

Retail Development Infrastructure Grant Application

Name	Chandler Casey
Company Name	The Cotton Mill Partners LTD
Federal Tax I.D.	20-1305664
Incorporation Date	06-23-2004
Mailing Address	610 Elm St. , Suite 520, McKinney, TX, 75069
Phone Number	(214) 500-9762
Email	chandler@mckinneycottonmill.com
Website	www.mckinneycottonmill.com

Please provide a detailed narrative about your organization including years established, mission, goals, scope of services, successes, contribution to community, etc.

We represent the Historic McKinney Cotton Mill, on the East side of McKinney, and are focusing on bringing this landmark building back into fruition by culminating a thriving art & business community.

Organization Type	Partnership
Name	Chandler Casey
Title	Manager
Mailing Address	610 Elm St, suite 520, McKinney, TX, 75069
Phone Number	(214) 500-9762
Email Address	chandler@mckinneycottonmill.com
Name	Chandler Casey

Title	Manager
Mailing Address	610 Elm St, Suite 520 , McKinney, TX, 75069
Phone Number	(214) 500-9762
Email Address	chandler@mckinneycottonmill.com
Are you the property owner?	No
Name	Terrance Casey
Company	The Cotton Mill Partners LTD
Mailing Address	610 Elm St, Suite 520 , McKinney, TX, 75069
Phone Number	(214) 500-9762
Email Address	chandler@mckinneycottonmill.com
Letter of Support for Project from Property Owner	Sidewalk Permission.pdf
Project / Business Name	Cotton Mill Sidewalk
Location of Project	The Cotton Mill
Physical Address	610 Elm St , suite 520, McKinney, TX, 75069
Property Size (in acres)	12
Collin CAD Property ID	2719784
Property Use (retail, restaurant)	retail
Estimated Date of Project Start Date	01-24-2024
Estimated Date of Project Completion Date	03-15-2024

Project Details and Proposed Use	We are adding a sidewalk and walkway down to a crushed gravel parking lot because we need additional parking for customers and business'. Our current lot is constantly overflowed from patrons using/visiting the coffee shop, ceramic studio, art gallery, and Atrium event space. We are worried that this parking issue will turn potential customers away from the building and its' business'.
Days / Hours of Business Operation	Mon-Sun 7am-7pm
Has a request for grant funding been submitted to MCDC in the past five years?	Yes
Please list.	Cotton Mill Signage - Q4 2023 Additional exterior water piping - Q3 2022
What is the total cost for this Project?	62750
What percentage of Project funding will be provided by the applicant?	100%
Are matching funds available?	No
Other Funding Sources	n/a
Estimated Annual Taxable Sales	\$532,480
Current Appraised Value of Property	3,381,000
Estimated Appraised Value (post-improvement)	3,3451,000
Estimated Construction Cost for Total Project	201850

Total Estimated Cost for Exterior Infrastructure Improvements	62750
Total Grant Amount Requested	39000.00 (REVISED FROM 47062.50)
Attach Competitive Bids for the Project	FILE_0955.pdf West Texas Rebar Sidewalk Bid.pdf
Has a feasibility study or market analysis been completed for this proposed project?	No
Attach Executive Summary	Executive Summary.pdf
Current financial report including current and previous year's profit & loss statement and balance sheet.	2023 Bal.pdf 2023 P&L.pdf 2024 Bal.pdf 2024 P&L.pdf
Audited financials for current and previous two years (if not available, please indicate why).	2021 1065 Cotton Mill Partners Ltd.pdf 2022 1065 Cotton Mill Partners Ltd.pdf
Reason for Unavailable Audited Financials	2023 -1065.pdf
Budget	Cotton Mill Budget.pdf
Financial Statements	Cotton Mill Financial Statements.pdf
W9	Cotton Mill W9 2023 (2).pdf
Business plan including mission and goals of company / organization, target customers, staff, growth goals, products / services, location(s), etc.	Cotton Mill Business Plan.pdf

Plat / map of property
extending 200 feet
beyond property in all
directions (if applicable).

[TCM Master Plan Sidewalk.pdf](#)

Timeline and schedule
from design to
completion.

[Timeline.pdf](#)

Plans for future
expansion / growth.

[Growth.pdf](#)

We certify that all figures,
facts and representations
made in this application,
including attachments,
are true and correct to the
best of our knowledge.

Selecting this option indicates your agreement with the above
statement.

Representative
Completing Application

Date 01-30-2024

Property Owner

Date 01-30-2024

Executive Summary

The Cotton Mill would like to have this sidewalk done because it will allow connection from our Atrium hall (the hub for all the retail businesses) to our parking lot and the future outdoor public space. It will be done on the building's southern border and span from the garden/waterfall area to the southern facing double entry doors leading out of the Atrium Hall. This will ultimately lead to more connectivity throughout the building and allow our guests/customers easy access to the south side.

COTTON MILL MCKINNEY TX

- 200 L ft of sidewalk on south side of building
 - Concrete @3500psi....\$13,600
 - Cleaning & Installing brick \$8,000
- Adding drain channel with 4" PVC pipe under \$7,500

-Total \$29,100

EVER MALDONADO

214 256 8154

Timeline

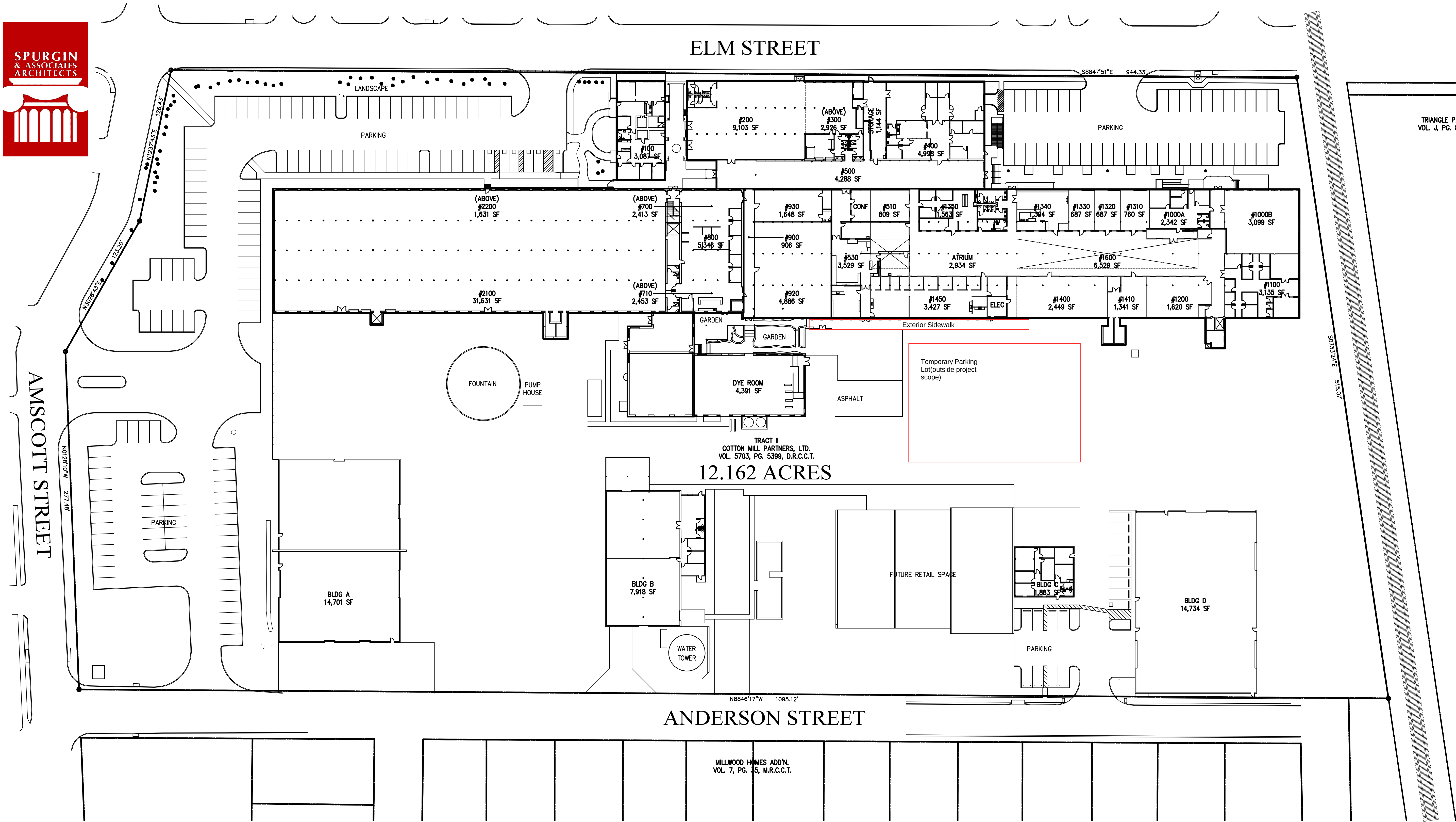
We hope to have the project to be started in February and completed by the end of April, barring weather conditions.



AMSCOTT STREET

ELM STREET

TRIANGLE PACIFIC ADD'N.
VOL. 4, PG. 853, M.R.C.C.T.



ANDERSON STREET

THE COTTON MILL - MASTER PLAN

WEST TEXAS REBAR PLACER INC.

10209 Plano Rd. Suite 101
Dallas, Texas 75238

214 221-1333 Office
214 221-1303 Fax

Proposal

1/29/2024

Project Name: Cotton Mill-ADA Ramp & Walkway
Attention: McCall Casey

Scope of Work: Concrete work
Per plans provide by owner.

.- Concrete Walkway -----	\$ 44,000.00
.- New 10' Ft Concrete Steps -----	\$ 12,000.00
.- New Concrete ADA Ramp -----	\$ 50,000.00
.- 200 Ft. Hand Rail -----	\$ 20,000.00
.- 250 Ft. French Drain -----	\$ 18,750.00

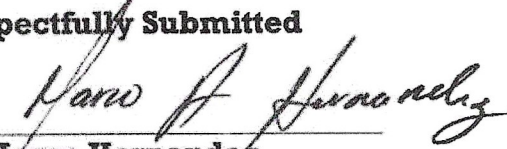
Total \$ 144,750.00

62,750

BID EXCLUDES: P.P Bond, Drill holes to install anchors, any Lay-out, or weld plates, hoisting equipment, lights, lifts, scaffolds. Support labor, move existing wood deck, any work for relocate the irrigation system. Work, Sunday's is additional charge to the contract.

Respectfully Submitted

By:


Marco Hernandez



THE COTTON MILL
ARTS & DESIGN DISTRICT

1/12/24

To whom it may concern,

I give full approval of the project located at 610 Elm St, McKinney, TX, 75069 to build and pour an outdoor sidewalk on the south exterior of The Cotton Mill building.

Signed,

Terry Casey

A handwritten signature in blue ink, appearing to read 'Terry Casey', is written over a solid horizontal line. The signature is fluid and cursive.

Our business plan is to continue the expansion and growth of The Cotton Mill Arts & Design District so we can bring more businesses and people into the City of McKinney. We plan to do this by continuing to build out the existing Cotton Mill space and fill it with creative businesses whether they are Tech or more creatively focused. We also plan to build out a community space on the south side of the property that opens the businesses inside the building to the unique space that we will create outside. Our target customer base is going to be anyone over the age of 16 that wants to enjoy the different shops and art installations that we have featured around the area. On top of the ceramics studio/shop, coffee shop, and events that are held inside The Atrium we plan to add more restaurant and outdoor event space that will add to the overall growth of The Mill and the city of McKinney. The plan can be seen in the attached documents.

Cotton Mill Partners Ltd.

Balance Sheet

As of January 26, 2024

	Jan 26, 24
ASSETS	
Current Assets	
Checking/Savings	
Intrafy	1,249,423.99
Cash Adjustment	9,795.00
ERC Account	-0.04
First United Operating	173,248.49
First United Tax Reserve	15,579.20
Total Checking/Savings	1,448,046.64
Total Current Assets	1,448,046.64
Fixed Assets	
Land Purchase	294,897.39
Land - 754	3,048.82
Building - 754	17,276.64
Bldg Improvements	
Rail Cars	9,623.38
Parking Lot Expansion	385,099.94
480 Electric Service	93,362.42
Suite 910 Shell	78,692.22
Roof Replacement	388,768.39
Bldg Improvements - Other	764,248.51
Total Bldg Improvements	1,719,794.86
Building	719,826.00
Furniture & Fixtures	148,305.61
Land	1,829,067.00
Land - Amscott	238,335.94
Landscaping Improvements	
South Garden	12,874.37
Landscaping Improvements - Other	127,024.09
Total Landscaping Improvements	139,898.46
Machinery & Equipment	79,179.11
Tenant Finishout	
Suite 300	170,104.57
Dye Room	12,040.73
Suite 1000 Benson Cobb	28,539.33
Suite 400 - Imagine Xhibits	155,138.53
Suite 500 - EDC Temp	5,157.64
Suite 500 - Grand Hallway	299,964.83
Suite 710-Boss Fight	48,357.82
Tenant Finishout - Other	493,767.99
Total Tenant Finishout	1,213,071.44
zAccum Depreciation	-2,164,270.00
Total Fixed Assets	4,238,431.27
Other Assets	
Prepaid Commissions	4,800.00
CIP - Two Story	179,181.68
Intangible Assets	
Construction Management	28,557.22
Lease Commissions	203,646.16
Loan Costs	201,592.00
Organization Costs	2,500.00
zAccum Amortization	-116,038.00
Total Intangible Assets	320,257.38
Total Other Assets	504,239.06
TOTAL ASSETS	6,190,716.97

Cotton Mill Partners Ltd.

Balance Sheet

As of January 26, 2024

	Jan 26, 24
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Capital One CC	-7,624.25
Total Credit Cards	-7,624.25
Other Current Liabilities	
Distr Pay Casey Adv	5,691.20
P/R Liab Adjust	-1,863.43
Payroll Liabilities	
Federal Withholding	1,523.00
FICA Company	897.06
FICA Employee	897.06
FUTA	96.00
Medicare Company	209.79
Medicare Employee	209.79
State Unemployment (TX)	15.34
Payroll Liabilities - Other	-172.99
Total Payroll Liabilities	3,675.05
Security Deposits	118,108.02
Total Other Current Liabilities	125,610.84
Total Current Liabilities	117,986.59
Long Term Liabilities	
NP FNB Ballinger	
Tract 4	2,000,135.00
Tract 5	1,004,531.00
Total NP FNB Ballinger	3,004,666.00
Casey LOC Separate Prop	325,000.00
Total Long Term Liabilities	3,329,666.00
Total Liabilities	3,447,652.59
Equity	
Partner Three - C Advisory	
Draws	-4,667.97
Partner Three - C Advisory - Other	13,894.53
Total Partner Three - C Advisory	9,226.56
Partner One Equity	
Partner One Draws	-1,025,318.46
Partner One Investments	768,429.12
Distributions for B4 Loan	-1,236,179.48
Partner One Equity - Other	2,181,891.12
Total Partner One Equity	688,822.30
Partner Two Equity	
754 Adjust	20,325.46
Partner Two Draws	-949,720.07
Partner Two Investments	738,429.12
Partner Two Equity - Other	-244.79
Total Partner Two Equity	-191,210.28
Retained Earnings	2,331,655.30
Net Income	-95,429.50
Total Equity	2,743,064.38

Cotton Mill Partners Ltd.
Balance Sheet
As of January 26, 2024

	Jan 26, 24
TOTAL LIABILITIES & EQUITY	<u>6,190,716.97</u>

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01/26/24

Cash Basis

Cotton Mill Partners Ltd.
Profit & Loss
 January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
Catering Fee	2,888.83
Rental	
Event Hall	
Credit Card Fee	238.05
Event Hall - Other	14,285.00
Total Event Hall	14,523.05
Lease Agmt	91,257.23
Total Rental	105,780.28
Total Income	108,669.11
Cost of Goods Sold	
Deposit Reimbursement	4,000.00
Total COGS	4,000.00
Gross Profit	104,669.11
Expense	
Advertising	
Website	1,262.50
Total Advertising	1,262.50
Automobile Expense	14,125.43
Insurance	
Medical Insurance	1,534.32
Tractor	250.00
Total Insurance	1,784.32
Loan	
Principal Payment	5,731.58
Total Loan	5,731.58
Materials	16,140.55
Payroll Expenses	14,466.66
Subcontractor	
Security Guards	1,689.13
Subcontractor - Other	49,038.17
Total Subcontractor	50,727.30
Taxes	
Property	80,000.00
Total Taxes	80,000.00
Utilities	
Gas and Electric	
Suite 1350	166.15
1400 Fowler	13.40
Suite 530	228.07
Suite 1340	348.91
Suite 1450	655.32
Suite 1330	297.17
Suite 1300	720.65
Suite 300	118.87
Suite 1100	275.14
Suite 400	765.25
Suite 710	325.15
Total Gas and Electric	3,914.08

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Cash Basis

Cotton Mill Partners Ltd.
Profit & Loss
January through December 2024

	Jan - Dec 24
Water	
Fowler	305.69
610 Elm St.	1,298.55
721 Anderson	737.70
Dumpsters	
610 Elm	256.91
721 Anderson	261.38
Total Dumpsters	518.29
Total Water	2,860.23
Total Utilities	6,774.31
Total Expense	191,012.65
Net Ordinary Income	-86,343.54
Other Income/Expense	
Other Expense	
Interest Expense	
Loan Interest	16,320.62
Total Interest Expense	16,320.62
Total Other Expense	16,320.62
Net Other Income	-16,320.62
Net Income	-102,664.16

Cotton Mill Partners Ltd.

Balance Sheet

As of December 31, 2023

	Dec 31, 23
ASSETS	
Current Assets	
Checking/Savings	
Intrafy	1,249,423.99
Cash Adjustment	9,795.00
ERC Account	-0.04
First United Operating	286,435.15
First United Tax Reserve	15,579.20
Total Checking/Savings	1,561,233.30
Total Current Assets	1,561,233.30
Fixed Assets	
Land Purchase	294,897.39
Land - 754	3,048.82
Building - 754	17,276.64
Bldg Improvements	
Rail Cars	9,623.38
Parking Lot Expansion	385,099.94
480 Electric Service	93,362.42
Suite 910 Shell	78,692.22
Roof Replacement	388,768.39
Bldg Improvements - Other	764,248.51
Total Bldg Improvements	1,719,794.86
Building	719,826.00
Furniture & Fixtures	148,305.61
Land	1,829,067.00
Land - Amscott	238,335.94
Landscaping Improvements	
South Garden	12,874.37
Landscaping Improvements - Other	127,024.09
Total Landscaping Improvements	139,898.46
Machinery & Equipment	79,179.11
Tenant Finishout	
Suite 300	170,104.57
Dye Room	12,040.73
Suite 1000 Benson Cobb	28,539.33
Suite 400 - Imagine Xhibits	155,138.53
Suite 500 - EDC Temp	5,157.64
Suite 500 - Grand Hallway	299,964.83
Suite 710-Boss Fight	48,357.82
Tenant Finishout - Other	493,767.99
Total Tenant Finishout	1,213,071.44
zAccum Depreciation	-2,164,270.00
Total Fixed Assets	4,238,431.27
Other Assets	
Prepaid Commissions	4,800.00
CIP - Two Story	179,181.68
Intangible Assets	
Construction Management	28,557.22
Lease Commissions	203,646.16
Loan Costs	201,592.00
Organization Costs	2,500.00
zAccum Amortization	-116,038.00
Total Intangible Assets	320,257.38
Total Other Assets	504,239.06
TOTAL ASSETS	6,303,903.63

Cotton Mill Partners Ltd.

Balance Sheet

As of December 31, 2023

	Dec 31, 23
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Capital One CC	2,665.01
Total Credit Cards	2,665.01
Other Current Liabilities	
Distr Pay Casey Adv	5,691.20
P/R Liab Adjust	-1,863.43
Payroll Liabilities	
Federal Withholding	3,519.00
FICA Company	1,723.72
FICA Employee	1,723.72
FUTA	140.00
Medicare Company	403.13
Medicare Employee	403.13
Payroll Liabilities - Other	-172.99
Total Payroll Liabilities	7,739.71
Security Deposits	118,108.02
Total Other Current Liabilities	129,675.50
Total Current Liabilities	132,340.51
Long Term Liabilities	
NP FNB Ballinger	
Tract 4	2,000,135.00
Tract 5	1,004,531.00
Total NP FNB Ballinger	3,004,666.00
Casey LOC Separate Prop	325,000.00
Total Long Term Liabilities	3,329,666.00
Total Liabilities	3,462,006.51
Equity	
Partner Three - C Advisory	
Draws	-4,667.97
Partner Three - C Advisory - Other	13,894.53
Total Partner Three - C Advisory	9,226.56
Partner One Equity	
Partner One Draws	-1,023,526.52
Partner One Investments	768,429.12
Distributions for B4 Loan	-1,236,179.48
Partner One Equity - Other	2,181,891.12
Total Partner One Equity	690,614.24
Partner Two Equity	
754 Adjust	20,325.46
Partner Two Draws	-948,108.77
Partner Two Investments	738,429.12
Partner Two Equity - Other	-244.79
Total Partner Two Equity	-189,598.98
Retained Earnings	-3,200,851.46
Net Income	5,532,506.76
Total Equity	2,841,897.12
TOTAL LIABILITIES & EQUITY	6,303,903.63

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01/26/24

Cash Basis

Cotton Mill Partners Ltd.
Profit & Loss
 January through December 2023

	Jan - Dec 23
Ordinary Income/Expense	
Income	
Credit Card Fee	102.75
Catering Fee	52,223.22
Refund	23,501.12
Rental	
Event Hall	
Credit Card Fee	4,016.24
Event Hall - Other	310,261.76
Total Event Hall	314,278.00
Lease Agmt	1,279,464.60
Photo Shoot	11,050.00
Total Rental	1,604,792.60
Total Income	1,680,619.69
Cost of Goods Sold	
Deposit Reimbursement	34,500.00
Total COGS	34,500.00
Gross Profit	1,646,119.69
Expense	
Cash Withdraw	3,250.00
Computer Software	2,399.51
Finance Charge	59.41
Late Fee	4.99
Advertising	
Wedding Wire	13,100.21
Google Ads	4,932.20
Chamber	1,662.50
Clothing	2,386.34
Signage	696.59
Website	112.50
Advertising - Other	11,040.58
Total Advertising	33,930.92
Automobile Expense	7,654.86
Bank Service Charges	
Account Analysis	305.79
Loan Modification	17,847.31
Wire Transfer Fee	55.46
Bank Service Charges - Other	3.00
Total Bank Service Charges	18,211.56
Charitable Donation	3,520.00
City Permit	5,732.32
Credit Card	
Credit Card Fee	1,207.90
Total Credit Card	1,207.90
Filing Fees	22.00
Food	8,039.21
Furniture/Fixtures	
Lighting	-13,881.98
Total Furniture/Fixtures	-13,881.98
Insurance	
Auto	9,941.96
Liability Insurance	82,397.14

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01/26/24

Cash Basis

Cotton Mill Partners Ltd.
Profit & Loss
January through December 2023

	Jan - Dec 23
Medical Insurance	8,645.52
Tractor	250.00
Total Insurance	101,234.62
Internet Service Provider	3,045.92
Janitorial Services	9,768.14
Loan	
Principal Payment	29,527.16
Total Loan	29,527.16
Materials	
Diesel	33.50
Paint Supplies	1,273.47
Materials - Other	309,826.05
Total Materials	311,133.02
Payroll Expenses	183,146.83
Postage and Delivery	50.40
Professional Fees	
Accounting	725.00
Legal Fees	6,341.90
Total Professional Fees	7,066.90
Reimbursement	2,681.42
Security Guards	3,755.94
Subcontractor	
Landscape	10,434.25
Security Guards	19,871.12
Subcontractor - Other	1,027,423.41
Total Subcontractor	1,057,728.78
Subscription	970.56
Supplies	
Janitorial	12,665.44
Home Depot Materials	39.01
Marketing	19.46
Office	3,301.64
Supplies - Other	156.41
Total Supplies	16,181.96
Taxes	
Property	-1,910.80
State	4,000.00
Total Taxes	2,089.20
Telephone	
Casey Cell	3,949.64
Cell	154.00
Total Telephone	4,103.64
Toll Booth	1,392.30
Travel & Ent	
Entertainment	153.00
Total Travel & Ent	153.00
Utilities	
Gas and Electric	
1400 Fowler	10.51
Suite 530	1,107.50
Suite 1340	3,284.87
Suite 1400	1,266.27

Cotton Mill Partners Ltd.
Profit & Loss
January through December 2023

	Jan - Dec 23
Suite 1450	13,246.70
Suite 1330	2,637.92
Suite 1300	1,845.99
Suite 300	5,900.24
Suite 1100	10,454.43
Suite 700	2,897.67
Suite 1001	12,514.78
705 Anderson (Barn)	105.70
707 Anderson	1,786.18
Suite 100	5,455.12
Suite 200 (Event Hall)	10,569.69
Suite 400	7,202.23
Suite 500	155.72
Suite 710	3,574.77
Suite 800	6,164.99
Suite 900	3,131.11
Suite 930	992.98
Total Gas and Electric	94,305.37
Water	
Fowler	30.00
610 Elm St.	23,277.30
721 Anderson	16,735.50
Dumpsters	
610 Elm	3,082.92
721 Anderson	8,809.93
Total Dumpsters	11,892.85
Total Water	51,935.65
Total Utilities	146,241.02
Total Expense	1,950,421.51
Net Ordinary Income	-304,301.82
Other Income/Expense	
Other Income	
Property Sale	6,264,900.00
Interest Income	0.62
Other Income	0.01
Total Other Income	6,264,900.63
Other Expense	
Closing Costs	218,406.00
Interest Expense	
Loan Interest	208,426.20
Interest Expense - Other	1,259.85
Total Interest Expense	209,686.05
Total Other Expense	428,092.05
Net Other Income	5,836,808.58
Net Income	5,532,506.76

Form **1065**Department of the Treasury
Internal Revenue Service**U.S. Return of Partnership Income**

For calendar year 2022, or tax year beginning _____, 2022,

ending _____, 20_____.

Go to www.irs.gov/Form1065 for instructions and the latest information.

OMB No. 1545-0123

2022**A** Principal business activity

Rental

B Principal product or service

Real Estate

C Business code number

531120

Type
or
PrintCotton Mill Partners, Ltd.
610 Elm Street, Suite 520
McKinney, TX 75069-8175**D** Employer identification no.

20-1305664

E Date business started

6/23/2004

F Total assets (see instructions)

\$ 4,262,572.

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☒ Address change (5) ☐ Amended return**H** Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify): _____**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year: _____ **3****J** Check if Schedules C and M-3 are attached: _____ ☐**K** Check if partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

INCOME	1 a	Gross receipts or sales.	1 a		
	b	Returns and allowances.	1 b		
	c	Balance. Subtract line 1b from line 1a.			1 c
	2	Cost of goods sold (attach Form 1125-A).			2
	3	Gross profit. Subtract line 2 from line 1c.			3
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement).			4
	5	Net farm profit (loss) (attach Schedule F (Form 1040)).			5
	6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797).			6
SEE INSTRUCTIONS FOR DEDUCTIONS	7	Other income (loss) (attach statement).			7
	8	Total income (loss). Combine lines 3 through 7.			8
	9	Salaries and wages (other than to partners) (less employment credits).			9
	10	Guaranteed payments to partners.			10
	11	Repairs and maintenance.			11
	12	Bad debts.			12
	13	Rent.			13
	14	Taxes and licenses.			14
	15	Interest (see instructions).			15
	16 a	Depreciation (if required, attach Form 4562).	16 a		
	b	Less depreciation reported on Form 1125-A and elsewhere on return.	16 b		16 c
	17	Depletion (Do not deduct oil and gas depletion.)			17
	18	Retirement plans, etc.			18
TAX AND PAYMENT	19	Employee benefit programs.			19
	20	Other deductions (attach statement).			20
	21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20.			21
	22	Ordinary business income (loss). Subtract line 21 from line 8.			22
	23	Interest due under the look-back method — completed long-term contracts (attach Form 8697).			23
	24	Interest due under the look-back method — income forecast method (attach Form 8866).			24
	25	BBA AAR imputed underpayment (see instructions).			25
	26	Other taxes (see instructions).			26
	27	Total balance due. Add lines 23 through 26.			27
	28	Payment (see instructions).			28
	29	Amount owed. If line 28 is smaller than line 27, enter amount owed.			29
	30	Overpayment. If line 28 is larger than line 27, enter overpayment.			30

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of partner or limited liability company member

Date

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ NoPaid
Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

H. Chris Seeligson

8.28.23

P00149163

Firm's name Seeligson & Company PC

Firm's EIN 45-3709393

Firm's address 3308 Shorecrest Drive

Phone no. (214) 369-0100

Dallas, TX 75235

**Application for Automatic Extension of Time To File Certain
Business Income Tax, Information, and Other Returns**► **File a separate application for each return.**► **Go to www.irs.gov/Form7004 for instructions and the latest information.**

OMB No. 1545-0233

**Print
or
Type**

Name

Cotton Mill Partners, Ltd.

Identifying number

20-1305664

Number, street, and room or suite no. (If P.O. box, see instructions.)

610 Elm Street, Suite 520

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code).)

McKinney, TX 75069-8175

Note: File request for extension by the due date of the return. See instructions before completing this form.**Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns.** See instructions.

1 Enter the form code for the return listed below that this application is for 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041 (estate other than a bankruptcy estate)	04	Form 1120-REIT	23
Form 1041 (trust)	05	Form 1120-RIC	24
Form 1041-N	06	Form 1120S	25
Form 1041-QFT	07	Form 1120-SF	26
Form 1042	08	Form 3520-A	27
Form 1065	09	Form 8612	28
Form 1066	11	Form 8613	29
Form 1120	12	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18	Form 8928	36
Form 1120-ND	19		

Part II All Filers Must Complete This Part2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here. ☐3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here. ☐
If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application.4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here. ☐5 a The application is for calendar year 20 22, or tax year beginning _____, 20 __, and ending _____, 20 __b **Short tax year.** If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (See instructions – attach explanation.)

6 Tentative total tax 6 0.

7 Total payments and credits. See instructions 7 0.

8 Balance due. Subtract line 7 from line 6. See instructions 8 0.

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

CPCZ0701L 08/09/18

Form **7004** (Rev. 12-2018)

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a ☐ Domestic general partnership	b ☒ Domestic limited partnership				
c ☐ Domestic limited liability company	d ☐ Domestic limited liability partnership				
e ☐ Foreign partnership	f ☐ Other: _____				

2 At the end of the tax year:				Yes	No
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.					X
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.					X

3 At the end of the tax year, did the partnership:				Yes	No
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.					X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below.				Yes	No
					X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

4 Does the partnership satisfy all four of the following conditions?				Yes	No
a The partnership's total receipts for the tax year were less than \$250,000.					
b The partnership's total assets at the end of the tax year were less than \$1 million.					
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
d The partnership is not filing and is not required to file Schedule M-3. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.					X

5 Is this partnership a publicly traded partnership, as defined in section 469(k)(2)?				Yes	No
					X

6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?				Yes	No
					X

7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?				Yes	No
					X

8 At any time during calendar year 2022, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country.				Yes	No
					X

9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.				Yes	No
					X

10a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.				Yes	No
				X	
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions. See Statement 1.				X	
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.					X

Schedule B Other Information (continued)

	Yes	No
11 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year). ☐		
12 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
13 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions.		
14 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.		X
15 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		
16a Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions.	X	
b If "Yes," did you or will you file required Form(s) 1099?	X	
17 Enter the number of Forms 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, attached to this return.		
18 Enter the number of partners that are foreign governments under section 892. <u>0</u>		
19 During the partnership's tax year, did the partnership make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		X
20 Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938.		X
21 Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?		X
22 During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions. If "Yes," enter the total amount of the disallowed deductions. \$		X
23 Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions.	X	
24 Does the partnership satisfy one or more of the following? See instructions. a The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense. b The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$27 million and the partnership has business interest expense. c The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.		X
25 Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15. \$		X
26 Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership. Complete Schedule K-3 (Form 1065), Part XIII, for each foreign partner subject to section 864(c)(8) on a transfer or distribution.		
27 At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		X
28 Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions. Percentage: _____ By vote: _____ By value: _____		X
29 Reserved for future use.		
30 Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3. If "No," complete Designation of Partnership Representative below.		X

Designation of Partnership Representative (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR Casey Advisory Group Inc	
U.S. address of PR 610 Elm Street, Suite 400 McKinney, TX 75069-8175	U.S. phone number of PR (214) 502-2370
If the PR is an entity, name of the designated individual for the PR Terrance M Casey	
U.S. address of designated individual 610 Elm Street, Suite 400 McKinney, TX 75069-8175	U.S. phone number of designated individual (214) 502-2370

Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1
	2 Net rental real estate income (loss) (attach Form 8825)	2 -436,647.
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach stmt)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Guaranteed payments: a Services 4a b Capital 4b	4c
	c Total. Add lines 4a and 4b	4c
	5 Interest income	5 39.
	6 Dividends and dividend equivalents: a Ordinary dividends	6a
	b Qualified dividends 6b c Dividend equivalents 6c	6c
	7 Royalties	7
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
b Collectibles (28%) gain (loss)	9b	
c Unrecaptured section 1250 gain (attach statement)	9c	
10 Net section 1231 gain (loss) (attach Form 4797)	10	
11 Other income (loss) (see instructions) Type: See Statement 2	11 12,793.	
Deductions	12 Section 179 deduction (attach Form 4562)	12
	13a Contributions See Statement 3	13a 2,500.
	b Investment interest expense	13b
	c Section 59(e)(2) expenditures: (1) Type: (2) Amount:	13c(2)
d Other deductions (see instructions) Type:	13d	
Self-Employment	14a Net earnings (loss) from self-employment	14a
	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c
Credits	15a Low-income housing credit (section 42(j)(5))	15a
	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c
	d Other rental real estate credits (see instructions) Type:	15d
	e Other rental credits (see instructions) Type:	15e
	f Other credits (see instructions) Type:	15f
International	16 Attach Schedule K-2 (Form 1065), Partners' Distributive Share Items—International, and check this box to indicate that you are reporting items of international tax relevance ☒	
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a -19.
	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
	d Oil, gas, and geothermal properties — gross income	17d
	e Oil, gas, and geothermal properties — deductions	17e
	f Other AMT items (attach stmt)	17f
Other Information	18a Tax-exempt interest income	18a
	b Other tax-exempt income	18b
	c Nondeductible expenses See Statement 4	18c 50.
	19a Distributions of cash and marketable securities	19a 30,235.
	b Distributions of other property	19b
	20a Investment income	20a 39.
	b Investment expenses	20b
c Other items and amounts (attach stmt) See Statement 5		
21 Total foreign taxes paid or accrued	21	

Analysis of Net Income (Loss) per Return

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 21.						1	-426,315.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other	
a General partners	-4,263.						
b Limited partners		-422,052.					

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			4,673.		29,729.
2a Trade notes and accounts receivable					
b Less allowance for bad debts					
3 Inventories					
4 U.S. Government obligations					
5 Tax-exempt securities					
6 Other current assets (attach stmt)					
7a Loans to partners (or persons related to partners)					
b Mortgage and real estate loans					
8 Other investments (attach stmt)					
9a Buildings and other depreciable assets		4,027,729.		4,035,052.	
b Less accumulated depreciation		2,164,263.	1,863,466.	2,251,974.	1,783,078.
10a Depletable assets					
b Less accumulated depletion					
11 Land (net of any amortization)			2,060,352.		2,058,644.
12a Intangible assets (amortizable only)		281,817.		349,514.	
b Less accumulated amortization		116,038.	165,779.	155,411.	194,103.
13 Other assets (attach stmt) See St. 6			193,605.		197,018.
14 Total assets			4,287,875.		4,262,572.
Liabilities and Capital					
15 Accounts payable					
16 Mortgages, notes, bonds payable in less than 1 year					
17 Other current liabilities (attach stmt) See St. 7			9,322.		5,740.
18 All nonrecourse loans					
19a Loans from partners (or persons related to partners)			330,691.		4,979.
b Mortgages, notes, bonds payable in 1 year or more			4,970,051.		5,712,357.
20 Other liabilities (attach stmt) See St. 8			72,699.		82,369.
21 Partners' capital accounts			-1,094,888.		-1,542,873.
22 Total liabilities and capital			4,287,875.		4,262,572.

Schedule M-1 Reconciliation of Income (Loss) per Books With Analysis of Net Income (Loss) per Return

Note: The partnership may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	-426,365.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest	\$
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 21, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 21 (itemize):		a Depreciation	\$
a Depreciation	\$	8 Add lines 6 and 7	
b Travel and entertainment	\$	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-426,315.
Statement 9	50.		
5 Add lines 1 through 4	-426,315.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	-1,094,888.	6 Distributions: a Cash	30,235.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) (see instructions)	-426,315.	Statement 11	50.
4 Other increases (itemize):		8 Add lines 6 and 7	30,285.
Statement 10	8,615.	9 Balance at end of year. Subtract line 8 from line 5	-1,542,873.
5 Add lines 1 through 4	-1,512,588.		

**Rental Real Estate Income and Expenses of a
Partnership or an S Corporation**

OMB No. 1545-0123

► **Attach to Form 1065 or Form 1120S.**
► **Go to www.irs.gov/Form8825 for the latest information.**

Name **Cotton Mill Partners, Ltd.** Employer identification number **20-1305664**

1	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.			
	Physical address of each property — street, city, state, ZIP code	Type — Enter code 1–8; see page 2 for list	Fair Rental Days	Personal Use Days
A	610 Elm Street McKinney, TX 75069	4	365	
B				
C				
D				

Rental Real Estate Income		Properties			
		A	B	C	D
2	Gross rents.	2	1,483,818.		
Rental Real Estate Expenses					
3	Advertising.	3	26,416.		
4	Auto and travel.	4	2,896.		
5	Cleaning and maintenance.	5	104,503.		
6	Commissions.	6			
7	Insurance.	7	42,577.		
8	Legal and other professional fees.	8	1,350.		
9	Interest (see instructions).	9	308,939.		
10	Repairs.	10	807,038.		
11	Taxes.	11	89,905.		
12	Utilities.	12	104,780.		
13	Wages and salaries.	13	139,302.		
14	Depreciation (see instructions).	14	87,711.		
15	Other (list) ► See Statement 12	15	205,048.		
16	Total expenses for each property. Add lines 3 through 15.	16	1,920,465.		
17	Income or (loss) from each property. Subtract line 16 from line 2.	17	-436,647.		
18a	Total gross rents. Add gross rents from line 2, columns A through H.	18a		1,483,818.	
18b	Total expenses. Add total expenses from line 16, columns A through H.	18b		-1,920,465.	
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities.	19			
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1).	20a			
b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed. (1) Name (2) Employer identification number				
21	Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2	21		-436,647.	

- 1 Show the type and address of each property. For each rental real estate property listed, report the number of days at fair rental value and days with personal use. See instructions.

Physical address of each property — street, city, state, ZIP code	Type — Enter code 1–8; see below for list	Fair Rental Days	Personal Use Days
E			
F			
G			
H			

Rental Real Estate Income		Properties			
		E	F	G	H
2 Gross rents	2				
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8				
9 Interest (see instructions)	9				
10 Repairs	10				
11 Taxes	11				
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶	15				
16 Total expenses for each property. Add lines 3 through 15	16				
17 Income or (loss) from each property. Subtract line 16 from line 2	17				

Allowable Codes for Type of Property

- 1 – Single Family Residence
- 2 – Multi-Family Residence
- 3 – Vacation or Short-Term Rental
- 4 – Commercial
- 5 – Land
- 6 – Royalties
- 7 – Self-Rental
- 8 – Other (include description with the code on Form 8825 or on a separate statement)

Form **4797**Department of the Treasury
Internal Revenue Service**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

Attach to your tax return.

Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2022Attachment
Sequence No. **27**

Name(s) shown on return

Cotton Mill Partners, Ltd.

Identifying number

20-1305664

1a Enter the gross proceeds from sales or exchanges reported to you for 2022 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions.**1a** 3,000.**b** Enter the total amount of gain that you are including on lines 2, 10, and 24 due to the partial dispositions of MACRS assets.**1b****c** Enter the total amount of loss that you are including on lines 2 and 10 due to the partial dispositions of MACRS assets.**1c****Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft – Most Property Held More Than 1 Year** (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
	Tx DOT Easement Sale - Land	6/23/04	3/14/22	3,000.		3,000.	0.

3 Gain, if any, from Form 4684, line 39.**3****4** Section 1231 gain from installment sales from Form 6252, line 26 or 37.**4****5** Section 1231 gain or (loss) from like-kind exchanges from Form 8824.**5****6** Gain, if any, from line 32, from other than casualty or theft.**6****7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:**7****Partnerships and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.**8** Nonrecaptured net section 1231 losses from prior years. See instructions.**8****9** Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions.**9****Part II Ordinary Gains and Losses** (see instructions)**10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7.**11** ()**12** Gain, if any, from line 7 or amount from line 8, if applicable.**12****13** Gain, if any, from line 31.**13****14** Net gain or (loss) from Form 4684, lines 31 and 38a.**14****15** Ordinary gain from installment sales from Form 6252, line 25 or 36.**15****16** Ordinary gain or (loss) from like-kind exchanges from Form 8824.**16****17** Combine lines 10 through 16.**17****18** For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.**a** If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions.**18a****b** Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4.**18b****BAA For Paperwork Reduction Act Notice, see separate instructions.**Form **4797** (2022)

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service

2022

For calendar year 2022, or tax year

beginning / / 2022 ending / /

Partner's Share of Income, Deductions, Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
20-1305664

B Partnership's name, address, city, state, and ZIP code

Cotton Mill Partners, Ltd.
610 Elm Street, Suite 520
McKinney, TX 75069-8175

C IRS center where partnership filed return: e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
75-2906581

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

Casey Advisory Group Inc
610 Elm Street, Suite 400
McKinney, TX 75069

G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

H1 ☒ Domestic partner ☐ Foreign partner

H2 ☐ If the partner is a disregarded entity (DE), enter the partner's:
TIN _____ Name _____

I1 What type of entity is this partner? S Corporation

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	1 %	1 %
Loss	1 %	1 %
Capital	1 %	1 %

Check if decrease is due to sale or exchange of partnership interest ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$ 136,069.	\$ 150,212.

Check this box if item K includes liability amounts from lower-tier partnerships. ☐

L Partner's Capital Account Analysis

Beginning capital account \$ -11,155.

Capital contributed during the year \$

Current year net income (loss) \$ -4,263.

Other increase (decrease) (attach explanation) \$

Withdrawals and distributions \$ (303.)

Ending capital account \$ -15,721.

M Did the partner contribute property with a built-in gain (loss)?
☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning \$

Ending \$

☐ Final K-1☐ Amended K-1651121
OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	14	Self-employment earnings (loss)
2	Net rental real estate income (loss)		
*	-4,367.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked ☒
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income	A	-1.
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	19	Distributions
9b	Collectibles (28%) gain (loss)	A	303.
9c	Unrecaptured section 1250 gain	20	Other information
10	Net section 1231 gain (loss)	A	1.
11	Other income (loss)	N*	STMT
I*	127.	Z*	STMT
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		
A	24.		
22	☐ More than one activity for at-risk purposes*		
23	☐ More than one activity for passive activity purposes*		

For IRS Use Only

*See attached statement for additional information.

Box 2**Rental Real Estate Activities**

<u>Property Type and Address</u>	<u>Gross Income</u>	<u>Net Expenses</u>	<u>Net Income</u>	<u>Passive Nonpass</u>	<u>Sec. 1231 Total</u>
Type: 4 - Commercial 610 Elm Street McKinney, TX 75069	14,838.	19,205.	\$ -4,367.	Passive	
		Total	\$ -4,367.		

Box 11**Other Income (Loss)***** Descriptive Information**

I Grant - City of McKinney..... \$ 127.

Box 20, Code N**Business Interest Expense****Included as a Deduction on the Following Line(s)**

Below is deductible business interest expense for inclusion
in the separate loss class for computing any basis limitation
(defined in section 704(d), Regulation section 1.163(j)-6(h)).

Schedule K-1, line 2..... \$ 3,089.

Statement A—QBI Pass-through Entity Reporting (Schedule K-1, Box 20, Code Z)

Partnership's name: Cotton Mill Partners, Ltd.	Partnership's EIN: 20-1305664
Partner's name: Casey Advisory Group Inc	Partner's identifying number: 75-2906581

Partner's share of:	Cotton Mill Partners, Ltd.		
	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:

Ordinary business income (loss)			
Rental income (loss)	-4,367.		
Royalty income (loss)			
Section 1231 gain (loss)			
Other income (loss)			
Section 179 deduction			
Other deductions			
W-2 wages	1,394.		
UBIA of qualified property	20,449.		
Qualified REIT dividends			

Partner's share of:			
	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:

Ordinary business income (loss)			
Rental income (loss)			
Royalty income (loss)			
Section 1231 gain (loss)			
Other income (loss)			
Section 179 deduction			
Other deductions			
W-2 wages			
UBIA of qualified property			

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service

2022

For calendar year 2022, or tax year

beginning / / 2022 ending / /

Partner's Share of Income, Deductions, Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
20-1305664

B Partnership's name, address, city, state, and ZIP code

Cotton Mill Partners, Ltd.
610 Elm Street, Suite 520
McKinney, TX 75069-8175

C IRS center where partnership filed return: e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
479-76-0266

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

Terrance M Casey
6816 Dalmatia Dr
McKinney, TX 75072G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberH1 ☒ Domestic partner ☐ Foreign partnerH2 ☐ If the partner is a disregarded entity (DE), enter the partner's:
TIN _____ Name _____

I1 What type of entity is this partner? Individual

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	49.5 %	49.5 %
Loss	49.5 %	49.5 %
Capital	49.5 %	49.5 %

Check if decrease is due to sale or exchange of partnership interest ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$ 5,247,735.	\$ 5,655,233.

Check this box if item K includes liability amounts from lower-tier partnerships. ☐

L Partner's Capital Account Analysis

Beginning capital account	\$ -552,029.
Capital contributed during the year	\$
Current year net income (loss)	\$ -211,026.
Other increase (decrease) (attach explanation)	\$ -25.
Withdrawals and distributions	See Attached \$(14,966.)
Ending capital account	\$ -778,046.

M Did the partner contribute property with a built-in gain (loss)?

☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning	\$
Ending	\$

☐ Final K-1☐ Amended K-1651121
OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	14	Self-employment earnings (loss)
2	Net rental real estate income (loss)		
*	-216,140.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked ☒
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income	A	-9.
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents	C*	25.
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	19	Distributions
9b	Collectibles (28%) gain (loss)	A	14,966.
9c	Unrecaptured section 1250 gain	20	Other information
10	Net section 1231 gain (loss)	A	19.
11	Other income (loss)	N*	STMT
I*	6,333.	Z*	STMT
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		
A	1,238.		
22	☐ More than one activity for at-risk purposes*		
23	☐ More than one activity for passive activity purposes*		

*See attached statement for additional information.

For IRS Use Only

Item L**Partner's Capital Account Analysis
Other Increase (Decrease)****Other Decrease**

Non-Deductible Expenses	\$	25.
Total	\$	25.

Box 2**Rental Real Estate Activities**

<u>Property Type and Address</u>	<u>Gross Income</u>	<u>Net Expenses</u>	<u>Net Income</u>	<u>Passive Nonpass</u>	<u>Sec. 1231 Total</u>
Type: 4 - Commercial					
610 Elm Street McKinney, TX 75069	734,490.	950,630.	\$ -216,140.	Passive	
		Total	\$ -216,140.		

Box 11**Other Income (Loss)***** Descriptive Information**

I Grant - City of McKinney.....	\$	6,333.
---------------------------------	----	--------

Box 18**Other Tax-Exempt Income and Nondeductible Expenses***** Descriptive Information**

C Expenses on Books Not on Sch. K (Permanent)	\$	25.
---	----	-----

Box 20, Code N**Business Interest Expense****Included as a Deduction on the Following Line(s)**

Below is deductible business interest expense for inclusion
in the separate loss class for computing any basis limitation
(defined in section 704(d), Regulation section 1.163(j)-6(h)).

Schedule K-1, line 2.....	\$	152,925.
---------------------------	----	----------

Statement A—QBI Pass-through Entity Reporting (Schedule K-1, Box 20, Code Z)

Partnership's name: Cotton Mill Partners, Ltd.	Partnership's EIN: 20-1305664
Partner's name: Terrance M Casey	Partner's identifying number: 479-76-0266

Partner's share of:	Cotton Mill Partners, Ltd.		
	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:

Ordinary business income (loss)			
Rental income (loss)	-216,140.		
Royalty income (loss)			
Section 1231 gain (loss)			
Other income (loss)			
Section 179 deduction			
Other deductions			
W-2 wages	68,954.		
UBIA of qualified property	1,012,247.		
Qualified REIT dividends			

Partner's share of:			
	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:

Ordinary business income (loss)			
Rental income (loss)			
Royalty income (loss)			
Section 1231 gain (loss)			
Other income (loss)			
Section 179 deduction			
Other deductions			
W-2 wages			
UBIA of qualified property			

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service

2022

For calendar year 2022, or tax year

beginning / / 2022 ending / /

Partner's Share of Income, Deductions, Credits, etc.
See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
20-1305664

B Partnership's name, address, city, state, and ZIP code
Cotton Mill Partners, Ltd.
610 Elm Street, Suite 520
McKinney, TX 75069-8175

C IRS center where partnership filed return: e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
467-98-3023

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.
Paula A. Salter
6105 Corsica Way
Plano, TX 75024

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H1 ☒ Domestic partner ☐ Foreign partner

H2 ☐ If the partner is a disregarded entity (DE), enter the partner's:
TIN _____ Name _____

I1 What type of entity is this partner? Individual

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	49.5 %	49.5 %
Loss	49.5 %	49.5 %
Capital	49.5 %	49.5 %

Check if decrease is due to sale or exchange of partnership interest ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$	\$

Check this box if item K includes liability amounts from lower-tier partnerships. ☐

L Partner's Capital Account Analysis

Beginning capital account	\$	-531,704.
Capital contributed during the year	\$	
Current year net income (loss)	\$	-211,026.
Other increase (decrease) (attach explanation)	\$	8,590.
Withdrawals and distributions	\$	(14,966.)
Ending capital account	\$	-749,106.

See Attached

M Did the partner contribute property with a built-in gain (loss)?
☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning	\$
Ending	\$

☐ Final K-1☐ Amended K-1651121
OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss)	14 Self-employment earnings (loss)
2 Net rental real estate income (loss)	
* -216,140.	
3 Other net rental income (loss)	15 Credits
4a Guaranteed payments for services	
4b Guaranteed payments for capital	16 Schedule K-3 is attached if checked ☒
4c Total guaranteed payments	17 Alternative minimum tax (AMT) items
5 Interest income	A -9.
6a Ordinary dividends	
6b Qualified dividends	18 Tax-exempt income and nondeductible expenses
6c Dividend equivalents	C* 25.
7 Royalties	
8 Net short-term capital gain (loss)	19 Distributions
9a Net long-term capital gain (loss)	A 14,966.
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	20 Other information
10 Net section 1231 gain (loss)	A 19.
11 Other income (loss)	N* STMT
I* 6,333.	Z* STMT
12 Section 179 deduction	21 Foreign taxes paid or accrued
13 Other deductions	
A 1,238.	
22 ☐ More than one activity for at-risk purposes*	
23 ☐ More than one activity for passive activity purposes*	

*See attached statement for additional information.

For IRS Use Only

Item L**Partner's Capital Account Analysis
Other Increase (Decrease)****Other Increase**

Potential Capital Gain Under Section 731..... \$ 8,615.
Total \$ 8,615.

Other Decrease

Non-Deductible Expenses..... 25.
Total \$ 25.

Net Total \$ 8,590.

Box 2**Rental Real Estate Activities**

Property Type and Address	Gross Income	Net Expenses	Net Income	Passive Nonpass	Sec. 1231 Total
Type: 4 - Commercial 610 Elm Street McKinney, TX 75069	734,490.	950,630.	\$ -216,140.	Passive	
		Total	\$ -216,140.		

Box 11**Other Income (Loss)***** Descriptive Information**

I Grant - City of McKinney..... \$ 6,333.

Box 18**Other Tax-Exempt Income and Nondeductible Expenses***** Descriptive Information**

C Expenses on Books Not on Sch. K (Permanent)..... \$ 25.

Box 20, Code N**Business Interest Expense****Included as a Deduction on the Following Line(s)**

Below is deductible business interest expense for inclusion
in the separate loss class for computing any basis limitation
(defined in section 704(d), Regulation section 1.163(j)-6(h)).

Schedule K-1, line 2..... \$ 152,925.

Supplemental Information

Your ability to deduct the loss shown on your Schedule K-1 is limited to your "at risk amount". Please consult with your tax advisor.

Distribution in excess of basis is reported as an other increase. Pursuant to IRC Section 731(a)(1) gain is recognized the extent that any money distributed exceeds the adjusted basis of such partner's interest in the partnership immediately before the distribution. Consult with your tax advisor.

Included in distributions were Medicare Premium payments of \$2,036.

Statement A—QBI Pass-through Entity Reporting (Schedule K-1, Box 20, Code Z)

Partnership's name: Cotton Mill Partners, Ltd.	Partnership's EIN: 20-1305664
Partner's name: Paula A. Salter	Partner's identifying number: 467-98-3023

Partner's share of:	Cotton Mill Partners, Ltd.		
	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:

	Ordinary business income (loss)			
	Rental income (loss)	-216,140.		
	Royalty income (loss)			
	Section 1231 gain (loss)			
	Other income (loss)			
	Section 179 deduction			
	Other deductions			
W-2 wages		68,954.		
UBIA of qualified property		1,012,247.		
Qualified REIT dividends				

Partner's share of:			
	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:

	Ordinary business income (loss)			
	Rental income (loss)			
	Royalty income (loss)			
	Section 1231 gain (loss)			
	Other income (loss)			
	Section 179 deduction			
	Other deductions			
W-2 wages				
UBIA of qualified property				

SCHEDULE K-2
(Form 1065)

Partners' Distributive Share Items — International

Attach to Form 1065.

Go to www.irs.gov/Form1065 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0123

2022

Name of partnership

Cotton Mill Partners, Ltd.

Employer identification number (EIN)

20-1305664

A Is the partnership a withholding foreign partnership?

☐ Yes ☒ No If "Yes," enter your WP-EIN: _____

B Is the partnership (including the home office or any branch) a qualified derivatives dealer?

☐ Yes ☒ No If "Yes," enter your QI-EIN: _____

C Check to indicate the parts of Schedule K-2 that apply.

	Yes	No
1 Does Part I apply? If "Yes," complete and attach Part I.		X
2 Does Part II apply? If "Yes," complete and attach Part II.	X	
3 Does Part III apply? If "Yes," complete and attach Part III.		X
4 Does Part IV apply? If "Yes," complete and attach Part IV.		X
5 Does Part V apply? If "Yes," complete and attach Part V.		X
6 Does Part VI apply? If "Yes," complete and attach Part VI.		X

	Yes	No
7 Does Part VII apply? If "Yes," complete and attach Part VII.		X
8 Does Part VIII apply? If "Yes," complete and attach Part VIII.		X
9 Does Part IX apply? If "Yes," complete and attach Part IX.		X
10 Does Part X apply? If "Yes," complete and attach Part X.		X
11 Does Part XI apply? If "Yes," complete and attach Part XI.		X
12 Reserved for future use.		X

Part I Partnership's Other Current Year International Information

Check box(es) for additional specified attachments. See instructions.

- ☐ 1 Gain on personal property sale ☐ 5 High-taxed income ☐ 8 Form 5471 information ☐ 11 Dual consolidated loss
- ☐ 2 Foreign oil and gas taxes ☐ 6 Section 267A disallowed deduction ☐ 9 Other forms ☐ 12 Reserved for future use
- ☐ 3 Splitter arrangements ☐ 7 Form 8858 information ☐ 10 Partner loan transactions ☐ 13 Other international items (attach description and statement)
- ☐ 4 Foreign tax translation

Part II Foreign Tax Credit Limitation

Section 1 — Gross Income

Description	(a) U.S. source	Foreign Source			(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)	
1 Sales						
A						
B						
C						
2 Gross income from performance of services						
A						
B						
C						
3 Gross rental real estate income	1,483,818.					1,483,818.
A US						
B						
C						
4 Other gross rental income						
A						
B						
C						

Name of partnership	EIN
Cotton Mill Partners, Ltd.	20-1305664

Part II Foreign Tax Credit Limitation (continued)**Section 1 – Gross Income** (continued)

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)		
5 Guaranteed payments							
6 Interest income							
A US	39.						39.
B							
C							
7 Ordinary dividends (exclude amount on line 8)							
A							
B							
C							
8 Qualified dividends							
A							
B							
C							
9 Reserved for future use							
10 Royalties and license fees							
A							
B							
C							
11 Net short-term capital gain							
A							
B							
C							
12 Net long-term capital gain							
A							
B							
C							
13 Collectibles (28%) gain							
A							
B							
C							
14 Unrecaptured section 1250 gain							
A							
B							
C							
BAA							

Schedule K-2 (Form 1065) 2022

Name of partnership	EIN
Cotton Mill Partners, Ltd.	20-1305664

Part II Foreign Tax Credit Limitation (continued)**Section 1 -- Gross Income** (continued)

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)		
15 Net section 1231 gain							
A							
B							
C							
16 Section 986(c) gain							
17 Section 987 gain							
18 Section 988 gain							
19 Section 951(a) inclusions							
A							
B							
C							
20 Other income (see instructions)	12,793.						12,793.
A US							
B							
C							
21 Reserved for future use							
A							
B							
C							
22 Reserved for future use							
A							
B							
C							
23 Reserved for future use							
A							
B							
C							
24 Total gross income (combine lines 1 through 23)	1,496,650.						1,496,650.
A US	1,496,650.						1,496,650.
B							
C							

BAA

See Statement 13

Schedule K-2 (Form 1065) 2022

Name of partnership

EIN

Cotton Mill Partners, Ltd.

20-1305664

Part II Foreign Tax Credit Limitation (continued)**Section 2 — Deductions**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
25 Expenses allocable to sales income...							
26 Expenses allocable to gross income from performances of services...							
27 Net short-term capital loss...							
28 Net long-term capital loss...							
29 Collectibles loss...							
30 Net section 1231 loss...							
31 Other losses...							
32 Research & experimental (R&E) expenses							
A SIC code:							
B SIC code:							
C SIC code:							
33 Allocable rental expenses—depreciation, depletion, and amortization...	127,084.						127,084.
34 Allocable rental expenses—other than depreciation, depletion, and amortization...	1,484,442.						1,484,442.
35 Allocable royalty and licensing expenses—depreciation, depletion, and amortization...							
36 Allocable royalty and licensing expenses—other than depreciation, depletion, and amortization...							
37 Depreciation not included on line 33 or 35...							
38 Charitable contributions...	2,500.						2,500.
39 Interest expense specifically allocable under Regulations section 1.861-10(e)...							
40 Other interest expense specifically allocable under Regulations section 1.861-10T, St. 14...	308,939.						308,939.
41 Other interest expense—business...							
42 Other interest expense—investment...							
43 Other interest expense—passive activity...							
44 Section 59(e)(2) expenditures, excluding R&E expenses on line 32...							
45 Foreign taxes not creditable but deductible...							

BAA**Schedule K-2 (Form 1065) 2022**

Name of partnership

Cotton Mill Partners, Ltd.

EIN

20-1305664

Part II Foreign Tax Credit Limitation (continued)**Section 2 – Deductions (continued)**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
46 Section 986(c) loss.....							
47 Section 987 loss.....							
48 Section 988 loss.....							
49 Other allocable deductions (see instructions).....							
50 Other apportioned share of deductions (see instructions).....							
51 Reserved for future use.....							
52 Reserved for future use.....							
53 Reserved for future use.....							
54 Total deductions (combine lines 25 through 53).....	1,922,965.						1,922,965.
55 Net income (loss) (subtract line 54 from line 24).....	-426,315.						-426,315.

Part III Other Information for Preparation of Form 1116 or 1118**Section 1 – R&E Expenses Apportionment Factors**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____) (country code _____)		
1 Gross receipts by SIC code							
A SIC code: _____							
B SIC code: _____							
C SIC code: _____							
D SIC code: _____							
E SIC code: _____							
F SIC code: _____							
2 Exclusive apportionment with respect to total R&E expenses entered on Part II, line 32. Enter the following.							
A R&E expense with respect to activity performed in the United States							
(i) SIC code: _____							2A(i)
(ii) SIC code: _____							2A(ii)
(iii) SIC code: _____							2A(iii)
B R&E expense with respect to activity performed outside the United States							
(i) SIC code: _____							2B(i)
(ii) SIC code: _____							2B(ii)
(iii) SIC code: _____							2B(iii)

BAA

PTPA0613 10/04/22

Schedule K-2 (Form 1065) 2022

☐ Final K-3

☐ Amended K-3

**Schedule K-3
(Form 1065)**

Department of the Treasury
Internal Revenue Service

**Partner's Share of Income, Deductions,
Credits, etc. — International**

OMB No. 1545-0123

2022

For calendar year 2022, or tax year beginning _____, ending _____

See separate instructions.

Information About the Partnership

A Partnership's employer identification number (EIN)
20-1305664

B Partnership's name, address, city, state, and ZIP code

Cotton Mill Partners, Ltd.
610 Elm Street, Suite 520
McKinney, TX 75069-8175

Information About the Partner

C Partner's SSN or Taxpayer Identification Number (TIN)
(Do not use TIN of a disregarded entity. See instructions.)
75-2906581

D Name, address, city, state, and ZIP code for partner entered in C. See instructions.

Casey Advisory Group Inc
610 Elm Street, Suite 400
McKinney, TX 75069

E Check to indicate the parts of Schedule K-3 that apply.

	Yes	No
1 Does Part I apply? If "Yes," complete and attach Part I.	1	X
2 Does Part II apply? If "Yes," complete and attach Part II.	2	X
3 Does Part III apply? If "Yes," complete and attach Part III.	3	X
4 Does Part IV apply? If "Yes," complete and attach Part IV.	4	X
5 Does Part V apply? If "Yes," complete and attach Part V.	5	X
6 Does Part VI apply? If "Yes," complete and attach Part VI.	6	X
7 Does Part VII apply? If "Yes," complete and attach Part VII.	7	X
8 Does Part VIII apply? If "Yes," complete and attach Part VIII.	8	X
9 Does Part IX apply? If "Yes," complete and attach Part IX.	9	X
10 Does Part X apply? If "Yes," complete and attach Part X.	10	X
11 Does Part XI apply? If "Yes," complete and attach Part XI.	11	X
12 Reserved for future use.	12	
13 Does Part XIII apply? If "Yes," complete and attach Part XIII.	13	X

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Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Casey Advisory Group Inc	75-2906581
Part I Partner's Share of Partnership's Other Current Year International Information			

Check box(es) for additional specified attachments. See instructions.

- ☐ **1** Gain on personal property sale
☐ **2** Foreign oil and gas taxes
☐ **3** Splitter arrangements
☐ **4** Foreign tax translation
- ☐ **5** High-taxed income
☐ **6** Section 267A disallowed deduction
☐ **7** Form 8858 information
- ☐ **8** Form 5471 information
☐ **9** Other forms
☐ **10** Partner loan transactions
- ☐ **11** Dual consolidated loss
☐ **12** Form 8865 information
☐ **13** Other international items (attach description and statement)

Part II Foreign Tax Credit Limitation**Section 1 – Gross Income**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)		
1 Sales							
A							
B							
C							
2 Gross income from performance of services							
A							
B							
C							
3 Gross rental real estate income							
A US	14,838.						14,838.
B							
C							
4 Other gross rental income							
A							
B							
C							
5 Guaranteed payments.....							
6 Interest income							
A US	1.						1.
B							
C							
7 Ordinary dividends (exclude amount on line 8)							
A							
B							
C							

BAA For Paperwork Reduction Act Notice, see instructions.

PTPA0713 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Casey Advisory Group Inc	75-2906581

Part II Foreign Tax Credit Limitation (continued)**Section 1 – Gross Income** (continued)

	Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
			(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)		
8	Qualified dividends							
A								
B								
C								
9	Reserved for future use.....							
10	Royalties and license fees							
A								
B								
C								
11	Net short-term capital gain							
A								
B								
C								
12	Net long-term capital gain							
A								
B								
C								
13	Collectibles (28%) gain							
A								
B								
C								
14	Unrecaptured section 1250 gain							
A								
B								
C								
15	Net section 1231 gain							
A								
B								
C								

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Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Casey Advisory Group Inc	75-2906581

Part II Foreign Tax Credit Limitation (continued)**Section 1 – Gross Income** (continued)

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)		
16 Section 986(c) gain.....							
17 Section 987 gain.....							
18 Section 988 gain.....							
19 Section 951(a) inclusions							
A							
B							
C							
20 Other income (see instructions)	127.						127.
A US							
B							
C							
21 Reserved for future use							
A							
B							
C							
22 Reserved for future use							
A							
B							
C							
23 Reserved for future use							
A							
B							
C							
24 Total gross income (combine lines 1 through 23)	14,966.						14,966.
A US	14,966.						14,966.
B							
C							
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PTPA0713 10/06/22

See Attachment

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Casey Advisory Group Inc	75-2906581

Part II Foreign Tax Credit Limitation (continued)**Section 2 — Deductions**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
25 Expenses allocable to sales income...							
26 Expenses allocable to gross income from performances of services.....							
27 Net short-term capital loss.....							
28 Net long-term capital loss.....							
29 Collectibles loss.....							
30 Net section 1231 loss.....							
31 Other losses.....							
32 Research & experimental (R&E) expenses							
A SIC code:							
B SIC code:							
C SIC code:							
33 Allocable rental expenses—depreciation, depletion, and amortization.....	1,270.						1,270.
34 Allocable rental expenses—other than depreciation, depletion, and amortization.....	14,844.						14,844.
35 Allocable royalty and licensing expenses—depreciation, depletion, and amortization.....							
36 Allocable royalty and licensing expenses—other than depreciation, depletion, and amortization.....							
37 Depreciation not included on line 33 or 35.....							
38 Charitable contributions.....	24.						24.
39 Interest expense specifically allocable under Regulations section 1.861-10(e).....							
40 Other interest expense specifically allocable under Regulations section 1.861-10T. Att.....	3,089.						3,089.
41 Other interest expense—business.....							
42 Other interest expense—investment.....							
43 Other interest expense—passive activity.....							
44 Section 59(e)(2) expenditures, excluding R&E expenses on line 32.....							
45 Foreign taxes not creditable but deductible.....							
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PTPA0714 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Casey Advisory Group Inc	75-2906581

Part II Foreign Tax Credit Limitation (continued)**Section 2 – Deductions (continued)**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
46 Section 986(c) loss.....							
47 Section 987 loss.....							
48 Section 988 loss.....							
49 Other allocable deductions (see instructions).....							
50 Other apportioned share of deductions (see instructions).....							
51 Reserved for future use.....							
52 Reserved for future use.....							
53 Reserved for future use.....							
54 Total deductions (combine lines 25 through 53).....	19,227.						19,227.
55 Net income (loss) (subtract line 54 from line 24).....	-4,261.						-4,261.

Part III Other Information for Preparation of Form 1116 or 1118**Section 1 – R&E Expenses Apportionment Factors**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____) (country code _____)		
1 Gross receipts by SIC code							
A SIC code:.....							
B SIC code:.....							
C SIC code:.....							
D SIC code:.....							
E SIC code:.....							
F SIC code:.....							
2 Exclusive apportionment with respect to total R&E expenses entered on Part II, line 32. Enter the following.							
A R&E expense with respect to activity performed in the United States							
(i) SIC code:.....							2A(i)
(ii) SIC code:.....							2A(ii)
(iii) SIC code:.....							2A(iii)
B R&E expense with respect to activity performed outside the United States							
(i) SIC code:.....							2B(i)
(ii) SIC code:.....							2B(ii)
(iii) SIC code:.....							2B(iii)

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Partner 1

PTPA0714 10/06/22

Schedule K-3 (Form 1065) 2022

2022

Schedule K-3 Attachments

Cotton Mill Partners, Ltd.

20-1305664

Schedule K-3, Part II, Line 20
Other Income - U.S. Sourced

Grant - City of McKinney..... \$ 127.
Total \$ 127.

Schedule K-3, Part II, Section 2, Line 40
Other Interest Expense Specifically Allocable
Under Regulations Section 1.861-10T (By Country)

Country	(a) U.S. Source	(b) Foreign Branch Category Income	(c) Passive Category Income	(d) General Category Income	(e) Section 901j Income	(f) Sourced By Partner	(g) Total
US	3,089.						3,089.
	\$ 3,089.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 3,089.

☐ Final K-3

☐ Amended K-3

**Schedule K-3
(Form 1065)**

Department of the Treasury
Internal Revenue Service

**Partner's Share of Income, Deductions,
Credits, etc. — International**

OMB No. 1545-0123

2022

For calendar year 2022, or tax year beginning _____, ending _____

See separate instructions.

Information About the Partnership	Information About the Partner
A Partnership's employer identification number (EIN) 20-1305664	C Partner's SSN or Taxpayer Identification Number (TIN) (Do not use TIN of a disregarded entity. See instructions.) 479-76-0266
B Partnership's name, address, city, state, and ZIP code Cotton Mill Partners, Ltd. 610 Elm Street, Suite 520 McKinney, TX 75069-8175	D Name, address, city, state, and ZIP code for partner entered in C. See instructions. Terrance M Casey 6816 Dalmatia Dr McKinney, TX 75072

E Check to indicate the parts of Schedule K-3 that apply.

	Yes	No
1 Does Part I apply? If "Yes," complete and attach Part I.		X
2 Does Part II apply? If "Yes," complete and attach Part II.	X	
3 Does Part III apply? If "Yes," complete and attach Part III.		X
4 Does Part IV apply? If "Yes," complete and attach Part IV.		X
5 Does Part V apply? If "Yes," complete and attach Part V.		X
6 Does Part VI apply? If "Yes," complete and attach Part VI.		X
7 Does Part VII apply? If "Yes," complete and attach Part VII.		X
8 Does Part VIII apply? If "Yes," complete and attach Part VIII.		X
9 Does Part IX apply? If "Yes," complete and attach Part IX.		X
10 Does Part X apply? If "Yes," complete and attach Part X.		X
11 Does Part XI apply? If "Yes," complete and attach Part XI.		X
12 Reserved for future use.		
13 Does Part XIII apply? If "Yes," complete and attach Part XIII.		X

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Only

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www.irs.gov/Form1065

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Terrance M Casey	479-76-0266

Part I Partner's Share of Partnership's Other Current Year International Information

Check box(es) for additional specified attachments. See instructions.

- ☐ **1** Gain on personal property sale ☐ **5** High-taxed income ☐ **8** Form 5471 information ☐ **11** Dual consolidated loss
☐ **2** Foreign oil and gas taxes ☐ **6** Section 267A disallowed deduction ☐ **9** Other forms ☐ **12** Form 8865 information
☐ **3** Splitter arrangements ☐ **7** Form 8858 information ☐ **10** Partner loan transactions ☐ **13** Other international items
☐ **4** Foreign tax translation (attach description and statement)

Part II Foreign Tax Credit Limitation**Section 1 – Gross Income**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
1 Sales							
A							
B							
C							
2 Gross income from performance of services							
A							
B							
C							
3 Gross rental real estate income							
A US	734,490.						734,490.
B							
C							
4 Other gross rental income							
A							
B							
C							
5 Guaranteed payments							
6 Interest income							
A US	19.						19.
B							
C							
7 Ordinary dividends (exclude amount on line 8)							
A							
B							
C							

BAA For Paperwork Reduction Act Notice, see instructions.

PTPA0713 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Terrance M Casey	479-76-0266

Part II Foreign Tax Credit Limitation (continued)**Section 1 – Gross Income** (continued)

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)		
8 Qualified dividends							
A							
B							
C							
9 Reserved for future use							
10 Royalties and license fees							
A							
B							
C							
11 Net short-term capital gain							
A							
B							
C							
12 Net long-term capital gain							
A							
B							
C							
13 Collectibles (28%) gain							
A							
B							
C							
14 Unrecaptured section 1250 gain							
A							
B							
C							
15 Net section 1231 gain							
A							
B							
C							

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PTPA0713 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Terrance M Casey	479-76-0266

Part II Foreign Tax Credit Limitation (continued)

Section 1 – Gross Income (continued)									
Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total		
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)				
16 Section 986(c) gain.....									
17 Section 987 gain									
18 Section 988 gain									
19 Section 951(a) inclusions									
A									
B									
C									
20 Other income (see instructions)	6,333.						6,333.		
A US									
B									
C									
21 Reserved for future use									
A									
B									
C									
22 Reserved for future use									
A									
B									
C									
23 Reserved for future use									
A									
B									
C									
24 Total gross income (combine lines 1 through 23)	740,842.						740,842.		
A US	740,842.						740,842.		
B									
C									
BAA									
						Schedule K-3 (Form 1065) 2022			
						PTPA0713 10/06/22			

See Attachment

PTPA0713 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Terrance M Casey	479-76-0266

Part II Foreign Tax Credit Limitation (continued)**Section 2 — Deductions**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
25 Expenses allocable to sales income							
26 Expenses allocable to gross income from performances of services.....							
27 Net short-term capital loss.....							
28 Net long-term capital loss.....							
29 Collectibles loss.....							
30 Net section 1231 loss.....							
31 Other losses.....							
32 Research & experimental (R&E) expenses							
A SIC code:							
B SIC code:							
C SIC code:							
33 Allocable rental expenses—depreciation, depletion, and amortization.....	62,907.						62,907.
34 Allocable rental expenses—other than depreciation, depletion, and amortization.....	734,799.						734,799.
35 Allocable royalty and licensing expenses—depreciation, depletion, and amortization.....							
36 Allocable royalty and licensing expenses—other than depreciation, depletion, and amortization.....							
37 Depreciation not included on line 33 or 35.....							
38 Charitable contributions	1,238.						1,238.
39 Interest expense specifically allocable under Regulations section 1.861-10(e).....							
40 Other interest expense specifically allocable under Regulations section 1.861-10T.....	152,925.						152,925.
41 Other interest expense—business.....							
42 Other interest expense—investment.....							
43 Other interest expense—passive activity							
44 Section 59(e)(2) expenditures, excluding R&E expenses on line 32.....							
45 Foreign taxes not creditable but deductible.....							
BAA							

PTPA0714 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Terrance M Casey	479-76-0266

Part II Foreign Tax Credit Limitation (continued)**Section 2 – Deductions (continued)**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
46 Section 986(c) loss.....							
47 Section 987 loss.....							
48 Section 988 loss.....							
49 Other allocable deductions (see instructions).....							
50 Other apportioned share of deductions (see instructions).....							
51 Reserved for future use.....							
52 Reserved for future use.....							
53 Reserved for future use.....							
54 Total deductions (combine lines 25 through 53).....	951, 869.						951, 869.
55 Net income (loss) (subtract line 54 from line 24).....	-211, 027.						-211, 027.

Part III Other Information for Preparation of Form 1116 or 1118**Section 1 – R&E Expenses Apportionment Factors**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____) (country code _____)		
1 Gross receipts by SIC code							
A SIC code:.....							
B SIC code:.....							
C SIC code:.....							
D SIC code:.....							
E SIC code:.....							
F SIC code:.....							
2 Exclusive apportionment with respect to total R&E expenses entered on Part II, line 32. Enter the following.							
A R&E expense with respect to activity performed in the United States							
(i) SIC code:.....							2A(i)
(ii) SIC code:.....							2A(ii)
(iii) SIC code:.....							2A(iii)
B R&E expense with respect to activity performed outside the United States							
(i) SIC code:.....							2B(i)
(ii) SIC code:.....							2B(ii)
(iii) SIC code:.....							2B(iii)

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Partner 2

PTPA0714 10/06/22

Schedule K-3 (Form 1065) 2022

2022

Schedule K-3 Attachments

Cotton Mill Partners, Ltd.

20-1305664

Schedule K-3, Part II, Line 20
Other Income - U.S. Sourced

Grant - City of McKinney..... \$ 6,333.
 Total \$ 6,333.

Schedule K-3, Part II, Section 2, Line 40
Other Interest Expense Specifically Allocable
Under Regulations Section 1.861-10T (By Country)

Country	(a) U.S. Source	(b) Foreign Branch Category Income	(c) Passive Category Income	(d) General Category Income	(e) Section 901j Income	(f) Sourced By Partner	(g) Total
US	152,925.						152,925.
	<u>\$ 152,925.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 152,925.</u>

☐ Final K-3☐ Amended K-3**Schedule K-3
(Form 1065)**Department of the Treasury
Internal Revenue Service**Partner's Share of Income, Deductions,
Credits, etc. – International**

OMB No. 1545-0123

2022

For calendar year 2022, or tax year beginning _____, ending _____

See separate instructions.

Information About the Partnership	Information About the Partner
A Partnership's employer identification number (EIN) 20-1305664	C Partner's SSN or Taxpayer Identification Number (TIN) (Do not use TIN of a disregarded entity. See instructions.) 467-98-3023
B Partnership's name, address, city, state, and ZIP code Cotton Mill Partners, Ltd. 610 Elm Street, Suite 520 McKinney, TX 75069-8175	D Name, address, city, state, and ZIP code for partner entered in C. See instructions. Paula A. Salter 6105 Corsica Way Plano, TX 75024

E Check to indicate the parts of Schedule K-3 that apply.

	Yes	No
1 Does Part I apply? If "Yes," complete and attach Part I.		X
2 Does Part II apply? If "Yes," complete and attach Part II.	X	
3 Does Part III apply? If "Yes," complete and attach Part III.		X
4 Does Part IV apply? If "Yes," complete and attach Part IV.		X
5 Does Part V apply? If "Yes," complete and attach Part V.		X
6 Does Part VI apply? If "Yes," complete and attach Part VI.		X
7 Does Part VII apply? If "Yes," complete and attach Part VII.		X
8 Does Part VIII apply? If "Yes," complete and attach Part VIII.		X
9 Does Part IX apply? If "Yes," complete and attach Part IX.		X
10 Does Part X apply? If "Yes," complete and attach Part X.		X
11 Does Part XI apply? If "Yes," complete and attach Part XI.		X
12 Reserved for future use.		
13 Does Part XIII apply? If "Yes," complete and attach Part XIII.		X

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Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Paula A. Salter	467-98-3023

Part I Partner's Share of Partnership's Other Current Year International Information

Check box(es) for additional specified attachments. See instructions.

- ☐ **1** Gain on personal property sale ☐ **5** High-taxed income ☐ **8** Form 5471 information ☐ **11** Dual consolidated loss
☐ **2** Foreign oil and gas taxes ☐ **6** Section 267A disallowed deduction ☐ **9** Other forms ☐ **12** Form 8865 information
☐ **3** Splitter arrangements ☐ **7** Form 8858 information ☐ **10** Partner loan transactions ☐ **13** Other international items
☐ **4** Foreign tax translation (attach description and statement)

Part II Foreign Tax Credit Limitation**Section 1 – Gross Income**

	Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
			(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)		
1	Sales							
A								
B								
C								
2	Gross income from performance of services							
A								
B								
C								
3	Gross rental real estate income	734,490.						734,490.
A	US							
B								
C								
4	Other gross rental income							
A								
B								
C								
5	Guaranteed payments							
6	Interest income	19.						19.
A	US							
B								
C								
7	Ordinary dividends (exclude amount on line 8)							
A								
B								
C								

BAA For Paperwork Reduction Act Notice, see instructions.

PTPA0713 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Paula A. Salter	467-98-3023

Part II Foreign Tax Credit Limitation *(continued)***Section 1 – Gross Income** *(continued)*

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
8 Qualified dividends							
A							
B							
C							
9 Reserved for future use,							
10 Royalties and license fees							
A							
B							
C							
11 Net short-term capital gain							
A							
B							
C							
12 Net long-term capital gain							
A							
B							
C							
13 Collectibles (28%) gain							
A							
B							
C							
14 Unrecaptured section 1250 gain							
A							
B							
C							
15 Net section 1231 gain							
A							
B							
C							

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PTPA0713 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Paula A. Salter	467-98-3023

Part II Foreign Tax Credit Limitation (continued)**Section 1 – Gross Income (continued)**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code)		
16 Section 986(c) gain.....							
17 Section 987 gain.....							
18 Section 988 gain.....							
19 Section 951(a) inclusions							
A							
B							
C							
20 Other income (see instructions)	6,333.						6,333.
A US							
B							
C							
21 Reserved for future use							
A							
B							
C							
22 Reserved for future use							
A							
B							
C							
23 Reserved for future use							
A							
B							
C							
24 Total gross income (combine lines 1 through 23).....	740,842.						740,842.
A US	740,842.						740,842.
B							
C							
BAA							

See Attachment

PTPA0713 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Paula A. Salter	467-98-3023

Part II Foreign Tax Credit Limitation (continued)**Section 2 — Deductions**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
25 Expenses allocable to sales income							
26 Expenses allocable to gross income from performances of services							
27 Net short-term capital loss							
28 Net long-term capital loss							
29 Collectibles loss							
30 Net section 1231 loss							
31 Other losses							
32 Research & experimental (R&E) expenses							
A SIC code:							
B SIC code:							
C SIC code:							
33 Allocable rental expenses—depreciation, depletion, and amortization	62,907.						62,907.
34 Allocable rental expenses—other than depreciation, depletion, and amortization	734,799.						734,799.
35 Allocable royalty and licensing expenses—depreciation, depletion, and amortization							
36 Allocable royalty and licensing expenses—other than depreciation, depletion, and amortization							
37 Depreciation not included on line 33 or 35							
38 Charitable contributions	1,238.						1,238.
39 Interest expense specifically allocable under Regulations section 1.861-10(c)							
40 Other interest expense specifically allocable under Regulations section 1.861-10T Att	152,925.						152,925.
41 Other interest expense—business							
42 Other interest expense—investment							
43 Other interest expense—passive activity							
44 Section 59(e)(2) expenditures, excluding R&E expenses on line 32							
45 Foreign taxes not creditable but deductible							
BAA							

PTPA0714 10/06/22

Schedule K-3 (Form 1065) 2022

Name of partnership	EIN	Name of partner	SSN or TIN
Cotton Mill Partners, Ltd.	20-1305664	Paula A. Salter	467-98-3023

Part II Foreign Tax Credit Limitation (continued)**Section 2 – Deductions (continued)**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
46 Section 986(c) loss.....							
47 Section 987 loss.....							
48 Section 988 loss.....							
49 Other allocable deductions (see instructions).....							
50 Other apportioned share of deductions (see instructions).....							
51 Reserved for future use.....							
52 Reserved for future use.....							
53 Reserved for future use.....							
54 Total deductions (combine lines 25 through 53).....	951,869.						951,869.
55 Net income (loss) (subtract line 54 from line 24).....	-211,027.						-211,027.

Part III Other Information for Preparation of Form 1116 or 1118**Section 1 – R&E Expenses Apportionment Factors**

Description	(a) U.S. source	Foreign Source				(f) Sourced by partner	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____) (country code _____)		
1 Gross receipts by SIC code							
A SIC code:.....							
B SIC code:.....							
C SIC code:.....							
D SIC code:.....							
E SIC code:.....							
F SIC code:.....							
2 Exclusive apportionment with respect to total R&E expenses entered on Part II, line 32. Enter the following.							
A R&E expense with respect to activity performed in the United States							
(i) SIC code:.....						2A(i)	
(ii) SIC code:.....						2A(ii)	
(iii) SIC code:.....						2A(iii)	
B R&E expense with respect to activity performed outside the United States							
(i) SIC code:.....						2B(i)	
(ii) SIC code:.....						2B(ii)	
(iii) SIC code:.....						2B(iii)	

BAA

Partner 3

PTPA0714 10/06/22

Schedule K-3 (Form 1065) 2022

2022

Schedule K-3 Attachments

Cotton Mill Partners, Ltd.

20-1305664

Schedule K-3, Part II, Line 20
Other Income - U.S. Sourced

Grant - City of McKinney..... Total \$ 6,333.
 \$ 6,333.

Schedule K-3, Part II, Section 2, Line 40
Other Interest Expense Specifically Allocable
Under Regulations Section 1.861-10T (By Country)

Country	(a) U.S. Source	(b) Foreign Branch Category Income	(c) Passive Category Income	(d) General Category Income	(e) Section 901j Income	(f) Sourced By Partner	(g) Total
US	152,925.						152,925.
	\$ 152,925.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 152,925.

Depreciation and Amortization
(Including Information on Listed Property)

Attach to your tax return.

Go to www.irs.gov/Form4562 for instructions and the latest information.**2022**Attachment
Sequence No. **179**

Name(s) shown on return

Cotton Mill Partners, Ltd.

Identifying number

20-1305664

Business or activity to which this form relates

Form 8825, Rental Real Estate - Commercial Rental - Mixed Use

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions).....	1	
2	Total cost of section 179 property placed in service (see instructions).....	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).....	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from line 13 of your 2021 Form 4562.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instrs.....	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2023. Add lines 9 and 10, less line 12.....	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions.....	14	
15	Property subject to section 168(f)(1) election.....	15	
16	Other depreciation (including ACRS).....	16	37,576.

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2022.....	17	50,135.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B - Assets Placed in Service During 2022 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.....						
b 5-year property.....						
c 7-year property.....						
d 10-year property.....						
e 15-year property.....						
f 20-year property.....						
g 25-year property.....			25 yrs		S/L	
h Residential rental property.....			27.5 yrs	MM	S/L	
i Nonresidential real property.....			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2022 Tax Year Using the Alternative Depreciation System

20a Class life.....					S/L	
b 12-year.....			12 yrs		S/L	
c 30-year.....			30 yrs	MM	S/L	
d 40-year.....	12/31/22	7,323.	40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28.....	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.....	22	87,711.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.....	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No					24b If 'Yes,' is the evidence written? ☐ Yes ☐ No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions.							25		
26 Property used more than 50% in a qualified business use:									
27 Property used 50% or less in a qualified business use:									
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.							29		

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (don't include commuting miles).....												
31 Total commuting miles driven during the year.....												
32 Total other personal (noncommuting) miles driven.....												
33 Total miles driven during the year. Add lines 30 through 32.....												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?.....												
35 Was the vehicle used primarily by a more than 5% owner or related person?.....												
36 Is another vehicle available for personal use?.....												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
39 Do you treat all use of vehicles by employees as personal use?.....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions.....		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2022 tax year (see instructions):					
Lease Comm - Jai Photo	2/07/22	5,363.	178	5.5	894.
Lease Comm - Millhouse Social	3/01/22	1,732.	178	2	722.
43 Amortization of costs that began before your 2022 tax year.....				43	36,619.
44 Total. Add amounts in column (f). See the instructions for where to report.....				44	39,373.

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If 'Yes,' is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions.							25	
26 Property used more than 50% in a qualified business use:								
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (don't include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32.						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions.		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2022 tax year (see instructions):					
Lease Comm - Splendid Events #	2/14/22	1,394.	178	3	426.
Lease Comm - Stress Free #400A	1/01/22	2,137.	178	3	712.
43 Amortization of costs that began before your 2022 tax year.				43	
44 Total. Add amounts in column (f). See the instructions for where to report.				44	

Cotton Mill Partners, Ltd.

20-1305664

Statement 1
Form 1065, Schedule B, Line 10b
Optional Basis Adjustment Supporting Detail

The partnership elects under IRC Section 754 and Regulation 1.754-1 to adjust the basis of partnership property under IRC Section 734(B) and 743(b) with respect to a distribution of property to a partner or transfer of an interest in a partnership.

Cotton Mill Partners, Ltd.
 610 Elm Street, Suite 400
 McKinney, TX 75069-8175

EIN 20-1305664

Computation of adjustment to basis:

Cash distributions	\$14,966
Basis before distribution	6,352
	=====
Adjustment to basis	\$ 8,615
	=====

Allocation of adjustment to basis:

Land	\$ 1,292
Building	7,323

	\$ 8,615
	=====

Statement 2
Form 1065, Schedule K, Line 11
Other Income (Loss)

Grant - City of McKinney.....	\$	12,793.
	Total \$	<u>12,793.</u>

Statement 3
Form 1065, Schedule K, Line 13a
Charitable Contributions

Cash Contributions - 60% Limitation.....	\$	2,500.
	Total \$	<u>2,500.</u>

Statement 4
Form 1065, Schedule K, Line 18c
Nondeductible Expenses

Expenses on Books Not on Sch. K (Permanent).....	\$	50.
	Total \$	<u>50.</u>

Cotton Mill Partners, Ltd.

20-1305664

Statement 5
Form 1065, Schedule K, Line 20c
Other Reportable Items

Business Interest Expense (Informational Only for Basis Limitations)
 Included as a Deduction on the Following Lines(s)

Schedule K, line 2..... \$ 308,939.

Statement 6
Form 1065, Schedule L, Line 13
Other Assets

	<u>Beginning</u>	<u>Ending</u>
Rail Cars.....	\$ 9,623.	\$ 9,623.
CIP - Two Story.....	179,182.	179,182.
Prepaid Selling Expense.....	4,800.	4,800.
Prepaid Commission.....	0.	3,413.
Total	<u>\$ 193,605.</u>	<u>\$ 197,018.</u>

Statement 7
Form 1065, Schedule L, Line 17
Other Current Liabilities

	<u>Beginning</u>	<u>Ending</u>
Payroll Taxes Payable.....	\$ 6,582.	\$ 47.
Credit Cards Payable.....	2,740.	5,693.
Total	<u>\$ 9,322.</u>	<u>\$ 5,740.</u>

Statement 8
Form 1065, Schedule L, Line 20
Other Liabilities

	<u>Beginning</u>	<u>Ending</u>
Security Deposits.....	\$ 72,699.	\$ 82,369.
Total	<u>\$ 72,699.</u>	<u>\$ 82,369.</u>

Statement 9
Form 1065, Schedule M-1, Line 4
Expenses on Books Not on Schedule K

Nondeductible Expenses.....	\$ 50.
Total	<u>\$ 50.</u>

2022

Federal Statements

Page 3

Cotton Mill Partners, Ltd.

20-1305664

Statement 10
Form 1065, Schedule M-2, Line 4
Other Increases

Potential Capital Gain Under Section 731..... \$ 8,615.
 Total \$ 8,615.

Statement 11
Form 1065, Schedule M-2, Line 7
Other Decreases

Non-Deductible Expenses..... \$ 50.
 Total \$ 50.

Statement 12
Form 8825, Line 15
Other Expenses

Property A: 610 Elm Street McKinney, TX 75069
 Property B:
 Property C:
 Property D:

	Property A	Property B	Property C	Property D
Amortization.....	\$ 39,373.			
Licenses and Permits.....	17,930.			
Miscellaneous.....	3,051.			
Rents - Personal Property.....	2,031.			
Supplies.....	14,421.			
Telephone.....	2,109.			
Bank Charges.....	1,814.			
Landscaping.....	4,330.			
Event Supplies.....	56,681.			
Payroll Taxes.....	12,727.			
Subscriptions.....	1,018.			
ISP.....	2,055.			
Accounting.....	8,195.			
Security.....	30,660.			
Office Expense.....	2,325.			
100% Meals.....	6,278.			
50% M & E.....	50.			
Total	\$ 205,048.			

Statement 13
Schedule K-2, Part II, Line 20
Other Income - U.S. Sourced

Granty - City of McKinney..... \$ 12,793.
 Total \$ 12,793.

Statement 14
Schedule K-2, Part II, Section 2, Line 40
Other Interest Expense Specifically Allocable Under Regulations Section 1.861-10T (By Country)

Country	(a) U.S. Source	(b) Foreign Branch Category Income	(c) Passive Category Income	(d) General Category Income	(e) Section 901j Income	(f) Sourced By Partner	(g) Total
US	\$ 308,939.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 308,939.
	\$ 308,939.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 308,939.

Cotton Mill Partners, Ltd.

20-1305664

Election to Depreciate MACRS Property under the Alternative Depreciation System (ADS)

Pursuant to IRC Section 168(g)(7), the Taxpayer hereby elects to depreciate the following property placed in service in the tax year ended 12/31/22 under the Alternative Depreciation System.

Nonresidential real property or residential rental property:
40 Year Property

Section 1.263(a)-1(f) De Minimis Safe Harbor Election

The Taxpayer hereby makes the de minimis safe harbor election under Regulation 1.263(a)-1(f).

Cotton Mill Partners, Ltd.
610 Elm Street, Suite 520
McKinney, TX 75069-8175
20-1305664

12/31/22

2022 Federal Depreciation Schedule

Page 1

Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Dep.	Prior Dec. Bal. Dep.	Salvage /Basis Reductn	Dep. Basis	Prior Dep.	Method	Life	Rate	Current Dep.
Rental Real Estate - Commercial Rental - Mixed Use																
Amortization																
24	Organization Costs	6/30/04		2,500							2,500	2,500	S/L	5		0
72	Lease Comm - Ste 300	11/01/14		20,515							20,515	20,515	S/L	7		0
85	Loan Cost - FNB Ballinger	7/31/18		63,314							63,314	63,314	S/L	3		0
89	Loan Cost FNBB LOC	12/04/19		3,349							3,349	3,349	S/L	2		0
90	Lease Comm - Ste 120	9/01/19		4,320							4,320	3,360	S/L	3		960
93	Lease Comm - Ste 710	9/01/20		16,775							16,775	7,456	S/L	3		5,592
94	Lease Comm - Ste 1000	11/01/20		6,198							6,198	6,198	S/L	1		0
96	Lease Comm - Ste 930	3/01/21		8,752							8,752	2,431	S/L	3		2,917
97	Lease Comm - Ste 1100/1200	7/01/21		5,976							5,976	1,195	S/L	2.5		2,390
98	Lease Comm - Ste 800	9/01/20		5,246							5,246	1,749	S/L	4		1,312
99	Lease Comm - Ste 400D	10/01/21		1,305							1,305	163	S/L	2		653
100	Lease Comm - Ste 100/200	10/01/21		5,225							5,225	435	S/L	3		1,742
101	Loan Cost FNB Ballinger	9/28/21		134,929							134,929	3,373	S/L	10		13,493
102	Loan Cost FNB Ballinger	9/28/21		60,484							60,484		S/L	10		7,560
103	Lease Comm - Jai Photo	2/07/22		5,363							5,363		S/L	5.5		894
104	Lease Comm - Millhouse Social #1	3/01/22		1,732							1,732		S/L	2		722
105	Lease Comm - Splendid Events #40	2/14/22		1,394							1,394		S/L	3		426
106	Lease Comm - Stress Free #400A	1/01/22		2,137							2,137		S/L	3		712
Total Amortization				349,514		0	0	0	0	0	349,514	116,038				
Buildings																

39,373

12/31/22

2022 Federal Depreciation Schedule

Page 2

Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.	
1	Building	5/15/97		429,410					227,051		202,359	41,808	S/L	19.4		10,452	
20	Building **	6/30/04		290,416					100,841		189,575	28,623	S/L	MM	26.5	.03775	
91	Building - Section 754 **	12/31/19		16,531							16,531	843	S/L	MM	40	.02500	
95	Building - Section 754 **	12/31/20		746							746	20	S/L	MM	40	.02500	
107	Building - Section 754 **	12/31/22		7,323							7,323		S/L	MM	40	.00104	
Total Buildings				744,426		0	0	0	327,892	0	416,534	71,294					18,040
Furniture and Fixtures																	
7	Carpet	10/03/00		1,949							1,949	1,949	S/L	HY	7	0	
21	Carpet	11/15/04		1,544				772			772	772	S/L	HY	7	0	
28	2006 Furn & Fixtures	Various		57,326							57,326	57,326	200DB	HY	7	0	
32	2007 Furn & Fixtures	Various		35,649							35,649	35,649	200DB	HY	7	0	
35	F & F (Tables & Chairs)	6/30/08		15,448				7,724			7,724	7,724	200DB	MQ	7	0	
39	2009 Furn & Fixtures	Various		8,897				4,449			4,448	4,448	200DB	HY	7	0	
45	Doors - Suite 800	4/07/10		12,029				6,015			6,014	6,014	200DB	HY	7	0	
48	F & F (Tables & Chairs)	Various		6,148				3,074			3,074	3,074	200DB	HY	7	0	
50	F & F (2011)	Various		3,715				3,715			0		200DB	HY	7	0	
71	Dye Room - Lighting **	7/19/13		3,800				1,900			1,900	1,900	200DB	HY	7	0	
84	Furniture from Werx **	12/20/17		3,101				3,101			0		200DB	MQ	7	0	
92	Furniture (DL) **	5/08/20		2,500				2,500			0		200DB	HY	7	0	
Total Furniture and Fixtures				152,106		0	0	33,250	0	0	118,856	118,856					0
Improvements																	
2	Roof	6/15/98		14,220					7,134		7,086	1,384	S/L	20.5		346	
3	A/C Compressor	8/15/98		1,500							1,500	1,500	S/L	HY	7	0	

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2022 Federal Depreciation Schedule

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Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
4	Steel Door	9/15/98		918					463		455	88	S/L	20.7		22
5	Fan Blower	8/20/99		750							750	750	S/L	HY	7	0
6	Clemco SBM 1187	8/03/99		1,062							1,062	1,062	S/L	HY	7	0
8	Sprinkler	4/26/00		38,884							38,884	38,884	S/L	HY	10	0
9	Door	8/16/00		1,245							1,245	1,245	S/L	HY	10	0
10	Frames **	5/22/00		6,235					2,820		3,415	611	S/L	MM	22.4	153
11	TI - 2003 **	12/19/03		30,521				15,261	5,491		9,769	1,504	S/L	MM	26.0	376
12	Improvements **	3/31/04		10,995					3,890		7,105	1,084	S/L	MM	26.2	271
13	Roof **	4/01/04		5,201					1,823		3,378	515	S/L	MM	26.2	129
14	Electrical Improvements	5/31/04		45,600					41,064		4,536	2,832	S/L	6.4		708
15	HVAC	5/31/04		58,996					53,121		5,875	3,668	S/L	6.4		917
16	Landscaping	6/15/04		13,673					12,310		1,363	844	S/L	6.5		211
22	Landscaping	8/31/04		13,895				6,948	6,250		697	420	S/L	6.7		105
29	2006 Improvements **	Various		127,958					37,871		90,087	12,647	S/L	MM	28.5	3,162
33	Landscaping	Various		11,683							11,683	11,683	200DB	HY	7	0
34	Tenant Improvements	Various		68,115					47,698		20,417	8,604	S/L	9.5		2,151
37	TI - Suite 710	12/01/08		102,116				51,058	31,078		19,980	7,324	S/L	10.9		1,831
38	TI - Suite 900	12/01/08		238,269				119,135	72,503		46,631	17,096	S/L	10.9		4,274
40	TI - Suite 930	4/01/09		58,505				29,253	16,582		12,670	4,508	S/L	11.2		1,127
41	TI - Ste 900 Corridor **	9/01/09		97,445					20,714		76,731	9,692	S/L	MM	31.7	2,424
43	Mill Office Roof **	8/17/10		30,310					5,731		24,579	3,014	S/L	MM	32.6	754
44	TI - Adventure Pilot **	11/01/10		8,626				8,626			0		S/L	HY	15	0
46	TI - Clinic Esthetica	8/01/10		3,888				1,944	975		969	308	S/L	12.6		77
47	Landscaping Pre 9/8	Various		39,443				19,722	9,862		9,859	3,116	S/L	12.7		779
49	Landscaping Post 9/8 **	Various		30,403				30,403			0		S/L	HY	15	0
51	Landscaping -South Garden **	Various		42,650				42,650			0		S/L	HY	15	0
52	TI - Suite 1000 **	10/01/11		14,249				14,249			0		S/L	HY	15	0

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2022 Federal Depreciation Schedule

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Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.	
53	Building Improvements **	12/15/11		22,485					3,486		18,999	2,240	S/L	MM	34.0	.02946	560
54	Roof - Suite 400 & 910 **	8/01/12		76,942					10,606		66,336	7,670	S/L	MM	34.6	.02892	1,918
55	Sanitary Sewer - Base Bld	8/01/12		32,055				16,028	5,879		10,148	2,784	S/L	S/L	14.6		696
56	Bldg Shell - Base Buildin **	8/01/12		33,661					4,639		29,022	3,355	S/L	MM	34.6	.02892	839
57	Landscaping - S Garden	Various		12,874				6,437			6,437	6,437	200DB	HY	7		0
58	Landscaping - General	Various		2,846				1,423			1,423	1,423	200DB	HY	7		0
61	TI - Event Hall Dye Room	12/01/12		2,733				1,367	500		866	232	S/L	S/L	14.9		58
62	TI - Ste 500 Grand Hallwa	12/01/12		9,153				4,577	1,677		2,899	776	S/L	S/L	14.9		194
63	TI - Ste 400	2/01/13		155,138				77,569	23,279		54,290	14,400	S/L	S/L	15.1		3,600
64	TI - Ste 1000	2/01/13		4,348				2,174	652		1,522	404	S/L	S/L	15.1		101
65	TI - Ste 500	6/01/13		5,157				2,579	774		1,804	468	S/L	S/L	15.4		117
66	TI - Grand Hallway	2/01/13		4,123				2,062	617		1,444	384	S/L	S/L	15.1		96
67	TI - Ste 710	8/01/13		48,358				24,179	7,257		16,922	4,344	S/L	S/L	15.6		1,086
68	Fire Protection/General **	9/24/13		38,965					4,288		34,677	3,883	S/L	MM	35.7	.02799	971
70	Dye Room - ADA Ramp	8/13/13		8,241				4,121	1,237		2,883	740	S/L	S/L	15.6		185
73	480 Elec Service Upgrade **	9/11/14		93,362					7,881		85,481	9,319	S/L	MM	36.7	.02726	2,330
74	Suite 910 Shell **	5/20/14		78,692					7,317		71,375	7,846	S/L	MM	36.4	.02749	1,962
75	Suite 300 Finish Out **	12/12/14		160,664					12,529		148,135	16,036	S/L	MM	37.0	.02706	4,009
76	Suite 300 Finish Out **	12/12/14		9,440				4,720			4,720	4,720	200DB	MQ	7		0
77	Suite 1000 Finish Out **	10/01/14		14,604					1,200		13,404	1,459	S/L	MM	36.8	.02721	365
78	Suite 1000 Finish Out	10/01/14		9,587				4,794	1,000		3,793	904	S/L	S/L	16.8		226
79	Suite 500 - Grand Hallway **	12/16/14		286,689					22,360		264,329	28,604	S/L	MM	37.0	.02706	7,153
80	Roof **	10/01/15		225,446					12,766		212,680	22,530	S/L	MM	37.8	.02649	5,634
81	Parking Lot	10/29/15		334,060				167,030	23,668		143,362	32,180	S/L	S/L	17.8		8,045
82	Roof - Tupps **	10/01/16		68,218					2,114		66,104	6,822	S/L	MM	38.8	.02581	1,706
83	Roof - East **	10/01/16		95,105					2,947		92,158	9,513	S/L	MM	38.8	.02581	2,379
86	East Parking Lot **	4/01/18		51,040							51,040	8,932	S/L	HY	20	.05000	2,552

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2022 Federal Depreciation Schedule

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Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur. 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Dep.	Prior Dec. Bal. Dep.	Salvage /Basis Reductn	Dep. Basis	Prior Dep.	Method	Life	Rate	Current Dep.
88	South Retention Pond **	8/01/19		58,000							58,000	7,250	S/L HY	20	.05000	2,900
	Total Improvements			3,059,341		0	0	658,309	536,053	0	1,864,979	340,038				69,499
	Machinery and Equipment															
17	Rollup Door	5/31/00		1,126							1,126	1,126	S/L HY	10		0
18	Personal Prop Add's	7/01/02		9,365				2,810			6,555	6,555	200DB HY	5		0
19	Fire Alarm System	12/03/03		5,292				2,646			2,646	2,646	200DB HY	7		0
23	Mower	8/17/04		500				250			250	250	S/L HY	7		0
25	Mower	5/05/05		1,797							1,797	1,797	200DB HY	7		0
26	Computer	6/20/05		2,700							2,700	2,700	200DB HY	5		0
27	Heater Unit	7/13/05		8,780					7,484		1,296	688	S/L	7.5		172
30	2003 Kabuta Tractor	3/14/07		20,676							20,676	20,676	200DB HY	5		0
31	Bush Hog SQ840	3/20/07		2,484							2,484	2,484	200DB HY	5		0
36	Washing Machines	10/31/08		3,729				1,865			1,864	1,864	200DB MQ	7		0
42	Laundry Mat Equip	Various		1,650				825			825	825	200DB HY	5		0
59	Scrubber	7/12/12		9,460				4,730			4,730	4,730	200DB HY	5		0
60	Tractor Motor Rebuild	8/01/12		9,000				4,500			4,500	4,500	200DB HY	5		0
69	721 Anderson Compressor **	9/17/13		2,620				1,310			1,310	1,310	200DB HY	7		0
	Total Machinery and Equipment			79,179		0	0	18,936	7,484	0	52,759	52,151				172
	Total Depreciation			4,035,052		0	0	710,495	871,429	0	2,453,128	582,339				87,711
	Grand Total Amortization			349,514		0	0	0	0	0	349,514	116,038				39,373
	Grand Total Depreciation			4,035,052		0	0	710,495	871,429	0	2,453,128	582,339				87,711

Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Dep.	Prior Dec. Bal. Dep.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
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**Asset included in unadjusted basis immediately after acquisition for the QBI calculation.

Form **1065**Department of the Treasury
Internal Revenue Service**U.S. Return of Partnership Income**For calendar year 2021, or tax year beginning _____, 2021,
ending _____, 20 _____.Go to www.irs.gov/Form1065 for instructions and the latest information.

OMB No. 1545-0123

2021**A** Principal business activity

Rental

B Principal product or service

Real Estate

C Business code number

531120

Type
or
PrintCotton Mill Partners, Ltd.
610 Elm Street, Suite 400
McKinney, TX 75069-8175**D** Employer identification no.

20-1305664

E Date business started

6/23/2004

F Total assets (see instructions)

\$ 4,287,875.

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return**H** Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____ **3****J** Check if Schedules C and M-3 are attached _____ ☐**K** Check if partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

	1 a	1 b	1 c
1 a Gross receipts or sales			
b Returns and allowances			
c Balance. Subtract line 1b from line 1a			
2 Cost of goods sold (attach Form 1125-A)			
3 Gross profit. Subtract line 2 from line 1c			
4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			
5 Net farm profit (loss) (attach Schedule F (Form 1040))			
6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			
7 Other income (loss) (attach statement)			
8 Total income (loss). Combine lines 3 through 7			
9 Salaries and wages (other than to partners) (less employment credits)			
10 Guaranteed payments to partners			
11 Repairs and maintenance			
12 Bad debts			
13 Rent			
14 Taxes and licenses			
15 Interest (see instructions)			
16 a Depreciation (if required, attach Form 4562)			
b Less depreciation reported on Form 1125-A and elsewhere on return			
17 Depletion (Do not deduct oil and gas depletion.)			
18 Retirement plans, etc.			
19 Employee benefit programs			
20 Other deductions (attach statement)			
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			
22 Ordinary business income (loss). Subtract line 21 from line 8			
23 Interest due under the look-back method — completed long-term contracts (attach Form 8697)			
24 Interest due under the look-back method — income forecast method (attach Form 8866)			
25 BBA AAR imputed underpayment (see instructions)			
26 Other taxes (see instructions)			
27 Total balance due. Add lines 23 through 26			
28 Payment (see instructions)			
29 Amount owed. If line 28 is smaller than line 27, enter amount owed			
30 Overpayment. If line 28 is larger than line 27, enter overpayment			

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

FILE COPY

Signature of partner or limited liability company member

Date

May the IRS discuss this return
with the preparer shown below?
See instructions. ☒ Yes ☐ NoPaid
Preparer
Use Only

Print/Type preparer's name

H. Chris Seeligson

Preparer's signature

Date

8.21.22

Check ☐ if
self-employed

PTIN

P00149163

Firm's name ▶ Seeligson & Company PC

Firm's EIN ▶ 45-3709393

Firm's address ▶ 3308 Shorecrest Drive

Dallas, TX 75235

Phone no. (214) 369-0100

**Application for Automatic Extension of Time To File Certain
Business Income Tax, Information, and Other Returns**► **File a separate application for each return.**► **Go to www.irs.gov/Form7004 for instructions and the latest information.**

OMB No. 1545-0233

**Print
or
Type**

Name

Cotton Mill Partners, Ltd.

Identifying number

20-1305664

Number, street, and room or suite no. (If P.O. box, see instructions.)

610 Elm Street, Suite 400

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code).)

McKinney, TX 75069-8175

Note: File request for extension by the due date of the return. See instructions before completing this form.**Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns.** See instructions.

1 Enter the form code for the return listed below that this application is for.....

09

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041 (estate other than a bankruptcy estate)	04	Form 1120-REIT	23
Form 1041 (trust)	05	Form 1120-RIC	24
Form 1041-N	06	Form 1120S	25
Form 1041-QFT	07	Form 1120-SF	26
Form 1042	08	Form 3520-A	27
Form 1065	09	Form 8612	28
Form 1066	11	Form 8613	29
Form 1120	12	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18	Form 8928	36
Form 1120-ND	19		

Part II All Filers Must Complete This Part2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here..... ☐3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here..... ☐
If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application.4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here..... ☐5 a The application is for calendar year 20 21, or tax year beginning _____, 20 __, and ending _____, 20 __b **Short tax year.** If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (See instructions — attach explanation.)6 Tentative total tax..... **6** 0.7 Total payments and credits. See instructions..... **7** 0.8 **Balance due.** Subtract line 7 from line 6. See instructions..... **8** 0.

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a ☐ Domestic general partnership	b ☒ Domestic limited partnership				
c ☐ Domestic limited liability company	d ☐ Domestic limited liability partnership				
e ☐ Foreign partnership	f ☐ Other ▶				
2 At the end of the tax year:					
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.					X
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.					X
3 At the end of the tax year, did the partnership:					
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.					X
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below.					X
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
4 Does the partnership satisfy all four of the following conditions?				Yes	No
a The partnership's total receipts for the tax year were less than \$250,000.					
b The partnership's total assets at the end of the tax year were less than \$1 million.					
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
d The partnership is not filing and is not required to file Schedule M-3. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.					X
5 Is this partnership a publicly traded partnership, as defined in section 469(k)(2)?					X
6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?					X
7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?					X
8 At any time during calendar year 2021, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country. ▶					X
9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.					X
10a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.				X	
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.					X

Schedule B Other Information (continued)

	Yes	No
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X
11 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year). ☐		
12 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
13 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions ☐		
14 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ☐		X
15 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ☐		
16a Did you make any payments in 2021 that would require you to file Form(s) 1099? See instructions.	X	
b If "Yes," did you or will you file required Form(s) 1099?	X	
17 Enter the number of Forms 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ☐		
18 Enter the number of partners that are foreign governments under section 892. ☐ 0		
19 During the partnership's tax year, did the partnership make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		X
20 Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938.		X
21 Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?		X
22 During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions. If "Yes," enter the total amount of the disallowed deductions. ☐ \$		X
23 Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions.	X	
24 Does the partnership satisfy one or more of the following? See instructions. a The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense. b The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the partnership has business interest. c The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.		X
25 Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15. ☐ \$		X
26 Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership. ☐ Complete Schedule K-3 (Form 1065), Part XIII, for each foreign partner subject to section 864(c)(8) on a transfer or distribution.		
27 At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		X
28 Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions. Percentage: ☐ By Vote ☐ By Value		X
29 Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3. ☐ If "No," complete Designation of Partnership Representative below.		X

Designation of Partnership Representative (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR ☐ Casey Advisory Group IncU.S. address of PR ☐ 610 Elm Street, Suite 400
McKinney, TX 75069-8175U.S. phone number of PR ☐ (214) 502-2370If the PR is an entity, name of the designated individual for the PR ☐ Terrance M CaseyU.S. address of designated individual ☐ 610 Elm Street, Suite 400
McKinney, TX 75069-8175U.S. phone number of designated individual ☐ (214) 502-2370

BAA

Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach stmt)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Guaranteed payments: a Services 4a b Capital 4b	4c
	c Total. Add lines 4a and 4b	4c
	5 Interest income	5
	6 Dividends and dividend equivalents: a Ordinary dividends, b Qualified dividends 6b c Dividend equivalents 6c	6a
	7 Royalties	7
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
b Collectibles (28%) gain (loss)	9b	
c Unrecaptured section 1250 gain (attach statement)	9c	
10 Net section 1231 gain (loss) (attach Form 4797)	10	
11 Other income (loss) (see instructions) Type ▶	11	
Deductions	12 Section 179 deduction (attach Form 4562)	12
	13a Contributions See Statement 1	13a
	b Investment interest expense	13b
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)
d Other deductions (see instructions) Type ▶	13d	
Self-Employment	14a Net earnings (loss) from self-employment	14a
	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c
Credits	15a Low-income housing credit (section 42(j)(5))	15a
	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c
	d Other rental real estate credits (see instructions) Type ▶	15d
	e Other rental credits (see instructions) Type ▶	15e
	f Other credits (see instructions) Type ▶	15f
International Transactions	16 Attach Schedule K-2 (Form 1065), Partners' Distributive Share Items-International, and check this box to indicate that you are reporting items of international tax relevance. ☐	
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a
	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
	d Oil, gas, and geothermal properties – gross income	17d
	e Oil, gas, and geothermal properties – deductions	17e
	f Other AMT items (attach stmt)	17f
Other Information	18a Tax-exempt interest income	18a
	b Other tax-exempt income See Statement 2 See Statement 3	18b
	c Nondeductible expenses See Statement 4	18c
	19a Distributions of cash and marketable securities	19a
	b Distributions of other property	19b
	20a Investment income	20a
	b Investment expenses	20b
	c Other items and amounts (attach stmt) See Statement 5	
21 Total foreign taxes paid or accrued	21	

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 21.						1	-402,660.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other	
a General partners	-4,026.						
b Limited partners		-398,634.					

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			44,990.		4,673.
2a Trade notes and accounts receivable					
b Less allowance for bad debts					
3 Inventories					
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (attach stmt)					
7a Loans to partners (or persons related to partners)					
b Mortgage and real estate loans					
8 Other investments (attach stmt)					
9a Buildings and other depreciable assets	4,027,729.			4,027,729.	
b Less accumulated depreciation	2,076,192.		1,951,537.	2,164,263.	1,863,466.
10a Depletable assets					
b Less accumulated depletion					
11 Land (net of any amortization)			2,060,352.		2,060,352.
12a Intangible assets (amortizable only)	226,742.			281,817.	
b Less accumulated amortization	79,387.		147,355.	116,038.	165,779.
13 Other assets (attach stmt) See St. 6			188,805.		193,605.
14 Total assets			4,393,039.		4,287,875.
Liabilities and Capital					
15 Accounts payable					
16 Mortgages, notes, bonds payable in less than 1 year					
17 Other current liabilities (attach stmt) See St. 7			4,881.		9,322.
18 All nonrecourse loans					
19a Loans from partners (or persons related to partners)			327,015.		330,691.
b Mortgages, notes, bonds payable in 1 year or more			4,700,086.		4,970,051.
20 Other liabilities (attach stmt) See St. 8			56,923.		72,699.
21 Partners' capital accounts			-695,866.		-1,094,888.
22 Total liabilities and capital			4,393,039.		4,287,875.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The partnership may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	-383,194.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest... \$	
		Statement 9	19,490.
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 21, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 21 (itemize):		a Depreciation... \$	
a Depreciation... \$			
b Travel and entertainment... \$ 24.		8 Add lines 6 and 7	19,490.
	24.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-402,660.
5 Add lines 1 through 4	-383,170.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	-695,866.	6 Distributions: a Cash	15,828.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) (see instructions)	-402,660.	Statement 11	24.
4 Other increases (itemize):		8 Add lines 6 and 7	15,852.
Statement 10	19,490.	9 Balance at end of year. Subtract line 8 from line 5	-1,094,888.
5 Add lines 1 through 4	-1,079,036.		

**Rental Real Estate Income and Expenses of a
Partnership or an S Corporation**

OMB No. 1545-0123

▶ **Attach to Form 1065 or Form 1120S.**
▶ **Go to www.irs.gov/Form8825 for the latest information.**

Name Cotton Mill Partners, Ltd.	Employer identification number 20-1305664
---	---

1	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.			
	Physical address of each property – street, city, state, ZIP code	Type – Enter code 1–8; see page 2 for list	Fair Rental Days	Personal Use Days
A	610 Elm Street McKinney, TX 75069	4	365	
B				
C				
D				

Rental Real Estate Income		Properties			
		A	B	C	D
2	Gross rents	2	995,698.		
Rental Real Estate Expenses					
3	Advertising	3			
4	Auto and travel	4	3,046.		
5	Cleaning and maintenance	5	102,953.		
6	Commissions	6	750.		
7	Insurance	7	37,108.		
8	Legal and other professional fees	8	6,555.		
9	Interest (see instructions)	9	233,044.		
10	Repairs	10	493,983.		
11	Taxes	11	74,860.		
12	Utilities	12	82,455.		
13	Wages and salaries	13	133,948.		
14	Depreciation (see instructions)	14	88,071.		
15	Other (list) ▶ See Statement 12	15	141,103.		
16	Total expenses for each property. Add lines 3 through 15	16	1,397,876.		
17	Income or (loss) from each property. Subtract line 16 from line 2	17	-402,178.		
18a	Total gross rents. Add gross rents from line 2, columns A through H	18a		995,698.	
18b	Total expenses. Add total expenses from line 16, columns A through H	18b		-1,397,876.	
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	19			
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a			
b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed.				
(1)	Name	(2)	Employer identification number		
21	Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2	21		-402,178.	

1 Show the type and address of each property. For each rental real estate property listed, report the number of days at fair rental value and days with personal use. See instructions.

Physical address of each property — street, city, state, ZIP code	Type — Enter code 1–8; see below for list	Fair Rental Days	Personal Use Days
E			
F			
G			
H			

Rental Real Estate Income		Properties			
		E	F	G	H
2 Gross rents	2				
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8				
9 Interest (see instructions)	9				
10 Repairs	10				
11 Taxes	11				
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶	15				
16 Total expenses for each property. Add lines 3 through 15	16				
17 Income or (loss) from each property. Subtract line 16 from line 2	17				

Allowable Codes for Type of Property

- 1 – Single Family Residence
- 2 – Multi-Family Residence
- 3 – Vacation or Short-Term Rental
- 4 – Commercial
- 5 – Land
- 6 – Royalties
- 7 – Self-Rental
- 8 – Other (include description with the code on Form 8825 or on a separate statement)

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning / / 2021 ending / /

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership

A	Partnership's employer identification number 20-1305664
B	Partnership's name, address, city, state, and ZIP code Cotton Mill Partners, Ltd. 610 Elm Street, Suite 400 McKinney, TX 75069-8175
C	IRS center where partnership filed return ▶ e-file
D	☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E	Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.) 75-2906581
F	Name, address, city, state, and ZIP code for partner entered in E. See instructions. Casey Advisory Group Inc 610 Elm Street, Suite 400 McKinney, TX 75069
G	☒ General partner or LLC member-manager ☐ Limited partner or other LLC member
H1	☒ Domestic partner ☐ Foreign partner
H2	☐ If the partner is a disregarded entity (DE), enter the partner's: TIN _____ Name _____

I1	What type of entity is this partner? <u>S Corporation</u>												
I2	If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here . . . ☐												
J	Partner's share of profit, loss, and capital (see instructions):												
	<table><thead><tr><th></th><th>Beginning</th><th>Ending</th></tr></thead><tbody><tr><td>Profit</td><td>1 %</td><td>1 %</td></tr><tr><td>Loss</td><td>1 %</td><td>1 %</td></tr><tr><td>Capital</td><td>1 %</td><td>1 %</td></tr></tbody></table>		Beginning	Ending	Profit	1 %	1 %	Loss	1 %	1 %	Capital	1 %	1 %
	Beginning	Ending											
Profit	1 %	1 %											
Loss	1 %	1 %											
Capital	1 %	1 %											
	Check if decrease is due to sale or exchange of partnership interest . . . ☐												

K	Partner's share of liabilities:												
	<table><thead><tr><th></th><th>Beginning</th><th>Ending</th></tr></thead><tbody><tr><td>Nonrecourse</td><td>\$</td><td>\$</td></tr><tr><td>Qualified nonrecourse financing</td><td>\$</td><td>\$</td></tr><tr><td>Recourse</td><td>\$ 63,819.</td><td>\$ 136,069.</td></tr></tbody></table>		Beginning	Ending	Nonrecourse	\$	\$	Qualified nonrecourse financing	\$	\$	Recourse	\$ 63,819.	\$ 136,069.
	Beginning	Ending											
Nonrecourse	\$	\$											
Qualified nonrecourse financing	\$	\$											
Recourse	\$ 63,819.	\$ 136,069.											
	Check this box if Item K includes liability amounts from lower tier partnerships . . . ☐												

L Partner's Capital Account Analysis

Beginning capital account	\$ -7,165.
Capital contributed during the year	\$
Current year net income (loss)	\$ -4,026.
Other increase (decrease) (attach explanation)	\$ 194.
Withdrawals and distributions	See Attached \$(158.)
Ending capital account	\$ -11,155.

M	Did the partner contribute property with a built-in gain (loss)? ☐ Yes ☒ No If "Yes," attach statement. See instructions.
---	---

N	Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)
Beginning	\$
Ending	\$

☐ Final K-1☐ Amended K-1651121
OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	14	Self-employment earnings (loss)
2	Net rental real estate income (loss)		
*	-4,022.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked ☐
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income	A	-1.
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents	B*	194.
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	19	Distributions
9b	Collectibles (28%) gain (loss)	A	158.
9c	Unrecaptured section 1250 gain	20	Other information
10	Net section 1231 gain (loss)	N*	STMT
11	Other income (loss)	Z*	STMT
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions	A	4.
22	☐ More than one activity for at-risk purposes*		
23	☐ More than one activity for passive activity purposes*		
*See attached statement for additional information.			

For IRS Use Only

Item L**Partner's Capital Account Analysis
Other Increase (Decrease)****Other Increase**

Tax-Exempt Interest and/or Tax-Exempt Other Income \$ 194.
 Total \$ 194.

Box 2**Rental Real Estate Activities**

Property Type and Address	Gross Income	Net Expenses	Net Income	Passive Nonpass	Sec. 1231 Total
Type: 4 - Commercial 610 Elm Street McKinney, TX 75069	9,957.	13,979.	\$ -4,022.	Passive	
		Total	\$ -4,022.		

Box 18**Other Tax-Exempt Income and Nondeductible Expenses***** Descriptive Information**

B Income on Books Not on Sch. K (Permanent) \$ 194.

Box 20, Code N**Business Interest Expense****Included as a Deduction on the Following Line(s)**

Below is deductible business interest expense for inclusion
 in the separate loss class for computing any basis limitation
 (defined in section 704(d), Regulation section 1.163(j)-6(h)).

Schedule K-1, line 2 \$ 2,330.

Statement A—QBI Pass-through Entity Reporting (Schedule K-1, Box 20, Code Z)

Partnership's name: Cotton Mill Partners, Ltd.		Partnership's EIN: 20-1305664	
Partner's name: Casey Advisory Group Inc		Partner's identifying number: 75-2906581	

	Cotton Mill Partners, Ltd.		
Partner's share of:	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:			
	Ordinary business income (loss)		
	Rental income (loss)	-4,022.	
	Royalty income (loss)		
	Section 1231 gain (loss)		
	Other income (loss)		
	Section 179 deduction		
	Other deductions		
W-2 wages		1,340.	
UBIA of qualified property		20,718.	
Section 199A dividends			

Partner's share of:	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:			
	Ordinary business income (loss)		
	Rental income (loss)		
	Royalty income (loss)		
	Section 1231 gain (loss)		
	Other income (loss)		
	Section 179 deduction		
	Other deductions		
W-2 wages			
UBIA of qualified property			

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning / / 2021

ending / /

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership

- A** Partnership's employer identification number
20-1305664
- B** Partnership's name, address, city, state, and ZIP code

Cotton Mill Partners, Ltd.
610 Elm Street, Suite 400
McKinney, TX 75069-8175
- C** IRS center where partnership filed return ▶ e-file
- D** ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

- E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
479-76-0266
- F** Name, address, city, state, and ZIP code for partner entered in E. See instructions.

Terrance M Casey
6816 Dalmatia Dr
McKinney, TX 75072
- G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member
- H1** ☒ Domestic partner ☐ Foreign partner
- H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:
TIN _____ Name _____
- I1** What type of entity is this partner? Individual
- I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here. . . ☐
- J** Partner's share of profit, loss, and capital (see instructions):
- | | Beginning | Ending |
|---------|-----------|--------|
| Profit | 49.5 % | 49.5 % |
| Loss | 49.5 % | 49.5 % |
| Capital | 49.5 % | 49.5 % |
- Check if decrease is due to sale or exchange of partnership interest. . . . ☐
- K** Partner's share of liabilities:
- | | Beginning | Ending |
|---|---------------|---------------|
| Nonrecourse | \$ | \$ |
| Qualified nonrecourse financing | \$ | \$ |
| Recourse | \$ 5,025,086. | \$ 5,247,735. |
- Check this box if Item K includes liability amounts from lower tier partnerships . . . ☐
- L** **Partner's Capital Account Analysis**
- | | |
|--|--------------------------|
| Beginning capital account | \$ -354,513. |
| Capital contributed during the year | \$ |
| Current year net income (loss) | \$ -199,317. |
| Other increase (decrease) (attach explanation) | \$ 9,636. |
| Withdrawals and distributions | See Attached \$(7,835.) |
| Ending capital account | \$ -552,029. |
- M** Did the partner contribute property with a built-in gain (loss)?
☐ Yes ☒ No If "Yes," attach statement. See instructions.
- N** Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)
- | | |
|---------------------|----|
| Beginning | \$ |
| Ending | \$ |

☐ Final K-1☐ Amended K-1651121
OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	14	Self-employment earnings (loss)
2	Net rental real estate income (loss)		
*	-199,078.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked ☐
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income	A	-5.
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents	B*	9,648.
7	Royalties	C*	12.
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	19	Distributions
9b	Collectibles (28%) gain (loss)	A	7,835.
9c	Unrecaptured section 1250 gain	20	Other information
10	Net section 1231 gain (loss)	A	9.
11	Other income (loss)	N*	STMT
		Z*	STMT
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		
A	248.		
22	☐ More than one activity for at-risk purposes*		
23	☐ More than one activity for passive activity purposes*		

For IRS Use Only

*See attached statement for additional information.

Item L**Partner's Capital Account Analysis
Other Increase (Decrease)****Other Increase**

Tax-Exempt Interest and/or Tax-Exempt Other Income..... \$ 9,648.
 Total \$ 9,648.

Other Decrease

Non-Deductible Expenses..... 12.
 Total \$ 12.

Net Total \$ 9,636.

Box 2**Rental Real Estate Activities**

Property Type and Address	Gross Income	Net Expenses	Net Income	Passive Nonpass	Sec. 1231 Total
Type: 4 - Commercial 610 Elm Street McKinney, TX 75069	492,871.	691,949.	\$ -199,078.	Passive	
		Total	\$ -199,078.		

Box 18**Other Tax-Exempt Income and Nondeductible Expenses***** Descriptive Information**

B Income on Books Not on Sch. K (Permanent)..... \$ 9,648.
 C Disallowed Travel and Entertainment..... 12.

Box 20, Code N**Business Interest Expense****Included as a Deduction on the Following Line(s)**

Below is deductible business interest expense for inclusion
 in the separate loss class for computing any basis limitation
 (defined in section 704(d), Regulation section 1.163(j)-6(h)).

Schedule K-1, line 2..... \$ 115,357.

Statement A—QBI Pass-through Entity Reporting (Schedule K-1, Box 20, Code Z)

Partnership's name: Cotton Mill Partners, Ltd.	Partnership's EIN: 20-1305664
Partner's name: Terrance M Casey	Partner's identifying number: 479-76-0266

Partner's share of:	Cotton Mill Partners, Ltd.		
	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:			
Ordinary business income (loss)			
Rental income (loss)	-199,078.		
Royalty income (loss)			
Section 1231 gain (loss)			
Other income (loss)			
Section 179 deduction			
Other deductions			
W-2 wages	66,304.		
UBIA of qualified property	1,025,541.		
Section 199A dividends			

Partner's share of:			
	☐ PTP	☐ PTP	☐ PTP
	☐ Aggregated	☐ Aggregated	☐ Aggregated
	☐ SSTB	☐ SSTB	☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:			
Ordinary business income (loss)			
Rental income (loss)			
Royalty income (loss)			
Section 1231 gain (loss)			
Other income (loss)			
Section 179 deduction			
Other deductions			
W-2 wages			
UBIA of qualified property			

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning / / 2021 ending / /

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
20-1305664

B Partnership's name, address, city, state, and ZIP code

Cotton Mill Partners, Ltd.
610 Elm Street, Suite 400
McKinney, TX 75069-8175

C IRS center where partnership filed return ▶ e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
467-98-3023

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

Paula A. Salter
6105 Corsica Way
Plano, TX 75024G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberH1 ☒ Domestic partner ☐ Foreign partnerH2 ☐ If the partner is a disregarded entity (DE), enter the partner's:
TIN Name

I1 What type of entity is this partner? Individual

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	49.5 %	49.5 %
Loss	49.5 %	49.5 %
Capital	49.5 %	49.5 %

Check if decrease is due to sale or exchange of partnership interest ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$	\$

Check this box if Item K includes liability amounts from lower tier partnerships ☐

L Partner's Capital Account Analysis

Beginning capital account	\$ -334,188.
Capital contributed during the year	\$
Current year net income (loss)	\$ -199,317.
Other increase (decrease) (attach explanation)	\$ 9,636.
Withdrawals and distributions	See Attached \$(7,835.)
Ending capital account	\$ -531,704.

M Did the partner contribute property with a built-in gain (loss)?
☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning	\$
Ending	\$

☐ Final K-1☐ Amended K-1651121
OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	14	Self-employment earnings (loss)
2	Net rental real estate income (loss)		
*	-199,078.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked ☐
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income	A	-5.
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents	B*	9,648.
7	Royalties	C*	12.
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	19	Distributions
9b	Collectibles (28%) gain (loss)	A	7,835.
9c	Unrecaptured section 1250 gain	20	Other information
10	Net section 1231 gain (loss)	A	9.
11	Other income (loss)	N*	STMT
		Z*	STMT
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		
A	248.		

22 ☐ More than one activity for at-risk purposes*23 ☐ More than one activity for passive activity purposes*

*See attached statement for additional information.

For IRS Use Only

Item L
Partner's Capital Account Analysis
Other Increase (Decrease)
Other Increase

Tax-Exempt Interest and/or Tax-Exempt Other Income..... \$ 9,648.
 Total \$ 9,648.

Other Decrease

Non-Deductible Expenses..... 12.
 Total \$ 12.

Net Total \$ 9,636.

Box 2
Rental Real Estate Activities

Property Type and Address	Gross Income	Net Expenses	Net Income	Passive Nonpass	Sec. 1231 Total
Type: 4 - Commercial 610 Elm Street McKinney, TX 75069	492,871.	691,949.	\$ -199,078.	Passive	
			Total \$ -199,078.		

Box 18
Other Tax-Exempt Income and Nondeductible Expenses
*** Descriptive Information**

B Income on Books Not on Sch. K (Permanent)..... \$ 9,648.
 C Disallowed Travel and Entertainment..... 12.

Box 20, Code N
Business Interest Expense
Included as a Deduction on the Following Line(s)

Below is deductible business interest expense for inclusion
 in the separate loss class for computing any basis limitation
 (defined in section 704(d), Regulation section 1.163(j)-6(h)).

Schedule K-1, line 2..... \$ 115,357.

Supplemental Information

Your ability to deduct the loss shown on your Schedule K-1 is limited to your "at risk amount". Please consult with your tax advisor.

Distribution in excess of basis is reported as an other increase. Pursuant to IRC Section 731(a)(1) gain is recognized the extent that any money distributed exceeds the adjusted basis of such partner's interest in the partnership immediately before the distribution. Consult with your tax advisor. None in

Supplemental Information (continued)

2021.

Included in distributions were Medicare Premium payments of \$1,655.

Statement A—QBI Pass-through Entity Reporting (Schedule K-1, Box 20, Code Z)

Partnership's name: Cotton Mill Partners, Ltd.		Partnership's EIN: 20-1305664	
Partner's name: Paula A. Salter		Partner's identifying number: 467-98-3023	

	Cotton Mill Partners, Ltd.		
Partner's share of:	☐ PTP ☐ Aggregated ☐ SSTB	☐ PTP ☐ Aggregated ☐ SSTB	☐ PTP ☐ Aggregated ☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:			
	Ordinary business income (loss)		
	Rental income (loss)	-199,078.	
	Royalty income (loss)		
	Section 1231 gain (loss)		
	Other income (loss)		
	Section 179 deduction		
	Other deductions		
W-2 wages		66,304.	
UBIA of qualified property		1,025,541.	
Section 199A dividends			

Partner's share of:	☐ PTP ☐ Aggregated ☐ SSTB	☐ PTP ☐ Aggregated ☐ SSTB	☐ PTP ☐ Aggregated ☐ SSTB

QBI or qualified PTP items subject to partner-specific determinations:			
	Ordinary business income (loss)		
	Rental income (loss)		
	Royalty income (loss)		
	Section 1231 gain (loss)		
	Other income (loss)		
	Section 179 deduction		
	Other deductions		
W-2 wages			
UBIA of qualified property			

Depreciation and Amortization
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4562 for instructions and the latest information.**2021**Attachment
Sequence No. **179**

Name(s) shown on return

Cotton Mill Partners, Ltd.

Identifying number

20-1305664

Business or activity to which this form relates

Form 8825, Rental Real Estate - Commercial Rental - Mixed Use

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions).	1	
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2020 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instrs.	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11.	12	
13	Carryover of disallowed deduction to 2022. Add lines 9 and 10, less line 12.	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions.	14	
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	37,576.

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2021.	17	50,495.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B - Assets Placed in Service During 2021 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2021 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 30-year			30 yrs	MM	S/L	
d 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.	22	88,071.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A – Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)**24 a** Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24 b** If 'Yes,' is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions.							25	
26 Property used more than 50% in a qualified business use:								
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (don't include commuting miles).						
31 Total commuting miles driven during the year.						
32 Total other personal (noncommuting) miles driven.						
33 Total miles driven during the year. Add lines 30 through 32.						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their EmployeesAnswer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions.		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' don't complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2021 tax year (see instructions):					
Lease Comm - Ste 930	3/01/21	8,752.	178	3	2,431.
Lease Comm - Ste 1100/1200	7/01/21	5,976.	178	2.5	1,195.
43 Amortization of costs that began before your 2021 tax year.				43	32,752.
44 Total. Add amounts in column (f). See the instructions for where to report.				44	40,349.

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A – Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)**24 a** Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24 b** If 'Yes,' is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions.							25	
26 Property used more than 50% in a qualified business use:								
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (don't include commuting miles).						
31 Total commuting miles driven during the year.						
32 Total other personal (noncommuting) miles driven.						
33 Total miles driven during the year. Add lines 30 through 32.						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their EmployeesAnswer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions. Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' don't complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2021 tax year (see instructions):					
Lease Comm - Ste 400D	10/01/21	1,305.	178	2	163.
Lease Comm - Ste 100/200	10/01/21	5,225.	178	3	435.
43 Amortization of costs that began before your 2021 tax year.				43	
44 Total. Add amounts in column (f). See the instructions for where to report.				44	

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A – Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)**24 a** Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24 b** If 'Yes,' is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions.							25	
26 Property used more than 50% in a qualified business use:								
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (don't include commuting miles).												
31 Total commuting miles driven during the year.												
32 Total other personal (noncommuting) miles driven.												
33 Total miles driven during the year. Add lines 30 through 32.												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their EmployeesAnswer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions. Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' don't complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2021 tax year (see instructions):					
Loan Cost FNB Ballinger	9/28/21	134,929.	461	10	3,373.
43 Amortization of costs that began before your 2021 tax year.				43	
44 Total. Add amounts in column (f). See the instructions for where to report.				44	

Cotton Mill Partners, Ltd.

20-1305664

Statement 1
Form 1065, Schedule K, Line 13a
Charitable Contributions

Cash Contributions - 60% Limitation.....

Total	\$	500.
	\$	<u>500.</u>

Statement 2
Rev. Proc. 2021-48 Information
Forgiveness of Paycheck Protection Program Loans

Cotton Mill Partners, Ltd.
20-1305664
610 Elm Street, Suite 400
McKinney, TX 75069-8175

Applying section 3.01(3) of Rev. Proc. 2021-48 for taxable year 2021.
Tax-exempt income from PPP forgiveness treated as received/accrued: \$19,490.
Forgiveness of the PPP loan has been granted as of the date the return is filed.

Statement 3
Form 1065, Schedule K, Line 18b
Other Tax-Exempt Income

Income on Books Not on Sch. K (Permanent).....

Total	\$	19,490.
	\$	<u>19,490.</u>

Statement 4
Form 1065, Schedule K, Line 18c
Nondeductible Expenses

Disallowed Travel and Entertainment.....

Total	\$	24.
	\$	<u>24.</u>

Statement 5
Form 1065, Schedule K, Line 20c
Other Reportable Items**Business Interest Expense (Informational Only for Basis Limitations)**
Included as a Deduction on the Following Lines(s)

Schedule K, line 2..... \$ 233,044.

Cotton Mill Partners, Ltd.

20-1305664

Statement 6
Form 1065, Schedule L, Line 13
Other Assets

	<u>Beginning</u>	<u>Ending</u>
Rail Cars.....	\$ 9,623.	\$ 9,623.
CIP - Two Story.....	179,182.	179,182.
Prepaid Selling Expense.....	0.	4,800.
Total	<u>\$ 188,805.</u>	<u>\$ 193,605.</u>

Statement 7
Form 1065, Schedule L, Line 17
Other Current Liabilities

	<u>Beginning</u>	<u>Ending</u>
Payroll Taxes Payable.....	\$ 2,771.	\$ 6,582.
Credit Cards Payable.....	2,110.	2,740.
Total	<u>\$ 4,881.</u>	<u>\$ 9,322.</u>

Statement 8
Form 1065, Schedule L, Line 20
Other Liabilities

	<u>Beginning</u>	<u>Ending</u>
Security Deposits.....	\$ 56,923.	\$ 72,699.
Total	<u>\$ 56,923.</u>	<u>\$ 72,699.</u>

Statement 9
Form 1065, Schedule M-1, Line 6
Income on Books Not on Schedule K

Paycheck Protection Program Loan Forgiven.....	\$ 19,490.
Total	<u>\$ 19,490.</u>

Statement 10
Form 1065, Schedule M-2, Line 4
Other Increases

Tax-Exempt Interest and/or Tax-Exempt Other Income.....	\$ 19,490.
Total	<u>\$ 19,490.</u>

Cotton Mill Partners, Ltd.

20-1305664

Statement 11
Form 1065, Schedule M-2, Line 7
Other Decreases

Non-Deductible Expenses	\$	24.
Total	\$	<u>24.</u>

Statement 12
Form 8825, Line 15
Other Expenses

Property A: 610 Elm Street McKinney, TX 75069
 Property B:
 Property C:
 Property D:

	<u>Property A</u>	<u>Property B</u>	<u>Property C</u>	<u>Property D</u>
Amortization.....	\$ 40,349.			
Management Fees.....	8,766.			
Miscellaneous.....	55.			
Supplies.....	7,331.			
Telephone.....	1,248.			
Bank Charges.....	368.			
Advertising.....	19,060.			
Event Supplies.....	10,596.			
Payroll Taxes.....	10,768.			
Subscriptions.....	1,015.			
ISP.....	2,228.			
Accounting.....	8,070.			
Security.....	13,935.			
Tolls.....	2,494.			
Office Expense.....	4,344.			
Permits.....	3,265.			
Inspections.....	1,952.			
100% Meals.....	5,235.			
50% M & E.....	24.			
Total	\$ <u>141,103.</u>	<u> </u>	<u> </u>	<u> </u>

Section 1.263(a)-1(f) De Minimis Safe Harbor Election

The Taxpayer hereby makes the de minimis safe harbor election under Regulation 1.263(a)-1(f).

Cotton Mill Partners, Ltd.
610 Elm Street, Suite 400
McKinney, TX 75069-8175
20-1305664

Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.	
Rental Real Estate - Commercial Rental - Mixed Use																	
Amortization																	
24	Organization Costs	6/30/04		2,500							2,500	2,500	S/L	5		0	
72	Lease Comm - Ste 300	11/01/14		20,515							20,515	18,074	S/L	7		2,441	
85	Loan Cost - FNB Ballinger	7/31/18		63,314							63,314	48,319	S/L	3		14,995	
89	Loan Cost FNBB LOC	12/04/19		3,349							3,349	1,979	S/L	2		1,370	
90	Lease Comm - Ste 120	9/01/19		4,320							4,320	1,920	S/L	3		1,440	
93	Lease Comm - Ste 710	9/01/20		16,775							16,775	1,864	S/L	3		5,592	
94	Lease Comm - Ste 1000	11/01/20		6,198							6,198	1,033	S/L	1		5,165	
96	Lease Comm - Ste 930	3/01/21		8,752							8,752		S/L	3		2,431	
97	Lease Comm - Ste 1100/1200	7/01/21		5,976							5,976		S/L	2.5		1,195	
98	Lease Comm - Ste 800	9/01/20		5,246							5,246		S/L	4		1,749	
99	Lease Comm - Ste 400D	10/01/21		1,305							1,305		S/L	2		163	
100	Lease Comm - Ste 100/200	10/01/21		5,225							5,225		S/L	3		435	
101	Loan Cost FNB Ballinger	9/28/21		134,929							134,929		S/L	10		3,373	
Total Amortization				278,404		0	0	0	0	0	278,404	75,689					40,349
Buildings																	
1	Building	5/15/97		429,410					227,051		202,359	31,356	S/L	19.4		10,452	
20	Building **	6/30/04		290,416					100,841		189,575	21,467	S/L	MM	26.5	.03775	7,156
91	Building - Section 754 **	12/31/19		16,531							16,531	430	S/L	MM	40	.02500	413
95	Building - Section 754 **	12/31/20		746							746	1	S/L	MM	40	.02500	19
Total Buildings				737,103		0	0	0	327,892	0	409,211	53,254					18,040

12/31/21

2021 Federal Depreciation Schedule

Page 2

Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Dep.	Prior Dec. Bal. Dep.	Salvage /Basis Reductn.	Depr. Basis	Prior Dep.	Life	Rate	Current Dep.
Furniture and Fixtures															
7	Carpet	10/03/00		1,949							1,949	1,949	S/L HY	7	0
21	Carpet	11/15/04		1,544				772			772	772	S/L HY	7	0
28	2006 Furn & Fixtures	Various		57,326							57,326	57,326	200DB HY	7	0
32	2007 Furn & Fixtures	Various		35,649							35,649	35,649	200DB HY	7	0
35	F & F (Tables & Chairs)	6/30/08		15,448				7,724			7,724	7,724	200DB MQ	7	0
39	2009 Furn & Fixtures	Various		8,897				4,449			4,448	4,448	200DB HY	7	0
45	Doors - Suite 800	4/07/10		12,029				6,015			6,014	6,014	200DB HY	7	0
48	F & F (Tables & Chairs)	Various		6,148				3,074			3,074	3,074	200DB HY	7	0
50	F & F (2011)	Various		3,715				3,715			0	0	200DB HY	7	0
71	Dye Room - Lighting **	7/19/13		3,800				1,900			1,900	1,900	200DB HY	7	0
84	Furniture from Werx **	12/20/17		3,101				3,101			0	0	200DB MQ	7	0
92	Furniture (DL) **	5/08/20		2,500				2,500			0	0	200DB HY	7	0
Total Furniture and Fixtures				152,106		0	0	33,250	0	0	118,856	118,856			0
Improvements															
2	Roof	6/15/98		14,220					7,134		7,086	1,038	S/L 20.5		346
3	A/C Compressor	8/15/98		1,500							1,500	1,500	S/L HY	7	0
4	Steel Door	9/15/98		918					463		455	66	S/L 20.7		22
5	Fan Blower	8/20/99		750							750	750	S/L HY	7	0
6	Clemco SBM 1187	8/03/99		1,062							1,062	1,062	S/L HY	7	0
8	Sprinkler	4/26/00		38,884							38,884	38,884	S/L HY	10	0
9	Door	8/16/00		1,245							1,245	1,245	S/L HY	10	0
10	Frames **	5/22/00		6,235					2,820		3,415	458	S/L MM 22.4	.04468	153
11	TI - 2003 **	12/19/03		30,521				15,261	5,491		9,769	1,128	S/L MM 26.0	.03852	376

12/31/21

2021 Federal Depreciation Schedule

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Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis/ Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.	
12	Improvements **	3/31/04		10,995					3,890		7,105	813	S/L	MM	26.2	.03811	271
13	Roof **	4/01/04		5,201					1,823		3,378	386	S/L	MM	26.2	.03811	129
14	Electrical Improvements	5/31/04		45,600					41,064		4,536	2,124	S/L	6.4			708
15	HVAC	5/31/04		58,996					53,121		5,875	2,751	S/L	6.4			917
16	Landscaping	6/15/04		13,673					12,310		1,363	633	S/L	6.5			211
22	Landscaping	8/31/04		13,895				6,948	6,250		697	315	S/L	6.7			105
29	2006 Improvements **	Various		127,958					37,871		90,087	9,485	S/L	MM	28.5	.03510	3,162
33	Landscaping	Various		11,683							11,683	11,683	200DB	HY	7		0
34	Tenant Improvements	Various		68,115					47,698		20,417	6,453	S/L	9.5			2,151
37	TI - Suite 710	12/01/08		102,116				51,058	31,078		19,980	5,493	S/L	10.9			1,831
38	TI - Suite 900	12/01/08		238,269				119,135	72,503		46,631	12,822	S/L	10.9			4,274
40	TI - Suite 930	4/01/09		58,505				29,253	16,582		12,670	3,381	S/L	11.2			1,127
41	TI - Ste 900 Corridor **	9/01/09		97,445					20,714		76,731	7,268	S/L	MM	31.7	.03159	2,424
43	Mill Office Roof **	8/17/10		30,310					5,731		24,579	2,260	S/L	MM	32.6	.03066	754
44	TI - Adventure Pilot **	11/01/10		8,626				8,626			0		S/L	HY	15		0
46	TI - Clinic Esthetica	8/01/10		3,888				1,944	975		969	231	S/L	12.6			77
47	Landscaping Pre 9/8	Various		39,443				19,722	9,862		9,859	2,337	S/L	12.7			779
49	Landscaping Post 9/8 **	Various		30,403				30,403			0		S/L	HY	15		0
51	Landscaping - South Garden **	Various		42,650				42,650			0		S/L	HY	15		0
52	TI - Suite 1000 **	10/01/11		14,249				14,249			0		S/L	HY	15		0
53	Building Improvements **	12/15/11		22,485					3,486		18,999	1,680	S/L	MM	34.0	.02946	560
54	Roof - Suite 400 & 910 **	8/01/12		76,942					10,606		66,336	5,752	S/L	MM	34.6	.02892	1,918
55	Sanitary Sewer - Base Bld	8/01/12		32,055				16,028	5,879		10,148	2,088	S/L	14.6			696
56	Bldg Shell - Base Buildin **	8/01/12		33,661					4,639		29,022	2,516	S/L	MM	34.6	.02892	839
57	Landscaping - S Garden **	Various		12,874				6,437	6,437		6,437	6,437	200DB	HY	7		0
58	Landscaping - General **	Various		2,846				1,423	1,423		1,423	1,423	200DB	HY	7		0
61	TI - Event Hall Dye Room	12/01/12		2,733				1,367	500		866	174	S/L	14.9			58

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2021 Federal Depreciation Schedule

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Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep. Allow.	Prior 179/ Bonus/ Sp. Dep.	Prior Dec. Bal. Dep.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
62	TI - Ste 500 Grand Hallwa	12/01/12		9,153				4,577	1,677		2,899	582	S/L	14.9		194
63	TI - Ste 400	2/01/13		155,138				77,569	23,279		54,290	10,800	S/L	15.1		3,600
64	TI - Ste 1000	2/01/13		4,348				2,174	652		1,522	303	S/L	15.1		101
65	TI - Ste 500	6/01/13		5,157				2,579	774		1,804	351	S/L	15.4		117
66	TI - Grand Hallway	2/01/13		4,123				2,062	617		1,444	288	S/L	15.1		96
67	TI - Ste 710	8/01/13		48,358				24,179	7,257		16,922	3,258	S/L	15.6		1,086
68	Fire Protection/General **	9/24/13		38,965					4,288		34,677	2,912	S/L	MM	35.7	971
70	Dye Room - ADA Ramp	8/13/13		8,241				4,121	1,237		2,883	555	S/L	15.6		185
73	480 Elec Service Upgrade **	9/11/14		93,362					7,881		85,481	6,989	S/L	MM	36.7	2,330
74	Suite 910 Shell **	5/20/14		78,692					7,317		71,375	5,884	S/L	MM	36.4	1,962
75	Suite 300 Finish Out **	12/12/14		160,664					12,529		148,135	12,027	S/L	MM	37.0	4,009
76	Suite 300 Finish Out **	12/12/14		9,440				4,720			4,720	4,360	200DB	MQ	7	360
77	Suite 1000 Finish Out **	10/01/14		14,604					1,200		13,404	1,094	S/L	MM	36.8	365
78	Suite 1000 Finish Out	10/01/14		9,587				4,794	1,000		3,793	678	S/L	16.8		226
79	Suite 500 - Grand Hallway **	12/16/14		285,689					22,360		264,329	21,451	S/L	MM	37.0	7,153
80	Roof **	10/01/15		225,446					12,766		212,680	16,896	S/L	MM	37.8	5,634
81	Parking Lot	10/29/15		334,060				167,030	23,668		143,362	24,135	S/L	17.8		8,045
82	Roof - Tupps **	10/01/16		68,218					2,114		66,104	5,116	S/L	MM	38.8	1,706
83	Roof - East **	10/01/16		95,105					2,947		92,158	7,134	S/L	MM	38.8	2,379
86	East Parking Lot **	4/01/18		51,040							51,040	6,380	S/L	HY	20	2,552
88	South Retention Pond **	8/01/19		58,000							58,000	4,350	S/L	HY	20	2,900
Total Improvements				3,059,341		0		658,309	536,053	0	1,864,979	270,179				69,859
Machinery and Equipment																
17	Rollup Door	5/31/00		1,126							1,126	1,126	S/L	HY	10	0
18	Personal Prop Add's	7/01/02		9,365				2,810			6,555	6,555	200DB	HY	5	0

Cotton Mill Partners, Ltd.

20-1305664

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
19	Fire Alarm System	12/03/03		5,292				2,646			2,646	2,646	200DB HY	7		0
23	Mower	8/17/04		500				250			250	250	S/L HY	7		0
25	Mower	5/05/05		1,797							1,797	1,797	200DB HY	7		0
26	Computer	6/20/05		2,700							2,700	2,700	200DB HY	5		0
27	Heater Unit	7/13/05		8,780					7,484		1,296	516	S/L	7.5		172
30	2003 Kabuta Tractor	3/14/07		20,676							20,676	20,676	200DB HY	5		0
31	Bush Hog SQ840	3/20/07		2,484							2,484	2,484	200DB HY	5		0
36	Washing Machines	10/31/08		3,729				1,865			1,864	1,864	200DB MQ	7		0
42	Laundry Mat Equip	Various		1,650				825			825	825	200DB HY	5		0
59	Scrubber **	7/12/12		9,460				4,730			4,730	4,730	200DB HY	5		0
60	Tractor Motor Rebuild **	8/01/12		9,000				4,500			4,500	4,500	200DB HY	5		0
69	721 Anderson Compressor **	9/17/13		2,620				1,310			1,310	1,310	200DB HY	7		0
Total Machinery and Equipment																172
Total Depreciation																88,071
Grand Total Amortization																40,349
Grand Total Depreciation																88,071

**Asset included in unadjusted basis immediately after acquisition for the QBI calculation.

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

The Cotton Mill Partners LTD

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC

☐ C Corporation

☐ S Corporation

☒ Partnership

☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ►

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ►

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

610 Elm St. #520

6 City, state, and ZIP code

Mckinney, TX, 75069

Requester's name and address (optional)

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

____ - ____ - ____

or

Employer identification number

2 0 - 1 3 0 5 6 6 4

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ►

Chandler Carey

Date ►

2/24/2023

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.



ENRICHING COMMUNITIES, EMPOWERING LIVES



COTTON MILL ILLUSTRATIVE PLAN





PROJECT COMPONENTS:

- Cotton Mill Expansion
 - 160k SF of Retail (~48k SF Existing)
 - 65 Hotel Keys
- 200k SF of Office Space
- 1,100-1,200 Multi-family Units
- 27 Artist Lofts

PROJECT HIGHLIGHTS:

- Catalyst for Southeast McKinney
 - Solves Food Desert Issue
 - Need to Replace the Relocated Tupps Brewery
 - Improve Quality of Life for Neighboring Residents
 - Attracts Disposable Income
 - Helps Continue Momentum for Expanding Cotton Mill
- No Gentrification
 - Casey Family Purchased Remaining Lot at Southwest Corner of Anderson Street and Fowler Street
 - Will Need Two Additional Lots for Fowler Extension
- Infrastructure
 - Improves Substandard Roads and Utilities

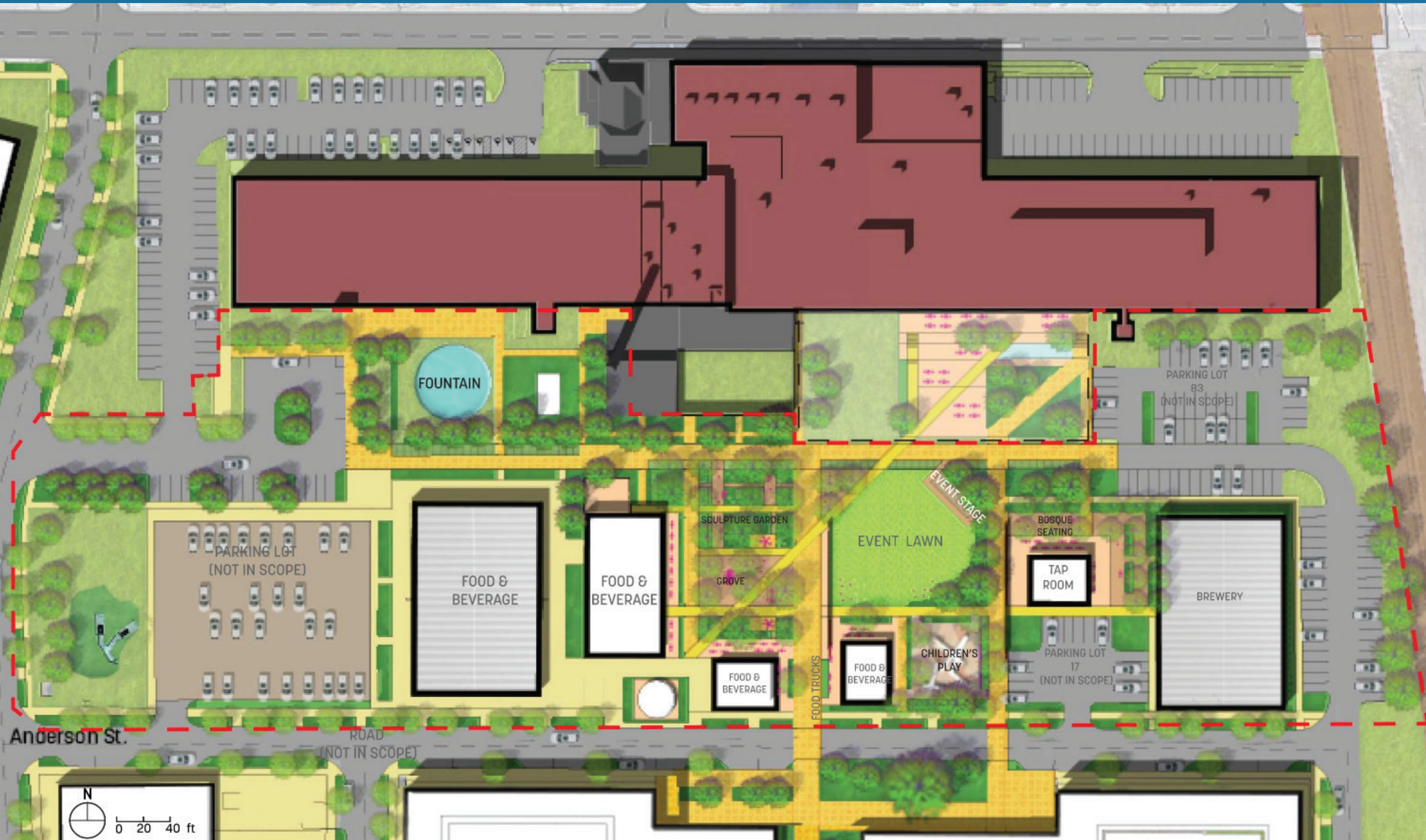




PHASE I

 PRESIDIUM







THANK YOU



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