unpaid portion of such Allowed Administrative Claim; or (b) in accordance with the terms of any written agreement regarding such Allowed Administrative Claim; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by a Debtor in the ordinary course of business during this Case will be paid in the ordinary course of business in accordance with the terms and conditions of any agreement relating thereto.

2.2. Priority Tax Claims

On, or as soon as reasonably practicable thereafter, the later of (a) the Effective Date or (b) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Tax Claim, (i) Cash equal to the due and unpaid portion of such Allowed Priority Tax Claim or (ii) such different treatment agreed to in writing.

ARTICLE III
CLASSIFICATION OF CLAIMS AND INTERESTS

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of classes of Claims against and Interests in the Debtor. All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes as set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims of the kinds specified in sections 507(a)(1) and 507(a)(8) of the Bankruptcy Code have not been classified, and their treatment is set forth in Article II above.

A Claim or Interest is placed in a particular Class only to the extent the Claim or Interest falls within the description of that Class and classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class only for the purpose of voting on, and receiving distributions pursuant to, the Plan to the extent such Claim or Interest is an Allowed Claim or an

Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date.

3.1. Classification of Claims Against and Interest in the Debtor

Class 1. Class 1 consists of the Allowed Priority Non-Tax Claims.

Class 2. Class 2 consists of the Allowed General Unsecured Claims.

Class 3. Class 3 consists of the Allowed Interests.

ARTICLE IV
IDENTIFICATION OF CLASSES OF CLAIMS AND INTERESTS IMPAIRED AND NOT IMPAIRED BY THE PLAN

4.1. Unimpaired Classes of Claims.

The Classes listed below are Unimpaired under the Plan:

Class 1 (Allowed Priority Non-Tax Claims)
Class 2 (Allowed General Unsecured Claims)
Class 3 (Allowed Interests)

4.2. Impaired Classes of Claims and Interests.

The Classes listed below are Impaired under the Plan:

None.

ARTICLE V
PROVISIONS FOR TREATMENT OF CLAIMS AND INTERESTS

5.1. Provisions For Treatment Of Claims And Interests

(a) Class 1 Allowed Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim will receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Non-Tax Claim, either (i) on, or as soon as reasonably practicable thereafter, the later of the Effective Date or the date on which such Claim becomes an Allowed Claim, Cash in an amount equal to the principal amount of such Allowed Claim, plus Post-Petition Interest at the Plan Rate on such Allowed Claim or (ii) such different treatment as agreed to in writing.

(b) Class 2 Allowed General Unsecured Claim. Each holder of an Allowed General Unsecured Claim will receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, either (i)(a) on, or as soon as reasonably practicable thereafter, the later of the Effective Date or the date on which such Claim becomes an Allowed Claim, Cash in an amount equal to the principal amount of such Allowed Claim, plus Post-Petition Interest at the Plan Rate on such Allowed Claim or (ii) such different treatment as agreed to in writing.

(c) Class 3 Allowed Southern States Secured Claim. Each Holder of Class 3 Interests will receive, in full satisfaction, settlement, release and discharge of and in exchange for such Class 3 Interests, payment in Cash as provided under Section 5.2 of the LLC Agreement. Upon completion of the payments required by the LLC Agreement, all existing Interests shall, without any further actions, be cancelled, annulled and extinguished and any certificates representing such Interests shall become null, void and of no force or effect.

ARTICLE VI
ACCEPTANCE OR REJECTION OF PLAN

6.1. Classes Entitled to Vote

Subject to Section 6.2 of this Plan, there are no Impaired Classes of Claims and Interests under the Plan.

6.2. Presumed Acceptances by Unimpaired Classes

Classes 1, 2, and 3 are Unimpaired by the Plan. Claims and Interests in Unimpaired Classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

6.3. Summary of Classes Voting on the Plan

As a result of the provisions of Sections 6.1 and 6.2 of this Plan, Debtor does not intend to solicit votes with respect to this Plan.

6.4. Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Plan, nothing shall affect the Debtor's rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to Setoff Claims or recoupments against Unimpaired Claims.

6.5. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

If the Court determines that there is any Class of Claims or Interests entitled to vote on the Plan and such Class does not vote to accept the Plan, Debtor shall (a) seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code or (b) amend or modify the Plan in accordance with Article XV of the Plan.

ARTICLE VII
MEANS FOR IMPLEMENTATION OF THE PLAN

7.1. Implementation of the Plan

On the Effective Date, Debtor will fund a Creditor Payment Account for payment in full, including interest, of all Claims, including Allowed Priority Non-Tax Claims, Allowed Priority Tax Claims, Allowed General Unsecured Claims, Administrative Claims and the Disputed Claims Reserve. Debtor will make all required payments to Holders of Allowed Claims. Distributions will be made pursuant to Articles IX, X and XI of the Plan. The remainder of the funds held by Debtor may be distributed, at the Debtor's discretion, to Holders of Interests pursuant to Section 5.2 of the LLC Agreement.

7.2. Cancellation of Interests

All Interests of the Debtor shall be cancelled and annulled following completion of payments pursuant to the LLC Agreement to Holders of Allowed Interests.

7.3. Authority

Until the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Debtor, its assets and operations.

7.4. Exemption from Certain Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers or mortgages from or by the Debtor, the Creditor Trust or any other Person or entity pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

ARTICLE VIII
TREATMENT OF EXECUTORY CONTRACTS, UNEXPIRED LEASES AND OTHER AGREEMENTS

8.1. Assumption/Rejection

On the Effective Date, and to the extent permitted by applicable law, all of the Debtor's executory contracts and unexpired leases will be rejected by Debtor unless such executory contract or unexpired lease: (a) is being assumed pursuant to the Plan; (b) is the subject of a motion to assume filed on or before the Confirmation Hearing; or (c) has been previously rejected or assumed.

8.2. Assumed Executory Contracts and Unexpired Leases

Each executory contract and unexpired lease that is assumed will include (a) all amendments, modifications, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affect such executory contract or unexpired lease, and (b) all executory contracts or unexpired leases and other rights appurtenant to the property, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other equity interests in real estate or rights in rem related to such premises, unless any of the foregoing agreements have been rejected pursuant to an order of the Bankruptcy Court or is the subject of a motion to reject filed on or before the Confirmation Date.

Amendments, modifications, supplements, and restatements to prepetition executory contracts and unexpired leases that have been executed by the Debtor during the Case shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any claims that may arise in connection therewith.

8.3. Preexisting Obligations to the Debtor Under Executory Contracts and Unexpired Leases

Rejection or repudiation of any executory contract or unexpired lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to Debtor under such contracts or leases. In particular, notwithstanding any non-bankruptcy law to the contrary, Debtor expressly reserves and does not waive any right to receive, or any continuing obligation of a counterparty to provide warranties or continued maintenance obligations on goods previously purchased by the contracting Debtor from counterparties to rejected or repudiated executory contracts or unexpired leases. Additionally, Debtor reserves the right to collect any amounts owed to Debtor under such executory contract or unexpired lease.

8.4. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease, nor anything contained in the Plan, shall constitute an admission by Debtor that any such contract or lease is in fact an executory contract or unexpired lease or that any of Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, Debtor shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

8.5. Claims Based on Rejection of Executory Contracts and Unexpired Leases

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Debtor's executory contracts and unexpired leases pursuant to the Plan or otherwise must be filed no later than thirty (30) days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the Debtor's executory contracts or unexpired leases that are not timely filed shall be disallowed automatically, forever barred from assertion, without the need for any objection by any party in interest or further notice to or action, order, or approval of the Bankruptcy Court,

and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtor's executory contracts and unexpired leases shall be classified as General Unsecured Claims.

ARTICLE IX
PROVISIONS GOVERNING DISTRIBUTIONS

9.1. Distributions for Claims and Interests Allowed as of Effective Date

On the Effective Date, Debtor will make all required payments to Holders of Allowed Claims from the Creditor Payment Account. The remainder of the funds held by Debtor may be distributed, at the Debtor's discretion, to Holders of Interests pursuant to Section 5.2 of the LLC Agreement.

9.2. Disbursements to Classes of Claims

Debtor shall make all Distributions required under the Plan.

9.3. Record Date for Distributions

As of the close of business on the Distribution Record Date, the registers for Claims and Interests will be closed, and except as to claims filed pursuant to Section 8.5 of the Plan, there shall be no further changes in the holder of record of any Claim or Interest. Except as to claims filed pursuant to Section 8.5 of this Plan, Debtor shall have no obligation to recognize any transfer of Claim or Interest occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those holders of record stated on the registers of Claims and/or Interests as of the close of business on the Distribution Record Date for distributions under the Plan.

9.4. Means of Cash Payment

Cash payments made pursuant to this Plan shall be by check, wire or ACH transfer in U.S. funds or by other means agreed to by the payor and payee or, absent agreement, such commercially reasonable manner as the payor determines in its sole discretion.

9.5. Delivery of Distributions

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims and Allowed Interests shall be made by Debtor as the case may be, (a) at the addresses set forth on the proofs of Claim or Interest filed by such holders (or at the last known addresses of such holders if no proof of Claim or Interest is filed or if the Debtor has been notified in writing of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Debtor after the date of any related proof of Claim or Interest, (c) at the addresses reflected in the Schedules if no proof of Claim or Interest has been filed and the Debtor has not received a written notice of a change of address, (d) in the case of the holder of a Claim that is governed by an indenture or other agreement and is administered by an indenture trustee, agent, or servicer, at the addresses contained in the official records of such indenture

trustee, agent, or servicer, or (e) at the addresses set forth in a properly completed letter of transmittal accompanying securities, if any, properly remitted to Debtor. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the Debtor or the appropriate indenture trustee, agent, or servicer is notified of such holder's then current address, at which time all missed distributions shall be made to such holder without interest. All claims for undeliverable distributions must be made on or before the first (1st) anniversary of the Effective Date, after which date all Unclaimed Property shall be free of any restrictions thereon, except as provided in the Plan, and the claim of any holder or successor to such holder with respect to such property shall be discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary.

9.6. Claims Paid by Third Parties

Debtor shall reduce a Claim, and such Claim shall be disallowed without a Claim objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full or in part on account of such Claim from a party that is not Debtor. Subject to the last sentence of this paragraph, to the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor on account of such Claim, such holder shall, within two (2) weeks of receipt thereof, repay or return the distribution to Debtor, to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such holder to timely repay or return such distribution shall result in the holder owing Debtor, annualized interest at the Plan Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

9.7. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to any applicable insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the applicable insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged without a Claim objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

9.8. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any cause of action that Debtor or any entity may hold against any other entity, including insurers under any policies of insurance, nor shall anything contained in the Plan constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses.

9.9. Withholding and Reporting Requirements

In connection with this Plan and all distributions hereunder, Debtor shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. Debtor shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

9.10. Expunging of Certain Claims

All Claims marked or otherwise designated as "contingent, unliquidated or disputed" on Debtor's Schedules and for which no proof of claim has been timely filed, shall be deemed disallowed and such claim may be expunged without the necessity of filing a claim objection and without any further notice to, or action, order or approval of the Bankruptcy Court.

ARTICLE X
PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS

10.1. Objections to Claims

As soon as practicable, but no later than the Claims Objection Deadline, any party with standing may file objections to filed and/or scheduled claims with the Bankruptcy Court and serve such objections on the creditors holding the Claims to which objections are made. Nothing contained herein, however, shall limit the right of any party with standing to object to Claims, if any, filed or amended after the Claims Objection Deadline. The Claims Objection Deadline may be extended by the Bankruptcy Court upon motion without notice or hearing.

10.2. Estimation of Claims

Debtor may at any time request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether a previous objection has been made to such Claim or whether the Bankruptcy Court has ruled on any objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any claim, including during the pendency of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

10.3. Distributions Pending Allowance of Disputed Claim

Within ten (10) days of filing an objection to a Claim by Debtor shall pay the undisputed amount of such Claim; *provided, however*, such Distribution shall not be made any earlier than fourteen (14) days after the Effective Date.

10.4. Disputed Claims Reserves

Debtor will place funds in the Creditor Payment Account for the purpose of establishing the Disputed Claims Reserve and effectuating distributions to holders of Disputed Claims pending the allowance or disallowance of such claims in accordance with this Plan. The applicable Disputed Claims Reserves shall be withheld from the property to be distributed to particular classes under the Plan. The Disputed Claims Reserves shall be equal to 100% of the distributions to which holders of Disputed Claims in each Class would be entitled under this Plan as of such date, if such Disputed Claims in each Class were an Allowed Claim in their (a) Face Amount or (b) estimated amount of such Disputed Claim in each Class as approved in an order by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code.

10.5. Distributions After Allowance

Payments and distributions shall be made to each holder of a Disputed Claim that has become an Allowed Claim in accordance with the provisions of the Plan governing the class of Claims to which such holder belongs and Section 9.5. Within thirty (30) days of the date that the order or judgment of the Bankruptcy Court allowing all or part of any Disputed Claim becomes a Final Order, the Debtor shall distribute to the holder of such Claim, as provided for in Section 9.5, the distribution (if any) that would have been made to such holder on the Distribution Date had such Allowed Claim been allowed on the Distribution Date.

After a Disputed Claim is Allowed or otherwise resolved on behalf of Claim, the excess Cash or other property that was reserved on account of such Disputed Claim, if any, shall be paid to Debtor.

10.6. General Unsecured Claims

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by Debtor prior to the Effective Date including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude payment of Claims that Debtor was authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

ARTICLE XI
ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS

11.1. Professional Fee Claims

All final requests for compensation or reimbursement of Professional Fees pursuant to sections 327, 328, 330, 331, 363, 503(b) or 1103 of the Bankruptcy Code for services rendered to or on behalf of Debtor or the Committee prior to the Effective Date (other than Substantial Contribution Claims under section 503(b)(4) of the Bankruptcy Code) must be filed and served on Debtor and its counsel no later than the Administrative Claims Bar Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be filed and served on the Debtor and the requesting Professional or other entity no later than twenty-one (21) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served.

11.2. Administrative Claims

The Confirmation Order will establish an Administrative Claims Bar Date for filing of all Administrative Claims, including Substantial Contribution Claims, which date will be thirty (30) days after the Effective Date. Holders of asserted Administrative Claims, other than Professional Fee Claims, claims for U.S. Trustee fees under 28 U.S.C. §1930, administrative tax claims and administrative ordinary course liabilities, must submit proofs of Administrative Claim on or before such Administrative Claims Bar Date or forever be barred from doing so. A notice prepared by Debtor will set forth such date and constitute notice of this Administrative Claims Bar Date. Any party with standing shall have twenty-one (21) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Claims Bar Date to review and object to such Administrative Claims before a hearing for determination of allowance of such Administrative Claims.

11.3. Administrative Ordinary Course Liabilities

Holders of Administrative Claims that are based on liabilities incurred in the ordinary course of the applicable Debtor's business (other than Claims of governmental units for taxes and for interest and/or penalties related to such taxes) shall not be required to file any request for payment of such Claims. Such Administrative Claims, unless objected to, shall be assumed and paid in Cash, pursuant to the terms and conditions of the particular transaction giving rise to such Administrative Claim.

11.4. Administrative Tax Claims

All Administrative Claims by a governmental unit for taxes (and for interest and/or penalties related to such taxes) for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date, and for which no bar date has otherwise been previously established, will be paid on the later of (i) thirty (30) days following the Effective Date; (ii) thirty (30) days following the allowance of such Administrative Tax Claim; (iii) pursuant to the provisions of, and at the time

provided in Section 505(b)(2) of the Bankruptcy Code or (iv) the date upon which such Administrative Tax Claim would ordinarily become due.

ARTICLE XII
CONFIRMATION AND CONSUMMATION OF THE PLAN

12.1. Conditions Precedent to Confirmation

The following are conditions precedent to confirmation of the Plan that may be satisfied or waived in accordance with Section 12.4 of the Plan:

(a) The Bankruptcy Court shall have approved by Final Order a Disclosure Statement with respect to the Plan in form and substance reasonably acceptable to the Debtor.

12.2. Conditions Precedent to Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 12.4 below:

(a) The Confirmation Order shall have been entered in form and substance reasonably acceptable to the Debtor;

(b) All authorizations, consents, and regulatory approvals required, if any, in connection with the consummation of this Plan shall have been obtained;

(c) There shall not be in effect on the Effective Date any (i) order entered by a court, (ii) any order, opinion, ruling or other decision entered by any other court or governmental entity, or (iii) any applicable law staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by the Plan;

(d) No request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall remain pending; however, the Effective Date will occur despite such request, unless an order is entered staying the Effective Date pending conclusion of the request for revocation; and

(e) All conditions to the consummation of the transactions contemplated by the Plan shall have been satisfied or waived.

12.3. Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

12.4. Waiver of Conditions

Each of the conditions set forth in Sections 12.1 and 12.2 of the Plan may be waived in whole or in part by written consent of Debtor. The failure to satisfy or waive any condition to

the Effective Date may be asserted by Debtor regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by Debtor). The failure of Debtor to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

12.5. Revocation, Withdrawal, Non-Consummation

Debtor reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date and to file subsequent plans of reorganization. If Debtor revokes or withdraws the Plan, or if Confirmation or consummation of the Plan does not occur, then (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Class of Claims), and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Debtor or any other Person, (ii) prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor, or (iii) constitute an admission of any sort by the Debtor or any other Person.

ARTICLE XIII
EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

13.1. Compromise and Settlement

It is not the intent of Debtor that confirmation of the Plan shall in any manner alter or amend any settlement and compromise between Debtor and any Person that has been previously approved by the Bankruptcy Court (each, a "Prior Settlement"). To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the Debtor, may compromise and settle Claims against Debtor and claims that they have against other Persons. Debtor expressly reserves the right (with Bankruptcy Court approval, following appropriate notice and opportunity for a hearing) to compromise and settle Claims against it and claims that it may have against other Persons up to and including the Effective Date. After the Effective Date, Debtor may compromise and settle any Claims against them and claims they may have against other Persons with Bankruptcy Court approval, following appropriate notice and opportunity for a hearing.

13.2. Satisfaction of Claims

The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against Debtor or its Estate, assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Interests in the Debtor shall be satisfied, discharged, and released in full. Except as otherwise provided herein, all Persons and Entities shall be precluded and forever barred from asserting against the

Debtor, their respective successors or assigns, or their estates, assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

13.3. Exculpation and Limitation of Liability

Notwithstanding any other provision of the Plan, no holder of a Claim, no other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, and no successors or assigns of the foregoing, shall have any right of action whether in law or equity, whether for breach of contract, statute, or tort claim, against the Debtor, their respective successors or assigns, or the Estate, assets, properties, or interests in property, for any act or omission in connection with, relating to, or arising out of, this Case, the pursuit of Confirmation of the Plan, consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan.

13.4. Good Faith

As of the Confirmation Date, Debtor shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code. Debtor has participated in good faith and in compliance with Section 1125(e) of the Bankruptcy Code.

13.5. Releases by the Debtor and the Estate

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or the Confirmation Order, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of Debtor and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, Debtor and the Estate, for themselves and on behalf of their respective successors and assigns, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released each of (i) the Released Parties and (ii) Debtor's past and present directors, managers, officers, employees, attorneys and other representatives from any and all claims, interests, obligations, rights, suits, damages, losses, costs and expenses, actions, causes of action, remedies, and liabilities of any kind or character whatsoever, including any derivative claims asserted or assertable on behalf of Debtor and the Estate, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, suspected or unsuspected, matured or unmatured, fixed or contingent, existing or hereinafter arising, in law, equity, or otherwise, that Debtor or the Estate ever had, now has or hereafter can, shall or may have, or otherwise would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, against any (i) of the Released Parties and (ii) the Debtor's and the Estate's current and former directors, managers, officers, employees, attorneys and other representatives arising from or relating to, directly or indirectly from, in whole or in part, the Debtor, the Debtor's restructuring, the Case, the purchase, sale, or rescission of the purchase or sale of any security of the Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual

arrangements among any two or more of any of Debtor or any of the Released Parties (and the acts or omissions of any other Released Party in connection therewith), the restructuring of Claims and Interests prior to or in the Case, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, or any other act or omission, transaction, agreement, event, or other occurrence, including the management and operation of the Debtor, taking place on or before the Effective Date. Notwithstanding the foregoing, nothing in this Section 13.5 shall release any of the Released Parties or other individual included within this release from liability for (i) any act or omission by such of the Released Parties or other individual that is found by a court of law in a final, non-appealable judgment to constitute Fraud, willful misconduct, or gross negligence, or (ii) any obligation for borrowed money owed by the Released Parties to the Debtor or the Estate.

13.6. Setoffs

Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, Debtor may setoff against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such distribution is made), any claims, rights, and causes of action of any nature that Debtor may hold against the holder of such Allowed Claim, to the extent such claims, rights, or causes of action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by Debtor of any such claims, rights, and causes of action that Debtor may possess against such holder. In no event shall any holder of Claims or Interests be entitled to setoff any Claim or Interest against any claim, right, or cause of action, except as set forth in the Plan, of the Debtor unless such holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

13.7. Recoupment

In no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any claim, right, or Cause of Action of the Debtor unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtor on or before the Effective Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

13.8. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date,

all mortgages, deeds of trust, liens, pledges, or other security interests against any property of the Debtor's Estate shall be fully released and discharged.

In addition to, and in no way a limitation of, the foregoing, to the extent the Debtor's property or assets are encumbered by mortgages, security interests or Liens of any nature for which any holder of such mortgages, security interests or Liens does not have an Allowed Claim against the Debtor, such mortgages, security interests or Liens shall be deemed fully released and discharged for all purposes and such holder shall execute such documents as reasonably requested by the Debtor in form and substance as may be necessary or appropriate to evidence the release of any such mortgages, security interests or Liens of any nature. If such holder fails to execute such documents, Debtor is authorized to execute such documents on behalf of such holder and to cause the filing of such documents with any or all governmental or other entities as may be necessary or appropriate to effect such releases.

ARTICLE XIV
RETENTION OF JURISDICTION

14.1. Retention of Jurisdiction

Under Sections 105 and 1142 of the Bankruptcy Code, and notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of or related to the Chapter 11 Case and the Plan, to the fullest extent permitted by law, including jurisdiction to:

(a) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(b) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan and all contracts, instruments, and other agreements executed in connection with the Plan;

(c) hear and determine any request to modify the Plan or to cure any defect or omission or reconcile any inconsistency in the Plan or any order of the Bankruptcy Court;

(d) issue and enforce injunctions or other orders, or take any other action that may be necessary or appropriate to restrain any interference with the implementation, consummation, or enforcement of the Plan or the Confirmation Order,

(e) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(f) hear and determine any matters arising in connection with or relating to the Plan, this Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(g) enforce all orders, judgments, injunctions, releases, exculpations and rulings entered in connection with the Case;

(h) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(i) hear and determine matters relating to the allowance, disallowance, determination, classification, estimation and/or liquidation of Claims against Debtor and to enter or enforce any order requiring the filing of any such Claim before a particular date;

(j) determine all applications, Claims, adversary proceedings and contested matters pending on the Effective Date; and

(k) enter a final decree closing the Case.

ARTICLE XV
MISCELLANEOUS PROVISIONS

15.1. Amendments and Modification

Debtor may alter, amend, or modify the Plan or any exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date and prior to "substantial consummation" as provided in the Plan, Debtor may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan, so long as such proceedings do not materially adversely affect the treatment of holders of Claims or Interests under the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

15.2. Binding Effect

The Plan shall be binding upon and inure to the benefit of the Debtor, all present and former holders of Claims against and Interests in the Debtor, their respective successors and assigns, and all other parties-in-interest in this Case.

15.3. Term of Injunctions or Stay

Unless otherwise provided in the Plan or Confirmation Order, all injunctions or stays provided for in the Case under sections 105 or 362 of the Bankruptcy Code or otherwise, and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or Confirmation Order shall remain in full force and effect in accordance with their terms.

15.4. Dissolution of Committee

On the Effective Date, the Committee, shall dissolve and the members of the Committee shall be released and discharged from all authority, duties, responsibilities and obligations related to and arising from and in connection with the Cases.

15.5. No Admissions

Notwithstanding anything in the Plan to the contrary, nothing in the Plan shall be deemed as an admission by Debtor with respect to any matter set forth in the Plan, including liability on any Claim.

15.6. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Texas, without giving effect to the principles of conflicts of law thereof, shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control) as well as corporate governance matters with respect to the Debtor.

15.7. Notices

Any notices, requests, and demands required or permitted to be provided under the Plan, in order to be effective, shall be in writing (including, without express or implied limitation, by facsimile transmission), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to Debtor:

TNP Titan Plaza Fund, LLC
Attention Jim A'Hearn
Thompson National Properties, LLC
3151 Airway Avenue, Suite # G3
Costa Mesa, California 92626

15.8. Severability of Plan Provision

If, before the Confirmation Order is entered, the Bankruptcy Court holds that any provision of the Plan is invalid, void or unenforceable, Debtor, at its option may amend or modify the Plan to correct the defect, by amending or deleting the offending provision or otherwise, or may withdraw the Plan. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been amended or modified in accordance with the foregoing, is valid and enforceable.

15.9. U.S. Trustee Fees

Debtor will pay pre-confirmation fees owed to the U.S. Trustee on the Effective Date or as reasonably practical thereafter. After confirmation, Debtor will file with the Court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Debtor will pay post-confirmation quarterly fees to the U.S. Trustee until a final decree is entered or the case is converted or dismissed as provided in 28 U.S.C. §1930(a)(6).

15.10. Default under the Plan

Except as otherwise provided for in this Plan, in the event of an alleged default by Debtor under the Plan, any party alleging such default shall provide written notice of the default (the "Default Notice") to the Debtor at the addresses set forth in Section 15.7 of the Plan. Debtor shall have thirty (30) days from receipt of the Default Notice to cure any actual default that may have occurred. Debtor reserves the right to dispute that a default has occurred and shall notify the party alleging the default that Debtor contends no default has occurred, with such notice to be sent within the thirty (30) day time period following receipt of the Default Notice. In such event, the Bankruptcy Court shall retain jurisdiction over the dispute relating to the alleged default. In the event Debtor fails to either dispute the alleged default or timely cure such default, the party alleging such default shall be entitled to assert its rights under any and all applicable bankruptcy and/or non-bankruptcy laws.

[Signature Page Immediately Follows]

Dated: March 23, 2017

Respectfully Submitted,

Debtor and Debtor-in-Possession:

TNP TITAN PLAZA FUND, LLC,
a Delaware limited liability company

By: TNP 2008 Participating Notes Program, LLC, a Delaware limited liability company
Its: Manager

By: Thompson National Properties, LLC, a Delaware limited liability company
Its: Manager

By: */s/ Anthony W. Thompson*
Name: Anthony W. Thompson
Its: Chairman and Chief Executive Officer

Counsel:

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San Antonio, Texas 78213
(210) 222-9494 Telephone
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By: */s/ Thomas Rice*
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Thomas Rice
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trice@pulmanlaw.com

ATTORNEYS FOR DEBTOR AND DEBTOR-IN-POSSESSION

EXHIBIT B

The relief described hereinbelow is SO ORDERED.

Signed March 23, 2017.

Ronald B. King
Chief United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE:	§	
	§	
TNP TITAN PLAZA FUND, LLC	§	BANKRUPTCY NO. 16-50780-RBK
	§	CHAPTER 11 CASE
DEBTOR	§	

ORDER APPROVING (I) DISCLOSURE STATEMENT; (II) PROCEDURES FOR FILING OBJECTIONS TO PLAN; (III) NOTICE PROCEDURES FOR CONFIRMATION HEARING; AND (IV) A HEARING DATE TO CONSIDER CONFIRMATION OF THE PLAN

Came on for consideration, the *Debtor's Motion for Order Approving (I) Disclosure Statement; (II) Procedures for Filing Objections to Plan; (III) Notice Procedures for Confirmation Hearing; and (IV) a Hearing Date to Consider Confirmation of the Plan* (the "Motion").[1] Based on the representations made in the Motion, the Court finds that (1) proper and adequate notice of the Motion has been given and no further notice is necessary; (2) no objections to the Motion have

[1] Capitalized terms unless otherwise defined herein shall have the meaning as ascribed to them in the Motion.

been filed; (3) it is in the best interest of the Debtor, its bankruptcy estate, and all creditors to grant the relief requested in the Motion, and (4) based upon the record herein, after due deliberation, good and sufficient cause exists for the granting of the Motion.

IT IS, THEREFORE, ORDERED AS FOLLOWS:

A. Approval of Disclosure Statement

1. Pursuant to Rule 3017(b) of the Federal Rules of Bankruptcy Procedure, the Disclosure Statement is approved as containing adequate information within the meaning of section 1125(a) of the Bankruptcy Code.

B. Confirmation Hearing and Objections

2. Pursuant to Rule 3020(b)(2) of the Federal Rules of Bankruptcy Procedure, the hearing on confirmation of the Plan (the "Confirmation Hearing") shall be, **April 24, 2017, at 2:00 p.m. Central Standard Time**, to be continued, if necessary, to a later date (the "Confirmation Hearing Date").

3. Pursuant to Rule 3020(b)(1) of the Federal Rules of Bankruptcy Procedure, objections to confirmation of the Plan ("Confirmation Objections") must be filed and served by **April 17, 2017** (the "Plan Objection Deadline"). Confirmation Objections not timely filed and served in accordance with this Order shall not be considered.

4. Confirmation Objections to the Plan, if any, must (a) be in writing, (b) comply with the Federal Rules of Bankruptcy Procedure and the Bankruptcy Local Rules, (c) set forth the name of the objector and the nature and amount of any claim or interest asserted by the objector against or in the Debtor, (d) state with particularity the legal and factual bases for the objection, including suggested language to be added or existing language to be amended or deleted, and (e) be filed with the Court.

C. Notice Procedures for Confirmation Hearing

5. Pursuant to the Plan, Classes 1, 2, and 3 are unimpaired and, therefore, are conclusively presumed to accept the Plan. Debtor shall not be required to solicit votes with respect to such classes of claims and interests and such classes of claims and interests shall not be entitled to receive ballots. In lieu of a ballot and in accordance with Rule 3017(d), Debtor shall mail to the Unimpaired Creditors and Interest Holders the Solicitation Materials, which shall include a copy of the Disclosure Statement, Plan and Confirmation Hearing Notice.

6. Pursuant to Rule 3003(c)(2) of the Federal Rules of Bankruptcy Procedure, with respect to all persons or entities who are listed on the Debtor's Schedules as having a claim or a portion of a claim which is disputed, unliquidated or contingent or which is scheduled as zero or unknown in amount and such person or entity did not timely file a proof of claim, Debtor shall not distribute any documents or notices.

7. Debtor will mail the Solicitation Materials on or before March 24, 2017.

8. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

# # #

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ATTORNEYS FOR
TNP TITAN PLAZA FUND, LLC

EXHIBIT C

TNP TITAN PLAZA FUND, LLC LIQUIDATION ANALYSIS

Waterfall Under Chapter 11 Plan	Amount	Remaining Balance
Balance of Funds	$2,754,474.64	$2,754,474.64
Chapter 11 Administrative Expenses	-$120,000.00	$2,634,474.64
Priority Tax Claims (100%)	-$5,500.00	$2,628,974.64
Priority Non-Tax Claim (100%)	-$4,000.00	$2,624,974.64
Unsecured Creditors (100%)	-$479,000.00	$2,145,974.64
Total Available to Interests	$2,145,974.64	

Waterfall Under Chapter 7	Amount	Remaining Balance
Balance of Funds	$2,754,474.64	$2,754,474.64
Chapter 7 Trustee Fees (Distribute $2,200,000)	-$105,884.22	$2,648,590.42
Chapter 7 Attorneys Fees (Estimated)	-$30,000.00	$2,618,590.42
Chapter 11 Administrative Expenses	-$120,000.00	$2,498,590.42
Priority Tax Claims (100%)	-$5,500.00	$2,493,090.42
Priority Non-Tax Claim (100%)	-$4,000.00	$2,489,090.42
Unsecured Creditors (100%)	-$479,000.00	$2,010,090.42
Total Available to Interests	$2,010,090.42	

EXHIBIT D

LIMITED LIABILITY COMPANY AGREEMENT
OF
TNP TITAN PLAZA FUND, LLC

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE SECURITIES OFFERED HEREBY OR PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF ANY DISCLOSURE MADE IN CONNECTION THEREWITH. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES OFFERED HEREBY MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

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LIMITED LIABILITY COMPANY AGREEMENT
OF
TNP TITAN PLAZA FUND, LLC

This Limited Liability Company Agreement, effective as of this 19th day of October 2010, is entered into by and between TNP 2008 Participatin g Notes Program, LLC, a Delaware limited liability company, as the Manager, and TNP 2008 Participating Notes Program, LLC, as Initial Member, pursuant to the Act on the following terms and conditions.

1. Organization

1.1 Formation. On or about September 3, 2010, a Certificate of Formation was filed in the office of the Secretary of State of Delaware in accordance with and pursuant to the Act.

1.2 Name and Place of Business. The name of the Company shall be TNP Titan Plaza Fund, LLC and its principal place of business shall be 1900 Main Street, Suite 700, Irvine, California 92614. The Manager may change such name, change such place of business or establish additional places of business of the Company as the Manager may determine to be necessary or desirable.

1.3 Business and Purpose of the Company. The Company's business and purpose shall consist solely of the following activities:

1.3.1 To acquire, own and operate the Property, and to that end hold, improve, mortgage, maintain, refinance, manage, lease and dispose of the Property;

1.3.2 To exercise all powers enumerated in the Act necessary or convenient to the conduct, promotion or attainment of the business or purposes otherwise set forth herein.

1.4 Title to Company Property. All property owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in any Company property in its individual name or right, and each Member's Membership Interest in the Company shall be personal property for all purposes. The foregoing provisions shall govern over any contrary or inconsistent provision in this Agreement or any other document or instrument governing the affairs of the Company.

1.5 Term. The existence of the Company shall continue unless terminated as provided in Section 13 of this Agreement.

1.6 Required Filings. The Manager shall execute, acknowledge, file, record and/or publish such certificates and documents, as may be required by this Agreement or by law in connection with the formation and operation of the Company.

1.7 Registered Office and Registered Agent. The Company's initial registered office and initial registered agent shall be as provided in the Certificate of Formation. The registered office and registered agent may be changed from time to time by the Manager by filing the address of the new registered office and/or the name of the new registered agent pursuant to the Act.

1.8 Certain Transactions. Any Manager, Member, Economic Interest Owner, or any Affiliate, or any shareholder, officer, director, employee, partner, member or any person owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, whether or not competitive with the Company, including, but not limited to, the acquisition, ownership, syndication, development, financing, leasing, operation, maintenance, management, construction and development of assets similar to the Property and entering into joint ventures for such purposes, and no Manager, Member or other person or entity shall have any interest in such other business or venture by reason of their interest in the Company.

2. Definitions. Definitions for this Agreement are set forth on Exhibit A and are incorporated herein.

3. Capitalization and Financing.

3.1 Members' Capital Contributions.

3.1.1 Initial Member. The Initial Member shall contribute the sum of Three Million Five Hundred Thousand and NO/100 ($3,500,000) in cash to the Company, for seven hundred (700) Preferred Units (as hereinafter defined).

3.1.2 Units. The limited liability company interests in the Company shall consist of a class of convertible preferred limited liability company interests (the "Preferred Units") and a class of common limited liability company interests (the "Common Units") (collectively, the Preferred Units and the Common Units, the "Units"). Each owner of one or more of such Preferred Units or Common Units shall be referred to herein, respectively, as a "Preferred Member" or a "Common Member" with respect to such Units (collectively, the "Members"). The Company is hereby authorized to sell and issue not less than 1 and not more than one thousand seven hundred (1,700) Units at a purchase price of $5,000 per Unit, of which eight hundred fifty (850) shall be Preferred Units and eight hundred fifty (850) shall be Common Units, and to admit the persons who acquire such Units as Members. The minimum purchase per Member for Common Units shall be five (5) Units ($25,000), except that the Manager may, in its sole discretion, sell and issue fractional Common Units in increments of less than 1, provided that the total number of Common Units sold and issued pursuant to this Section 3.1.2 does not exceed 850 Units. The Offering shall terminate on the Offering Termination Date. The Company may accept subscriptions from "benefit plans" (as defined by the Employee Retirement Income Security Act of 1974, as amended ("ERISA") provided, however, that at all times Benefit Plan Investors cannot own, in the aggregate, twenty-five percent (25%) or more of the total value of the Units then outstanding (within the meaning of Department of Labor Regulation 29 CFR §2510.101), unless the Company otherwise satisfies the definition of an "operating company" within the meaning of Department of Labor Regulation 29 CFR §2510.101.

3.1.3 Preferred Units.

(a) TNP 2008 Participating Notes Program, LLC (the "Preferred Member") shall hold seven hundred (700) Preferred Units until the sooner to occur of (i) September 10, 2011 and (ii) the date on which the Capital Contribution of the Preferred Member has been redeemed in full by the Company.

(b) If, at any time prior to September 10, 2011, the Capital Contribution of the Preferred Member is redeemed in full by the Company, then the Preferred Member shall cease to be a Member of the Company, and Thompson National Properties, LLC shall be substituted as Manager of the Company.

(c) If, as of September 10, 2011, the Capital Contribution of the Preferred Member has not yet been redeemed in full by the Company, all outstanding Preferred Units shall be converted by the Company into Common Units on a one-for-one basis, and TNP 2008 Participating Notes Program, LLC shall remain the Manager of the Company until such time as its Capital Contribution is redeemed in full by the Company.

(d) The Preferred Units will be entitled to the Preferred Return until such time as the Preferred Units are redeemed or converted.

3.1.4 Payment of Purchase Price. The purchase price of each Common Unit shall be paid in full in cash at the time of execution of the Subscription Agreement. Payment of the purchase price for a Unit shall constitute the Member's initial Capital Contribution. As described in the Memorandum, Common Units may be sold to certain persons for a Capital Contribution to the Company net of all or a portion of the Selling Commissions and Expenses. The Company will use such purchase price payments to redeem Preferred Units on a one-for-one basis. Nothing in this section would eliminate the redeemed Preferred Units from receiving the Preferred Return.

3.1.5 Subscription Agreement. Each person desiring to acquire Common Units and become a Member shall tender to the Company a Subscription Agreement for the number of Common Units desired, together with the correct full Subscription Payment of the Common Units so subscribed. The Company shall accept or

reject each Subscription Agreement within 30 days after the Company receives the same (and the failure by the Company to accept a Subscription Agreement within said 30 days shall constitute a rejection thereof). If rejected, all Subscription Payments shall be returned to the subscriber. Acceptance of a Subscription Agreement shall be evidenced by the execution by a Manager. Upon the acceptance of a Subscription Agreement, the accompanying Subscription Payment shall become a Capital Contribution by such subscriber.

3.1.6 Cancellation of Offering. If the Company has not accepted Subscription Payments for one (1) Unit on or before the Offering Termination Date, the Unit Offering shall be cancelled.

3.1.7 Admission of a Member. To the extent required by law, the Manager shall amend this Agreement and take such other action as the Manager deems necessary or appropriate promptly after receipt of the Members' Capital Contributions to the Company to reflect the admission of those persons to the Company as Members. As a condition of acquiring Units and becoming a Member, each Member will be required to execute such documents as the Manager or Lender shall reasonably require. No consent of the other Members shall be required to admit a new Member acquiring Units in the Company pursuant to the Offering. Investors in the Company shall be admitted into the Company on the first day of the calendar month following the month in which the Company accepts such subscriber's subscription unless admitted earlier by the Manager. All subscriptions shall be accepted or rejected by the Company within 30 days of their actual receipt by the Company. If rejected, all subscription monies shall be returned to the subscriber without interest.

3.1.8 Liabilities of Members. Except as specifically provided in this Agreement, neither the Manager nor any Member shall be required to make any additional Capital Contributions to the Company and no Manager or Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company, by reason of being a Member or Manager of the Company, nor shall the Manager or the Members be required to lend any funds to the Company or to repay to the Company, any Member or any creditor of the Company any portion or all of any deficit balance in a Member's Capital Account.

3.1.9 Manager as Member. The Manager and/or Affiliates may purchase Units for the same price and upon the same terms and conditions, subject to Section 3.1.4, as all other purchasers thereof. Certain Affiliates of the Manager and its officers and directors may acquire additional Units. As a result, the Manager or Affiliates may be admitted to the Company as Members with respect to such Units and would be entitled to all rights as Members appurtenant thereto, including but not limited to the right to vote on certain Company matters as provided for in this Agreement and to receive Distributions and allocations attributable to the Units so purchased.

3.2 Additional Capital Contributions.

3.2.1 Call Notice. If from time to time during the term of the Company, the Manager determines, in its sole discretion, that additional funds are required to meet obligations of the Company (other than obligations for fees or other compensation payable to the Manager or its Affiliates) and that such obligations cannot be met out of Company borrowings (including Manager loans or Affiliate loans), then from time to time as so determined, the Manager may give notice (a "Call Notice") to the Members setting forth: (i) the purpose or purposes for which such additional funds ("Additional Capital Contributions") are required by the Company; (ii) the date on which the Additional Capital Contributions are required by the Company, within ten (10) days after the Call Notice; (iii) the number, rights, powers, priorities, and preferences of membership units to be issued in exchange for such Additional Capital Contributions ("Additional Units"); and (iv) the amount of the Additional Capital Contribution which must be made in exchange for each Additional Unit.

3.2.2 Additional Capital Contributions. Any Member may elect, but shall not be required, to make an Additional Capital Contribution and acquire one or more Additional Units (or a fractional part thereof, if permitted by the Manager) in exchange therefore by giving notice to the Manager (a "Subscription Notice") of such election within five (5) days after the Call Notice setting forth the number of Additional Units which the Member (an "Electing Member") wishes to acquire. If the total number of Additional Units available equals or exceeds the number of Additional Units which all Electing Members wish to acquire, then each Electing Member shall subscribe for the number of Additional Units set forth in such Electing Member's Subscription Notice. If the number of Additional Units which all Electing Members wish to acquire exceeds the total number of Additional Units available, then the Additional Units shall be allocated among the Electing Members on a pro rata basis in accordance

with the relative Units ownership among the Electing Members. If the Electing Members do not acquire all of the Additional Units offered by the Company, the Manager shall, for a period of one hundred and eighty (180) days after the date of the Call Notice, be authorized, on behalf of the Company, to sell the remaining Additional Units to third parties, to admit the purchasers of such remaining Additional Units as Members in accordance with this Agreement and to use the proceeds of such Additional Units to pay any balance of Company borrowings (including Manager loans and Affiliate loans) used to fund any shortfall in the Additional Capital Contributions requested pursuant to Subsection 3.2.2 on a first priority basis . Thereafter, the Additional Units shall once again be subject to the provisions of this Subsection 3.2.2.

3.2.3 Legality of Issuance of Additional Units. The right of each Member to acquire one or more Additional Units (or a fractional part thereof) pursuant to this Section 3.2 shall be conditioned upon the issuance and sale of Additional Unit(s) to such Member being permitted by all laws, including federal and state securities laws, to which the Company, the Member, and the Additional Units are subject.

3.2.4 Adjustment of Unit Ownership. In the event that any Member or third party makes an Additional Capital Contribution and acquires one or more Additional Units pursuant to this Section 3.2, the respective Units of each Member shall be adjusted by the Manager to reflect the percentage of total Units (including the Additional Units, as applicable) owned by such Member after the issuance of all Additional Units. Each Member acknowledges that the Units of such Member may be diluted pursuant to this Section 3.2 and hereby consents to such dilution.

3.2.5 Amendments to Agreement. The Manager is hereby authorized to make such amendments to this Agreement as they, in its sole discretion, deems necessary or advisable to reflect the sale of Additional Units and/or the admission of Members in accordance with this Section 3.2, including such amendments as may be necessary or appropriate to reflect the authorization and issuance of new classes or series or units, the relative priority of each class or series of units, and the adjustment of the Units of the Members, all in accordance with this Section 3.2. For all other purposes of this Agreement, Units owned by a Member shall include additional Units owned by a Member.

3.3 Manager Loans. Provided it does not violate or conflict with any Loan, the Manager or its Affiliates may, but will have no obligation to, make loans to the Company. Any such loan shall bear interest at the actual cost of funds to such Manager (which shall be a market rate of interest) and provide for the payment of principal and any accrued but unpaid interest in accordance with the terms of the promissory note evidencing such loan, but in no event later than dissolution of the Company.

3.4 Company Loans. Subject to the terms of any Loan, the Company may obtain, incur or assume, in the sole and absolute discretion of the Manager, loans to finance the Company's activities.

4. Allocation of Tax Items.

4.1 Allocation of Net Income and Net Loss. For each fiscal year, after adjusting each Member's Capital Account for all Capital Contributions and Distributions during such fiscal year and all special allocations pursuant to Section 4.2 with respect to such fiscal year, Net Income and Net Loss for a fiscal year shall be allocated to the Members as set forth in this Section 4.1. Net Income and Net Loss shall be allocated to the Members in such manner that the Capital Account balance of each Member shall, to the greatest extent possible, be equal to (1) the amount that would be distributed to such Member, if (a) the Company were to sell the assets of the Company for their Gross Asset Values, (b) all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the Gross Asset Values of the assets securing such liability), and (c) the Company were to dissolve pursuant to Section 13, minus (2) such Member's share of Company Minimum Gain or Member Minimum Gain, computed immediately prior to the hypothetical sale of assets.

4.2 Regulatory Allocations. Notwithstanding Section 4.1, the following regulatory allocations shall be made for each fiscal year in the following order of priority:

4.2.1 Company Minimum Gain Chargeback. In the event there is a net decrease in Company Minimum Gain during any fiscal year, the "minimum gain chargeback" described in Treasury Regulations Section 1.704-2(f) and Treasury Regulations Section 1.704-2(g) shall apply.

4.2.2 Member Minimum Gain Chargeback. In the event there is a net decrease in Member Minimum Gain during any fiscal year, the "partner minimum gain chargeback" described in Treasury Regulations Section 1.704-2(i)(4) shall apply.

4.2.3 Qualified Income Offset. This Agreement incorporates the "qualified income offset" set forth in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) as if those provisions were fully set forth in this Agreement.

4.2.4 Gross Income Allocation. Net Loss shall not be allocated to any Member to the extent such allocation would cause any Member to have an Adjusted Capital Account Deficit at the end of a fiscal year. In the event any Member has an Adjusted Capital Account Deficit at the end of any fiscal year, each such Member shall be specially allocated items of Company gross income and gain in the amount of such Adjusted Capital Account Deficit as quickly as possible; provided, however, that an allocation pursuant to this Section 4.2.4 shall be made only if and to the extent that such Member has an Adjusted Capital Account Deficit after all other allocations provided for in this Agreement have been made as if Sections 4.2.3 and this Section 4.2.4 were not in the Agreement.

4.2.5 Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other period shall be allocated to the Members in proportion to their Units.

4.2.6 Excess Nonrecourse Liabilities. The Company shall allocate "excess nonrecourse liabilities" within the meaning of Treasury Regulations Section 1.752-3(a)(3) to the Members in proportion to their Units.

4.2.7 Member Nonrecourse Deductions. Member Nonrecourse Deductions for any fiscal year shall be allocated to the Member who bears the economic risk of loss as set forth in Treasury Regulations Section 1.752-2 with respect to the Member Nonrecourse Debt. If more than one Member bears the economic risk of loss for a Member Nonrecourse Debt, any Member Nonrecourse Deductions attributable to that Member Nonrecourse Debt shall be allocated among the Members according to the ratio in which they bear the economic risk of loss.

4.2.8 Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Sections 1.704-1(b)(2)(iv)(*m*)(2) and 1.704-1(b)(2)(iv)(*m*)(4), to be taken into account in determining Capital Accounts as a result of a distribution to a Member in complete liquidation of its Membership Interest, the amount of such 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 such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to Treasury Regulations Sections 1.704-1(b)(2)(iv)(*m*)(2) and 1.704-1(b)(2)(iv)(*m*)(4).

4.2.9 Target Final Balance. The allocation provisions of this Agreement are intended to produce final Capital Account balances that are at levels ("Target Final Balance") that permit liquidating Distributions that are made in accordance with such final Capital Account balances to be equal to the Distributions that would occur under Section 13.3.3 hereof, if such Liquidation proceeds were distributed pursuant to Section 5.1. To the extent the allocation provisions of this Agreement would not produce the Target Final Balance, the Members agree to take such actions as are necessary to amend such allocation provisions to produce such Target Final Balance. In furtherance of the foregoing, the Manager is expressly authorized and directed to make such allocations of income, gain, loss and deduction (including items of gross income, gain, loss and deduction) in the

year of Liquidation of the Company so as to cause the Capital Accounts of the Members that determine the amounts that are distributed to the Members under Section 13.3.3 to be equal to the Target Final Balance.

4.3 Contributed Property. In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for U.S. federal income tax purposes and its initial Gross Asset Value using an allocation method pursuant to the regulations under Code Section 704(c) as selected by the Manager. In the event the Gross Asset Value of any Company asset is adjusted pursuant to the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder.

4.4 Commission Discounts. In the event any Member receives a commission discount as described in Section 3.1.3, such Member shall be treated upon Liquidation of the Company as if such Member had not received a discount and an appropriate income allocation shall be made to such Member for purposes of determining liquidating Distributions pursuant to Section 13.3.3.

4.5 Recapture Income. The portion of each Member's distributive share of Net Income that is characterized as ordinary income or as uncaptured Section 1250 depreciation pursuant to Section 1245 or 1250 of the Code shall be proportionate to the amount of Net Income or Net Loss which included the corresponding depreciation deductions that were allocated to such Member as compared with the amount of depreciation deductions allocated to all Members.

4.6 Allocation Among Units. Except as otherwise provided in this Agreement, all allocations made with respect to the Units shall be in the ratio of the number of Units held by each such Member on the date of such allocation (which allocation date shall be deemed to be the last day of each month) to the total outstanding Units as of such date and except as otherwise provided in this Agreement without regard to the number of days during such month that the Units were held by each Member. Members who purchase Units at different times during the Company tax year shall be allocated Net Income and Net Loss using the monthly convention set forth in Section 4.8. For purposes of this Section 4, an Economic Interest Owner shall be treated as a Member.

4.7 Allocation of Company Items. Except as otherwise provided herein, an allocation of a proportionate share of Net Income or Net Loss to a Member shall be treated as an allocation to such Member of the same share of each item of income, gain, loss, deduction, credit or tax preference entering into the computation of such Net Income or Net Loss.

4.8 Assignment. In the event of the assignment of a Unit, Net Income and Net Loss shall be apportioned as between the Member and his or her assignee based upon the number of months of their respective ownership during the year in which the assignment occurs, without regard to the results of the Company's operations during the period before or after such assignment. Distributions shall be made to the holder of record of the Units as of the date of the Distribution. An assignee that receives Units during the first 15 days of a month will receive any allocations relative to such month. An assignee that acquires Units on or after the sixteenth day of a month will be treated as acquiring his or her Units on the first day of the following month.

4.9 Power of Manager to Vary Allocations. It is the intent of the Members that each Member's share of Net Income and Net Loss be determined and allocated in accordance with Section 704(b) of the Code and the provisions of this Agreement shall be so interpreted. Therefore, if the Company is advised by the Company's legal counsel that the allocations provided in this Section 4 are unlikely to be respected for U.S. federal income tax purposes, the Manager is hereby granted the power to amend the allocation provisions of this Agreement to the minimum extent necessary to comply with Section 704(b) of the Code and effect the plan of allocations and Distributions provided for in this Agreement.

4.10 Consent of Members. The allocation methods of Net Income and Net Loss are hereby expressly consented to by each Member as a condition of becoming a Member.

4.11 Withholding Obligations.

4.11.1 If the Company is required to make a payment ("Tax Payment") with respect to any Member to discharge any legal obligation on the part of the Company or the Manager to make payments to any governmental authority with respect to any federal, foreign, state or local tax liability of such Member arising as a result of such Member's interest in the Company, then, notwithstanding any other provision of this Agreement to the contrary, the amount of any such Tax Payment shall be deemed to be a loan by the Company to such Member, which loan shall bear interest at the Prime Rate and be payable upon demand or by offset to any Distribution which otherwise would be made to such Member.

4.11.2 If and to the extent the Company is required to make any Tax Payment with respect to any Member, or elects to make payment on any loan described in Section 4.11.1 by offset to a Distribution to a Member, either (i) such Member's proportionate share of such Distribution shall be reduced by the amount of such Tax Payment, or (ii) such Member shall pay to the Company prior to such Distribution an amount of cash equal to such Tax Payment. In the event a portion of a Distribution in kind is retained by the Company pursuant to clause (i) above, such retained property may, in the discretion of the Manager, either (A) be distributed to the other Members, or (B) be sold by the Company to generate the cash necessary to satisfy such Tax Payment. If the property is sold, then for purposes of income tax allocations only under the Agreement, any gain or loss from such sale or exchange shall be allocated to the Member to whom the Tax Payment relates. If the property is sold at a gain and the Company is required to make any Tax Payment on such gain, the Member to whom the gain is allocated shall pay the Company prior to the due date of Tax Payment an amount of cash equal to such Tax Payment.

4.11.3 The Manager shall be entitled to hold back any Distribution to any Member to the extent the Manager believes that a Tax Payment will be required with respect to such Member in the future and the Manager believes that there will not be sufficient subsequent Distributions to make such Tax Payment.

4.11.4 Any amount withheld from a distribution to a Member pursuant to Section 4.11.2 and 4.12.3 shall be treated as an amount distributed to such Member.

5. Distributions.

5.1 Cash from Operations. Except as otherwise provided in Section 13, Distributable Cash arising from Cash from Operations with respect to each calendar year shall be distributed as follows to the Members in proportion to their Units

5.1.1 First, to pay the Preferred Return to the Preferred Member not less frequently than monthly, including any accrued but unpaid amounts of Preferred Return;

5.1.2 Second, 100% to the Members in proportion to their Net Capital Contributions to the extent of their Net Capital Contributions attributable to the Property; and

5.1.3 Third, to the Members in proportion to their Units until the Members have been distributed (under Section 5.1.2 and Section 5.2) an amount equal to their accrued but undistributed Member Return.

5.2 Cash from Sale or Refinancing. Except as otherwise provided in Section 13 and subject to the Manager's discretionary right to reinvest proceeds as provided in Section 5.3, Distributable Cash arising from Cash from Sale or Refinancing shall be distributed as follows:

5.2.1 First, to pay the Preferred Return to the Preferred Member not less frequently than monthly, including any accrued but unpaid amounts of Preferred Return;

5.2.2 Second, 100% to the Members in proportion to their Net Capital Contributions to the extent of their Net Capital Contributions attributable to the Property; and

5.2.3 Third, to the Members in proportion to their Units until the Members have been distributed (under this Section 5.2.2 and Section 5.1) an amount equal to their accrued but undistributed Member Return;

5.2.4 Thereafter, 80% to the Members in proportion to their Units and 20% to the Manager.

5.3 Restrictions. The Company intends to make monthly distributions of substantially all cash determined by the Manager to be distributable, subject to the following: (i) Distributions may be restricted or suspended for periods when the Manager determines in its reasonable discretion that it is in the best interest of the Company; (ii) all Distributions are subject to the payment and the maintenance of reasonable reserves for payment, of Company obligations; (iii) all Distributions shall be paid only to the extent that all currently due operating expenses have been paid or otherwise provided for; and (iv) in the event the Property is refinanced or recapitalized, the Manager may, in its sole and absolute discretion, reinvest the proceeds in a new or existing investment.

6. Compensation to the Manager and its Affiliates. The Manager and its Affiliates shall receive compensation from the Company for services rendered or to be rendered only as specified in this Agreement.

6.1 Manager and Affiliates' Compensation. The Manager and its Affiliates shall receive compensation from the Company for services rendered or to be rendered only as specified in this Agreement.

6.1.1 For its services in connection with the selection, due diligence and acquisition of the Property, TNP 2008 Participating Notes Program, LLC or an Affiliate shall be entitled to receive an acquisition fee equal to 4.0% of its initial Capital Contribution.

6.1.2 TNP Property Manager, LLC, an Affiliate of Thompson National Properties, LLC, shall be entitled to receive a property management fee of up to 4.0% of the monthly gross revenues of the Property.

6.1.3 TNP Property Manager, LLC or its Affiliate shall be entitled to receive a selling commission of up to 3% of the sales price of the Property when it is sold. If there is a broker fee paid to a third-party broker in connection with such sale, exchange or other disposition, the payment to the third-party broker will be paid in addition to the fee to which TNP Property Manager, LLC and its Affiliates may be entitled.

6.1.4 TNP Securities, LLC, an Affiliate of the Sponsor (the "Managing Broker-Dealer"), will receive: (i) a selling commission of 7.0% of the gross proceeds ("Gross Proceeds") of the Offering, which may be reallowed to the Selling Group on a nonaccountable basis, and (ii) a nonaccountable marketing and due diligence allowance of 2.5% of the Gross Proceeds, of which up to 1.5% of the Gross Proceeds will be reallowed to members of the Selling Group. In addition, a portion or all of the allowance paid to the Managing Broker-Dealer may be paid to wholesalers or to reimburse the Sponsor for any sales commissions paid for wholesaling activities associated with the Offering. Any excess marketing and due diligence allowance, after payments for wholesalers and other selling expenses, will be retained by the Managing Broker-Dealer.

6.1.5 An organization, marketing, and offering cost allowance of 2.0% of the Maximum Offering Amount will be paid to the Sponsor or an Affiliate as an allowance for Organization and Offering Expenses incurred in connection with the Offering. To the extent that the actual Organization and Offering Expenses are less than $82,000, any such savings amount will be retained by the Sponsor, but if the actual Organization and Offering Expenses exceed $82,000, then any such shortfall will be paid or reimbursed by the Sponsor.

6.1.6 To the extent the Manager or one of its Affiliates provides a good or service to the Company not contemplated in this Section 6.1, the Company will compensate it at no more than the then prevailing market rate for such good or service.

6.2 Company Expenses.

6.2.1 Operating Expenses. Subject to the limitations set forth in Section 6.2.2, the Company

shall pay directly, or reimburse the Manager as the case may be, for all of the costs and expenses of the Company's operations, including, without limitation, the following costs and expenses: (i) all Organization and Offering Expenses advanced or otherwise paid by the Manager up to $82,000; (ii) all costs of personnel employed by the Company and directly involved in the Company's business; (iii) all compensation due to the Manager or its Affiliates; (iv) all costs of personnel employed by the Manager or its Affiliates and directly involved in the business of the Company; (v) all costs of acquiring, owning, maintaining, managing, leasing, financing and selling the Property; (vi) legal, accounting, audit, brokerage and other fees; (vii) fees and expenses paid to independent contractors, mortgage bankers, real estate brokers and other agents; (viii) all expenses incurred in connection with the maintenance of Company books and records, the preparation and dissemination of reports, tax returns or other information to the Members and the making of Distributions to the Members; (ix) expenses incurred in preparation and filing reports or other information with appropriate regulatory agencies; (x) expenses of insurance as required in connection with the business of the Company, other than any insurance insuring the Manager against losses for which it is not entitled to be indemnified under Section 7.8; (xi) costs incurred in connection with any litigation in which the Company may become involved, or any examination, investigation, or other proceedings conducted by any regulatory agency, including legal and accounting fees; (xii) the actual costs of goods and materials used by or for the Company; (xiii) the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manager or its Affiliates, but not in excess of the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale; (xiv) expenses of Company administration, accounting, documentation and reporting; (xv) expenses of revising, amending, modifying or terminating this Agreement; (xvi) all travel expenses incurred in connection with the Company's business, including travel to and from the Property; (xvii) the portion of the Thompson National Properties, LLC's pa yroll expenses allocable to work performed for the Company; and (xviii) all other costs and expenses incurred in connection with the business of the Company exclusive of those set forth in Section 6.2.2. All payments set forth herein shall be paid from (a) proceeds received from the sale of additional Units in accordance with the terms of this Agreement and any Mortgage Loan and (b) from any funds available after payment of, or other provision for, all other currently due operating expenses of the Company.

6.2.2 Manager Overhead. Except as set forth in this Section 6, the Manager and its Affiliates shall not be reimbursed for overhead expenses incurred in connection with the Company, including but not limited to rent, depreciation, utilities, capital equipment, or other administrative items.

6.2.3 Acquisition Expenses. Notwithstanding Section 6.2.2, the Manager and its Affiliates will be reimbursed for all costs expended in acquiring the Property. Notwithstanding this provision, the Manager and its Affiliates shall have no obligation to advance funds to or incur liabilities on behalf of the Company.

7. Authority and Responsibilities of the Manager.

7.1 Management. The Manager shall manage the business and affairs of the Company. Except as otherwise set forth in this Agreement and the Certificate of Formation, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

7.2 Number, Tenure and Qualifications. The Company shall have one or more Managers, which shall initially be TNP 2008 Participating Notes Program, LLC. The Manager shall hold office until such Manager is removed, replaced pursuant to Section 3.1.3(b), withdraws or resigns (or suffers another Dissolution Event).

7.3 Manager Authority. The Manager shall have all authority, rights and powers conferred by law (subject only to Section 7.4, Section 8.2, Section 16.2 and the Certificate of Formation) and those required or appropriate to the management of the Company's business, including, without limitation, the right authority and power to cause the Company to:

7.3.1 Acquire the Property from the Seller, on such terms as the Manager deems necessary and appropriate, in its sole discretion;

7.3.2 Make representations and warranties and indemnifications on behalf of the Company in connection with the acquisition, ownership, management, leasing, financing and disposition of the Property;

7.3.3 Take all actions as the buyer and owner of the Property;

7.3.4 Borrow money from unaffiliated parties or Affiliates, and, if security is required therefor, to pledge or mortgage or subject the Property to any security device (including pledges of membership interests), to obtain replacements of any mortgage or other security device and to prepay, in whole or in part, refinance, increase, modify, consolidate, or extend any mortgage or other security device;

7.3.5 Enter into such contracts and agreements as the Manager determines to be reasonably necessary or appropriate in connection with the Company's business and purpose (including contracts with Affiliates of the Manager), and any contract of insurance that the Manager deems necessary or appropriate for the protection of the Company and the Manager, including errors and omissions insurance, for the conservation of Company assets, or for any purpose convenient or beneficial to the Company;

7.3.6 Employ persons, who may be Affiliates of the Manager, in the operation and management of the business of the Company;

7.3.7 Prepare or cause to be prepared reports, statements and other relevant information for distribution to the Members;

7.3.8 Open accounts and deposits and maintain funds in the name of the Company in banks, savings and loan associations, "money market" mutual funds and other instruments as the Manager may deem in its discretion to be necessary or desirable;

7.3.9 Cause the Company to make or revoke any of the elections referred to in the Code (the Manager shall have no obligation to make any such elections);

7.3.10 Select as its accounting year a calendar or fiscal year as may be permissible under the Code (the Company initially intends to adopt the calendar year);

7.3.11 Determine the appropriate accounting method or methods to be used by the Company;

7.3.12 In addition to any amendments otherwise authorized herein, amend this Agreement without any action on the part of the Members by special or general power of attorney or otherwise to:

(a) Add to the representations, duties, services or obligations of the Manager or its Affiliates, for the benefit of the Members;

(b) Cure any ambiguity or mistake, to correct or supplement any provision herein that may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement that will not be inconsistent with the provisions of this Agreement;

(c) Delete or add any provision of this Agreement required to be so deleted or added for the benefit of the Members by the staff of the Securities and Exchange Commission or by a state "Blue Sky" Commissioner or similar official;

(d) Amend this Agreement to reflect the addition or substitution of Members, the increase of the Capital Accounts upon the contribution of Additional Capital Contributions by Members or the reduction of the Capital Accounts upon the return of capital to the Members;

(e) Minimize the adverse impact of, or comply with, any final regulation of the United States Department of Labor, or other federal agency having jurisdiction, defining "plan assets" for ERISA purposes;

(f) Reconstitute the Company under the laws of another state if beneficial;

(g) Execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney, and to take all such actions in connection therewith as the Manager shall deem necessary or appropriate with the signature of the Manager (or its designee) acting alone; and

(h) Make any changes to this Agreement as requested or required by any Lender that may be required to obtain financing.

7.3.13 Require in any Company contract that the Manager shall not have any personal liability, but that the person or entity contracting with the Company is to look solely to the Company and its assets for satisfaction;

7.3.14 Lease personal property for use by the Company;

7.3.15 Establish reserves from income in such amounts as the Manager may deem appropriate;

7.3.16 Provided it does not violate or conflict with any Loan, make secured or unsecured loans to the Company and receive interest at the rates set forth herein;

7.3.17 Offer and sell Units to the public through any licensed Affiliate, or licensed nonaffiliate and to employ licensed personnel, agents and dealers for such purpose;

7.3.18 Redeem or repurchase Units on behalf of the Company;

7.3.19 Impose such restrictions (including restrictions on transfers) as it shall deem necessary or appropriate for the purpose of ensuring that no Units are acquired or held by any person in breach of this Agreement. In particular, the Manager shall ensure that no Units shall be issued to a Benefit Plan Investor if, following the issuance of such Units, the total investment by Benefit Plan Investors in the Company shall equal or exceed 25% of the value of the total number of Units outstanding, unless the Company otherwise satisfies the definition of an "operating company" within the meaning of Department of Labor Regulation 29 CFR §2510.101.

7.3.20 Maintain, for the conduct of the Company's affairs, one or more offices and in connection therewith, rent or acquire office space, engage personnel, whether part-time or full-time and do such other acts as the Manager may deem necessary or advisable in connection with the maintenance and administration of such office or offices;

7.3.21 Engage attorneys, accountants, advisors and such other persons as the Manager may deem necessary or advisable;

7.3.22 Make or decline to make any elections available to the Company under the Code;

7.3.23 Temporarily invest the proceeds from sale of Units in short-term, highly-liquid investments;

7.3.24 Represent the Company and the Members as "tax matters partner" within the meaning of the Code in discussions with the Internal Revenue Service regarding the tax treatment of items of Company income, loss, deduction or credit, or any other matter reflected in the Company's returns, and to agree to final Company administrative adjustments or file a petition for a readjustment of the Company items in question with the applicable court;

7.3.25 Initiate legal actions, settle legal actions and defend legal actions on behalf of the Company;

7.3.26 Admit itself as a Member;

7.3.27 Perform any and all other acts which the Manager is obligated to perform hereunder; and

7.3.28 Execute, acknowledge and deliver any and all instruments to effectuate the foregoing and all transactions and actions described in or contemplated by the Memorandum and take all such actions in connection therewith as the Manager may deem necessary or appropriate. The Manager may, on behalf and in the name of the Company, execute any and all documents or instruments.

7.4 Restrictions on Manager's Authority. Subject to the Certificate of Formation and in addition to the restrictions imposed by Section 8.2, neither the Manager nor any Affiliates shall have authority, without a Majority Vote of the Units, to:

7.4.1 Use or permit any other person to use Company funds or assets in any manner except for the exclusive benefit of the Company;

7.4.2 Alter the primary purpose of the Company;

7.4.3 Admit another person or entity as the Manager;

7.4.4 Commingle the Company funds with those of any other person or entity, except for (i) the temporary deposit of funds in a bank checking account for the sole purpose of making Distributions immediately thereafter to the Members or (ii) funds attributable to the Property and held for use in the management of the operations of the Property; or

7.4.5 Directly or indirectly pay or award any finder's fees, commissions or other compensation to any person engaged by a potential investor for investment advice as an inducement to such advisor to advise the purchaser regarding the purchase of Units; provided, however, that the Manager shall not be prohibited from paying underwriting or marketing commissions, or finder's or referral fees to registered broker-dealers or other properly licensed persons for their services in marketing Units as provided for in this Agreement.

7.5 Responsibilities of the Manager. The Manager shall:

7.5.1 Have a fiduciary responsibility for the safekeeping and use of all the funds and assets of the Company;

7.5.2 Devote such of its time and business efforts to the business of the Company as it shall in its discretion, determine to be necessary to conduct the business of the Company for the benefit of the Company and the Members;

7.5.3 File and publish all certificates, statements or other instruments required by law for formation, qualification and operation of the Company and for the conduct of its business in all appropriate jurisdictions;

7.5.4 Cause the Company to be protected by public liability, property damage and other insurance determined by the Manager in its discretion to be appropriate to the business of the Company;

7.5.5 At all times use its best efforts to meet applicable requirements for the Company to be taxed as a partnership and not as an association taxable as a corporation or as a publicly traded partnership under Section 7704 of the Code; and

7.5.6 Amend this Agreement to reflect the admission of Members not later than 90 days after the date of admission or substitution.

7.6 Administration of Company. So long as it is a Manager and the provisions of this Agreement for compensation and reimbursement of expenses of the Manager are observed, the Manager shall have the responsibility of providing continuing administrative and executive support, advice, consultation, analysis and supervision with respect to the functions of the Company, including decisions regarding the Property, and compliance with federal, state and local regulatory requirements and procedures. In this regard, the Manager may retain the services of such Affiliates or unaffiliated parties as the Manager may deem appropriate to provide management and financial consultation and advice, and may enter into agreements for the management and operation of Company assets.

7.7 Tax Matters Member. The Members hereby appoint TNP 2008 Participating Notes Program, LLC to act as the "tax matters partner" of the Company, unless TNP 2008 Participating Notes Program, LLC is replaced as Manager pursuant to Section 3.1.3(b), then Thompson National Properties, LLC is appointed as the "tax matters partner" of the Company.

7.8 Indemnification of Manager.

7.8.1 The Manager, its principals, Affiliates, officers, directors, partners, manager, members, employees, agents and assigns, shall not be liable for and shall be indemnified and held harmless (to the extent of the Company's assets) from, any loss or damage incurred by them, the Company or the Members in connection with the business of the Company, including costs and reasonable attorneys' fees and any amounts expended in the settlement of any claims of loss or damage resulting from any act or omission performed or omitted in good faith, which shall not constitute fraud or gross negligence, pursuant to the authority granted, to promote the interests of the Company. Moreover, the Manager shall not be liable to the Company or the Members because any taxing authorities disallow or adjust any deductions or credits in the Company income tax returns.

7.8.2 Notwithstanding Section 7.8.1, the Company shall not indemnify any Manager, or principal, director, officer or other employee thereof, for liability imposed or expenses incurred in connection with any claim arising out of a violation of the Securities Act of 1933, or any other federal or state securities law, with respect to the offer and sale of the Units. Indemnification will be allowed for settlements and related expenses in lawsuits alleging securities law violations and for expenses incurred in successfully defending such lawsuits, provided that (i) the Manager is successful in defending the action; (ii) the indemnification is specifically approved by the court of law which shall have been advised as to the current position of the Securities and Exchange Commission (as to any claim involving allegations that the Securities Act of 1933 was violated) or the applicable state authority (as to any claim involving allegations that the applicable state's securities laws were violated); or (iii) in the opinion of counsel for the Company, the right to indemnification has been settled by controlling precedent.

7.8.3 To the fullest extent permitted by applicable law, the Company may advance to or on behalf of an indemnified person, expenses (including legal fees) incurred by such indemnified person in defending any claim, demand, action, suit or proceeding, from time to time, prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of a written undertaking by or on behalf of the indemnified person to repay such amount if it shall be determined that the indemnified person is not entitled to be indemnified as authorized in Section 7.8.1 hereof unless the fees are related to an action brought by the Company against such indemnified person in which case the indemnified person shall only be entitled to the reimbursement of expenses incurred if the indemnified person is not found to have been liable to the Company.

7.9 No Personal Liability for Return of Capital. No Manager shall be personally liable or responsible for the return or repayment of all or any portion of the Capital Contribution of any Member or any loan made by any Member to the Company, it being expressly understood that any such return of capital or repayment of any loan shall be made solely from the assets (which shall not include any right of contribution from any Member) of the Company.

7.10 Authority as to Third Persons.

7.10.1 No third party dealing with the Company shall be required to investigate the authority of a Manager or secure the approval or confirmation by any Member of any act of a Manager in connection with

the Company business. No purchaser of any property or interest owned by the Company shall be required to determine the right to sell or the authority of a Manager to sign and deliver any instrument of transfer on behalf of the Company, or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

7.10.2 Each Manager shall have full authority to execute on behalf of the Company any and all agreements, contracts, conveyances, deeds, mortgages and other instruments and the execution thereof by the Manager, executing on behalf of the Company shall be the only execution necessary to bind the Company thereto. No signature of any Member shall be required.

7.10.3 Each Manager shall have the right by separate instrument or document to authorize one or more individuals or entities to execute leases and lease-related documents on behalf of the Company and any leases and documents executed by such agent shall be binding upon the Company as if executed by the Manager.

8. Rights, Authority and Voting of the Members.

8.1 Members Are Not Agents. Pursuant to Section 7 and the Certificate of Formation, the management of the Company is vested in the Manager. No Member, acting solely in the capacity of a Member, is an agent of the Company nor can any Member in such capacity bind nor execute any instrument on behalf of the Company.

8.2 Voting by a Member. Subject to the terms of any Loan, Members who own Units shall be entitled to cast one vote for each Unit they own. Except as otherwise specifically provided in this Agreement, Members who own Units (but not Economic Interest Owners) shall have the right to vote only upon the following matters:

8.2.1 Sale, disposal or other transfer of all or any part of the six-story, 103,395 rentable square foot office building known as Titan Building, located in San Antonio, Bexar County, Texas comprising a portion of the Property; provided that the Members shall not have the right to vote on the sale, disposal or other transfer of any part of the single-story, 28,224 rentable square foot office building known as Titan Plaza, located in San Antonio, Bexar County and comprising the remainder of the Property;

8.2.2 Refinancing a Loan;

8.2.3 Removal of a Manager as provided in this Agreement; except as otherwise provided in Section 3.1.3(b) hereof;

8.2.4 Admission of a Manager or election to continue the business of the Company after the Manager ceases to be Manager and there is no remaining Manager; provided, that the Manager may assign its interest to an Affiliate, and such Affiliate shall be admitted as the Manager, without the consent of the Members;

8.2.5 Amendment of this Agreement, except as may be required to conform with commercially reasonable requirements of a third-party lender for the Property;

8.2.6 Any merger, combination or roll-up of the Company;

8.2.7 Dissolution and winding up of the Company as set forth in Section 13.1;

8.2.8 Elect to continue the Company in the event of a Dissolution Event.

8.3 Member Vote; Consent of Manager. Except for the Majority Votes required pursuant to Sections 8.2.3, 8.2.4, 8.4.3, 9.2, 10.1, 10.1.4, 13.1.4 and 13.3, which provisions shall only require a Majority Vote, or as specifically provided in this Agreement, matters upon which the Members may vote shall require a Majority Vote and the consent of the Manager to pass and become effective. The foregoing notwithstanding, at any time any Loan is in existence, all Members shall be conclusively deemed to have elected to continue the existence of the

Company under Section 8.2.2. Furthermore, for those matters detailed in the Certificate of Formation, a unanimous consent of the Members is required.

8.4 Meetings of the Members. The Manager may at any time call for a meeting of the Members, or for a vote without a meeting, on matters on which the Members are entitled to vote and shall call for such a meeting (but not a vote without a meeting) following receipt of a written request therefor of Members holding more than 33% of the outstanding Units. Within 20 days after receipt of such request, the Manager shall notify all Members of record on the record date of the Company meeting.

8.4.1 Notice. Written notice of each meeting shall be given to each Member entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such Member at his or her address appearing on the books of the Company or given by him or her to the Company for the purpose of notice or, if no such address appears or is given, at the principal executive office of the Company, or by publication of notice at least once in a newspaper of general circulation in the county in which such office is located. All such notices shall be sent not less than 10, nor more than 60, days before such meeting. The notice shall specify the place, date and hour of the meeting and the general nature of business to be transacted and no other business shall be transacted at the meeting.

8.4.2 Adjourned Meeting and Notice Thereof. When a Members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

8.4.3 Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the Units shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a Majority Vote or such greater vote as may be required by this Agreement or by law. In the absence of a quorum, any meeting of Members may be adjourned from time to time by the vote of a majority of the Units represented either in person or by proxy, but no other business may be transacted, except as provided above.

8.4.4 Consent of Absentees. The transactions of any meeting of Members, however called and noticed and wherever held, are as valid as though they occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy and, if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of the meeting or an approval of the minutes thereof. All waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting.

8.4.5 Action Without Meeting. Except as otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all entitled to vote thereon were present and voted; provided, that each Member who has been provided the consent shall be deemed to have affirmed and signed the consent if the Manager does not receive a written communication to the contrary from such Member within seven (7) business days of the date of the Manager's notice transmitting the proposed consent. In the event the Manager or Members representing more than 33% of the Units, request a meeting for the purpose of discussing or voting on the matter, the notice of a meeting shall be given in the same manner as required by Section 8.4.1 and no action shall be taken until the meeting is held. Unless delayed as a result of the preceding sentence, any action taken without a meeting will be effective immediately after the required minimum number of voters have signed the consent.

8.4.6 Record Dates. For purposes of determining the Members entitled to notice of any meeting or to vote or entitled to receive any Distributions or to exercise any rights in respect of any other lawful matter, the Manager (or Members representing more than 33% of the Units if the meeting is being called at their

request) may fix in advance a record date, which is not more than 60 nor less than 10 days prior to the date of the meeting nor more than 60 days prior to any other action. If no record date is fixed:

(a) The record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held;

(b) The record date for determining Members entitled to give consent to Company action in writing without a meeting shall be the day on which the first written consent is given;

(c) The record date for determining Members for any other purpose shall be at the close of business on the day on which the Manager adopts it, or the 60th day before the date of the other action, whichever is later; and

(d) A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Manager, or the Members who requested the meeting fix a new record date for the adjourned meeting, but the Manager, or such Members, shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

8.4.7 Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Manager. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked as specified or unless it states that it is irrevocable. A proxy that states that it is irrevocable is irrevocable for the period specified therein to the fullest extent permitted by law.

8.4.8 Chairman of Meeting. The Manager may select any person to preside as Chairman of any meeting of the Members and if such person shall be absent from the meeting, or fail or be unable to preside, the Manager may name any other person in substitution therefor as Chairman. In the absence of an express selection by the Manager of a Chairman or substitute therefor, the President, Chief Operating Officer, Vice President, Secretary, Chief Financial Officer or General Counsel of the Manager, shall preside as Chairman, in that order. The Chairman of the meeting shall designate a secretary for such meeting, who shall take and keep or cause to be taken and kept minutes of the proceedings thereof. The conduct of all Members' meetings shall at all times be within the discretion of the Chairman of the meeting and shall be conducted under such rules as he may prescribe. The Chairman shall have the right and power to adjourn any meeting at any time, without a vote of the Units present in person or represented by proxy, if the Chairman shall determine such action to be in the best interests of the Company.

8.4.9 Inspectors of Election. In advance of any meeting of Members, the Manager may appoint any persons other than nominees for Manager or other office as the inspector of election to act at the meeting and any adjournment thereof. If an inspector of election is not so appointed, or if any such person fails to appear or refuses to act, the Chairman of any such meeting may and, on the request of any Member or his proxy, shall make such appointment at the meeting. The inspector of election shall determine the number of Units outstanding and the voting power of each, the Units represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all Members.

8.4.10 Record Date and Closing Company Books. When a record date is fixed, only Members of record on that date are entitled to notice of and to vote at the meeting or to receive a Distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any Units on the books of the Company after the record date.

8.5 Rights of Members. No Member or Economic Interest Owner shall have the right or power to: (i) withdraw or reduce his contribution to the capital of the Company, except as a result of the dissolution and termination of the Company or as otherwise provided in this Agreement or by law; or (ii) demand or receive property other than cash in return for his Capital Contribution. Except as provided in this Agreement, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner either as to the return of Capital Contributions or as to allocations of the Net Income, Net Loss or Distributions of the Company. Other than upon the termination and dissolution of the Company as provided by this Agreement, there has been no time agreed upon when the contribution of each Member (other than the Initial Member) or Economic Interest Owner is to be returned.

8.6 Restrictions on the Member. No Member shall:

8.6.1 Disclose to any non-Member other than their lawyers, accountants or consultants and/or commercially exploit any of the Company's business practices, trade secrets or any other information not generally known to the business community, including the identity of suppliers utilized by the Company;

8.6.2 Do any other act or deed with the intention of harming the business operations of the Company; or

8.6.3 Do any act contrary to this Agreement.

8.7 Return of Capital of Member. In accordance with the Act, an Owner may, under certain circumstances, be required to return to the Company, for the benefit of the Company's creditors, amounts previously distributed to the Owner. If any court of competent jurisdiction holds that any Owner is obligated to make any such payment, such obligation shall be the obligation of such Owner and not of the Company, the Manager or any other Owner.

9. Resignation, Withdrawal or Removal of a Manager.

9.1 Resignation or Withdrawal of Manager. Subject to Section 10 and except as provided in Section 3.1.3, a Manager shall not resign or withdraw as a Manager or do any act that would require its resignation or withdrawal without providing not less than 30 days prior written notice to the Members.

9.2 Removal. Subject to the satisfaction of any conditions required by the Lender, which may include appointment of a replacement manager acceptable to the Lender, a Manager may be removed by a Majority Vote for Cause. The Manager and any of its Affiliates that own Units will not be entitled to vote with respect to the removal of the Manager and Units held by the Manager or its Affiliates will not be treated as outstanding for purposes of determining whether there is a Majority Vote for removal.

9.3 Payments Due Manager Upon Removal. Upon the removal of a Manager pursuant to Section 9.2 or its termination or its withdrawal with the approval of a Majority Vote, such Manager shall be paid all of its unreimbursed expenses and other amounts remaining to be paid under this Agreement. The Company shall pay these amounts to the Manager in cash within 60 days of the departure of the Manager.

9.4 Dispute Resolution Regarding Amounts Due Manager. If a Manager and the Company cannot agree upon the expense reimbursements within 30 days, the amount shall be determined by arbitration as described in Section 18.12. Notwithstanding the above, for purposes of this determination, the amount of the unreimbursed expenses shall be reduced by any damages caused by the Manager before such removal that occur as a result of the Manager's gross negligence, willful misconduct or fraud.

10. Assignment of a Manager's Interest.

10.1 Permitted Assignments. Except as provided in Section 3.1.3 and except as otherwise provided in this Agreement, a Manager may not sell, assign, hypothecate, encumber or otherwise transfer any part or all of the Manager's interest in the Company except with the consent of a Majority Vote of the Units, which consent may be

withheld by such Members in their sole and absolute discretion and without reason or for any reason whatsoever. If the Members consent to the transfer, the interest may only be sold to the proposed transferee within the time period approved by the Members, or within 90 days of such consent on the proposed terms and price, if later. All costs of the transfer, including reasonable attorneys' fees (if any), shall be borne by the transferring Manager.

10.1.1 Any assignment or transfer of any Manager's interest provided for by this Agreement can be an assignment or transfer of all of its interest or any portion or part of its interest.

10.1.2 Any transfer of all or a part of any Manager's interest may be made only pursuant to the terms and conditions contained in this Section 10.

10.1.3 Any such assignment shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement and which has been duly executed by the assignor of such Manager's interest.

10.1.4 The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Members, pursuant to a Majority Vote, may deem necessary or desirable to effect such substitution of any such proposed transfer and which shall include the written acceptance and adoption by the assignee of the provisions of this Agreement.

10.2 Substitute Manager. Upon the assignment by a Manager of its interest as manager of the Company in accordance with this Section 10, any assignee of such Manager's interest as manager shall be substituted as the Manager.

10.3 Transfer in Violation Not Recognized. Any assignment, sale, exchange or other transfer in contravention of the provisions of this Section 10 shall be void and ineffectual and shall not bind or be recognized by the Company.

10.4 Transfers to Affiliates. Notwithstanding the above, a Manager may assign the Manager's interest to Affiliates without the consent of the Members.

11. Assignment of Units.

11.1 Permitted Assignments. Subject to the terms and conditions of any Mortgage Loan, a Member may only sell, assign, hypothecate, encumber or otherwise transfer any part (but not less than the lesser of (i) one Unit or (ii) the Member's entire interest in the Company) or all of his or her interest in the Company if the following requirements are satisfied:

11.1.1 The Manager consents in writing to the transfer;

11.1.2 No Member shall transfer, assign or convey or offer to transfer, assign or convey all or any portion of a Unit to any person who does not possess the financial qualifications required of all persons who become Members, as described in the Memorandum;

11.1.3 No Member shall have the right to transfer any Unit to any minor or to any person who, for any reason, lacks the capacity to contract for himself or herself under applicable law. Such limitations shall not, however, restrict the right of any Member to transfer any one or more Units to a custodian or a trustee for a minor or other person who lacks such contractual capacity;

11.1.4 The Manager, with advice of counsel, must determine that such transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended or the Investment Company Act of 1940, as amended, and registration or qualification under state securities laws relied upon by the Company and the Manager in offering and selling the Units or otherwise violate any federal or state securities laws and the Member must provide an opinion of counsel at such Member's cost that the transfer will not jeopardize the exemption from

registration under the Act and state blue sky laws on which the Company is relying with respect to the offer and sale of the Units;

11.1.5 The Manager, with advice of counsel, must determine that, despite such transfer, Units will not be deemed traded on an established securities market or "readily tradable on a secondary market (or the substantial equivalent thereof)" under the provisions applicable to publicly traded partnership status or otherwise held by over 450 owners of record;

11.1.6 Any such transfer shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, which has been duly executed by the assignor of such Units and accepted by the Manager in writing. Upon such acceptance by the Manager, such an assignee shall take subject to all terms of this Agreement and shall become an Economic Interest Owner;

11.1.7 A transfer fee shall be paid by the transferring Member in such amount as may be required by the Manager to cover all reasonable expenses, including attorneys' fees, connected with such assignment;

11.1.8 No Member shall transfer, assign, convey or offer to transfer all or any portion of a Unit to a Benefit Plan Investor if, following such transfer or assignment, the total investment in the Company by Benefit Plan Investors shall equal or exceed 25% of the value of the total number of Units outstanding, unless the Company otherwise satisfies the definition of an "operating company" within the meaning of Department of Labor Regulation 29 CFR §2510.101; and

11.1.9 The transfer will not violate any of the terms of any Loan or any Company debt.

11.2 Substituted Member.

11.2.1 Conditions to be Satisfied. Subject to the terms of any Loan, no Economic Interest Owner shall have the right to become a Substituted Member unless the Manager consents thereto in accordance with Section 11.2.2 and all of the following conditions are satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Company, which instrument shall specify the number of Units being assigned and set forth the intention of the assignor that the assignee succeed to the assignor's interest as a Substituted Member in his or her place;

(b) The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Manager may deem necessary or desirable to effect such substitution, which may include an opinion of counsel regarding the effect and legality of any such proposed transfer and which shall include: (i) the written acceptance and adoption by the assignee of the provisions of this Agreement, (ii) the execution, acknowledgment and delivery to the Manager of a special power of attorney, the form and content of which are more fully described herein, and (iii) the satisfaction of any requirements under any Loan; and

(c) A transfer fee sufficient to cover all reasonable expenses connected with such substitution shall have been paid to the Company.

11.2.2 Consent of Manager. Subject to the terms of any Loan, the consent of the Manager shall be required to admit an Economic Interest Owner as a Substituted Member. The granting or withholding of such consent shall be within the respective sole and absolute discretion of the Manager; provided, however, that no Benefit Plan Investor shall be admitted as an Economic Interest Owner if, following such admission, the total investment in the Company by Benefit Plan Investors shall equal or exceed 25% of the value of the total number of Units outstanding, unless the Company otherwise satisfies the definition of an "operating company" within the meaning of Department of Labor Regulation 29 CFR §2510.101.

11.2.3 Consent of Member. By executing or adopting this Agreement, each Member hereby consents to the admission of additional or Substituted Members and to any Economic Interest Owner becoming a Substituted Member upon consent of the Manager and in compliance with this Agreement.

11.3 Rights of Economic Interest Owner. An Economic Interest Owner shall be entitled to receive Distributions from the Company attributable to the Units acquired by reason of such assignment from and after the effective date of the assignment; provided, however, that notwithstanding anything herein to the contrary, the Company shall be entitled to treat the assignor of such interest as the absolute owner thereof in all respects and shall incur no liability for allocations of Net Income and Net Loss or Distributions, or for the transmittal of reports or accounting until the written instrument of assignment has been received by the Company and recorded on its books. The effective date of such assignment shall be the date on which all of the requirements of this Section have been complied with, subject to Section 4.8.

11.4 Right to Inspect Books. Economic Interest Owners shall have no right to inspect the Company's books or records, to vote on Company matters, or to exercise any other right or privilege as Members, until they are admitted to the Company as Substituted Members except as provided in the Act.

11.5 Assignment of Units. No assignment of any Units may be made if the Units to be assigned, when added to the total of all other Units and Manager interests assigned within the 13 immediately preceding months, would, in the opinion of counsel for the Company, result in the termination of the Company under the Code.

11.6 Transfer Subject to Law. No assignment, sale, transfer, exchange or other disposition of any Units may be made except in compliance with the applicable governmental laws and regulations, including state and federal securities laws.

11.7 Termination of Membership Interest. Upon the transfer of a Unit in violation of this Agreement or the occurrence of a Dissolution Event as to such Member that does not result in the dissolution of the Company, the Membership Interest of a Member shall be converted into an Economic Interest.

12. Books, Records, Accounting and Reports.

12.1 Records, Audits and Reports. The Company shall maintain at its principal accounting office the Company's records and accounts of all operations and expenditures of the Company including the following:

12.1.1 A current list in alphabetical order of the full name and last known business or resident address of each Owner and Manager, together with the Capital Contribution and the share in profits and losses of each Owner;

12.1.2 A copy of the Certificate of Formation and all amendments thereto, together with any powers of attorney pursuant to which the Certificate of Formation or any amendments thereto were executed;

12.1.3 Copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six most recent taxable years;

12.1.4 Copies of this Agreement and any amendments thereto together with any powers of attorney pursuant to which any written accounting or any amendments thereto were executed;

12.1.5 Copies of any financial statements of the Company, if any, for the six most recent years; and

12.1.6 The Company's books and records as they relate to the internal affairs of the Company for at least the current and past four fiscal years.

12.2 Delivery to Members and Inspection.

12.2.1 Each Member, or its representative designated in writing, has the right, upon reasonable written request for purposes related to the interest of that person as a Member, which purposes are set forth in the written request, to receive from the Company:

(a) True and full information regarding the status of the business and financial condition of the Company;

(b) Promptly after becoming available, a copy of the Company's federal, state and local income tax returns for each year;

(c) A copy of this Agreement and the Certificate of Formation and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement and any certificate and all amendments thereto have been executed; and

(d) True and full information regarding the amount of cash and description and statement of the agreed value of any property or services contributed by each Member and the amount each Member has agreed to contribute in the future and the date on which each became a Member.

12.3 Reports. The Manager will cause the Company, at the Company's expense, to have prepared and transmitted to the Members the following periodic reports: (1) quarterly financial and operational reports; and (2) within 120 days after the close of each fiscal year of the Company, an annual report containing an unaudited year-end balance sheet, income statement and a statement of changes in financial position; provided, however, if Members holding 80% or more of the Units request that such statements be audited, then the Manager will use its best efforts to cause the Company to obtain an audited financial statement. The Company will be solely responsible for the costs of obtaining audited financial statements.

12.4 Tax Information. The Manager shall cause the Company, at the Company's expense, to prepare and timely file income tax returns for the Company with the appropriate authorities. Within 75 days after the end of each Company fiscal year, a copy of that portion of the Company's federal income tax return for such fiscal year or such other information as the Members may need to prepare their federal income tax returns.

12.5 Effect of Bankruptcy, Death or Incompetency of a Member. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Unit shall be subject to all of the restrictions hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.

13. Termination and Dissolution of the Company.

13.1 Termination of Company. Subject to the limitations contained in the Certificate of Formation, the Company shall be dissolved, shall terminate and its assets shall be disposed of and its affairs wound up upon the earliest to occur of the following:

13.1.1 Upon the happening of any event of dissolution specified in the Certificate of Formation;

13.1.2 A determination by the Manager, with a Majority Vote, to terminate the Company;

13.1.3 Upon the entry of a decree of judicial dissolution;

13.1.4 The occurrence of a Dissolution Event unless the business of the Company is continued by Majority Vote of the Members within 90 days following the occurrence of the event.

13.2 Certificate of Cancellation. As soon as possible following the completion of the winding up of the Company, a Manager who has not wrongfully dissolved the Company or, if none, the Members, shall execute a Certificate of Cancellation in such form as shall be required by the Act.

13.3 Liquidation of Assets. Upon a dissolution and termination of the Company, the Manager (or in case there is no Manager, the Members or person designated by a Majority Vote) shall take full account of the Company assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining the fair market value thereof and shall apply and distribute the proceeds therefrom in the following order:

13.3.1 To the payment of any creditors of the Company, including Members who are creditors, but excluding secured creditors whose obligations will be assumed or otherwise transferred on liquidation of Company assets and then to the payment of Members who are creditors of the Company;

13.3.2 To the setting up of any reserves as required by law for any liabilities or obligations of the Company; provided, however, that said reserves shall be deposited with a bank or trust company in escrow with interest for the purpose of disbursing such reserves for the payment of any of the aforementioned contingencies and, at the expiration of a reasonable period, for the purpose of distributing the balance remaining in accordance with the remaining provisions of this Section 13.3; and

13.3.3 The remaining assets of the Company shall be applied and distributed, first, to the Preferred Member in accordance with the positive balance of the Preferred Member's Capital Account to include any accrued but unpaid amounts of Preferred Return, and second, in accordance with the positive balances of the Common Members' Capital Accounts, all as determined after taking into account all adjustments to Capital Accounts for the Company taxable year during which the liquidation occurs. Notwithstanding the provisions of Section 4 of this Agreement, Net Income or Net Loss of the Company resulting from the sale or other disposition of all or substantially all of the Company's assets or otherwise associated with the liquidation of the Company shall be allocated in a manner designed, to the extent possible, to cause the Capital Account balance of each Member to equal the amount that would be distributed to such Member if all of the Company's assets were distributed to the Members in accordance with the provisions of Section 5 of this Agreement.

13.4 Distributions Upon Dissolution. Each Member shall look solely to the assets of the Company for all Distributions and its Capital Contributions and shall have no recourse therefor (upon dissolution or otherwise) against any Manager or any Member.

13.5 Liquidation of Member's Interest. If there is a Liquidation of a Member's interest in the Company, any liquidating Distribution pursuant to such Liquidation shall be made only to the extent of the positive Capital Account balance, if any, of such Member for the taxable year during which such Liquidation occurs after proper adjustments for allocations and Distributions for such taxable year up to the time of Liquidation. Such Distributions shall be made by the end of the taxable year of the Company during which such Liquidation occurs, or if later, within 90 days after such Liquidation.

13.6 Limitation on Distributions. Notwithstanding any other provision in this Agreement, the Company shall make no Distribution that would violate the Act or other applicable law.

13.7 Negative Capital Accounts. Notwithstanding anything in this Agreement to the contrary, no Member shall be obligated to restore any negative balance in its Capital Account upon the dissolution of the Company, the transfer of all or any portion of its Membership Interest, or otherwise, and no creditor of the Company will have any right to enforce any obligation to restore any deficit Capital Account of any Member.

14. Special and Limited Power of Attorney.

14.1 Power of Attorney. Each Manager shall at all times during the term of the Company have a special and limited power of attorney as the attorney-in-fact for each Member, granted hereby to Manager by each Member and Substituted Member joining this Agreement, with power and authority to act in the name and on behalf of each such Member to execute, acknowledge and swear to in the execution, acknowledgment and filing of documents that are not inconsistent with the provisions of this Agreement and which may include, by way of illustration but not by limitation, the following:

14.1.1 This Agreement, as well as any amendments to the foregoing which, under the laws of the State of Delaware or the laws of any other state, are required to be filed or which the Manager shall deem it advisable to file;

14.1.2 Any other instrument or document that may be required to be filed by the Company under the laws of any state or by any governmental agency or which the Manager shall deem it advisable to file;

14.1.3 Any instrument or document that may be required to effect the continuation of the Company, the admission of Members or Substituted Members, or the dissolution and termination of the Company (provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement);

14.1.4 Any contract for purchase or sale of real estate and any deed, deed of trust, mortgage, or other instrument of conveyance or encumbrance;

14.1.5 This Agreement or any other instrument or document to include any special purpose entity or bankruptcy remote entity requirement imposed by any Lender; and

14.1.6 Any and all other instruments as the Manager may deem necessary or desirable to effect the purposes of this Agreement and carry out fully its provisions, including, but not limited to, those in Section 16.

14.2 Provision of Power of Attorney. The special and limited power of attorney of each Manager, hereby granted to each Manager by each Member and Substituted Member joining this Agreement:

(a) Is a special power of attorney coupled with the interest of Manager in the Company and its assets, is irrevocable, shall survive the death, incapacity, termination or dissolution of the granting Member and is limited to those matters herein set forth;

(b) May be exercised by Manager by and through one or more of the officers of Manager, for each of the Members by the signature of Manager acting as attorney-in-fact for all of the Members; and

(c) Shall survive an assignment by a Member of all or any portion of his or her Units except that, where the assignee of the Units owned by the Member has been approved by the Manager for admission to the Company as a Substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling Manager to execute, acknowledge and file any instrument or document necessary to effect such substitution to the fullest extent permitted by law.

14.3 Notice to Members. The Manager shall promptly furnish to a Member a copy of any amendment to the Limited Liability Company Agreement executed by the Manager pursuant to a power of attorney from the Member.

15. Relationship of This Agreement to the Act. Many of the terms of this Agreement are intended to alter or extend provisions of the Act as they may apply to the Company or the Members. Any failure of this Agreement to mention or specify the relationship of such terms to provisions of the Act that may affect the scope or application of such terms shall not be construed to mean that any of such terms is not intended to be a limited liability company

agreement provision authorized or permitted by the Act or which in whole or in part alters, extends or supplants provisions of the Act as may be allowed thereby.

16. Amendment of Agreement.

16.1 Admission of Member. Amendments to this Agreement for the admission of any Member or Substitute Member shall not, if in accordance with the terms of this Agreement and any Mortgage Loan, require the consent of any Member.

16.2 Amendments with Consent of Members. Subject to the Certificate of Formation, in addition to any amendments otherwise authorized herein, this Agreement may be amended by the Manager with a Majority Vote of the Units.

16.3 Amendments Without Consent of the Members. Subject to the Certificate of Formation, in addition to the Amendments authorized pursuant to Section 4.9 and Section 7.3.12 or otherwise authorized herein, the Manager may amend this Agreement, without the consent of any of the Members, to (i) change the name and/or principal place of business of the Company, or (ii) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Company and conduct its business and affairs); provided, however, that no amendment shall be adopted pursuant to this Section 16.3 unless the adoption thereof (A) is for the benefit of or not adverse to the interests of the Members, (B) is not inconsistent with Section 7, and (C) does not affect the limited liability of the Members or the status of the Company as a partnership for federal income tax purposes. Further, the Manager shall be allowed to amend this Agreement without the consent of any of the Members to comply with any terms or modifications required by any lender to make this Agreement comply with any special purpose entity requirements or otherwise.

16.4 Execution and Recording of Amendments. Any amendment to this Agreement shall be executed by a Manager and by Manager as attorney-in-fact for the Members pursuant to the power of attorney contained in Section 14. After the execution of such amendment, the Manager shall also prepare and record or file any certificate or other document which may be required to be recorded or filed with respect to such amendment, either under the Act or under the laws of any other jurisdiction in which the Company holds any property or otherwise does business.

17. Member Representations. Each Member hereby represents and warrants to the Company, the Manager and all other Members that:

17.1 Such Member has the power and authority to execute and comply with the terms and provisions hereof.

17.2 Such Member's Units have been or will be acquired solely by and for the account of such Member for investment purposes only and is not being purchased for subdivision, fractionalization, resale or distribution; such Member has not contract, undertaking, agreement or arrangement with any person to sell, transfer or pledge to such person or anyone else such Member's interest in the Company (or any portion thereof); and such Member has no present plans or intentions to enter into any such contract, undertaking or arrangement.

17.3 Such Member's Units have not and will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state and cannot be sold or transferred without compliance with the registration provisions of said Securities Act of 1933, as amended, and the applicable state securities laws, or compliance with the exemptions, if any, available thereunder. Such Member understands that neither the Company nor the Manager or any other Member has any obligation or intention to register the Member interest under any federal or state securities act or law, or to file the reports to make public the information required by Rule 144 under the Securities Act of 1933, as amended.

17.4 Such Member expressly warrants that (i) it has such knowledge and experience in financial and business matters in general and in investments of the type to be made by the Company in particular; (ii) it is capable of evaluating the merits and risks of an investment in the Company; (iii) its financial condition is such that it has no need for liquidity with respect to its investment in the Company to satisfy any existing or contemplated undertaking

or indebtedness; (iv) it is able to bear the economic risk of its investment in the Company for an indefinite period of time, including the risk of losing all of such investment and loss of such investment would not materially adversely affect it; (v) it has either secured independent tax advice with respect to the investment in the Company, upon which it is solely relying, or it is sufficiently familiar with the income taxation of limited liability companies that it has deemed such independent advice unnecessary; and (vi) it has made an investigation of the Company and the Company's business and the Company has made available to each such Member all information with respect thereto, which such Member needed to make an informed decision with respect to its investment in the Company.

17.5 Such Member acknowledges that the Company and/or the Manager have made all documents pertaining to the transaction available and have allowed it an opportunity to ask questions and receive answers thereto and to verify and clarify any information contained in the documents. Such Member is aware of the provisions of this Agreement providing for Additional Capital Contributions and dilution of its interest in the Company.

17.6 Such Member has relied solely upon the documents submitted to it and independent investigations made by it in making the decision to purchase its interest in the Company.

18. Miscellaneous.

18.1 Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

18.2 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

18.3 Severability. In the event any sentence or Section of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.

18.4 Notices. All notices under this Agreement shall be in writing and shall be given to the Member or Economic Interest Owner entitled thereto, by personal service or by mail, posted to the address maintained by the Company for such person or at such other address as he or she may specify in writing; provided, however, that in the event that any such Member does not respond to the personal service or mail as set forth above, that the Manager shall send out one additional notice by certified mail return receipt requested or by a delivery service that maintains records regarding their deliveries or attempted deliveries.

18.5 Manager's Addresses. The name and address of the Manager are as follows:

TNP 2008 Participating Notes Program, LLC
c/o Thompson National Properties, LLC
1900 Main Street, Suite 700
Irvine, California 92614

18.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

18.7 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provisions hereof.

18.8 Gender. Whenever required by the context hereof, the singular shall include the plural and vice versa, the masculine gender shall include the feminine and neuter genders and vice versa.

18.9 Time. Time is of the essence with respect to this Agreement.

18.10 Additional Documents. Each Member, upon the request of the Manager, shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement, including, but not limited to, providing acknowledgment before a Notary Public of any signature made by a Member.

18.11 Descriptions. All descriptions referred to in this Agreement are expressly incorporated herein by reference as if set forth in full, whether or not attached hereto.

18.12 Dispute Resolution. Any dispute, claim or controversy arising out of or relating to Section 9.4 hereof, shall be determined by arbitration in subject to arbitration in Orange County, California, before a sole arbitrator, in accordance with the laws of the State of Delaware for agreements made in and to be performed in that state. The arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. The arbitrator shall, in the award, allocate all of the costs of the arbitration (and the mediation, if applicable), including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. Any other disputes, claims or controversies arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, shall be subject to the respective litigation rights of the parties.

18.13 Venue. Subject to Section 18.12, any action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located subject to arbitration in Orange County, California.

18.14 Partition. The Members agree that the assets of the Company are not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all rights that he may have, or may obtain, to maintain any action for partition of any of the assets of the Company.

18.15 Integrated and Binding Agreement. This Agreement contains the entire understanding and agreement among the Members with respect to the subject matter hereof and there are no other agreements, understandings, representations or warranties among the Members other than those set forth herein except the Subscription Documents. This Agreement may be amended only as provided in this Agreement.

18.16 Legal Counsel. Each Member acknowledges and agrees that counsel representing the Company, the Manager and their Affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members, other than the Manager, in any respect. In addition, each Member consents to the Manager hiring counsel for the Company that is also counsel to the Manager.

18.17 Conflict. In the event of a conflict between the terms of this Agreement and the Certificate of Formation, the terms of the Certificate of Formation shall control.

19. Confidentiality and Anti-Money Laundering.

19.1 The Members hereby acknowledge that the Company creates and will be in possession of confidential information, the improper use or disclosure of which could have a material adverse effect upon the Company or one or more entities with which the Company transacts business (each a "Protected Party").

19.2 The Members acknowledge and agree that all information provided to them by or on behalf of the Company or the Manager concerning the business of the Company (including, without limitation, this Agreement and all amendments hereto) or any other Protected Party is deemed by the Manager to be strictly confidential and, without the prior consent of the Manager, shall not be (i) disclosed to any person (other than a Member) except as expressly permitted by this Section 18.2, or (ii) used by a Member other than for Company purposes or a purpose reasonably related to protecting such Member's interest in the Company. The Manager hereby consents to the disclosure by each Member of Company information to such Member's accountants, auditors, attorneys and similar advisers bound by a duty of confidentiality. In addition, the foregoing requirements of this Section 18.2 shall not apply to a Member with regard to any information that is currently or becomes: (I) required to be disclosed pursuant to applicable law, governmental rule or regulation, court order, administrative or arbitral proceeding (to include a tax

audit) or by a governmental or regulatory authority having jurisdiction over such Member, or a domestic national securities exchange rule (but in each case only to the extent of such requirement), (II) required to be disclosed in order to protect such Member's interest in the Company (but only to the extent of such requirement and only after consultation with the Manager), (III) publicly known or available in the absence of any improper or unlawful action on the part of such Member or (IV) known, available to or independently developed by such Member other than through, or derived from, any information provided by the Company or the Manager or through a third-party in receipt of such information in contravention of the confidentiality provisions hereunder.

19.3 Each Member agrees to promptly notify the Manager if at any time such Member, directly or indirectly, is or becomes subject to Section 552(a) of Title 5 of the United States Code (commonly known as the "Freedom of Information Act") or any public disclosure law, rule or regulation of any governmental or non-governmental entity, whether currently in force or enacted in the future, that could require similar broader public disclosure of confidential information provided to such Member (a "Public Fund Member"). Each Public Fund Member who receives a request for public disclosure of any information provided to such Public Fund Member by the Manager or the Company hereby undertakes to (i) promptly notify the Manager of such disclosure request, (ii) inform the Manager of the timing for responding to such disclosure request and promptly provide the Manager with a copy of such disclosure request or a detailed summary of the information being requested, and (iii) consult with the Manager regarding the response to such disclosure request. In addition, each Public Fund Member shall promptly notify the Manager if at any time the Public Fund Member receives a request for public disclosure of any information relating to the valuation or internal affairs of any Investment.

19.4 To the extent not prohibited by applicable law, the Manager may, in its sole and absolute discretion, keep confidential from any Member information to the extent the Manager determines that: (i) disclosure of such information to such Member likely would have a material adverse effect upon the Company or any other Protected Party due to an actual or likely conflict of business interests between such Member and one or more other persons or an actual or likely imposition of additional statutory or regulatory constraints upon any Protected Party, or (ii) in the case of a Member that the Manager determines cannot or will not adequately protect against the improper disclosure of confidential information, the disclosure of such information to a non-Member likely would have a material adverse effect upon a Protected Party. The foregoing provisions of this Section 18.4 shall not apply to permit the Manager to keep confidential from a Member: (i) any information that such Member is required to possess to comply with applicable law or a domestic national securities exchange rule, (ii) such Member's Capital Account balance, or (iii) for a period exceeding twelve (12) months, any specific item of summary balance sheet-type information with regard to the Company. So long as the Manager acts pursuant to this Section 18.4, the foregoing actions by the Manager shall not constitute a breach of this Agreement or of any duty stated or implied in law or equity.

19.5 The Members: (i) acknowledge that the Manager is expected to acquire confidential third party information that, pursuant to fiduciary, contractual, legal or similar obligations, cannot be disclosed to the Company or the Members, and (ii) agree that neither the Manager nor its owners shall be in breach of any duty under this Agreement or the Act by acquiring, holding or failing to disclose such information to the Company or the Members so long as such obligations were undertaken in good faith.

19.6 Each Member agrees to make good faith and reasonable efforts to cooperate with such procedures and restrictions as may be developed by the Manager from time to time in connection with the disclosure of non-public information concerning the Manager and the Company, including, without limitation, information concerning Property, as determined by the Manager to be reasonably necessary and advisable to maintain and promote compliance with legal and other regulatory matters applicable to any Protected Party. The obligations and undertakings of each Member under this Section 18.6 shall be continuing and shall survive the dissolution of the Company.

19.7 Each Member hereby acknowledges that the Company seeks to comply with all applicable laws concerning money laundering, terrorist financing and similar activities. In furtherance of such efforts, each Member hereby represents and agrees that, to the best of such Member's knowledge based upon appropriate due diligence and investigation: (i) none of the cash or property that is paid or contributed to the Company by such Member shall be derived from, or related to, any activity that is deemed criminal under United States law; and (ii) no Capital Contribution or other payment to the Company by such Member shall (to the extent that such matters are within

such Member's control) cause the Company or the Manager to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001. Each Member shall promptly notify the Manager if any of the foregoing shall cease to be true and accurate with respect to such Member.

19.8 Each Member hereby agrees to provide the Manager any additional information regarding such Member deemed necessary or convenient by the Manager to ensure compliance with all applicable laws concerning money laundering, terrorist financing and similar activities. Each Member understands and agrees that the Company or the Manager may release confidential information about such Member and, if applicable, any underlying beneficial owners, to governmental authorities if the Manager, in its sole discretion, determine that it is in the best interests of the Company or its Affiliates in light of relevant rules and regulations under the laws set forth above.

19.9 Each Member understands and agrees that, if at any time it is discovered that any of the foregoing representations by such Member are incorrect, or if otherwise required by applicable law or regulation related to money laundering, terrorist financing and similar activities, the Manager may undertake appropriate actions to ensure compliance with applicable law or regulation, including, but not limited to, segregation and/or redemption of such Member's investment in the Company, cessation of further Distributions to such Member, refusal to accept future Capital Contributions by such Member, and other similar acts. In the event that the Manager takes any of the foregoing actions, each Member agrees that the Manager, in its sole and absolute discretion, may manage the remaining portion of such Member's investment in the Company separate and apart from the Company's assets, including without limitation selling or otherwise disposing of such assets and reinvesting the proceeds therefrom. The rights and obligations of the Manager under this Paragraph 18.9 shall expressly supersede any duties that the Manager may have to such Member under the Act or otherwise.

19.10 In addition to any remedies at law or in equity, each Member agrees to indemnify and hold harmless the Company, the Manager and its Affiliates and each other Member from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from any breach by such Member of its representations or covenants in this Section 18 or from any action taken by the Manager or its Affiliates in accordance with this Section 18.

IN WITNESS WHEREOF, the undersigned have set their hands to this Limited Liability Agreement as of the date first set forth above.

MANAGER:

TNP 2008 Participating Notes Program, LLC, a Delaware limited liability company

By: Thompson National Properties, LLC, a Delaware limited liability company
Its: Manager

By: _____
Name: Anthony Thompson
Its: CEO

INITIAL MEMBER:

TNP 2008 Participating Notes Program, LLC, a Delaware limited liability company

By: Thompson National Properties, LLC, a Delaware limited liability company
Its: Manager

By: _____
Name: Anthony Thompson
Its: CEO

EXHIBIT A

DEFINITIONS

"Act" shall mean the Delaware Limited Liability Company Act, as the same may be amended from time to time.

"Additional Capital Contributions" shall have the meaning set forth in Section 3.2.1.

"Additional Units" shall have the meaning set forth in Section 3.2.1.

"Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(1) Credit to such Capital Account any amounts that the Member is obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(2) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The above adjustments to a Member's Capital Account are intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

"Affiliate" shall mean (1) any person directly or indirectly controlling, controlled by or under common control with another person; (2) a person owning or controlling 10% or more of the outstanding voting securities of such other person; (3) any officer, director or partner of such other person; and (4) if such other person is an officer, director or partner, any company for which such person acts in any capacity. The term "person" shall include any natural person, corporation, partnership, trust, unincorporated association or other legal entity.

"Agreement" shall mean this Limited Liability Company Agreement, as amended from time to time.

"Benefit Plan Investor" shall mean (1) any "employee benefit plan" as defined in Section 3(3) of ERISA, which includes any "employee pension benefit plan" or "employee welfare benefit plan" as defined in ERISA, whether or not such plan is subject to Title I of ERISA, (2) any plan described in Section 4975(e)(1) of the Code, including individual retirement accounts and Keogh plans, and (3) any entity whose underlying assets include plan assets by reason of a plan's investment in such entity.

"Call Notice" shall have the meaning set forth in Section 3.2.1.

"Capital Account" with respect to any Member (or such Member's assignee) shall mean such Member's initial Capital Contribution adjusted as follows:

(1) A Member's Capital Account shall be increased by:

(a) the amount of money contributed by the Member to the Company, including the amount of any Company liabilities that are assumed by the Member (within the meaning of Treasury Regulations Section 1.704-1(b)(2)(iv)(c)), but not by increases in the Member's share of Company liabilities within the meaning of Code Section 752(a);

(b) the Gross Asset Value of property, if any, contributed by the Member to the Company (net of liabilities securing such contributed property that the Company is considered to assume or take subject to under Code Section 752); and

(c) allocations to the Member of Net Income.

(2) A Member's Capital Account shall be reduced by:

(a) the amount of money distributed to the Member by the Company;

(b) the Gross Asset Value of property distributed to the Member by the Company (net of liabilities securing such distributed property that the Member is considered to assume or take subject to under Code Section 752);

(c) allocations to the Member of expenditures of the Company not deductible in computing Company taxable income and not properly chargeable to Capital Accounts (as described in Code Section 705(a)(2)(B)); and

(d) allocations to the Member of Net Loss (or item thereof), including loss and deduction described in Treasury Regulations Section 1.704-1(b)(2)(iv)(*g*), but excluding items described in (c) above and excluding loss or deduction described in Treasury Regulations Section 1.704-1(b)(4)(iii) (relating to excess percentage depletion).

Property other than money may not be contributed to the Company except as specifically provided in this Agreement. Property of the Company may not be revalued for purposes of calculating Capital Accounts unless the Manager and the Members pursuant to a Majority Vote agree on the fair market value of the property and the Company complies with the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(*f*) and (*g*).

The Capital Account of a Substituted Member shall include the Capital Account of his or her transferor. Notwithstanding anything to the contrary in this Agreement, Capital Accounts shall be maintained in accordance with Treasury Regulations Section 1.704-1(b). References in this Agreement to the Treasury Regulations shall include corresponding subsequent provisions.

"Capital Contribution" shall mean the gross amount invested in the Company by a Member and shall be equal in amount to the cash purchase price paid by such Member for the Units sold to him or her by the Company. In the plural, "Capital Contributions" shall mean the aggregate amount invested by all of the Members in the Company and shall equal, in total, the sum of the amount attributable to the purchase of Units and the contributions of the Members.

"Cash from Operations" shall mean the net cash realized by the Company from all sources, including, but not limited to, the operations of the Company and the ownership of the Property (other than Cash from Sale or Refinancing), after payment of all cash expenditures of the Company, including, but not limited to, all operating expenses including all fees payable to the Manager or Affiliates, all payments of principal and interest on indebtedness and such reserves and retentions as the Manager reasonably determines to be necessary and desirable in connection with Company operations with its then existing assets and any anticipated acquisitions.

"***Cash from Sale or Refinancing***" shall mean the net cash realized by the Company from the sale, financing, refinancing, recapitalization, redemption, repayment or other disposition of the Property after payment of all cash expenditures of the Company, including, but not limited to, all sales or refinancing expenses including all fees payable to the Manager or Affiliates, all payments of principal and interest on indebtedness, expenses for repairs and maintenance, capital improvements and replacements, and such reserves and retentions as the Manager reasonably determines to be necessary and desirable in connection with Company operations with its then existing assets and any anticipated acquisitions. For purposes of the Section 5.2, Cash from Sale or Refinancing shall include any Capital Contributions that have not been initially invested by the Company that the Manager, in its sole and absolute discretion, determines to be Distributable Cash.

"Cause" shall mean (1) the gross negligence or fraud of a Manager, (2) the willful misconduct of a Manager, or (3) the bankruptcy, insolvency or inability of a Manager to meet its obligations as the same come due.

"Certificate of Formation" shall mean the Certificate of Formation of the Company as filed with the Secretary of State of Delaware as the same may be amended or restated from time to time.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequently enacted federal revenue laws.

"Company" shall refer to TNP Titan Plaza Fund, LLC.

"Company Minimum Gain" shall have the same meaning as "partnership minimum gain" as set forth in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Depreciation" means, for each fiscal year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such fiscal year, 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 fiscal year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year bears to such beginning adjusted tax basis; provided however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such fiscal year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Company.

"Dissolution Event" shall mean with respect to a Manager one or more of the following: the death, insanity, withdrawal, retirement, resignation, expulsion, Event of Insolvency or dissolution unless reconstituted by the members or manager of the Manager, unless the Members consent to continue the business of the Company pursuant to Section 8.2.2.

"Distributable Cash" shall mean Cash from Operations and Cash from Sale or Refinancing determined by the Manager to be available for Distribution to the Members.

"Distribution" shall refer to any money or other property transferred without consideration (other than repurchased Units) to Members or Economic Interest Owners with respect to their interests or Units in the Company, but shall not include any payments to the Manager pursuant to Section 6.

"Economic Interest" shall mean an interest in the Net Income, Net Loss and Distributions of the Company but shall not include any right to vote or to participate in the management of the Company.

"Economic Interest Owner" shall mean the owner of an Economic Interest who is not a Member.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Electing Member" shall have the meaning set forth in Section 3.2.2.

"Event of Insolvency" shall occur when an order for relief against a Manager is entered under Chapter 7 of the federal bankruptcy law, or (1) a Manager: (a) makes a general assignment for the benefit of creditors, (b) files a voluntary petition under the federal bankruptcy law, (c) files a petition or answer seeking for that Manager a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, (d) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in any proceeding of this nature, or (e) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of that Manager or of all or a substantial part of that Manager's properties, or (2) the expiration of 60 days after either (a) the commencement of any proceeding against the Manager seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed, or (b) the appointment without the Manager's consent or acquiescence of a trustee, receiver, or liquidator of the Manager or of all or any substantial part of the Manager's properties, if the appointment has not been vacated or stayed (or if within 60 days after the expiration of any such stay, the appointment is not vacated).

"Gross Asset Value" shall mean with respect to any asset, the asset's adjusted basis for federal income tax purposes except as follows:

(1) The initial Gross Asset Value of any asset contributed by a Member to the Company will be the gross fair market value of the asset;

(2) The Gross Asset Value of all Company assets will be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account) as of the following times: (a) the acquisition of an additional interest in the Company by any new or existing Member for more than a de minimis contribution; (b) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; (c) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-l(b)(2)(ii)(*g*); (d) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by an existing or a new Member acting in a "partner capacity," or in anticipation of becoming a "partner" (in each case within the meaning of Treasury Regulations Section 1.704-1(b)(2)(iv)*(d)*); and (e) upon any other event on which it is necessary or appropriate in order to comply with the Treasury Regulations under Code Section 704(b);

(3) The Gross Asset Value of any Company asset distributed to any Member will be adjusted to equal the gross fair market value of the asset (taking Code Section 7701(g) into account) on the date of distribution;

(4) The Gross Asset Value of Company assets will be increased (or decreased) to reflect any adjustments to the adjusted basis of these assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining the Capital Accounts pursuant to Treasury Regulations Section 1.704-l(b)(2)(iv)(*m*); and

(5) If the Gross Asset Value of an asset has been determined or adjusted pursuant to (2), (3) or (4) above, such Gross Asset Value will then be adjusted by the Depreciation taken into account with respect to the asset for purposes of computing Net Income and Net Loss.

"Gross Proceeds" shall mean the gross proceeds of the Offering.

"Initial Member" shall refer to TNP 2008 Participating Notes Program, LLC, a Delaware limited liability company.

"Lender" shall mean any third party lender to the Company or the Property.

"Liquidation" means, with respect to the Company, the earlier of the date upon which the Company is terminated under Section 708(b)(1) of the Code or the date upon which the Company ceases to be a going concern (even though it may exist for purposes of winding up its affairs, paying its debts and distributing any remaining balance to its Members) and in respect to a Member where the Company is not in Liquidation means the date upon which occurs the termination of the Member's entire interest in the Company by means of a distribution or the making of the last of a series of Distributions (whether or not made in more than one year) to the Member by the Company.

"Loan" shall mean any third party loan secured by a mortgage, deed of trust or other security instrument on the Property.

"Majority Vote" shall mean the vote of more than 50% of the Units entitled to vote. Members shall be entitled to cast one vote for each Unit they own and a fractional vote for each fractional Unit they own.

"Manager" shall mean TNP 2008 Participating Notes Program, LLC, a Delaware limited liability company. The term "Manager" shall also refer to any successor or additional manager who is admitted to the Company as the Manager.

"Managing Broker-Dealer" shall mean TNP Securities, LLC, a Delaware limited liability company.

"Member" shall mean any holder of a Unit who is admitted to the Company as a Member.

"Member Minimum Gain" shall mean "partner nonrecourse debt minimum gain" as determined under Treasury Regulations Section 1.704-2(i)(2).

"Member Nonrecourse Debt" shall mean "partner nonrecourse debt" as set forth in Treasury Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Deductions" shall mean "partner nonrecourse deductions," and the amount thereof shall be, as set forth in Treasury Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"Member Return" shall mean an 8.0% annual (cumulative, not compounded) return on each Member's aggregate capital contributions, reduced by any return of capital from distributions, which shall initially begin to accrue on the date of closing on such Member's Capital Contribution to the Company.

"Membership Interest" shall mean a Member's entire interest in the Company including such Member's Economic Interest and such voting and other rights and privileges that the Member may enjoy by being a Member.

"Memorandum" shall mean the Confidential Private Placement Memorandum, dated September 10, 2010, as supplemented, pertaining to the Offering distributed to potential purchasers of Units.

"Net Income" or ***"Net Loss"*** shall mean the Company's taxable income or loss determined in accordance with Code Section 703(a) and Treasury Regulations Section 1.703-1 for each of its fiscal years (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) will be included in taxable income or loss) with the following adjustments:

(1) Net Income and Net Loss will be computed as if items of tax-exempt income were included in the computation of taxable income or loss;

(2) any items specially allocated pursuant to this Agreement shall not be taken into account in computing Net Income or Net Loss;

(3) if the Gross Asset Value of any Company property is adjusted in accordance with the provisions of subparagraphs (2), (3), or (4) of the definition of Gross Asset Value or as otherwise required by the Treasury Regulations, such adjustment shall be taken into account as gain or loss from the disposition of such property for purposes of computing Net Income and Net Loss;

(4) gain or loss resulting from any disposition of Company property where such gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of such property;

(5) any expenditures of the Company described in Code Section 705(a)(2)(B) for a fiscal year or treated as being so described in Treasury Regulations Section 1.704-l(b)(2)(iv)(*i*) and not otherwise taken into account in this subsection will be subtracted from the taxable income or loss;

(6) to the extent an adjustment to the adjusted tax basis of any Company property pursuant to Code Section 734(b) is required, pursuant to Treasury Regulations Section 1.704-(b)(2)(iv)(*m*)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the property) or loss (if the adjustment decreases such basis) from the disposition of such property and shall be taken into account for purposes of computing Net Income or Net loss; and

(7) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year, computed in accordance with the definition of "Depreciation".

"Nonrecourse Debt" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

"Nonrecourse Deductions" shall have the meaning, and the amount thereof shall be, as set forth in Treasury Regulations Section 1.704-2(c).

"Offering" shall mean the offering and sale of up to $4,250,000 of Units pursuant to the Memorandum.

"Offering Termination Date" shall mean the date the Offering of Units will terminate, which is the earlier of the date a combined $4,250,000 in Common Units are sold or September 10, 2011.

"Organization and Offering Expenses" shall mean all expenses incurred in connection with the organization and formation of the Company, the preparation of the offering materials and the marketing and sale of the Units, including but not limited to legal and accounting fees, tax planning fees, promotional fees or expenses, filing and recording fees, market research and surveys, Property inspections and research, engineering services, printing costs, securities sales commissions and marketing expenses, travel expenses and other costs or expenses incurred in connection therewith.

"Owner" shall mean a Member or an Economic Interest Owner.

"***Preferred Return***" means an amount equal to twelve percent (12%) per annum of all Capital Contributions made to the Company by the Preferred Member and starting from the date of the first Capital Contribution to the Company made by the Preferred Member, payable not less frequently than monthly to the Preferred Member. The Preferred Return will accrue until the earlier of (i) all Capital Contributions have been repaid; (ii) September 10, 2011 and (iii) the automatic conversion of Preferred Units to Common Units pursuant to Section 3.1.3 hereof. To the extent the Company does not pay all or a portion of the Preferred Return currently pursuant to the monthly distributions, such amounts shall continue to accrue (but not compound) and be cumulative with other unpaid Preferred Return amounts, and be paid to the extent of available Distributable Cash at the next monthly distribution date until paid in full.

"Prime Rate" shall mean the reference rate announced from time-to-time by the Wall Street Journal and changes in the Prime Rate shall be deemed to occur on the date that changes in such rate are announced.

"Property" shall mean that 131,619 rentable square foot commercial and retail property, containing a six-story office building known as Titan Building and a single-story office building known as Titan Plaza, located in San Antonio, Texas.

"Regulatory Allocations" shall mean the allocations set forth in Sections 4.2.1 through 4.2.8.

"Seller" means Kevin Roberts, as Receiver for the 225th District Court, Bexar County, Texas in Cause No. 2009-CI-13519 regarding the Chase Merritt Titan, LP, a Delaware limited partnership.

"Selling Group" shall mean the members of the selling group engaged by the Managing Broker-Dealer to offer and sell Units in the Offering.

"Subscription Agreement" means the agreement, in the form attached to the Memorandum, by which each person desiring to become a Member shall evidence (i) the number of Units which such person wishes to acquire and (ii) such person's agreement to become a party to and be bound by the provisions of, this Agreement and (iii) certain representations regarding the person's finances and investment intent.

"Subscription Notice" shall have the meaning set forth in Section 3.2.2.

"Subscription Payment" shall mean the cash payment that must accompany each subscription for Units sold through the Unit Offering.

"Substituted Member" shall mean any person admitted as a substituted Member pursuant to this Agreement.

"Target Final Balance" shall have the meaning set forth in Section 4.2.9.

"Tax Payment" shall have the meaning set forth in Section 4.11.

"Unit" shall represent an interest in the Company entitling the owner of the Unit, if admitted as a Member, to the respective voting and other rights afforded to a Member holding a Unit and affording to such Member a share in Net Income, Net Loss and Distributions as provided for in this Agreement.

EXHIBIT B

Capital Contribution of the Members

Preferred Member	Cash or Property Contributed	Amount
TNP 2008 Participating Notes Program, LLC 1900 Main Street, Suite 700 Irvine, California 92614	$3,500,000	700 Preferred Units
TOTAL	$3,500,000	

Common Member	Cash or Property Contributed	Amount
[_____]	$[_____]	[_____] Common Units
TOTAL	$[_____]	

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