

CONTRACT OF SALE
(ARIA ISLE AT EAST SHORE)

This Contract of Sale ("Contract") is made and entered into by and between THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P., a Texas limited partnership, as Seller, and _____, as Purchaser. Purchaser agrees to purchase and acquire from Seller, upon terms and conditions set forth herein, the following described real property (the "Property"), in Montgomery County, Texas, described as follows, to wit:

Lot ____, Block 1, of The Woodlands Village of Grogan's Mill Lake Woodlands East Shore Sec 16 Replat No 1 ("Plat"), a subdivision in The Woodlands, Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet 00Z, Sheets 8621 – 8623, in the Map Records of Montgomery County, Texas ("Property").

1. **Purchase Price.** The purchase price of the Property is \$_____ of which \$_____ (1%) will be deposited within two (2) business days of the date of Seller's acceptance of this Contract with _____ Stewart Title of Montgomery County, Inc. (Escrow officer is Cynthia Kojak; 832-482-1844; Cynthia.kojak@Stewart.com) _____ ("Title Company" and "Escrow Agent"), by Purchaser as Earnest Money to bind this sale and purchase, and the balance of \$_____ to be paid at the closing of the sale and purchase as hereinafter provided. Failure to timely deposit the Earnest Money will render this Contract void.

2. **Closing.** Seller and Purchaser agree to close this sale and purchase ("Closing") no later ten (10) days following the last to occur of: (i) Seller's time to cure any title defects as herein provided, and (ii) expiration of the cancellation period as provided herein, neither of which in any event shall extend beyond _____, 2022. Seller agrees to give possession to Purchaser at Closing, unless otherwise specified herein.

3. **Seller's Obligations at Closing.**

- a. **Taxes and Assessments.** Seller shall furnish certificates showing all ad valorem taxes and assessments of The Woodlands Township (as successor to The Woodlands Community Association, Inc., and the Lake Woodlands Property Owner's Association, Inc.), and The East Shore Community Association, as further described on **Exhibit G**, have been paid through the year preceding the year of Closing. Seller represents and warrants that no assessments pursuant to the Charter for Aria Isle at East Shore ("Charter") will have been due or owing with respect to the Property prior to Closing.
- b. **Title Policy.** Seller agrees to furnish to Purchaser an Owner's Policy of Title Insurance in the standard form in use in Texas, with the usual printed exceptions contained therein, issued by Title Company, subject only to the covenants, restrictions, easements and reservations herein provided and to those set forth on **Exhibit G**. If Title Company refuses or is unwilling to issue its Owner's Policy of Title Insurance to Purchaser, Seller shall have a reasonable period of time, not to exceed 30 days after receipt of Title Company's objections in which to cure such title to the satisfaction of Title Company and, if at the end of such time, Title Company is still unwilling or refuses to issue its Owner's Policy of Title Insurance to Purchaser insuring the title, then, and in that event, the Earnest Money herein receipted shall be returned to Purchaser and this Contract shall be terminated and be of no further

force and effect whatsoever. Covenants, restrictions, building lines and utility easements, if any, which may be common to the subdivision of which the Property is a part, or which may be shown on the recorded Plat of the subdivision shall not constitute an objection to the title to the Property unless otherwise specifically provided herein. All mineral rights and subterranean water rights in and to the Property, all rights in and to the right-of-way of any public or private street and roads located adjacent to the Property, and utility easements ("UE"), varying in width between 7 feet and 30 feet, along the rear, front, and/or side boundary lines of the Property are reserved by Seller and the Special Warranty Deed and Title Policy herein provided for shall be made subject thereto. The form of Special Warranty Deed is attached hereto as **Exhibit F**.

- c. **Special Warranty Deed.** Seller agrees, when any title defects have been cured, to deliver to the Title Company, at Closing, the properly executed Special Warranty Deed conveying title to the Property to Purchaser, or assigns, free and clear of all liens.
- d. **Seller's Costs.** Seller shall pay the basic premium for the Owner's Policy of Title Insurance, all recording fees and the Broker's Commission, if any.
- e. **Other Closing Documents.** Seller will execute and deliver to Purchaser the eagle addendum documents referenced in Section 11(g) below, Water District Notice referenced in Section 11(b) below, Flood Plain Notice referenced in Section 11(c) below, Single Family Residence Addendum attached hereto as **Exhibit E**. In addition, Seller will execute and deliver to Title Company a settlement statement and Title Company's standard affidavit as well as any other documents required by Title Company from Seller to close this transaction.

4. **Purchaser's Obligations at Closing.**

- a. **Price.** Purchaser shall deliver the Purchase Price to Title Company.
- b. **Purchaser's Costs.** Purchaser shall pay all Closing costs that are not expressly the obligation of Seller as set out in this Contract, including the costs of any endorsements to the Title Policy.
- c. **Closing Documents.** Purchaser will execute and deliver to Seller the eagle addendum documents referenced in Section 11(g) below, Water District Notice referenced in Section 11(b) below, Flood Plain Notice referenced in Section 11(c) below, Single Family Residence Addendum attached hereto as **Exhibit E**. In addition, Purchaser will execute and deliver to Title Company a settlement statement and any other documents required by Title Company from Purchaser to close this transaction.

5. **Taxes and Assessments.** All taxes and assessments for the year of Closing shall be prorated as of the date of Closing.

6. **Failure to Close.** If Seller fails to close this Contract as specified for any reason not excused herein, the Earnest Money shall be returned to Purchaser and this Contract shall terminate and be of no further force or effect whatsoever, and no action shall lie hereunder. If Purchaser fails to close this Contract as specified for any reason not excused herein, Seller shall have the right to retain the Earnest Money paid under this Contract as compensation to Seller for the exclusive rights to purchase granted to Purchaser

during the pendency of this Contract.

7. **"As Is" Sale.** Except as expressly set forth in this Contract, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE SUITABILITY OR FITNESS OF THE PROPERTY FOR ANY PURPOSE, OR AS TO THE VALUE, QUALITY OR CONDITION OF THE PROPERTY. THE SALE OF THE PROPERTY BY SELLER TO PURCHASER SHALL BE **"AS IS", "WHERE IS", AND "WITH ALL FAULTS."** **THE FOREGOING PROVISIONS WILL SURVIVE CLOSING.**

8. **Purchaser's Obligation to Improve Property.** Purchaser agrees to develop the Property in accordance with the "East Shore Design Standards"(the "ESDS"), established by the ESDC (as defined below), a copy of which will be provided as a .pdf file or in another format promptly after full execution of this Contract, and any "Neighborhood Criteria" attached hereto as **Exhibit A**. No construction on the Property, including grading, shall occur prior to the Closing and approval by the "Development Standards Committee" established by the Woodland Covenants (the "DSC"), the "East Shore Design Committee" established by East Shore Covenants (the "ESDC"), the "Architectural Control Committee" established by the Charter (the "Aria ACC") (as the DSC, ESDC and Aria ACC are as further described on **Exhibit G**), and by Seller, of the plans for the dwelling unit to be constructed thereon. Purchaser covenants and agrees (i) to begin the plan approval process within one (1) year from the date of Closing, and (ii) to pour the foundation of a residential dwelling on the Property ("Construction Commencement") within two (2) years from the date of Closing, and to complete construction of the residential dwelling within eighteen (18) months after Construction Commencement. These periods may be extended for any delays caused by civil commotion; war or sabotage; hurricane, flooding or other acts of God; or governmental or judicial order provided Purchaser gives notice in writing to Seller within two (2) business days of the commencement of such delay setting forth in reasonable detail the cause of such delay, but neither of these periods may be extended more than ninety (90) days by such delay.

9. **Development Acknowledgment.** Seller is the developer of The Woodlands master planned community. It is a fundamental policy of Seller to sell residential property in The Woodlands only to (i) commercial homebuilders who intend to sell completed homes to residents, and (ii) in limited situations such as Aria Isle, residents who will enter into a contract with a custom builder for a home in which the resident will reside. Purchaser acknowledges that Purchaser is purchasing the Property with the intent to develop the Property for a residential dwelling within the time period set forth hereinabove, and not for speculative land holding.

10. **Seller's Repurchase Rights; Purchaser's Obligation to Share Profit with Seller.**

a. **Option to Repurchase Property.** Seller hereby reserves, and the Special Warranty Deed for the Property shall reflect, that Seller has reserved a continuing right to repurchase the Property (the "Repurchase Right") from and after Closing until Construction Commencement on the Property in accordance with the plans approved by the DSC, the ESDC, the Aria ACC and by Seller, upon the occurrence of any of the following events:

- (I) Elapse of two (2) years after Closing on the Property;
- (II) Purchaser or any permitted successor in title receives, and is willing to accept, a good faith offer to purchase the Property; or
- (III) Purchaser defaults under the Contract.

The price at which the Property shall be repurchased by Seller (the "Repurchase Price") shall be the Purchase Price paid by Purchaser for the Property without interest; further, Seller shall be entitled to a credit against the Repurchase Price equal to the amount of any first priority lien encumbering the Property.

If Purchaser receives an offer prior to Construction Commencement which it is willing to accept, it shall give Seller written notice thereof setting forth the identity of the buyer, the proposed purchase price, and such other information as Seller may reasonably request. Any attempted transfer in violation of this provision shall be null and void. Seller may exercise its Repurchase Right by giving written notice to Purchaser, or any permitted successor in title, at any time after an event described in 10.a(I) or (III) above prior to Construction Commencement. If Seller elects to exercise its Repurchase Right, the owner shall convey the Property to Seller in accordance with the terms of the contract between Purchaser and such buyer.

If Seller does not exercise its Repurchase Right upon the occurrence of an event described in 10.a(II) above, then Purchaser may convey the Property to the prospective buyer provided that Purchaser shall pay to Seller at the closing of such sale ninety percent (90%) of any profit (that is, ninety percent (90%) of the portion of the sales price that is greater than the Purchase Price, with no adjustment for carrying or closing costs). The Special Warranty Deed will include a statement referencing this contractual obligation. In addition, the contract with such prospective buyer must include a provision equivalent to Section 8 above obligating the prospective buyer to improve the Property in the same manner, including the same plan approval process and otherwise on the same terms as required by Section 8 but with the time frames running from the closing of Purchaser's sale to the prospective buyer. Furthermore, any such contract should also include a copy of the Disclosure Statement attached to this Contract as Exhibit G. Purchaser agrees to provide a copy of such contract to Seller so that Seller can verify the inclusion of this requirement.

Purchaser and Seller waive all claims and defenses that either party may have that any provision of this Section 10(a) is not enforceable in accordance with its terms and conditions, including, but not limited to, any claim or defense that any provision in this section is an unreasonable restraint on the alienation of the Property. The terms and provisions of this Section 10(a) shall survive Closing and delivery of the Special Warranty Deed. Upon Construction Commencement prior to Seller's exercise of its Repurchase Right, the Repurchase Right as to the Property shall terminate, and upon request Seller shall execute a release of the Repurchase Right as to the Property in recordable form.

THE REPURCHASE RIGHT FOR THE PROPERTY SHALL BE SUBORDINATE TO ANY FIRST PRIORITY LIEN PROVIDED SUCH LIEN SECURES THE REPAYMENT OF ANY LOAN TO PURCHASER, THE PROCEEDS OF WHICH ARE USED SOLELY FOR THE PURCHASE OR DEVELOPMENT OF THE PROPERTY OR THE CONSTRUCTION, MARKETING OR SALE OF THE RESIDENTIAL DWELLING LOCATED THEREON.

THE RIGHTS GRANTED TO SELLER IN THIS SECTION 10(a) SHALL SURVIVE CLOSING AND DELIVERY OF THE DEED.

(b) **Reconveyance of Property.** If Seller elects to exercise its right to repurchase the Property, the owner shall convey the Property to Seller by special warranty deed free and clear of all liens and subject only to the same exceptions to title set forth in the deed from Seller to Purchaser within thirty (30) days after receipt of Seller's notice (the exact date, time, and location of closing of the repurchase to be selected by Seller) in exchange for the Repurchase Price being paid in funds immediately available in the city in which the closing occurs. Purchaser shall pay all closing costs and the cost of an Owner's Title Policy, on the then current Texas standard form, with limits equal to the Repurchase Price. In the event Purchaser, or any successor in title, fails or refuses to convey such title to Seller, Seller, in addition to all other rights and remedies which it may have at law or in equity, may remove any lien, encumbrance or defect created or suffered by Purchaser, or any successor in title, and deduct all costs and expenses incurred by Seller by such removal (including, but not limited to, attorneys' fees) from the amount of the Repurchase Price otherwise payable as provided above. Upon exercise by Seller of its repurchase right, all ad valorem taxes and assessments, and assessments under the Charter shall be prorated as of the date of reconveyance of the Property to Seller.

11. **Notices.**

- a. **Title Company Notice.** If Title Company is Stewart Title of Montgomery County, Inc., Purchaser acknowledges that Seller owns 50% of the stock of the Title Company and that Stewart Title Guaranty Company owns 50% of the stock of the Title Company.
- b. **Water District Notice.** Water District Notice to Purchasers of Real Property is attached as **Exhibit C** and incorporated herein for all purposes.
- c. **Flood Plain Notice.** Notice to Purchasers of Real Property located in 100 year Flood Plain (FEMA Special Flood Hazard Area) is attached hereto as **Exhibit D** and incorporated herein for all purposes. Seller hereby gives Purchaser notice that Lots 1-15, Lot 18, and Lots 20 – 23, Block 1, of the Plat are partially within the 100 year Flood Plain (FEMA Special Flood Hazard Area).
- d. **Notice of Membership in Property Owners' Associations.** As a purchaser of property in the residential community in which the Property is located, you are obligated to be a member of several property owners' associations as further described on Exhibit G. Restrictive covenants governing the use and occupancy of the Property and dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the property is located as further described on Exhibit G. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. You are obligated to pay assessments to the property owners' associations. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property. Purchaser understands that it will be a member of two (2) property owners' associations, the East Shore Community Association and the Aria Isle at East Shore Homeowners Association, Inc.
- e. **Notice Regarding Possible Annexation.** If the Property is located outside the limits of a municipality, the Property may now or later be included in the extraterritorial jurisdiction

of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

- f. Notice of Water Level Fluctuations. The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions.
- g. Eagle Addendum. The Property is subject to Endangered Species Act Permit No. TE-048649-2. At Closing, Purchaser will execute the Addendum Relating to Endangered Species Act Permit No. TE-048649-2 by The Woodlands East Lake Area Habitat Conservation Plan recorded under Clerk's File No. 2005-131762 in the Official Public Records of Real Property of Montgomery County, Texas, attached hereto as Exhibit B.
- h. Disclosure Notice. Purchaser confirms that it has reviewed and agreed to all matters set forth in the Disclosure Notice attached hereto as Exhibit G, as evidenced by Purchaser's execution of such Disclosure Notice.

12. **Broker Commission.** Seller and Purchaser represent to each other that no broker or other party is entitled to any commission, fee, or other compensation in connection with the transaction covered by this Contract for having dealt with the representing party other than _____ ("Broker"). Neither party shall be liable for any real estate commission incurred by or through the other party. Each party shall defend, indemnify, and hold the other harmless against any other commission claimed or for the breach of the foregoing representation. Seller shall pay the Broker a two percent (2%) commission pursuant to a separate agreement between Seller and Broker.

13. **Time.** Time is of the essence of this Contract.

14. **Successors and Assigns.** This Contract shall be binding upon and inure to the benefit of the parties' successors and assigns; provided, however, Purchaser shall not assign this Contract or any interest hereunder, in whole or in part, without the prior written consent of Seller which Seller may grant or withhold in its sole and absolute discretion. Notwithstanding the foregoing, Seller shall approve the assignment of this Contract to (i) if Purchaser is an individual, (A) an entity to which Purchaser is the sole owner or an entity which is owned by Purchaser and the members of Purchaser's immediate family or (B) a family trust created by Purchaser, his or her spouse and/or heirs at law; or (ii) if Purchaser is other than an individual, (A) an individual who is the sole owner of Purchaser or a member of such owner's immediate family or (B) a beneficiary of a family trust created by the beneficiary; provided, however, Seller shall not consent to such assignment unless and until the assignee has executed all such documents otherwise required by this Contract as if assignee had originally executed the Contract.

15. **Miscellaneous.** This Contract contains the entire agreement between the parties relating to any duty or obligation of Seller in connection with this purchase and sale, and shall supersede all prior or contemporaneous oral or written representations or agreements. This Contract can be amended only by

written agreement signed by both parties hereto, and by reference made a part hereof. **Unless superseded by Federal Law this Contract shall be governed by the laws of the State of Texas. Venue for any dispute arising out of this Contract shall be in Montgomery County, Texas.**

16. **Electronic Signatures.** The parties consent to entering into this Contract with electronic signatures and agree that their electronic signatures are intended to authenticate this Contract and to have the same force and effect as manual handwritten signatures. The term “electronic signature” is intended to be construed consistent with the Uniform Electronic Transactions Act to mean any electronic sound, symbol, or process that is both: (1) attached to or logically associated with a contract or record, and (2) executed or adopted with the intent to sign such contract or record.

17. **Exhibits.** All exhibits referenced herein and/or listed below are incorporated in this Contract:

- Exhibit A – Neighborhood Criteria
- Exhibit B – Eagle Addendum *(to be signed at closing)*
- Exhibit C – Water District Notice *(to be signed at closing)*
- Exhibit D – Flood Plain Notice *(to be signed at closing)*
- Exhibit E – Single Family Residence Addendum ***(signed with contract)***
- Exhibit F – Form of Special Warranty Deed *(to be signed at closing)*
- Exhibit G – Disclosure Notice ***(signed with contract)***

18. **CANCELLATION OPTION. YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE _____ DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT. ESCROW AGENT WILL PROMPTLY RETURN THE EARNEST MONEY AFTER TIMELY DELIVERY OF NOTICE OF CANCELLATION. If prior to expiration of the cancellation option Purchaser desires to have its agents or representatives perform any physical and/or environmental investigations with respect to the Property, Seller will permit such investigations provided that Purchaser and/or the agents or representatives sign an access agreement and provide evidence of insurance in form and substance acceptable to Seller.**

EXECUTED on _____, 20____, but this Contract shall not be binding upon Seller until accepted in writing by a duly authorized officer of Seller. Seller shall accept or reject this Contract within 15 days from the date hereof.

Name (Printed): _____ “PURCHASER”

Purchaser Address:

Telephone No.: _____

Email Address: _____

ACCEPTED as of _____, 20____.

THE WOODLANDS LAND DEVELOPMENT COMPANY,
L.P., a Texas limited partnership

By: _____

Name: _____

Title: Authorized Representative

“SELLER”

9950 Woodloch Forest Drive, Suite 1000

The Woodlands, Texas 77380

Telephone No. (281) 929-7700

Email Address: ArialsleSales@howardhughes.com

**EXHIBIT A
NEIGHBORHOOD CRITERIA**

LAKE WOODLANDS EAST SHORE NEIGHBORHOOD CRITERIA

April 13, 2021

<p>These Neighborhood Criteria are supplemental to the Lake Woodlands East Shore Design Standards and the Development Criteria. There may be one or several Neighborhood Criteria affecting certain lots within your subdivision. Each set of Criteria apply only to the lots described in that Criteria. Refer to the Criteria that affect your lot.</p>			
<p><u>Neighborhood Name:</u> <i>Aria Isle at East Shore</i></p> <p><u>Subdivision:</u> Lake Woodlands East Shore, Section 16 (Replat No. 1)</p> <p><u>Lot Type:</u> 110 & 90 Foot Lots See Attached Exhibits A & B</p> <p>Blk. 1 Lots: 1 – 25</p>			
A. Minimum Setbacks (unless otherwise noted on Exhibit B)			
FRONT			
• Fence	10'	10'	E. Garages
• Front Setback	20'	20'	
			• Minimum number of spaces 3
			• Minimum setback for garage doors parallel to the street 25'
			• Maximum number of garage bays that may face the street 2
REAR – (110') Lots 1-14 / Lake Lots			F. Initial Land Use Designation (ILUD) No Maximum SF Living Area
• Rear Setback (w/o detached garage)		25'	
• Rear Setback (w/ detached garage)		25'	
REAR – (90') Lots 15-25 / Large Tree/Forest Zone			G. Fences
• Rear Setback (w/o detached garage)		15'	
• Rear Setback (w/ detached garage)		15'	
SIDE (Interior) – (110') Lots 1-14			H. Windows
• Side Setback		10'	
SIDE (Interior) – (90') Lots 15-24			I. Exterior Lighting
• Side Setback		7.5'	
SIDE – (90') Lot 25			J. Special Address Placard
• Northwest Side Setback (street)		20'	
• Southeast Side Setback		7.5'	
B. Number of Stories Two-stories maximum, with rooftop decks allowed.			K. Piers and Docks
C. Lot Coverage (excluding pool) % 70%			
D. Living Area (SF)	Lots 1-14	Lots 15-25	
• Minimum	4500 SF	3000 SF	
• Maximum	No Max	No Max	

For additional information and assistance, contact the Lake Woodlands East Shore Design Committee (LWESDC).

Neighborhood Name: *Aria Isle at East Shore*

Subdivision: Lake Woodlands East Shore, Section 16 (Replat No. 1)

L. Minimum Slab Elevations

1. At no point along the perimeter of the house/garage slabs or the pool edge shall the top of the minimum slab elevation be less than 14 ½" above natural finished grade, nor less than 3" above the highest elevation of curb adjacent to the lot. All finished slabs shall also be a minimum of one (1') foot above the FEMA 100-year base flood elevation and all structural improvements must comply with minimum Montgomery County flood plain building requirements. No more than 18" vertical dimension of any concrete foundation is to be exposed to view from the street. The below listing of lots stipulates the minimum slab elevations for the house, garage and pool edge.

Legal	Elevation
Lots 1-25, Block 1	<u>133.11</u> msl or higher as determined

2. Prior to occupancy of the home, Owner shall provide to the LWESDC a survey, certified by a Registered Public Surveyor, of all improvements constructed on the property, together with the Finished Floor Elevation (Finished Slab-Height) of the residence.
3. See attached "Lot Grading Plan and Minimum Slab Elevations" for Lake Woodlands East Shore Section 16 (Replat No. 1).

M. Eagle Nests & 70 Foot Forest Preserve

Eagle Nests

Eagle nests are known to exist in the Lake Woodlands area. Additional development restrictions affect certain lots in East Shore which are the subject of an Agreement of Inclusion Pursuant to Permit No. TE-048649-2 by The Woodlands East Lake Area Habitat Conservation Plan. Clearing within 330 feet of an active nest tree is confined to the non-nesting period (June 1 – October 1). Building within 330 feet of an active nest tree must start after June 1 and prior to October 1, but once started, may continue unabated to completion. Contracts for sale with respect to lots impacted by these restrictions will include an addendum explaining these restrictions and other related restrictions. You must agree to comply with the requirements of the permits, including the restrictions, to the extent they affect the lot you are purchasing.

70 Foot Forest Preserve

Furthermore, East Shore Section (Replat No. 1) Reserves "A" & "B" are subject to additional development restrictions under this permit. A 70-foot-wide shoreline forest preserve must be maintained within Reserves "A" & "B"; a minimum of 60% of trees greater than 16" diameter at breast height must remain within the forest preserve. A tree survey identifying the protected trees has been performed. Any removal of such trees must be approved by the developer. No structure may be built in this area. It must remain natural although pathways may be constructed.

For additional information and assistance, contact the Lake Woodlands East Shore Design Committee (LWESDC).

EXHIBIT B

EAGLE ADDENDUM

Addendum Relating to Endangered Species Act Permit (“Addendum”) to Contract for Purchase and Sale of Real Property dated _____, 20____, by and between The Woodlands Land Development Company, L.P., a Texas limited partnership, as Seller, and _____, as Purchaser, covering Lot ____, Block 1, The Woodlands Village of Grogan’s Mill Lake Woodlands East Shore Section Sec 16 Replat No 1, a Subdivision in The Woodlands, Montgomery County, Texas (“Contract”)

This Addendum is made as part of the above Contract, and in the event of any conflict between the provisions of said Contract and this Addendum, the terms and provisions of this Addendum shall control and govern the rights and obligations of the parties.

1. Purchaser acknowledges that as of the effective date bald eagle nests are known to exist on or in the vicinity of the Property, as depicted on Exhibit B-1 to this Addendum.
2. Purchaser acknowledges the existence of Permit No. TE-048649-0, effective August 23, 2002, issued by the U.S. Fish and Wildlife Service (“USFWS”) to Seller (the “Original Permit”), as said permit has been amended from time to time, including by Permit No. TE-04649-1 effective August 6, 2003 (corrected August 29, 2003), issued by USFWS to Seller, and by Permit No. TE-04649-2 effective December 3, 2004, issued by USFWS to Seller, a copy of which is attached as Exhibit B-2 to this Addendum (the “Permit Second Amendment”)(the Original Permit, as amended, referred to hereinafter as the “Permit”).
3. Purchaser acknowledges and agrees that the Original Permit, the Permit Second Amendment, and other amendments to the Permit from time to time granted (collectively, the “USFWS Permits”) establish certain restrictions affecting the Property, including without limitation development, clearing, and building construction restrictions affecting the Property.
4. Purchaser covenants and agrees to comply with the USFWS Permits, as amended from time to time. Such compliance shall relate to all activities of Purchaser, its employees, agents, contractors, subcontractors, suppliers, and others acting under its supervision, direction, or control, and conducted on either the Property or on utility or access easements associated with the Property.
5. Purchaser covenants and agrees that at the Closing (as that term is defined in the Contract):
 - a. Purchaser will deliver to Seller an Agreement of Inclusion in form substantially the same as that attached as Exhibit B-3 to this Addendum, fully executed and acknowledged by Purchaser; and
 - b. Provided Purchaser delivers such fully executed agreement in form satisfactory to Seller, Seller will deliver to Purchaser a Certificate of Inclusion in form substantially the same as that attached as Exhibit B-4 to this Addendum, fully executed by Seller.

Seller will record the Agreement of Inclusion in the real property records of Montgomery County, Texas, contemporaneously with the Closing.

6. Purchaser agrees to disclose in writing to any prospective purchaser of all or a portion of the Property, the presence of bald eagle nests and the Permit. Accordingly, the Contract of Sale (as that term is defined in Section 9(n)(viii) of the Contract) between Purchaser and a prospective purchaser shall include the provisions set forth in Sections 6(a)-(b) of this Addendum. References to "Purchaser" in Sections 6(a)-(b) of this Addendum are intended to refer to the buyer under a Contract of Sale.
 - a. "Purchaser acknowledges that as of the effective date one or more active bald eagle nests are known to exist on or in the vicinity of the Property."
 - b. "Purchaser acknowledges the existence of Permit No. TE-048649-0, effective August 23, 2002, issued by the U.S. Fish and Wildlife Service ("USFWS"), as amended from time to time."
7. The covenants and agreements in this Addendum shall survive the Closing.
8. This Addendum may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The parties agree that this Addendum may be transmitted between them by facsimile machine. The parties intend that faxed signatures constitute original signatures, and that a faxed copy of this Addendum containing the signatures (original or faxed) of all the parties is binding upon the parties.

This Addendum is executed on the date set forth by each party's respective signature below, to be effective on the effective date of the Contract.

THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P., a
Texas limited partnership

By: _____

Name: _____

Title: Authorized Representative

Date: _____

By: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibits:

- "B-1" – Location Map of Bald Eagle Nests
- "B-2" -- Permit No. TE-048649-2
- "B-3" -- Agreement of Inclusion in Connection with Permit No. TE-048649-2
- "B-4" -- Certificate of Inclusion in Connection with Permit No. TE-048649-2

EXHIBIT B-1

Location Map of Bald Eagle Nests

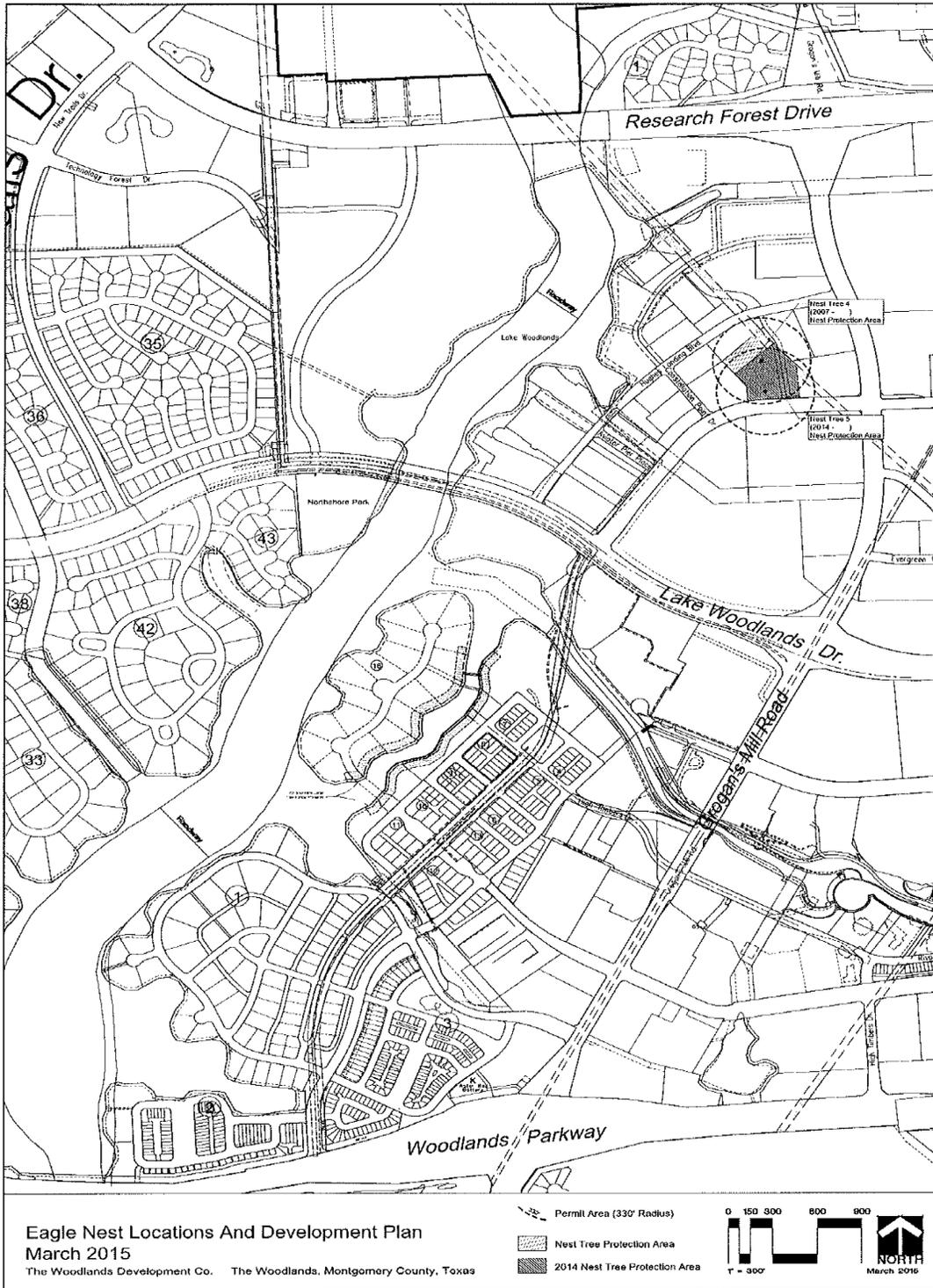


EXHIBIT B-2
Permit No. TE-048649-2

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FEDERAL FISH AND WILDLIFE PERMIT



1. PERMITTEE

The Woodlands Land Development Co., L.P.
2201 Timberloch Place
The Woodlands, Texas 77380
Phone: 281/719-6121

2. AUTHORITY-STATUTES

16 USC 1539(a)(1)(B)

REGULATIONS (Attached)

50 CFR §§ 13 & 17

3. NUMBER

TE-048649-2

4. RENEWABLE

YES

NO

5. MAY COPY

YES

NO

6. EFFECTIVE

12/3/2004

7. EXPIRES

8/23/2032

8. NAME AND TITLE OF PRINCIPAL OFFICER (if # 1 is a business)

Alex Sutton

9. TYPE OF PERMIT

THREATENED SPECIES - INCIDENTAL TAKE

10. LOCATION WHERE AUTHORIZED ACTIVITY MAY BE CONDUCTED

The east side of Lake Woodlands, in The Woodlands, Montgomery County, Texas.

11. CONDITIONS AND AUTHORIZATIONS:

- A. GENERAL CONDITIONS SET OUT IN SUBPART D OF 50 CFR 13, AND SPECIFIC CONDITIONS CONTAINED IN FEDERAL REGULATIONS CITED IN BLOCK #2, ABOVE, ARE HEREBY MADE A PART OF THIS PERMIT. ALL ACTIVITIES AUTHORIZED HEREIN MUST BE CARRIED OUT IN ACCORDANCE WITH AND FOR THE PURPOSES DESCRIBED IN THE APPLICATION SUBMITTED. CONTINUED VALIDITY, OR RENEWAL, OF THIS PERMIT IS SUBJECT TO COMPLETE AND TIMELY COMPLIANCE WITH ALL APPLICABLE CONDITIONS, INCLUDING THE FILING OF ALL REQUIRED INFORMATION AND REPORTS.
- B. THE VALIDITY OF THIS PERMIT IS ALSO CONDITIONED UPON STRICT OBSERVANCE OF ALL APPLICABLE FOREIGN, STATE, LOCAL OR OTHER FEDERAL LAW. THIS PERMIT DOES NOT WAIVE THE OBLIGATION TO ABIDE BY OTHER FOREIGN, STATE, LOCAL OR FEDERAL LAW IN CARRYING OUT AUTHORIZED ACTIVITIES.
- C. VALID FOR USE BY PERMITTEES NAMED ABOVE.
- D. ACCEPTANCE OF THIS PERMIT SERVES AS EVIDENCE THAT THE PERMITTEE UNDERSTANDS AND AGREES TO ABIDE BY THE "GENERAL CONDITIONS FOR NATIVE ENDANGERED AND THREATENED WILDLIFE SPECIES PERMITS" (copy enclosed).

Ⓢ ADDITIONAL CONDITIONS AND AUTHORIZATIONS ON ATTACHED ALSO APPLY

12. REPORTING REQUIREMENTS

Annual Report Due: October 1

ISSUED BY:

T. Bryan Ayo

TITLE

ASSISTANT REGIONAL DIRECTOR,
Ecological Services

DATE

11/30/04
Amended

- E. General conditions set out in subpart D of 50 CFR 13, and specific conditions contained in Federal Regulations cited in Block #2 above, are hereby made a part of this Permit. All activities authorized herein must be carried out in accord with and for the purposes described in the application submitted. Continued validity, or renewal, of this Permit is subject to complete and timely compliance with all applicable conditions, including the filing of all required information and reports, subject to and in accordance with the terms and conditions of the Habitat Conservation Plan (HCP).
- F. As of the spring of 2004 two eagle nests are known to exist in the Lake Woodlands area: Nest 1 was occupied from 1999 to 2003 and Nest 2, was first occupied in 2004. Conditions of the permit apply to land within 330 feet of each nest, and to any like area around any future eagle nests that may be established on or adjacent to land owned by The Woodlands Land Development Company, L.P. (or its successor(s)) located within the Lake Woodlands Area. The Lake Woodlands Area is as bounded by Woodlands Parkway, Grogan's Mill Road, Research Forest Drive, and East Panther Creek Drive.
- G. Clearing within 330 feet of an active nest tree is to be confined to the non-nesting period (June 1-October 1). This restriction applies to all types of clearing in previously undeveloped areas, including roads and streets, utility easements, and building sites.
- H. Building within 330 feet of an active nest tree must start after June 1 and prior to October 1, but once started, may continue unabated to completion.
- I. No clearing or building can occur within a 2-3 acre "Nest Protection Zone" around each active nest tree. Nest Protection Zones will be determined by mutual agreement of the Service and Permittee and shall be evidenced by an appropriate map or maps kept on file by both parties. Until a nest is determined to be abandoned, in accordance with the process described below, its Nest Protection Zone will remain in its natural state.
- J. Abandonment of the nest tree will be deemed to occur upon 3 years of continuous non-use of the tree for nesting purposes. The Service will verify the abandonment status of a nest tree. At such time as the Service verifies abandonment of a nest tree, development within 330 feet of the nest tree and within the former Nest Protection Zone may proceed without further restriction or condition under this Permit.
- K. A 30-foot wide forest buffer along both sides of Lake Front Circle Drive is to be maintained.
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- L. Within a zone extending 750 feet from Nest 1, a 70-foot wide shoreline forest preserve shall be maintained on both the mainland and on Mitchell Island. A minimum of 60% of trees > 16" diameter at breast height (dbh) shall remain within this forest preserve. A pedestrian pathway may be located in this area, close to the lakeshore bulkhead, along a winding course that minimizes impacts to large trees.
- M. The Permittee will provide a minimum of \$18,000 to a university for application to a graduate or higher level effort to study bald eagles in east Texas. The Service's Clear Lake Ecological Field Office shall approve the study design and choice of university.
- N. Clearing will be minimized to the greatest extent practicable. Areas outside of the intended development that are disturbed during construction, but are not occupied by impervious surfaces, will be replanted with native grasses, herbs, trees, and shrubs.
- O. Upon locating a dead, injured or sick bald eagle, or any other endangered or threatened species, the Permittee is required to contact the Service's Law Enforcement Office in Houston, Texas at 281/442-4066 for care and disposition instructions. Extreme care should be taken in handling sick or injured individuals to ensure effective and proper treatment. Care should also be taken in handling dead specimens to preserve biological materials in the best possible state for analysis of cause of death. In conjunction with the care of sick or injured endangered/threatened species, or preservation of biological materials from a dead specimen, the Permittee and his/her contractor/subcontractor/successors or assigns have the responsibility to ensure that evidence intrinsic to the specimen is not unnecessarily disturbed.
- P. On June 10, 2004, the court in *Spirit of the Sage Council v. Norton*, Civil Action No. 98-1873 (D. D.C.) ordered that, until the Service completes a rulemaking on revocation standards for incidental take permits, the Service may not approve new incidental take permits or related documents containing No Surprises assurances. The order specifically allows for the Service to issue incidental take permits that do not contain No Surprises assurances. Therefore, the "No Surprises" assurances contained in the EA/HCP are currently unenforceable and ineffective with respect to this Permit. The remainder of the Permit and the EA/HCP shall remain in full force and effect to the maximum extent permitted by law. In addition, in the event that any future judicial decision or determination holds that the "No Surprises" assurances rule (or similar successive rule) is vacated, held unenforceable or enjoined for any reason or to any extent, the EA/HCP shall be enforceable only to the degree allowed by any such decision or determination; provided that the remainder of the Permit and the EA/HCP shall remain in full force and effect to the maximum extent permitted by law. In the event that the "No Surprises" assurances rule is vacated, held unenforceable or enjoined by a judicial decision or determination, including the June 10, 2004, order described above, but is later reinstated or otherwise authorized, the assurances provided under the revised rule shall automatically apply to the EA/HCP and Permit.
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If, in response to any judicial decision or determination, the “No Surprises” assurances rule is revised, the EA/HCP and Permit shall be automatically amended in a manner consistent with the revised rule so as to afford the maximum protection to the Permittees consistent with the revised rule. Pursuant to the June 10, 2004, order in *Spirit of the Sage Council v. Norton*, Civil Action No. 98-1873 (D. D.C.), until the Service adopts new revocation rules specifically applicable to incidental take permits, all incidental take permits issued by the Service shall be subject to the general revocation standard in 50 C.F.R. § 13.28(a)(5). Additionally, notwithstanding anything to the contrary in the EA/HCP, the Service retains statutory authority, under both sections 7 and 10 of the ESA, to revoke incidental take permits that are found likely to jeopardize the continued existence of a listed species.

- Q. Conditions of this Permit shall be binding on and for the benefit of the Permittee and his/her respective successors and assigns. If the Permittee wishes to transfer this Permit as a whole, rather than issue a Certificate of Inclusion, pursuant to condition “R” below, the Service will process an appropriate amendment without the requirement of the Permittee preparing any new documents or providing any mitigation over and above that required in the original Permit. If the Permit is transferred in accordance with this provision, the construction activities proposed or in progress under the original Permit may not be interrupted provided the Permittee is in compliance with the terms and conditions thereof.
- R. It is anticipated that from time to time the Permittee will sell and convey portions (individual tracts/lots) of The Woodlands property (the East Lake Area covered by this Permit) to third parties (“Participants”) for their development, use, and occupation. In order to provide an efficient and effective means to ensure that such Participants are obligated to comply with the relevant conditions of this Permit and benefit from the authorizations granted in this Permit, the Service authorizes the Permittee, at the Permittee’s discretion, and as detailed in the Permittee’s annual report (see condition “U” of this Permit), to enter into Agreements of Inclusion with purchasers/landowners of portions of the property covered by The Woodlands HCP and to issue Certificates of Inclusion to those purchasers/landowners (Participants). Such Agreements of Inclusion, once signed by the Permittee and a Participant, will bind and commit the Participant to the relevant Special Conditions attached to the Agreement of Inclusion applicable to the tract/lot they are purchasing from the Permittee. As long as the Permit is in effect and the Participant is properly implementing the Special Conditions attached to the Agreement of Inclusion, the Participant will receive the benefits of this Permit. Exhibits A and B attached to this Permit are sample templates of an Agreement of Inclusion (including Special Conditions) and a Certificate of Inclusion, respectively. After the Permittee has provided \$18,000 pursuant to condition “M” of this permit, in the event that this Permit is suspended, terminated, or revoked for reasons not the fault of a Participant, and that Participant is in full compliance with the terms of his/her Agreement of
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Inclusion (including the Special Conditions attached thereto), the Service will, upon written request, process for issuance to such Participant, a Permit conferring the same rights, benefits, and responsibilities with respect to the Participant's tract/lot as provided under this Permit, without additional requirements or conditions beyond those applicable to the Participant under his/her Agreement of Inclusion. Any violation or breach of obligation by a single Participant will not constitute a violation by the Permittee or any other Participant. In the event a Participant has materially breached his/her Agreement of Inclusion and, after written notice by the Permittee or USFWS, as applicable, and opportunity by that Participant to cure, that Participant fails to cure, remedy, or adequately mitigate the effects of such breach within 30 days of notification, then the Service or the Permittee, as applicable, may terminate that Participant's Agreement of Inclusion. The Permittee will submit copies of all signed Agreements of Inclusion and issued Certificates of Inclusion to the Service within 30 days of the last signature.

- S. Special Conditions passed on to Participants through signed Agreements of Inclusion and issued Certificates of Inclusion shall be, within 30 days of issuance, recorded by the Certificate of Inclusion holder (the Participant) in the real property records of Montgomery County as restrictive covenants and shall run with the land (see exemptions for normal and customary use, under condition "V" of this Permit, once construction is completed and the residence is being occupied).
- T. If, during the tenure of this Permit, the project design and/or the extent of the habitat impact described in The Woodlands HCP is altered, such that there may be an increase in the anticipated take of the bald eagle, the Permittee or his/her successors and assigns or Participants are required to contact the Service and obtain authorization and/or amendment of the Permit before commencing any construction or other activities that might result in take beyond that described in the Environmental Assessment and HCP.
- U. The Permittee will submit an annual report describing weekly (during nesting season) bald eagle observations and development activities for that year, and including names and contact information (with acreages purchased, and appropriate map depictions of where the purchased properties are relative to the entire The Woodlands HCP area) for purchasers who have signed Agreements of Inclusion and have received Certificates of Inclusion. The Permittee's report will be submitted by October 1 of each year this Permit is in effect to the U.S. Fish and Wildlife Service, 17629 El Camino Real, Suite 211, Houston, Texas 77058 and to the U.S. Fish and Wildlife Service, Ecological Services, P.O. Box 1306, Room 4102, Albuquerque, New Mexico 87103.

- V. The terms and conditions of this Permit and the Special Conditions attached to the Agreement of Inclusion, do not, after a Participant has completed construction under his/her Agreement of Inclusion and been issued a Certificate of Inclusion, limit, restrict or impair the Participant's/Landowner's normal and customary use of his/her property, including occupation, maintenance, repair, renovation, additions, and enjoyment of his/her property, and including, without limitation (as long as any normal and customary use is conducted within the confines of the boundaries of the tract/lot covered by the original Agreement of Inclusion and Certificate of Inclusion), landscaping, gardening, fencing, construction, outdoor recreation, or other such customary activities.
- W. Until the Service has determined a nest to be abandoned (as defined in condition "J" above), the Nest Protection Zone for that nest tree will be held as a private preserve or park by either the Permittee, or, at the Permittee's election, another entity approved by the Service, with all conditions of this Permit remaining in effect.

End Permit TE-048649-2

EXHIBIT B-3

Agreement of Inclusion in Connection with Permit No. TE-048649-2

AGREEMENT OF INCLUSION
PURSUANT TO PERMIT NO. TE-048649-2

THE WOODLANDS
EAST LAKE AREA HABITAT CONSERVATION PLAN

COUNTY OF MONTGOMERY §
 §
STATE OF TEXAS §

RECITALS

In order to obtain authorization for potential impacts to the bald eagle in connection with construction and operation of the master-planned development on the east side of Lake Woodlands, in The Woodlands, Montgomery County, Texas, The Woodlands Land Development Company, L.P. applied for a permit under Section 10(a)(1)(B) of the ESA. The United States Fish and Wildlife Service (“USFWS”) issued Permit Number TE-048649-0 to The Woodlands Land Development Company on August 23, 2002 (the “Original Permit”), as amended by Permit Number TE-048649-1, dated August 6, 2003, and Permit Number TE-048649-2, dated November 30, 2004, effective December 3, 2004 (the “Permit Second Amendment”)(the Original Permit, as amended from time to time, referred to herein as the “Permit”).

Pursuant to provisions of the Permit, in exchange for committing to comply with various conservation measures described in the Permit, The Woodlands Land Development Company, L.P. is authorized to assign certain Permit “Inclusion Rights and Responsibilities” (as defined in Article II below) to purchasers (“Participants”) of tracts/lots/subdivided lots of land within the area covered by the Permit. Through inclusion in the Permit, Participants are considered covered by the Permit to the extent and as provided therein. _____, hereinafter referred to as “Participant” or “Assign,” and The Woodlands Land Development Company, L.P., hereinafter referred to as “Permittee,” desire to enter into this Agreement of Inclusion (the “Agreement”) this _____ day of _____, 20____.

AGREEMENT

For and in consideration of the mutual covenants and considerations set forth herein, Permittee and Participant hereby agree with respect to the assignment of certain Inclusion Rights and Responsibilities as provided by the Permit as follows:

ARTICLE I.
PARTICIPANT’S PROPERTY

Participant is the owner of a tract/lot/subdivided lot situated within the property covered by the Permit in Montgomery County, Texas, and more fully described and depicted in the Legal Description and Map of the

“Participant’s Property” attached as Exhibit A to this Agreement.

ARTICLE II.
ASSIGNMENT OF INCLUSION RIGHTS

Permittee hereby assigns unto Participant certain Inclusion Rights and Responsibilities for the exclusive use and benefit of Participant’s Property. These Inclusion Rights and Responsibilities are assigned to the Participant for his/her use and benefit only with respect to the Participant’s Property and in connection with the issuance of the Permit for The Woodlands East Lake Area HCP pursuant to Section 10(a)(1)(B) of the Endangered Species Act, 16 U.S.C. § 1531, et seq. The term “Inclusion Rights and Responsibilities” shall mean and refer to any and all authorizations, obligations, benefits, rights, credits, offsets, or other privileges or entitlements that may be utilized by Participants in conjunction with the Permit relating to the minimization of impacts to the federally listed threatened bald eagle covered by the Permit.

This assignment is expressly made subject to the provisions and requirements of the Endangered Species Act of 1973, as amended, 16 U.S.C. § 1531, et seq.; Title 50 of the Code of Federal Regulations, including Parts 13 and 17, and the Permit.

ARTICLE III.
CONSIDERATION

For and in consideration of its assignment of these Inclusion Rights and Responsibilities, the Participant has paid to Permittee \$10.00 and given other good and valuable consideration.

ARTICLE IV.
ADDITIONAL RESPONSIBILITIES OF PARTICIPANT;
SPECIAL TERMS

For and in consideration of the assignment of Inclusion Rights and Responsibilities, the Participant agrees that it shall comply with the terms and conditions of this Agreement and those Special Conditions approved by USFWS and attached hereto as Exhibit B to this Agreement, subject to Article IX of this Agreement. Participant shall provide any assistance to Permittee necessary or appropriate to allow Permittee to comply with the Permit, such as providing information relative to the Participant’s Property that may be required for any reports to USFWS.

ARTICLE V.
BREACH BY PARTICIPANT

In the event of a breach of this Agreement by Participant, Permittee, and USFWS, as a third-party beneficiary of this Agreement shall have the right, jointly and severally, after providing Participant thirty (30) days notice and opportunity to cure, remedy, rectify, and mitigate the effects of such breach, to pursue any and all remedies that may be available to Permittee or USFWS at law, in equity, or both, which remedies shall, in the case of a material breach of this Agreement by Participant, including the right of the Permittee, after discussion with the USFWS or vice versa, to terminate this Agreement. Notification of breach shall be made in writing by Permittee or USFWS, as applicable, with a copy to the other party, at the address provided in ARTICLE XI.

ARTICLE VI.
SUBSEQUENT USFWS ACTION

Notwithstanding anything to the contrary herein, Permittee shall not be responsible to, nor liable to, Participant for any damages resulting from any enforcement of rules, regulations, action(s), or inaction(s) by the U.S. Department of the Interior and/or the USFWS promulgated or taken on or after the date of this Agreement that would in any way impair or render ineffective, either partially or in its entirety, any or all benefits to the Participant's Property that accompany the assignment of the Inclusion Rights and Responsibilities herein.

ARTICLE VII.
RESTRICTIVE COVENANTS RUN WITH THE LAND: RECORDATION

Participant and Permittee agree that promises and covenants provided herein, including, without limitation, the Special Conditions attached hereto, as amended from time to time, are intended to be binding upon any heirs, successors, or assigns in interest to the Participant's Property.

Upon any transfer of any ownership rights to all or part of the Participant's Property, this Agreement shall not terminate, but rather shall continue in full force and effect and shall be fully binding upon any heirs, successors, or assigns in interest to the Participant's Property, or any portion thereof. Upon the conveyance by Participant of all or a portion of Participant's Property to a third-party, Participant shall not be responsible for any breach of this Agreement with respect to any such property so conveyed occurring after the date of such conveyance. Upon execution and acknowledgment of this Agreement by Permittee and Participant, the Participant shall record this Agreement in the Real Property Records of Montgomery County, Texas within 30 days of the date of last signature on this Agreement, or at such time as otherwise agreed to in writing by the parties.

ARTICLE VIII.
VENUE AND CHOICE OF LAW

The obligations and undertakings of each of the parties to this Agreement shall be performable in Montgomery County, Texas, and this Agreement shall be governed by and construed in accordance with the laws of the United States of America and the State of Texas.

ARTICLE IX.
AMENDMENT AND MODIFICATION

Any oral representations or modifications concerning this Agreement shall be of no force or effect, excepting subsequent amendments or modifications from time to time in writing signed by the parties hereto. Any such written amendment or modification to this Agreement, including any amendment to the Special Conditions, shall amend the terms and conditions of this Agreement, including the terms and conditions of the Special Conditions herein, as set forth in any such amendment.

ARTICLE X.
SUCCESSORS AND ASSIGNS

This Agreement, as amended from time to time, shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto, where authorized pursuant to this Agreement.

ARTICLE XI.
NOTICE

Any notice to be given hereunder by either party to the other shall be in writing and may be effected by personal delivery in writing, or registered or certified mail, return receipt requested, when mailed to the proper party, at the following addresses:

PARTICIPANT:

[Include name, address and contact information]

PERMITTEE:

The Woodlands Land Development Company, L.P.

9950 Woodloch Forest Drive, Suite 1200

The Woodlands, Texas 77380

Attn: Antonio Paz

Contact Information: Antonio.Paz@howardhughes.com; 281.719.6158

Each party may change the address and contact information for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

ARTICLE XII.
TERM OF AGREEMENT

Unless sooner terminated for breach hereof by the Participant, this Agreement shall terminate upon the expiration or termination of the Permit. Although not required for effectiveness of termination of this Agreement, the Permittee or Participant may record evidence of termination in the Real Property Records of Montgomery County, Texas.

ARTICLE XIII.
HEADINGS

The headings at the beginning of the various provisions of this Agreement have been included only in order to make it easier to locate the subject covered by each provision and are not to be used in construing this Agreement.

ARTICLE XIV.
NUMBER AND GENDER DEFINED

As used in this Agreement, whenever the context so indicates, the masculine, feminine, or neutral gender and the singular or plural number shall each be deemed to include the others.

ARTICLE XV.
MULTIPLE COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall constitute a duplicate original hereof, but all of which together shall constitute one and the same instrument.

ARTICLE XVI.
TIME OF ESSENCE

Time is of the essence in the Agreement.

EXECUTED AS OF THE LAST DAY SET FORTH BELOW.

PERMITTEE:

THE WOODLANDS LAND DEVELOPMENT
COMPANY, L.P.

TO BE SIGNED AT CLOSING ONLY

By: _____

Name: _____

Title: Authorized Representative

Date: _____

PARTICIPANT:

[Insert Name & Contact Information]

TO BE SIGNED AT CLOSING ONLY

By: _____

Name: _____

Title: _____

Date: _____

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on _____, 20____, by, _____, Authorized Representative of THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P., a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on _____, 20____, by, _____ of _____, a _____, on behalf of said _____.

Notary Public, State of Texas

Exhibits:

- "A" - Participant's Property
- "B" - Special Conditions Pursuant to Permit No. TE-048649-2

EXHIBIT A

Participant's Property

Lot ____, Block One (1), in THE WOODLANDS VILLAGE OF GROGANS MILL LAKE WOODLANDS EAST SHORE SEC 16, REPLAT NO 1, a subdivision of 23.217 acres of land, more or less, situated in the John Taylor Survey, A-547, Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet 00Z, Sheets 8621 through 8623, of the Map Records of Montgomery County, Texas.

EXHIBIT B

Special Conditions Pursuant to Permit No. TE-048649-2

The following Special Conditions are taken from The Woodlands permit # TE-048649-2 (Permit Second Amendment).

1. As of the spring of 2004 two eagle nests are known to exist in the Lake Woodlands area: Nest 1 was occupied from 1999 to 2003, and Nest 2 was first occupied in 2004. Conditions of the permit apply to land within 330 feet of each nest, and to any like area around any future eagle nests that may be established on or adjacent to land owned by The Woodlands Land Development Company, L.P. (or its successor(s)) located within The Lake Woodlands Area. The Lake Woodlands Area is as bounded by Woodlands Parkway, Grogan's Mill Road, Research Forest Drive, and East Panther Creek Drive. (Permit Condition F.)
2. Clearing within 330 feet of an active nest tree is to be confined to the non-nesting period (June 1-October 1). This restriction applies to all types of clearing in previously undeveloped areas, including roads and streets, utility easements, and building sites. (Permit Condition G.)
3. Building within 330 feet of an active nest tree must start after June 1 and prior to October 1, but once started, may continue unabated to completion. (Permit Condition H.)
4. No clearing or building can occur within a 2-3 acre "Nest Protection Zone" around each active nest tree. Nest Protection Zones will be determined by mutual agreement of the Service and Permittee and shall be evidenced by an appropriate map or maps kept on file by both parties. Until a nest is determined to be abandoned, in accordance with the process described below, its Nest Protection Zone will remain in its natural state. (Permit Conditions I.)
5. Abandonment of the nest tree will be deemed to occur upon 3 years of continuous non-use of the tree for nesting purposes. The Service will verify the abandonment status of a nest tree. At such time as the Service verifies abandonment of a nest tree, development within 330 feet of the nest tree and within the former Nest Protection Zone may proceed without further restriction or condition under this Permit. (Permit Condition J.)
6. A 30-foot wide forest buffer along both sides of Lake Front Circle Drive is to be maintained. (Permit Condition K.)
7. Within a zone extending 750 feet from Nest 1, a 70-foot wide shoreline forest preserve shall be maintained on both the mainland and on Mitchell Island. A minimum of 60% of trees > 16" diameter at breast height (dbh) shall remain within this forest preserve. A pedestrian pathway may be located in this area, close to the lakeshore bulkhead, along a winding course that minimizes impacts to large trees. (Permit Condition L.)
8. Clearing will be minimized to the greatest extent practicable. Areas outside of the intended development that are disturbed during construction, but are not occupied by impervious surfaces, will be replanted with native grasses, herbs, trees and shrubs. (Permit Condition N.)

9. Upon locating a dead, injured or sick bald eagle, or any other endangered or threatened species, the Permittee is required to contact the Service's Law Enforcement Office in Houston, Texas at 281/442-4066 for care and disposition instructions. Extreme care should be taken in handling sick or injured individuals to ensure effective and proper treatment. Care should also be taken in handling dead specimens to preserve biological materials in the best possible state for analysis of cause of death. In conjunction with the care of sick or injured endangered/threatened species, or preservation of biological materials from a dead specimen, the Permittee and his/her contractor/subcontractor/successors or assigns have the responsibility to ensure that evidence intrinsic to the specimen is not unnecessarily disturbed. (Permit Condition O.)

10. The terms and conditions of this Permit and Special Conditions attached to the Agreement of Inclusion, do not, after a Participant has completed construction under his/her Agreement of Inclusion and has been issued a Certificate of Inclusion, limit, restrict or impair the Participant's/Landowner's normal and customary use of his/her property, including occupation, maintenance, repair, renovation, additions, and enjoyment of his/her property, and including, without limitation (as long as any normal and customary use is conducted within the confines of the boundaries of the tract/lot covered by the original Agreement of Inclusion and Certificate of Inclusion), landscaping, gardening, fencing, construction, outdoor recreation, or other such customary activities. (Condition V.)

EXHIBIT B-4

Certificate of Inclusion in Connection with Permit No. TE-048649-2

CERTIFICATE OF INCLUSION
PURSUANT TO PERMIT NO. TE-048649-2

THE WOODLANDS
EAST LAKE AREA HABITAT CONSERVATION PLAN

The tract/lot/subdivided lot (parcel of land) described and attached to the Agreement of Inclusion ("Agreement") associated with this Certificate of Inclusion complies with requirements of the federal Endangered Species Act (16 U.S.C. §1531 et seq.) through participation under Endangered Species Act Section 10(a)(1)(B) Permit Number TE-048649-0, originally issued by the U.S. Fish and Wildlife Service to The Woodlands Land Development Company, L.P. ("Permittee") on August 23, 2002, as amended on August 6, 2003 (Permit #TE-048649-1), and as amended on November 30, 2004, effective December 3, 2004 (Permit TE-048649-2).

Lot _____, Block One (1), in THE WOODLANDS VILLAGE OF GROGANS MILL LAKE WOODLANDS EAST SHORE SEC 16, REPLAT NO 1, a subdivision of 23.217 acres of land, more or less, situated in the John Taylor Survey, A-547, Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet 00Z, Sheets 8621 through 8623, of the Map Records of Montgomery County, Texas.

_____ (landowner's name, "Participant") entered into an Agreement with Permittee on _____, 20____. Said Agreement, together with the Special Conditions attached thereto, are recorded in the Real Property Records of Montgomery County, Texas. Participation in The Woodlands East Lake Area Habitat Conservation Plan is subject to the terms and conditions of such Agreement and Special Conditions. A Legal Description of the land covered by this Certificate of Inclusion are attached to the Agreement of Inclusion.

Certificate of Inclusion Issued by The Woodlands Land Development Company, L.P. to _____, on _____, 20____.

THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P.

TO BE SIGNED AT CLOSING ONLY

By: _____

Name: _____

Title: Authorized Representative

This Certificate of Inclusion or a facsimile must be posted at the Participant's Property from the time vegetation clearing begins until construction is completed. For residential development, completed construction is when all roads and utilities are completed. For commercial/industrial/multi-family developments, completed construction is when buildings are suitable for occupancy. For more information about the certificate, agreement, or the permit contact: The Woodlands Land Development Company, L.P., c/o The Woodlands Operating Company, L.P., Attention Antonio Paz, 9950 Woodloch Forest Drive, Suite 1250, The Woodlands, Texas 77380. For information about the participating tract contact:

_____ [On the lines
above, the participant must provide the name, address, and telephone of the responsible party for the
participating tract]

EXHIBIT C

NOTICE TO PURCHASERS OF REAL PROPERTY

The real property, described below, which you are about to purchase is located in the Montgomery County Municipal Utility District No. 60, of Montgomery County, Texas. The District has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the District on real property located in the District for the tax year 2022 is \$0.155 per \$100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is \$50,925,000 and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the District and payable in whole or in part from property taxes is \$44,975,000.

The District is located in whole or in part in the extraterritorial jurisdiction of the City of Houston (the "City"). By law, a district located in the extraterritorial jurisdiction of a municipality may be annexed without the consent of the district if the municipality complies with the procedures and requirements of Chapter 43, Texas Local Government Code, as amended. When a district is annexed under these procedures, the district is dissolved.

In addition, the District is located in whole or in part in the boundaries of The Woodlands Township, a political subdivision of the State of Texas (the "Township"). The Township and the City entered into a Regional Participation Agreement that addresses, among other things, the procedures under which the area of the Township may be excluded from the extraterritorial jurisdiction of the City and thereafter be incorporated as a municipality. In the event of incorporation, the municipality may dissolve the District without its consent if the municipality complies with the procedures and requirements of Chapter 43, Texas Local Government Code, as amended.

The purpose of this District is to provide water, sewer, drainage or flood control facilities and services within the District through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the District. The legal description of the property which you are acquiring is as follows:

Lot _____, Block 1, The Woodlands Village of Grogan's Mill Lake Woodlands East Shore Sec 16 Replat No 1, a subdivision in Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet 00Z, Slide 8621 – 8623, of the Map Records of Montgomery County, Texas.

Date: _____

THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P., a
Texas limited partnership

TO BE SIGNED AT CLOSING ONLY

By: _____

Name: _____

Title: Authorized Representative
"Seller"

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Date: _____

TO BE SIGNED AT CLOSING ONLY

By: _____

Name: _____

Title: _____

“Purchaser”

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on _____, 20__, by _____, Authorized Representative of THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P., a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

RETURN TO:

EXHIBIT D

**NOTICE TO PURCHASERS OF REAL PROPERTY
LOCATED IN THE 100-YEAR FLOOD PLAIN**

The real property, described below which you are about to purchase is located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area. You should consult the Montgomery County Flood Plain Administrator's office at 326 1/2 N. Main, Conroe, Texas, for a determination of the extent of inundation of the flood plain with respect to the real property you are purchasing. Also flood insurance may be required to finance construction of improvements on, and/or the purchase of the real property described below. The legal description of the property which you are acquiring is as follows:

Lot _____, Block One (1), in THE WOODLANDS VILLAGE OF GROGANS MILL LAKE WOODLANDS EAST SHORE SEC 16, REPLAT NO 1, a subdivision of 23.217 acres of land, more or less, situated in the John Taylor Survey, A-547, Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet 00Z, Sheets 8621 through 8623, of the Map Records of Montgomery County, Texas.

The Woodlands Land Development Company, L.P.

TO BE SIGNED AT CLOSING ONLY

By: _____
Name: _____
Title: Authorized Representative
"Seller"

The undersigned purchaser(s) hereby acknowledges receipt of the foregoing notice prior to closing of the purchase of the real property described in such notice.

a _____

TO BE SIGNED AT CLOSING ONLY

By: _____
Name: _____
Title: _____
"Purchaser"

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on _____, 20____, by _____, Authorized Representative of The Woodlands Land Development Company, L.P., a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20____, by _____, _____ of _____, a _____, on behalf of said _____.

Notary Public, State of Texas

Exhibit D-2

EXHIBIT E

(SFR Statement)

The following Addendum to the Contract of Sale dated _____, 2022, between The Woodlands Land Development Company, L.P., a Texas limited partnership ("**Seller**"), and _____ ("**Purchaser**"), shall apply if executed by the Parties. By their signatures below, Purchaser and Seller (sometimes collectively referred to as the "**Parties**" and individually as a "**Party**") acknowledge that the Contract includes the following provisions, which shall control over any inconsistent provisions in the body of the Contract:

1. Notwithstanding any provision in the Contract providing or allowing for Closing to occur at a later date, **the Closing of the transaction shall occur not later than 180 DAYS FROM THE DATE OF THE CONTRACT OF SALE.** At such Closing, Seller shall deliver to Purchaser a special warranty deed conveying the Property to Purchaser free and clear of monetary liens and encumbrances except as may be permitted by the Contract or otherwise approved in writing by the Purchaser at Closing.

2. At Closing, Seller shall present to Purchaser a title insurance binder or commitment showing that marketable title to the Property is vested in Seller, subject only to the exceptions permitted by the Contract or otherwise approved in writing by the Purchaser at Closing. Purchaser agrees to execute an acknowledgment at Closing approving those title exceptions permitted under the Contract.

3. Purchaser acknowledges that Purchaser or his or her spouse has made a personal, on-the-lot inspection of the Property prior to signing the Contract.

4. Purchaser and Seller acknowledge that, as of the date of Purchaser's execution of this Contract, the Property is located on a paved private road which has been completed to local government standards. The private road will be maintained by the Aria Isle at East Shore Homeowners Association, Inc., a Texas non-profit corporation ("Association"), which is obligated to accept the private road for maintenance. Purchaser shall be responsible for its pro-rata share of the cost of maintaining the paved road through the assessments it pays to the Association in accordance with the provisions of the Charter for Aria Isle at East Shore ("Charter"). Purchaser further acknowledges receipt of the following good faith estimate of the Association cost of maintaining the road(s) serving the Property over the first 10 years of ownership prior to executing the Contract: \$25,000.00.

5. Seller represents that as of the date the Contract is executed by Purchaser:

(a) Central water lines providing potable water have / have not (check one) been extended to the Property. If water lines have not been extended, Seller shall, at Seller's expense, extend water lines in front of or adjacent to the Property on or before the Closing. Purchaser or Purchaser's Builder shall be responsible for connecting to such lines to serve any dwelling constructed on the Property. Once the dwelling is connected, central water service will be available from The Woodlands Water Agency – MUD 60 whose address is 2455 Lake

Robbins Dr., The Woodlands TX 77380. The Woodlands Water Agency is responsible for maintaining the central water lines, and Purchaser shall have no maintenance responsibility for the central water lines except to the extent that the taxes and fees Purchaser pays are used to fund maintenance and improvements.

(b) Central sewer lines providing sewer service have been extended to the Property. If sewer lines have not been extended, Seller shall, at Seller's expense, extend sewer lines in front of or adjacent to the Property on or before the Closing. Purchaser or Purchaser's Builder shall be responsible for connecting to such lines to serve any dwelling constructed on the Property. Once the dwelling is connected, central sewer service will be available from The Woodlands Water Agency – MUD 60 whose address is 2455 Lake Robbins Dr., The Woodlands TX 77380. The Woodlands Water Agency is responsible for maintaining the central sewer lines, and Purchaser shall have no maintenance responsibility for the central sewer lines except to the extent that the taxes and fees Purchaser pays are used to fund maintenance and improvements.

(c) Electrical lines providing electricity have been extended to the Property. If electric lines have not been extended, Seller shall, at Seller's expense, extend electric lines in front of or adjacent to the Property on or before the Closing. Purchaser or Purchaser's Builder shall be responsible for connecting to such lines to serve any dwelling constructed on the Property. Once the dwelling is connected, electricity service will be available from Entergy Texas, Inc. whose address is 9425 Pinecroft Dr., The Woodlands, Texas 77380. Entergy Texas, Inc. is responsible for maintaining the electrical lines, and Purchaser shall have no maintenance responsibility for the electrical lines except to the extent that the taxes and fees Purchaser pays are used to fund maintenance and improvements.

(d) Gas lines providing natural gas have been extended to the Property. If gas lines have not been extended, Seller shall, at Seller's expense, extend gas lines in front of or adjacent to the Property on or before the Closing. Purchaser or Purchaser's Builder shall be responsible for connecting to such lines to serve any dwelling constructed on the Property. Once the dwelling is connected, natural gas service will be available from CenterPoint Energy whose address is P.O. Box 4981 Houston, TX 77210-4981. CenterPoint Energy is responsible for maintaining the natural gas lines and Purchaser shall have no maintenance responsibility for the gas lines except to the extent that the taxes and fees Purchaser pays are used to fund maintenance and improvements.

6. The recreational facilities Seller has agreed to complete: NONE.

7. Purchaser and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, water, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Purchaser, except as specifically set forth in the Contract.

8. YOU HAVE THE NON-WAIVABLE OPTION TO CANCEL YOUR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THE AGREEMENT OF SALE.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the date first above written.

SELLER:

THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P.

By: _____
Authorized Representative

Date of Execution: _____

PURCHASER:

Printed Name: _____

Printed Name: _____

located on or adjacent to the Property; provided, however, that such reservation shall not affect ingress and egress to the Property.

(4) All easements, rights-of-way, dedications, reservations, covenants, conditions and restrictions affecting the Property, or any part thereof, as recorded in the Office of the County Clerk of Montgomery County, Texas, and now in effect.

RESTRICTION: Grantee should be aware of the existence of the National Electric Safety Code and its provisions for safe operating procedures when working with or near electrical facilities.

TO HAVE AND TO HOLD the above-described premises, together with all and singular the rights and appurtenances thereto in anywise belonging to Grantee, their heirs, successors and assigns, FOREVER; and Grantor does bind himself, his successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the premises unto Grantee, their heirs, successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under GRANTOR, but not otherwise, except as to the reservations from and exceptions to conveyance and warranty hereinabove set forth.

Ad valorem taxes and annual assessments for the current year have been prorated and adjusted per the terms of the contract of sale, and Grantee expressly assumes and agrees to pay the same.

Pursuant to that certain Contract of Sale (Aria Isle at East Shore) dated _____, 20__ (“Contract”), between Grantor, as Seller, and Grantee, as Purchaser, Grantee has covenanted to convey the Property to a party designated by Grantor according to the terms and conditions of the Contract (“Options”). During the term of the Options, Grantee may, without the joinder of Grantor, file subdivision plats of the Property according to the rules and regulations of Montgomery County, Texas. The Options terminate within 25 years from the date of this Special Warranty Deed. In addition, the Contract provides that should Grantee convey the Property prior to commencement of construction that Seller shall be entitled to a portion of Grantee’s profit at the time of such sale. This right expressly survives the delivery of this Special Warranty Deed.

EXECUTED by Grantor to be effective on _____, 20__

THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P., a
Texas Limited Partnership

TO BE SIGNED AT CLOSING ONLY

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on _____, 20____, by _____, Authorized Representative of THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P., a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

MAILING ADDRESS OF GRANTEE

EXHIBIT G

DISCLOSURE NOTICE

NOTICE TO BUYERS IN THE WOODLANDS FROM
THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P.

THE PURPOSE OF THIS NOTICE IS TO INFORM BUYERS IN THE WOODLANDS ARIA ISLE AT EAST SHORE ("ARIA ISLE") OF CERTAIN MATTERS WHICH AFFECT THE PROPERTY THEY ARE PURCHASING AND THE NEIGHBORHOOD IN WHICH IT IS LOCATED.

THE WOODLANDS LAND DEVELOPMENT COMPANY, L.P., THE DEVELOPER OF THE WOODLANDS COMMUNITY ("DEVELOPER"), ASKS THAT YOU READ THE FOLLOWING INFORMATION AND SIGN BELOW PRIOR TO THE PURCHASE OF YOUR PROPERTY.

NO WARRANTY OF CONSTRUCTION BY DEVELOPER.

1. Developer will not be involved in the construction of your home, and makes no representations or warranties regarding your home or the character, quality, reputation, or financial condition of the builder you choose for your home. You assume all responsibility for investigating and determining the character, quality, reputation, and financial condition of the builder of your home.
2. Plans for your home will be reviewed and approved by Developer and its representatives. Such representatives may inspect your home during construction for compliance with the reviewed plans. However, such plan approvals and inspections are solely for the benefit of Developer and may not be relied upon by you with respect to conformity with laws, regulations, codes, or ordinances, the physical condition (including drainage characteristics) of your home or the lot on which your home is located, or the integrity of any structures built on the lot.

USES IMPACTING ARIA ISLE.

3. Developer wants you to be aware that the area in which you are purchasing a lot may include certain existing and proposed uses that may or may not affect your buying decision. These uses may include, but are not limited to, roads, parks, playgrounds, existing or proposed oil and gas drilling and/or production facilities and pipelines, overhead transmission lines, telecommunication towers, water treatment plants, sewerage treatment plants, and sanitary sewer lift stations which may produce noise, odor, light, or other conditions that may impact the property you are proposing to purchase. See Schedule 1 attached hereto.
4. You may have been given maps, plans, or plats describing future residential and/or commercial development within The Woodlands community. The matters depicted on such maps, plans, or plats are proposed only and are subject to change by Developer at any time and from time-to-time in its sole discretion without further notice. You should not rely on any oral or written representations of any builder or any sales representative or broker with respect to the future development of any property. Such persons are not agents or authorized representatives of the Developer and have no authority to represent the Developer. See Schedule 1 attached hereto.

FLOODWAY AND FLOOD PLAIN.

5. The Federal Emergency Management Agency (FEMA) publishes Flood Insurance Rate Maps (FIRMs) depicting the floodway and the 100-year flood plain in Harris County and Montgomery County, Texas. The 100-year flood plain is defined as those areas having a 1 percent chance of being inundated by floodwaters during any given year. Floodway is defined as that part of the flood plain which carries flow in a base flood event. These maps are periodically updated to reflect changes in the flood plain and floodway.

Mortgage lenders generally require owners of lots in a floodway or a 100-year flood plain to purchase flood insurance. Lots 1 through 15, Lot 18 and Lots 20 through 23, Block 1 in Aria Isle are located partially within the 100-year flood plain. Even if flood insurance is not required by your lender, and regardless of the lot's flood plain or floodway status, you are advised to strongly consider purchasing flood insurance since Houston and its surrounding areas are generally susceptible to flooding from time-to-time and flood plain and floodway boundaries are subject to change from time to time by the federal government or as the result of legal challenges. The Developer will not be responsible for any changes FEMA makes to the FIRM applicable to where your Lot is located.

Each lot will have a retaining wall, whose maintenance will be the responsibility of the lot owner. The portion of each lot that is landward from the retaining wall is above the 100-year flood plain. The portion, if any, of each lot that is lakeward from the retaining wall is within the 100-year flood plain. The retaining wall may not be materially modified in any manner without the prior written approval of the Developer and the Architectural Control Committee established by the Aria Isle Charter as defined in Section 17 of this Exhibit G below.

ENERGY PIPELINES.

6. There are a number of high pressure pipelines carrying liquid and/or gaseous hydrocarbons that cross The Woodlands community at various locations. No major failures of any pipelines have occurred during the past 30 year history of The Woodlands. A 50-foot wide high pressure gas pipeline easement is located near lots 7-13, Block 2 of Village of Grogan's Mill Section 44 and a 30 foot wide high pressure gas pipeline easement is located near Lot 1, Block 1 of East Shore Section 1. In addition to the high pressure pipelines, local low pressure distribution pipelines exist within The Woodlands that carry natural gas to residential customers. The risk of an energy pipeline failure in the greater Houston area is considered to be moderate.

FAULTS.

7. A Geologic fault is a fracture of rock along a plane and the movement of two bodies in opposing directions. The expression of a fault at the surface is called a fault line. Surface displacement related to a fault, revealing the fault surface is known as a scarp. Faults that lie directly beneath structures can cause slight to significant damage, ranging from cracks in sidewalks, driveways and slabs, to major slab cracks, vertical foundation displacements and broken pipes. Numerous faults are known to exist in the Houston metropolitan area both at the surface and at depths of 3,000 to 13,000 feet. The USGS reports that fault lines are thought to be related to the deeper geology and faults of the area. Because of the deep sedimentary deposits consisting of clay and shale in the Houston region, faults of the region creep at a pace ranging from 0.2 to 1.0 inches per year. Thus,

large and abrupt movements of faults, which are the cause of earthquakes, do not occur in the area of Aria Isle.

The Woodlands community has been investigated by professional geologists for faults over the years utilizing literature searches, photo and topographic analysis and geo-technical coring. Avoidance of identified fault zones was designed into the land plan after 1993.

AMENITIES.

8. There are a number of golf courses within The Woodlands community; however they are not owned or operated by the Developer or an affiliate of Developer and residents of Aria Isle will not have the right to use any of the golf courses by virtue of purchase of a lot.

PUBLIC SCHOOLS.

9. The Developer does not finance or construct public schools but works with the local school districts through the planning process to propose school sites to be located in The Woodlands. The applicable school district is solely responsible for the location and funding of any schools. There is no guarantee that children residing in Aria Isle will be assigned to schools in The Woodlands.

RESTRICTIVE COVENANTS.

10. Restrictive covenants for lots in Aria Isle, the Covenants, Restrictions, Easements, Charges and Liens of The Woodlands ("**Woodlands Covenants**"), have been recorded in the Montgomery County Clerk's Office. A complete copy of these restrictive covenants affecting your lot is available upon request. Certain major provisions of these restrictions will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the covenants and should not be a substitute for a careful study of these restrictions by you as they impact the use of your property.
11. The Woodlands Covenants restrict use of the lot to single family detached residential purposes. Also, each lot is subject to the building and construction restrictions of the Initial Land Use Designation (as amended), provided for in the Woodlands Covenants, which has been recorded by the Developer. This instrument designates minimum and maximum square feet of living area allowed in each home constructed on each lot. A complete copy of the Initial Land Use Designation (as amended) for the section in which your lot is located is available upon request.
12. The Woodlands Covenants provide that the location, character and design of all improvements require prior approvals. Initial improvements to be constructed on each lot must be approved by the Development Standards Committee ("**DSC**") and be in accordance with all standards adopted by the DSC. Subsequent improvements and additions must be approved by the Residential Design Review Committee ("**RDRC**") for the village in which the lots are located. Lots in Aria Isle are in the Village of Grogan's Mill.
13. Additionally, restrictive covenants which affect the lots in Aria Isle have been recorded in the Montgomery County Clerk's Office, Declaration of Covenants, Conditions, Restrictions and Easements for Lake Woodlands Property Owners' Association, Inc. ("**Lake Woodlands Covenants**"). A complete copy of the Lake Woodlands Covenants is available upon request. You should carefully review the Lake Woodlands Covenants to determine how they might impact your use of your lot.

14. Lots in Aria Isle are subject to the Woodlands Covenants and the Lake Woodlands Covenants, and are also subject to the Declaration of Covenants, Conditions, Restrictions, and Easements for East Shore ("**East Shore Covenants**"). The East Shore Covenants are recorded in the Montgomery County Clerk's Office. A complete copy is available upon request. Certain provisions of these restrictions will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the covenants and should not be a substitute for a careful study of these restrictions by you as they impact the use of the property.
15. The East Shore Covenants provide that the location, character and design of all improvements require prior approvals by the developer, its designees or assigns. The developer has assigned those functions and responsibilities to the East Shore Design Committee. Subsequent improvements and additions to be constructed on each lot must be approved by the East Shore Design Committee and be in accordance with all standards adopted by the developer/East Shore Design Committee. Because lots in East Shore Section 16 are subject to the Woodlands Covenants, owners of such lots must obtain approval of initial improvements from both the DSC and the East Shore Design Committee ("**ESDC**") and approval of subsequent improvements and additions from the RDRC for The Village of Grogan's Mill and the ESDC.
16. The East Shore Covenants impose an annual assessment on each lot which is collected and administered by the East Shore Community Association ("**ESCA**"). The annual assessment can be increased annually as described in the East Shore Covenants. The ESCA also has the right to impose special assessments on each lot. The developer is not obligated to pay the annual and special assessments. In addition, all purchasers of lots in East Shore other than developer will be required to pay to the ESCA a transfer fee at the closing of the transfer of title to a lot in an amount equal to 1/6th of the annual assessment for the lot. This transfer fee is a contribution to the working capital of the ESCA. The ESCA has a continuing lien on your lot to secure payment of all charges.
17. In addition, the lots in Aria Isle are subject to the Charter for Aria Istle at East Shore ("**Aria Isle Charter**"). A complete copy will be available upon request. The Aria Isle at East Shore Homeowners Association, Inc. ("**Aria Isle HOA**") will determine the nature and extent of services to be provided by it. The Aria Isle HOA will impose assessments on the homeowners in Aria Isle to cover the cost of maintaining and replacing all common area improvements and facilities, including but not limited to the private entry gates, the gate house (if any), the access bridge and road to the section, the portion of the Lake Woodlands lakeshore bulkhead that lies within the common area, roads, interior common landscaping and other items as determined by the developer and members of the Aria Isle HOA. The Aria Isle HOA may also have the authority to impose other rules and restrictions on owners of lots in Aria Isle.
18. Eagle nests are known to exist in the Lake Woodlands area. Additional development restrictions affect certain lots in East Shore which are the subject of an Agreement of Inclusion Pursuant to Permit No. TE-048649-2 by The Woodlands East Lake Area Habitat Conservation Plan. Clearing within 330 feet of an active nest tree is confined to the non-nesting period (June 1 – October 1). Building within 330 feet of an active nest tree must start after June 1 and prior to October 1, but once started, may continue unabated to completion. Contracts for sale with respect to lots impacted by these restrictions will include an addendum explaining these restrictions and other related restrictions. You must agree to comply with the requirements of the permits, including the restrictions, to the extent they affect the lot you are purchasing.

FOREST PRESERVE ON OPEN SPACE RESERVE:

19. There are two open space reserves within the plat in which your lot is located. One of these reserves will be adjacent to the rear property line of Lots 16 – 25. Within the reserves, a shoreline forest preserve must be maintained. The Aria Isle HOA will maintain the forest preserve. Within these areas, a minimum of 60% of trees greater than 16” diameter at breast height must remain within the forest preserve. A tree survey identifying the protected trees has been performed. Any removal of such trees must be approved by the developer. No structures may be built in this area. It must remain natural although pathways may be constructed.

PROPERTY OWNERS ASSOCIATIONS

20. An organization known as The Woodlands Community Association Inc. (“**WCA**”) was formed as a Texas non-profit corporation. All residents in Aria Isle were members of the WCA until the WCA was dissolved in September, 2010. The WCA was dissolved because The Woodlands Township assumed the obligations of the WCA as of January 1, 2010. The Woodlands Township imposes a tax on all lot owners to cover the services previously paid for with WCA assessments, including the administration and collection of the maintenance fund, enforcement of restrictions, fire and police protection, streetscape maintenance, maintenance and operation of the recreational facilities and common areas owned or leased by the WCA (“**Administrative Functions**”), including reserves, insurance and other purposes described in the Woodlands Covenants (**as defined in Section 10 of this Exhibit G**).
21. The Woodlands Township, through the Development Standards Committee and the Residential Design Review Committees established by the Woodlands Covenants, exercises architectural control over Aria Isle, and has the right to enforce restrictive covenants to which the lots are subject (“**Architectural Control and Restriction Enforcement**”).
22. There are no functions or services which the developer now provides at no charge for which The Woodlands Township may be required to assume responsibility in the future.
23. With respect to lots in East Shore, a property owners' association has been formed known as East Shore Community Association, a Texas non-profit corporation. The Developer controls this association until the first to occur of (i) when 100% of units planned for the property described in Exhibit “A” and “B” of the Declaration of Covenants, Conditions, Restrictions and Easements for East Shore have been platted and sold to third parties other than builders, or (ii) when Developer so determines.
24. All lot owners within East Shore are required to become members of the East Shore Community Association (“**ESCA**”). All lot owners in East Shore are required to pay an annual maintenance fee to ESCA. The amount of the assessment is currently **\$3,000.00** per year for single family homes, which assessment is subject to increase. The assessment may be increased or decreased by the Board of Directors of the ESCA. The ESCA also can levy special assessments. The assessments are used for the collection and administration of the maintenance fund of the ESCA, enforcement of restrictions, and maintenance of common areas owned by the ESCA, including reserves, insurance, and other purposes described in the Declaration of Covenants, Conditions, Restrictions, and Easements of East Shore.

25. All lot owners within East Shore Section 16 will be required to become members of the Aria Isle at East Shore Homeowners Association ("**Aria Isle HOA**"). The current estimated amount of the assessment is **\$4,000.00** per year per lot, which assessment will be subject to increase. The Aria Isle HOA will determine the nature and extent of the services to be provided by the Aria Isle HOA to lot owners within this section, initially contemplated to be as described below. The Aria Isle HOA will have the authority to increase the assessments for this section. The assessments will be used for the collection and administration of the maintenance fund of the Aria Isle HOA for maintenance and replacement of all common area improvements and facilities, including but not limited to the private entry gates, the gate house, the access bridge and road to the section, the portion of the Lake Woodlands lakeshore bulkhead that lies within common area, interior roads, interior common landscaping and other items as determined by the developer and members of the Aria Isle HOA, enforcement of any special rules or restrictions for East Shore Section 16, and maintenance of any common areas owned by the Aria Isle HOA, including reserves, insurance and other purposes which will be described in the covenants and restrictions for Aria Isle.

THE ABOVE DESCRIPTION OF THE PROVISIONS OF THE VARIOUS COVENANTS IS NOT INTENDED TO BE EXHAUSTIVE. THE COVENANTS SHOULD BE REVIEWED FOR A MORE COMPLETE STATEMENT OF THE PROVISIONS SUMMARIZED ABOVE AND FOR ADDITIONAL PROVISIONS. IN THE EVENT OF ANY CONFLICT BETWEEN THE PROVISIONS OF THIS NOTICE AND THE COVENANTS, THE COVENANTS SHALL CONTROL. BY EXECUTING A COPY OF THIS NOTICE, YOU ACKNOWLEDGE RECEIPT OF COPIES OF THE COVENANTS.

DEVELOPER HAS MADE NO REPRESENTATIONS TO YOU, INCLUDING SPECIFICALLY, WITHOUT LIMITATION, REPRESENTATIONS AS TO (I) THE VALUE AND ANY POTENTIAL APPRECIATION IN OR RESALE VALUE OF YOUR HOME OR LOT, (II) THE AVAILABILITY OF ANY SCHOOL OR SCHOOL FACILITIES IN OR NEAR THE DEVELOPMENT, (III) THE EXISTENCE OF ANY "VIEW" FROM YOUR LOT OR THAT ANY EXISTING "VIEW" WILL NOT BE OBSTRUCTED IN THE FUTURE, (IV) TRAFFIC CONDITIONS IN OR NEAR THE DEVELOPMENT, (V) ANY FUTURE USE OF THE DEVELOPMENT OR ADJACENT PROPERTIES, (VI) FITNESS FOR ANY PARTICULAR USE, (VII) PHYSICAL CONDITION OF YOUR HOME OR LOT INCLUDING BUT NOT LIMITED TO THE SUITABILITY OF SOILS, THE PRESENCE OF WETLANDS. THE EXISTENCE OF ANY HAZARDOUS SUBSTANCES, AND ADEQUACY OF DRAINAGE, (VIII) AVAILABILITY AND ADEQUACY OF SEWER, WATER, STORM DRAINAGE AND UTILITIES, (IX) COMPLIANCE WITH ANY GOVERNMENTAL LAWS, RULES AND REGULATIONS OF ANY GOVERNMENTAL AUTHORITY OR BODY HAVING JURISDICTION OVER YOUR HOME OR LOT, (X) THE NATURE, QUALITY OR CONDITION OF YOUR HOME OR LOT, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, OR THE PRESENCE OR ABSENCE OF ANY POLLUTANT, FAULT LINE, HAZARDOUS WASTE, GAS OR NOXIOUS SUBSTANCE OR SOLID WASTE ON OR ABOUT YOUR HOME OR LOT, (XI) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF YOUR HOME OR LOT, AND (XII) ANY OTHER MATTER RELATED TO OR CONCERNING YOUR HOME OR LOT OR THE WOODLANDS COMMUNITY.

BY EXECUTING THIS NOTICE, YOU REPRESENT THAT YOU HAVE FULLY READ AND UNDERSTAND THE MATTERS SET FORTH HEREIN AND THAT YOU ARE NOT RELYING UPON ANY REPRESENTATION, WARRANTY, OR STATEMENT BY DEVELOPER, YOUR BUILDER, ANY SALE REPRESENTATIVE, OR ANY OTHER PARTY WHICH DIFFERS FROM THE DISCLOSURES SET FORTH HEREIN.

The property being purchased by you in connection with this Notice is:

Lot _____, Block One (1), in THE WOODLANDS VILLAGE OF GROGANS MILL LAKE WOODLANDS EAST SHORE SEC 16, REPLAT NO 1, a subdivision of 23.217 acres of land, more or less, situated in the John Taylor Survey, A-547, Montgomery County, Texas.

Date: _____, 20_____

Buyer:

**SCHEDULE 1
DISCLOSURE MAP**



EXHIBIT G