COLONY AT PINEHURST

LOT PURCHASE CONTRACT

(LOTS TO BE DEVELOPED - MULTIPLE CLOSINGS)

This Contract for the sale and purchase of real property (the "Contract") is made and entered into by and between Weekley Homes, LLC, a Delaware limited liability company, ("Purchaser") and 121 Pinehurst, LTD ,a Texas Limited Partnership, or assigns, ("Seller"), under the following terms and conditions:

1. **Property.** Seller agrees to sell and convey and Purchaser agrees to purchase and pay for the real property (the "Property") and improvements and all appurtenances thereto which are the subject of this transaction and described as Two Hundred and Seventy-one (271) – residential building site lots in the subdivision known as Colony at Pinehurst, the legal description of which is described in Exhibit "A" attached hereto and incorporated herein by reference, Seventy-Five (75) of which are "50' Lots" and One Hundred Ninety-Six (196) of which are "40' Lots", which may also be referred to herein collectively as the "Lots" or individually as a "Lot". For the consideration herein expressed and upon the terms and conditions herein contained, Seller agrees to sell and Purchaser agrees to purchase the Property.

2. **Purchase Price.**

(a) Purchaser shall pay $42,500 per Lot for each 50' (front, at the building line) Lot and $36,000 for each 40' (front, at the building line) Lot purchased and conveyed under this Contract in cash at Closing, subject to any price appreciation as set forth in (b) below.

(b) Price Appreciation. Commencing with the Initial Closing (described in Section 3.1 below), the per Lot purchase price shall be the price listed in Subparagraph (a) above plus a price appreciation amount equal to six percent (6%) per year commencing at the Initial Closing, calculated on a daily basis from the date of Initial Closing to the date of the subsequent closing.

3. **Purchasers Take-Down.**

(a) **Initial Closing**. The closing of Twenty (20) Lots (the "Initial Closing") shall occur within fifteen (15) days after the Substantial Completion Date, defined in Section 10 hereof, however, if the Initial Closing has not occurred on or before 12-31-2019, then Purchaser may, at its sole discretion, either (i) declare Seller in default and avail itself of the remedies set forth in Section 16 of this Contract, or (ii) grant such extensions to Seller as Purchaser deems necessary to allow Seller additional time to satisfactorily complete the Lots in accordance with Section 10 of this Contract. Lots will be purchased in an approximate 2-1 ratio of 40' Lots to 50' Lots in each of the closings (as near as feasible) so as to maintain an equilibrium of the two sizes of lots. For example, the first closing of 20 Lots will consist of Seven (7) 50' Lots and Thirteen (13) 40' Lots.

(b) **Subsequent Closings**. The second take-down of at least Twenty (20) Lots shall occur no later than one hundred and fifty days (150) days after the Initial Closing. Subsequent Closings of at least Twenty (20) Lots shall occur within each three (3) month period thereafter. Said three (3) month period may hereinafter be referred to as a "Takedown Period". Purchaser may elect to skip or reduce the number of Lots to be purchased in each Takedown Period so that Purchaser's inventory of owned, vacant Lots does not exceed twenty (20). Provided however, when the remaining number of Lots covered by the Contract reaches fifteen (15) Lots, Purchaser shall not be allowed to skip or reduce the required number of Lots due in a Takedown Period. Any Lots purchased by Purchaser in excess of the minimum number of Lots required shall be credited towards Purchaser's Subsequent Closing obligations. Subsequent Closings will be made in the same 2-1 ratio as stated above and Purchaser's Lot inventory will be considered when calculating such ratio.

Should Purchaser fail to acquire the specified minimum number of Lots within a Takedown Period, Seller will give written notice to Purchaser and Purchaser shall have ten (10) business days following its receipt of such notice in which to close its purchase of the required Lots. If Purchaser does not respond within the ten (10) day notice period by closing the number of Lots as required, and Seller is not in default of this Contract, then Seller shall avail itself of the remedies provided in Section 16 of this Contract.

Notwithstanding any contrary provision herein, any moratorium by a Governmental Authority or a utility supplier with respect to the issuance of building permits or sanitary sewer, water, natural gas or electric connections affecting the Lots, failure to complete the amenities by the Amenity Completion Date, as hereinafter defined, or any failure to have permanent electric available to the Lots within 90 days of the Substantial Completion Date, shall result in the abatement of the scheduled takedowns and the price appreciation described in Section 2(b) until the applicable circumstance is remedied. If such abatement lasts longer than ninety (90) days, then Purchaser may, in its sole discretion, terminate this Contract and receive a return of the Deposit.

4. **Deposit.** Within seven business days of the issuance of the WS&D contract Notice to Proceed, and proof of loan closing, Purchaser shall deliver to Priority Title Company, 10720 West Sam Houston Parkway N, Suite 200, Houston, TX 77064, Attention: Kelly Ford (the "Title Company"), the sum of Three Hundred Thousand Dollars ($300,000) to be held by the Seller to secure the purchase of the Property by Purchaser and shall be referred to hereinafter as the "Deposit." The Title Company shall credit the Deposit to the Purchase Price of the Lots on a pro-rata basis at each Closing. In the event that this Contract should be terminated prior to the final Closing, the Deposit shall be delivered to Seller or to Purchaser as hereinafter provided.

(a) Release of the Deposit. Seller's obligations to: (i) complete the development of the Lots and the Subdivision, and (ii) repay the Deposit to Purchaser as provided herein, shall be secured by a Deed of Trust to Secure Performance and Reimbursement Obligations (the "**Deed of Trust**"), encumbering the Lots, executed by Seller, as "Grantor", in favor of Purchaser, as "Beneficiary", in the form of **Exhibit "B"** attached hereto and made a part hereof. The Deed of Trust shall be executed and delivered by Seller to the Title Company in recordable form. Once Seller has provided Purchaser and Title Company with proof that it has closed its development loan and has delivered the Deed of Trust to the Title Company, the Title Company shall cause the

Deed of Trust to be recorded in the Real Property Records of Montgomery County, Texas, and shall release the Deposit to Seller. Purchaser agrees to subordinate the lien of the Deed of Trust to the lien of the Seller's development lender, if any, upon terms that are acceptable to Purchaser and Seller.

5. Closing.

The Closing(s) shall be held at the offices of the Title Company, at such time and date Seller and Purchaser mutually agree.

(a) At Closing, Seller shall:

(i) deliver to the Title Company a duly executed and acknowledged general warranty deed ("Deed");

(ii) deliver to the Purchaser the commitment for the Title Policy, as described below;

(iii) deliver to the Purchaser the "Non-Foreign Person" affidavit in accordance with Section 1445 of the Internal Revenue Code and regulations promulgated thereunder;

(iv) deliver to the Title Company evidence of Seller's authority to execute and deliver the documents required hereunder in such form and content as the Title Company and Purchaser may reasonably require;

(v) deliver to Purchaser the utility district notice required below; deliver other instruments reasonably required to close this transaction;

(vi) pay one-half the escrow fee charged by the Title Company, the cost of tax certificates, any transfer fees of a homeowners or property owners association, the surveyor's fee, Seller's attorneys' fees, and all costs of recording instruments for Seller;

(vii) pay all special assessments and taxes, interest and penalties levied against the Lots prior to the date of each Closing, as well as any interest and penalties levied against the Lots for unpaid taxes, if any. Seller shall pay or escrow any taxes attributable to prior years arising out of a change in usage or ownership ("rollback taxes")

(b) At Closing, Purchaser shall:

(i) pay Seller the Purchase Price in cash or other "Good Funds" as defined by the rules of the Texas State Board of Insurance;

(ii) deliver to Seller evidence of Purchaser's authority to execute and deliver the documents required hereunder in such form and content as the Title Company and Seller may reasonably require;

(iii) execute and acknowledge the utility district notice required below; and

(v) deliver other instruments reasonably required to close this transaction;

(vi) pay one-half the escrow fee charged by the Title Company, Purchaser's attorneys' fees, and all costs of recording instruments delivered to Purchaser; and

(vii) pay Seller the prorated portion of the estimated or actual ad valorem taxes on the Property for the year in which closing occurs as specified below.

(c) Possession of the Property shall be delivered to Purchaser at the Closing.

6. **Feasibility Period**. Purchaser shall have sixty (60) days from the Effective Date of this Contract ("Feasibility Period") in which to review and examine the Property. At any time prior to the expiration of the Feasibility Period, Purchaser may terminate this Contract by giving written notice to Seller and Title Company in the manner provided in the notice paragraph on or before 5:00 p.m. on the last day of the Feasibility period, whereupon the Deposit shall be refunded in full to Purchaser and neither party shall have any further obligations hereunder.

7. **Conveyance.** Conveyance shall be by the Deed, and Seller shall furnish Purchaser, if requested by Purchaser, and at Purchaser's expense, an owner policy of title insurance (the "Title Policy"), insuring good and indefeasible fee simple title to the Property, in the standard form promulgated by the Texas State Board of Insurance, issued by the Title Company, and in the amount of the Purchase Price, subject to no exception or reservation other than the following (which exceptions and reservations are hereinafter called the "Permitted Encumbrances"):

(a) The customary and standard printed exceptions contained in form of Title Policy promulgated by the Texas State Board of Insurance;

(b) The exception or reservation of all oil, gas, and other minerals of every character in and under the Property.

(c). Such easements, exceptions, conditions, reservations, rights-of-way, restrictions and other encumbrances or conditions as are approved or waived by Purchaser to become Permitted Encumbrances as defined below;

(d) The exceptions, reservations, and restrictions included in the Deed;

(e) The standard exception regarding discrepancies conflicts, or shortages in area and boundary lines; and

(f) Taxes and annual and special assessments for the current year, and subsequent assessments for prior years due to a change in land usage or ownership.

8. **Permitted Encumbrances, Title Commitment and Examination.** At its cost, Purchaser shall order within 3 days after the Effective Date a current title commitment for an owner policy of title insurance (the "Title Commitment") issued by the Title Company, setting forth the state of title of the Property and all defects, objections and exceptions which the Title Company determines are of record or which may appear on the Survey, including easements, restrictions, rights-of-way, covenants, reservations and other conditions, if any, affecting the Property, along with copies of such exceptions. Purchaser shall have 10 days the receipt of the Survey and the Title Commitment within which to review same and advise Seller in writing of any objections to title or other objections that Purchaser may have that the Property is unusable for Purchaser's purposes (the "Objections"). Any encumbrances or other defects and exceptions appearing in the Title Commitment or Survey to which Purchaser does not object within such 10 day period shall be deemed approved by Purchaser (the "Permitted Encumbrances"). If Purchaser gives written notice of its Objections to Seller, Seller, at its option, but without the obligation to do so, shall have 10 days from the date it receives notice of such Objections within which to cure such Objections. If, for any reason, Seller does not, within said time, cure or remove such Objections to the satisfaction of the Title Company and Purchaser, then Purchaser, within the next 10 days following Seller's 10 day cure period, may, as Purchaser's sole remedy and option, either (i) terminate this Contract by giving Seller written notice of such termination whereupon the Deposit paid hereunder shall be returned to Purchaser and all parties shall be fully and finally released from all further obligations under this Contract, except as otherwise provided herein, or (ii) waive such Objections and close the purchase and sale contemplated by this Contract in accordance with the remaining terms and provisions whereupon the Objections so waived shall become Permitted Encumbrances to be treated in the manner provided herein for Permitted Encumbrances. Failure by Purchaser to exercise the right of termination within the above time period shall be considered a waiver of Purchaser's right to terminate hereunder on the basis of title objections and an election by Purchaser to waive Purchaser's Objections.

9. **Survey and Plats**. Within fifteen (15) days after the Effective Date of this Contract, Seller, at Seller's expense, will deliver to Purchaser and Title Company a copy of its most recent survey of the Property (the "Survey") prepared by a registered professional surveyor or registered professional engineer acceptable to Purchaser and the Title Company and a copy of the most recent preliminary plat (the "Preliminary Plat") or recorded plat ("Final Plat").

10. **Substantial Completion**. For the purposes of this Contract, Substantial Completion shall be defined as Purchaser's acceptance or deemed acceptance that the following has been accomplished as to all the Property and that all certifications and other documentary evidence as described on Exhibit "F" have been delivered to Purchaser:

a. The plat has been recorded in the records of Montgomery County, Texas and copies of the plat have been provided to Purchaser. Each 50' Lot shall have a typical dimension of 50 feet wide by 115 feet deep and a minimum building pad of 40' x 80' unless otherwise reasonably approved. Each 40' Lot shall have a typical dimension of 40 feet wide by 115 feet deep and a minimum building pad of 30' x 80' unless otherwise reasonably approved.

b. An address plat is available, and a copy of the address plat has been provided to Builder, and for which a building permit is obtainable.

c. All streets, roads, street signs, water, storm sewer and sanitary sewer (both on-site and off-site) have been installed in accordance with the regulations and ordinances of the Governmental Authorities. Water, storm sewer, and sanitary sewer lines have been installed to each Lot and available for connection upon the payment of customary tap fees. Sanitary sewer leads will be installed to each Lot and visible above grade and service connections will be installed at a depth not to exceed ten feet (10') below the top of curb at each location required herein.

d. The property corners are staked and pinned and all trash and debris have been removed from the Lots.

e. Seller is in compliance with the Texas Commission on Environmental (TCEQ) General Permit TXR150000 for Storm Water Discharges from Construction Activities., including the filing of a Notice of Intent ("NOI") and development of a Storm Water Pollution Prevention Plan ("SWPPP"). Seller shall implement and/or maintain the Best Management Practices ("BMPs") dictated by its SWPPP necessary to minimize storm water runoff pollution from entering the existing storm water facilities including, but not limited to, storm sewers, channels, detention ponds and lakes. Seller shall not allow the discharge of mud, silt or muddy or silty water into any drainage device or facility, which would result in degradation of the quality or clarity of any lakes or drainage channels within the Subdivision or Community. Upon notice from Seller, Purchaser shall have 10 days to inspect such BMP's prior to purchase. Seller shall restore and repair any deficient BMP's identified in the inspection prior to each lot closing.

f. Fill, if any, has been placed in layers of not more than eight inches (8") in thickness, to densities of at least ninety-five percent (95%) standard proctor density ASTM D598. If fill and compaction requirements of Governmental Authorities are more stringent than the above, then the requirements of Governmental Authorities shall prevail. The Lots will be free of all dead trees, trash, refuse and rubbish and will be graded to a minimum 1.0 % slope.

g. No part of the Lots shall be within a special flood hazard area (100 year flood plain) as that term is defined and used in 42 United States Code Sections 4001-4127 or as shown on the TSARP or Flood Insurance Rate maps (a "special flood hazard area"). If, in its undeveloped state, any portion of the Property was in a flood hazard area, Seller or Seller's engineer will revise the Flood Insurance Rate Maps as needed to remove any and all portions of all affected Lots from the special flood hazard area and within 90 days of Substantial Completion, will provide evidence of same to Purchaser in the form of a letter of map revision that revises said maps.

h. Declaration of Covenants, Conditions and Restrictions imposing use restrictions and/or establishing a homeowners association, all in form and content previously approved in writing and acceptable to Purchaser have been recorded. Such restrictions shall have no capitalization fees, no transfer fees for builders and ½ assessment rates for builders.

i Seller shall have contracted for installation of electrical power and street lights to service the Lots and paid the amount necessary to have the distribution system installed to service the Lots and shall have dedicated the necessary easements required by such contract. If permanent power is not available within 90 days of the date that a home's foundation slab is completed on

one of the subdivision lots by one of the builders, Purchaser's Take-down requirements shall extend on a day for day basis, and Price Appreciation as described in Section 2(b) of this Contract ("Price Appreciation") shall be abated on a day for day basis, until permanent power is available and Seller must, at Seller's cost, either provide temporary power to the Lots Purchaser has closed, or reimburse the cost of same to Purchaser.

j. Seller shall have contracted for installation of gas service and paid the amount necessary for the installation of such gas distribution system. Any charges for non-use of gas appliances shall be the responsibility of Purchaser.

k. Seller shall have contracted for the installation of phone and cable services to the Lots.

Seller intends to cause the Lots to reach Substantial Completion on a "Phase by Phase" basis. The first phase of the development ("**Phase 1**") shall include a minimum of sixty (60) Lots (the "**Phase 1 Lots**"). Seller anticipates that Seller will reach Substantial Completion of Phase 1 by October 1, 2019 (the "Anticipated Substantial Completion Date"). When Seller believes it has reached completion of the development of the Lots in accordance with this Section 10, Seller shall furnish Purchaser with written notification that the lots are substantially complete. Upon receipt of such notice, Purchaser shall have ten (10) days to inspect the Lots to verify that the requirements of this Section 10 have been satisfied. If the Lots are not Substantially Complete, Purchaser shall notify Seller in writing within the ten (10) days inspection period of the incomplete status of the development. If Purchaser timely notifies Seller of any objections, Seller shall thereafter diligently correct any work or defect which Purchaser has, designated as being incomplete or unsatisfactory and thereafter deliver written notice to Purchaser that Purchaser's objections have been satisfied. Purchaser shall then have the same review rights and Seller shall have the same obligations as set forth above with respect to the additional work performed by Seller. The "**Phase 1 Substantial Completion Date**" shall be the date Purchaser has accepted the Phase 1 Lots.

If all of the conditions of this Section 10 have not been met and satisfied on or before December 31, 2019 for Phase 1 (the "Outside Phase 1 Substantial Completion Date"), then Purchaser may, at its sole discretion, either (i) declare Seller in default and avail itself of the remedies set forth in Section 19 of this Contract, or (ii) grant such extensions to Seller as Purchaser deems necessary to allow Seller additional time to satisfactorily complete development of the Lots in a Phase in accordance with this Section 10.

When Seller believes that Seller has reached Substantial Completion for the Lots in the second phase of the development ("**Phase 2**") which shall include a minimum of forty (40) Lots, Seller will send a Substantial Completion Notice to Purchaser. The inspection and review procedure described above for the Phase 1 Lots shall be applicable to the Lots in Phase 2 (the "**Phase 2 Lots**") and all subsequent Phases. The "**Phase 2 Substantial Completion Date**" shall be the date Purchaser has accepted the Phase 2 Lots, or the Lots in the applicable later phase.

If the requirements for Substantial Completion for Phase 2 have not been satisfied by the time Phase 2 Lots are required to be Substantially Complete for Purchaser to fulfill its quarterly closing obligations under Section 3 (b) of this Contract (the "**Phase 2 Outside Completion Date**"), then

Purchaser may, at its sole discretion, either (i) declare Seller in default and avail itself of the remedies set forth in Section 19 of this Contract, or (ii) grant such extensions to Seller as Purchaser deems necessary to allow Seller additional time to satisfactorily complete development of the Phase 2 Lots in accordance with this Section 10. In addition to, and not in lieu thereof, the foregoing remedies available to Purchaser, the closing schedule will be extended and the Price Appreciation will be abated each on a day for day basis until such time as the Phase 2 Lots are Substantially Complete.

The Outside Completion Dates for all additional Phases of the development will be determined in the same manner that the Phase 2 Outside Completion Date was determined, and the rights available to Purchase in the event that Seller fails to timely reach Substantial Completion of a subsequent Phase, shall be the same as the rights and remedies that were available to Purchaser with respect to a failure by Seller to complete the Phase 2 Lots by the Phase 2 Outside Completion Date.

11. **Amenity Completion**. For the purposes of this Contract, Amenity Completion shall be defined as Seller's notice to Purchaser that the following has been accomplished as to each phase:

a. Phase I Amenities: the perimeter fencing, entry monuments, irrigation and entry landscaping.
b. Phase II Amenities: common area landscaping, pavilion and two pocket parks.

Purchaser shall have approved the plans for such amenities during the Feasibility Period provided for in Section 6 hereof. If Phase I Amenities are not complete by the second takedown or the Phase II Amenities by the sooner of two (2) years from the date of the initial lot purchase or seventh takedown, then the takedown schedule and Price Appreciation shall abate for the length of time that such amenities are delayed. The takedown schedule and Price Appreciation shall resume upon completion of such amenities.

12. **Commissions**. Seller and Purchaser each represents to the other that it had no dealings or contacts of any kind with any real estate broker or agent with respect to this Contract, the negotiation of this Contract, or any transaction incident or related to this Contract. Seller and Purchaser will each indemnify and hold the other harmless from and against any and all claims, damages, costs, and expenses, including attorneys' fees, in connection with any claim for a finder's or broker's fee or commission asserted by a party claiming to have acted as agent for or to have been engaged by the indemnifying party, except as provided below. The provisions of this paragraph will survive the closing with regard to any of the Lots and the termination of this Contract.

At closing, Seller will pay a commission of 1.3% to Arete Real Estate & Development Company and a commission of 0.7% to Frank Tanner, 39 Firethorn Place, Spring, TX 77382, (281-850-4347) paid at each closing by the title company.

13. **Seller's Representations and Warranties**. Seller represents and warrants to Purchaser as of the Effective Date of this Contract and as of each Closing Date hereunder, that:

(a) to Seller's knowledge, there is no pending or threatened condemnation or similar proceeding affecting the Property or any portion thereof;

(b) to Seller's knowledge, there exist no uncured notices which have been served by any Governmental Authority of violations of law, rules or regulations which would affect the Property or any portion thereof or its proposed development;

(c) to Seller's knowledge there is no adverse fact relating to the physical condition of the Property or any portion thereof which has not been specifically disclosed in writing to Purchaser, including without limitation, landfills, wetlands, hazardous wastes, fault lines, adverse soil conditions, Seller has not manufactured, introduced, released or discharged any Hazardous Materials from or onto the Property, and Seller has not used the Property or any part thereof for the generation, treatment, storage, handling or disposal of any Hazardous Materials in violation of Environmental Laws;

(d) to Seller's knowledge there is no Governmental Authority which has imposed requirements that would bind Purchaser to pay any special fees, contributions or expenses in connection with the development of the Property, except for customary building permits, inspections, and sewer and water tap fees;

(e) There are no parties in possession of any of the Lots;

(f) to the best of Seller's knowledge, it has complied with all ordinances, regulations, rules, statutes and restrictive covenants applicable to the Property, whether federal, state, local or private;

(g) there are no rollback taxes assessed or to be assessed against the Property or any part thereof;

(h) the Lots have full, free and adequate vehicular and pedestrian access to and from public highways and roads and Seller has no knowledge of any fact or condition which would result in the termination of such access;

(i) Seller will have marketable and indefeasible title to the Property, prior to start of physical development of the property.

(j) All retaining walls will have been engineered to comply with all applicable standards, laws, and ordinances of the Governmental Authorities, and will have been inspected by an engineer to confirm compliance with such standards, laws, and ordinances. For the purposes of this Contract, Seller agrees that the engineer certification will apply to all retaining walls that are four (4) or more feet in height,

unless Seller provides Purchaser with written documentation that the applicable governmental authority uses a different standard.

Seller shall disclose to Purchaser in writing any conditions or events that arise or occur subsequent to the Effective Date of this Contract, including at all times after Closing, that become known to Seller and which contradict or modify any representation of Seller set forth herein or otherwise have a material effect upon the Property or its use.

14. **Seller's Covenants**. Seller covenants and agrees to do the following:

(a) Seller shall, at no costs to Purchaser, provide Purchaser with a site, on an unpurchased Lot within the Property, for the location of Purchaser's construction trailer. The construction trailer shall remain upon an unpurchased Lot during the term of this Contract. Purchaser will keep these lot(s) maintained in a reasonably neat and clean condition and will not store materials on these lot(s) in public view. In consideration of Seller's allowing the use of these lot(s) by Purchaser, Purchaser shall indemnify Seller and hold Seller harmless for any and all claims of liability or damages resulting from Purchaser's use of these lot(s) by Purchaser's employees, agents, contractors, clients, or potential clients.

(b) Seller agrees that during the term of this Contract, Seller will not sell any Lots in the subdivision known as Colony at Pinehurst, Montgomery County (including all phases thereof) to another homebuilder(s) not reasonable approved by Purchaser (Lennar Homes is hereby approved) or to another homebuilder(s), including Lennar Homes on terms more favorable than Purchaser. Should Seller sell Lots on terms more favorable than to Purchaser, Seller agrees to amend the terms of this Contract to match the terms being offered to such other homebuilder(s).

(c) Seller agrees that in the event Seller develops additional phases in Colony at Pinehurst, as long as Purchaser is not in default under this Contract, Purchaser shall have an option to purchase Lots in such additional phases, on terms at least as favorable as those being offered to other homebuilder(s) in those phases.

(d) If permanent power is not available to any phase within 90 days of the date a home foundation slab is completed in that phase, then the takedown schedule and price appreciation, shall abate for the length of time that permanent power is delayed beyond such 90 day time frame. The takedown schedule and price appreciation shall resume upon the installation of permanent power of such phase.

(e) Seller shall permit Purchaser, at no additional cost, to place billboards and other signs on the Property and on adjacent property owned by Seller in locations mutually agreeable to Purchaser and Seller. Purchaser may maintain such advertising until the sale of the last of the Lots by Purchaser to third-party home buyers.

(f) If any Lots have a potential vertical movement ("PVM") in excess of 4.5", Seller shall either (i) remediate the soil of such Lots " by implementing the recommendations of a geotechnical engineer acceptable to Purchaser to ensure that all Lots have a PVM of 4.5" or less, or (ii) agree to delete such Lots from Purchaser's Contract if so requested by Purchaser. If Lots are deleted, Seller shall promptly return the pro rata amount of earnest money for such Lots, and neither Party shall have any further obligations pertaining to such deleted Lots.

15. Utility District Notice. Purchaser is hereby notified and Purchaser hereby acknowledges that the Property is located entirely within the boundary of Harris County Improvement District no. 17. Seller will deliver statutory notification to Purchaser at Closing.

16. Termination, Default and Remedies.

a. If Seller fails or refuses to consummate the sale of the Property pursuant to this Contract or fails to perform any of Seller's other obligations hereunder either prior to or at the Closing for any reason other than the termination of this Contract by Seller pursuant to a right to terminate provided for in this Contract or Purchaser's failure to perform Purchaser's obligations under this Contract, then Purchaser, as Purchaser's sole and exclusive remedy, shall have the right to either (i) enforce specific performance of Seller's obligations under this Contract subject, however, to such defects in Seller's title as may appear in the Title Policy (ii) terminate this Contract by giving written notice thereof to Seller prior to or at the Closing whereupon neither party hereto shall have any further rights or obligations hereunder, except as otherwise provided, and the Title Company, except as otherwise provided, shall deliver the Deposit to Purchaser, free of any claims by Seller or any other person with respect thereto, or (iii) grant from time to time such extensions of time as Purchaser deems proper under the circumstances.

b. If Purchaser fails or refuses to consummate the purchase of the Property pursuant to this Contract for any reason other than (i) termination of this Contract by Purchaser pursuant to a right to terminate provided for in this Contract or (ii) Seller's failure to perform Seller's obligations under this Contract, then Seller, as Seller's sole and exclusive remedy, except as otherwise provided herein, shall have the right to terminate this Contract by giving written notice thereof to Purchaser prior to or at the Closing, whereupon neither party hereto shall have any further rights or obligations hereunder, and Seller shall retain the Deposit as liquidated damages free of any claims by Purchaser or any other person with respect thereto. It is agreed that the Deposit to which the Seller is entitled hereunder is a reasonable forecast of just compensation for the harm that would be caused by Purchaser's breach and that the harm that would be caused by such breach is one that is incapable or very difficult of accurate estimation, and that the payment of the Deposit upon such breach shall constitute full satisfaction of Purchaser's obligations hereunder.

17. Condemnation. In the event that prior to each Closing, all or any material portion of the Property shall have been condemned or taken by eminent domain or Seller has received notice of such proposed taking, Seller will promptly give Purchaser written notice thereof. If such taking or proposed taking, in Purchaser's reasonable opinion, would have an adverse impact upon Purchaser's use of the Property, Purchaser shall either (a) continue this Contract in full force and effect, notwithstanding such taking or threatened taking, (b) delete the portion of the Property

condemned, or threatened to be condemned, from this Contract, with a proportionate reduction in the purchase price, or (c) terminate this Contract. Failure of Purchaser to make a written election as aforesaid shall constitute an election to terminate this Contract.

18. **Assignment.** The Contract will bind and inure to the benefit of Purchaser and Seller and their respective successors and assigns; however, neither party may assign its interest in this Contract without the prior written consent of the other party. Any attempt to assign this Contract without prior written consent of the other party will be of no effect. Purchaser may assign its rights hereunder to another company which is a subsidiary or affiliate of Purchaser as well as to a land bank without needing the consent of the Seller.

19. **Survival**. The representations, warranties, covenants, agreements and indemnities set forth in this Contract shall remain operative and shall survive each Closing and the execution and delivery of deeds, and shall not be merged therein.

20. **Notice**. Any notice to be given or served upon any party hereto in connection with this Contract must be in writing, and will be deemed delivered, whether or not actually or not received (a) when deposited in the mail if sent by registered or certified mail, return receipt requested, or (b) when delivered to a reputable overnight courier service (i.e. UPS or FedEx), or (c) when emailed, provided said notice was addressed to the following addresses:

If to Seller:
Joe Fogarty
340 N Sam Houston Pkwy E #140
Houston TX 77060
(281) 272-6134
Email: joefogarty@aretere.com
(281) 960-9798 (fax)

with a copy to:
Frank Tanner
340 N Sam Houston Pkwy E #140
Houston, TX 77060
Email: frank@aretere.com

If to Purchaser:
Weekley Homes, LLC
1111 North Post Oak Rd
Houston, Texas 77055
Attn: John Johnson
Email: jjohnson@dwhomes.com

with a copy to:
Weekley Homes, LLC
1111 North Post Oak Rd
Houston, Texas 77055
Attn: John Johnson
Email: jburchfield@dwhomes.com

To Title Company:
Priority Title Company

Attn: Kelly Ford
10720 West Sam Houston Parkway N, Suite 200
Houston, TX 77064
Email: kelly.ford@stewart.com

21. **Entire Agreement**. This Contract embodies the entire agreement between the parties and cannot be varied except by the written agreement of the parties. This Contract shall be governed and construed by the laws of the State of Texas.

22. **Attorneys' Fees**. If any legal action is commenced by any party to enforce any provision of this Contract, the losing party will pay to the prevailing party all reasonable expenses incurred by the prevailing party including costs and attorneys' fees.

23. **Time is of the Essence**. It is mutually agreed that time is of the essence with respect to this Contract and each of its terms, however, waiver of any obligation or performance by either party shall not constitute a waiver of a subsequent obligation or performance. In the event that the last day for performance of any matter herein falls on a Saturday, Sunday or legal holiday, the time for performance shall automatically be extended to the next business day.

24. **Arbitration of Disputes**. Without limiting any rights set forth in other sections of this Contract, any and all disputes arising hereunder shall be submitted to binding arbitration and not to a court for determination. Arbitration shall commence after written notice is given from either party to the other, such arbitration shall be accomplished expeditiously in the county and state where the property which is the subject of this Contract is located, and shall be conducted in accordance with the rules of the American Arbitration Association ("AAA"). Unless the parties are able to agree upon an arbitrator, the arbitration shall be conducted by three (3) arbitrators, one of whom shall be appointed by Seller and one of whom shall be appointed by Purchaser. The third arbitrator shall be appointed by the first two arbitrators. The arbitrator(s) shall be selected from a list of arbitrators submitted by the AAA. Judgement upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Arbitration shall not commence until the party requesting it has deposited one thousand five hundred and No/100 U.S. dollars ($1,500.00) with the arbitrators as a retainer for the arbitrators' fees and costs. The party requesting arbitration shall advance such sums as are required from time to time by the arbitrators to pay the arbitrators' fees and costs, until the prevailing party is determined or the parties have agreed in writing to an alternative allocation of fees and costs. Each party shall pay its own legal fees and costs and any other fees incurred in connection with an arbitration proceeding which arises out of or relates in any way to this Contract provided, however, that the arbitration panel shall award the arbitrators' fees and costs to the prevailing party in its arbitration judgment.

Without limiting any other provision, this section shall survive closing and run with the land.

25. **Other Dispute Resolution**. Notwithstanding the parties intent to submit any controversy or claim arising out of or relating to this Contract or any other document signed or initialed in connection with this Contract to arbitration, in the event that a court of competent jurisdiction shall determine or a relevant law shall provide that a particular dispute is not subject to the arbitration provisions of Section 24 of this Contract, then the parties agree to the following provision:

WAIVER OF TRIAL BY JURY. THE PURCHASER AND THE SELLER HEREBY EXPRESSLY COVENANT AND AGREE TO WAIVE THE RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION OR JUDICIAL PROCEEDING RELATING TO, DIRECTLY OR INDIRECTLY, OR CONCERNING THIS AGREEMENT OR THE CONDUCT, OMISSION, ACTION, OBLIGATIION, DUTY, RIGHT, BENEFIT, PRIVILEGE OR LIABILITY OF A PARTY HEREUNDER TO THE FULL EXTENT PERMITTED BY LAW. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN AND IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY THE PURCHASER AND THE SELLER. THE PURCHASER AND THE SELLER HAVE HAD AN OPPORTUNITY TO SEEK LEGAL COUNSEL CONCERING THIS WAIVER. THIS WAIVER IS INTENDED TO AND DOES ENCOMPASS EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE. THE PURCHASER AND THE SELLER FURTHER CERTIFY AND REPRESENT TO EACH OTHER THAT NO PARTY, REPRESENTATIVE OR AGENT OF THE PURCHASER OR THE SELLER (INCLUDING, BUT NOT LIMITED TO, THEIR RESPECTIVE COUNSEL) HAS REPRESENTED, EXPRESSLY OR OTHERWISE TO THE PURCHASER OR THE SELLER OR TO ANY AGENT OR REPRESENTATIVE OF THE PURCHASER OR THE SELLER (INCLUDING, BUT NOT LIMITED TO, THEIR RESPECTIVE COUNSEL) THAT THEY WILL NOT SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL. THIS WAIVER SHALL APPLY TO THIS CONTRACT AND ANY FUTURE AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS OF THIS CONTRACT.

26. **FIN 46**. Seller represents and warrants that the fair market value of the Property under the Contract does not exceed fifty percent (50%) of the fair market value of Seller's total assets. Prior to the expiration of the feasibility period, Seller agrees to provide Purchaser with such financial and ownership information regarding the Property and its development so that Purchaser may assess its compliance with FASB Interpretation No. 46 ("FIN 46").

27. **Corporate Approval.** The obligations of Purchaser under this Agreement are conditioned and contingent upon the approval of Purchaser's Land Committee (the "LC") on or before 90 days after the Effective Date hereof (the "LC Approval Period"). In the event this Contract has not been approved by the LC on or before the expiration of the LC Approval Period, Purchaser shall have the right to terminate this Contract, in which event the Earnest Money Deposit shall be returned to Purchaser by the escrow agent promptly thereafter and Purchaser and Seller shall be released from any and all further obligations and liabilities to each other hereunder.

28. **Insurance**. Seller shall, at its sole cost and expense, maintain liability insurance coverage issued by an insurance companies licensed to do business in the state where this agreement is to be performed, from the time of commencement of development operations on the Property, through the calendar year following Purchaser's last take down of Lots, with the following provisions:

a. Commercial General Liability Insurance on an Occurrence Basis Form containing a per occurrence limit of no less than $1,000,000, and an aggregate limit (if applicable) of no less than $3,000,000, protecting against all losses, damages and claims arising in connection with bodily injury and property damage (Broad Form), including the following hazards: (i) premises liability; (ii) products and completed operations; and (iii) property damage resulting from uncontrolled or contaminated fill, soil, collapse, or underground exposures.

b. Endorsements to each of the above naming Purchaser as an additional insured, with waiver of subrogation against Purchaser, and rights to notice of cancellation, alteration or non-renewal of the above-described policy.

Seller shall provide evidence that such insurance is in force by furnishing Purchaser with a properly issued certificate of insurance, reflecting the required endorsements described above.

Signatures of parties appear on the next page.]

Executed as of the last of the dates indicated by the signatures below. The date on which the Title Company receipts the Deposit shall be deemed to be the "Effective Date" hereof for all purposes.

SELLER:

121 Pinehurst, LTD
A Texas Limited Partnership
By: 121 Pinehurst GP, Inc., its General Partner

Name: [illegible]
Title: President of General Partner

Date: August 17, 2018

PURCHASER:

Weekley Homes, LLC,
A Delaware limited liability company

By: [illegible]
Name: **John Burchfield**
Title: **General Counsel**
Date: 8/23/18

EXHIBIT "A"

271+/- lots. {Plat to be forthcoming}

EXHIBIT "B"

To Lot Purchase Contract between

Weekley Homes, LLC

and

121 Pinehurst, LTD.121 Pinehurst, LTD

SPECIAL WARRANTY DEED

Date _____

Grantor

Grantor's Mailing Address

Grantee Weekley Homes, LLC, a Delaware limited liability company

Grantee's Mailing Address

1111 North Post Oak Road
Houston, Texas 77055

Consideration

Cash and other valuable consideration, receipt and sufficiency of which are hereby acknowledged.

Property Fully Developed Lots in the Community of Colony at Pinehurst in Montgomery County, TX.

Reservations from and Exceptions to Conveyance and Warranty

1. This conveyance is subject to all matters of record in Montgomery County, Texas, enforceable against the Property on this date and all laws, regulations

and restrictions, including building and zoning ordinances, if any, of municipal or other governmental authorities applicable to and enforceable against the above-described Property.

2. Taxes and special assessments are prorated as of this date, and Grantee assumes and agrees to pay same.

3. All rights, obligations and other matters emanating from and existing by reason of the creation, establishment, maintenance, and operation of the improvement district HCID 17, within whose jurisdiction the Property is located in its entirety.

4. Grantor reserves and excepts for itself, its successors and assigns, and its predecessors in title in accordance with their respective interests of record, all oil, gas and other minerals on, in and under the above-described Property. Grantor hereby waives and relinquishes unto Grantee, its successors and assigns the rights, if any, of ingress in over and across the surface of the Property for the purposes of mining, drilling, exploring, operating and developing said Property for oil and gas and other minerals, and Grantor agrees that they shall not have the right to enter upon the surface of said Property for the purposes of conducting any mineral operations of any nature whatsoever. This "Surface Use Waiver" includes, but not by way of limitation, the waiver of the right to use said Property for the location of any surface facilities of any kind in connection with operations for the development of the mineral estate.

   It is understood and agreed that nothing herein shall be construed as affecting the right, title and interest of Grantors, if any, in and to the oil, gas and other minerals in and under the Property. Grantors retain the right to prospect for, drill, drill, produce and market all minerals from the Property by operations which Grantors may conduct outside the Property through the drilling, operating and maintaining of directional wells or by pooling provided that such operations do not interfere with the surface or subsurface support of any improvements constructed or to be constructed on the Property.

5. All easements and restrictions provided for in the map or plat referred to in the description of the Property.

Grantor, for the consideration and subject to the Reservations from and Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's successors and assigns to forever defend all and singular the Property to Grantee and Grantee's successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the

Reservations from and Exceptions to Conveyance and Warranty, when the claim is by, through, or under Grantor but not otherwise.

The reservations, covenants, and restrictions set forth in this deed shall be covenants running with the land for the benefit of Grantor and shall be binding on Grantee, its successors and assigns.

When the context requires, singular nouns and pronouns include the plural.

"Grantor"

_____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

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

_____
Notary Public, State of Texas

EXHIBIT "C"

To Lot Purchase Contract
between
Weekley Homes, LLC and
121 Pinehurst, LTD

NON-FOREIGN AFFIDAVIT
(PURSUANT to 26 U.S.C. Sec. 1443)

Date _____

Transferor

Transferor's Mailing Address

Transferor's U.S. Taxpayer Identification Number/Social Security Number

Property

That certain tract or parcel of land being generally described on the sketch that is attached as Exhibit "A," and by metes and bounds as described on Exhibit "B," attached hereto and incorporated herein.

1. Transferor is not a foreign person for purposes of United States income taxation.

2. Transferor understands that this affidavit is necessary because Sec. 1445 of the Internal Revenue Code provides that when a foreign person disposes of a United States real property interest, the transferee is required to deduct and withhold a tax from the amount realized on the disposition.

3. Transferor understands that Transferee must retain this affidavit and that it may be disclosed to the Internal Revenue Service.

4. Under penalties of perjury, Transferor declares that Transferor has examined this affidavit and that to the best of Transferor's knowledge and belief, it is true, correct, and complete.

By:

By: _____
Name: _____
Title: _____
Date:

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on this ____ day of _____, 20__

by _____, _____ of _____,

a_____on behalf of said corporation.

_____

Notary Public, State of Texas

EXHIBIT "D"

To Lot Purchase Contract
between
Weekley Homes, LLC
and
121 Pinehurst, LTD

IMPROVEMENT DISTRICT NOTIFICATION

The real property, described below, which you are about to purchase is located in HCID 17. 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 is $_____ on each $100 of assessed valuation. If the District has not yet levied taxes, the most recent projected rate of debt service tax, as of this date, is $N/A on each $100 of assessed valuation. The total amount of bonds which has been approved by the voters and which have been or may, at this date, be issued is $_____ 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 $_____.

The District also has the authority to adopt and impose a standby fee on property in the District that has water, sewer, sanitary or drainage facilities and services available but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The District may exercise the authority without holding an election on the matter. As of this date, the amount of the standby fee is $0.00. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the District stating the amount, if any, of unpaid standby fees on a tract of property in the District.

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 described in Exhibit A attached hereto and made a part hereof.

"Grantor"

_____

By: _____
Name: _____
Title: _____
Date: _____

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 the purchase of the real property.

"Grantee"

Weekley Homes, LLC
A Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on this ____ day of _____, 20__ by _____+_, _____, Weekley Homes, LLC, a Delaware limited liability company, on behalf of said company.

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on this _____ day of _____, 20__, by _____, _____ of _____, a _____ corporation, on behalf of said corporation.

Notary Public, State of Texas

"Note: (Correct district name, tax rate, bond amount, standby fee amount and legal description are to be placed in the appropriate space. Except for notices included as an addendum or paragraph of a purchase contract, the notice shall be executed by the seller and purchaser, as indicated. If the district does not propose to provide one or more of the specified facilities and services, the appropriate purpose may be eliminated. If the district has not yet levied taxes, a statement of the district's most recent projected rate of debt service tax, if any, is to be placed in the appropriate space. If the district does not have approval from the commission to adopt and impose a standby fee, the second paragraph of the notice may be deleted. For the purposes of the notice form required to be given to the prospective purchaser prior to execution of a binding contract of sale and purchase, a seller and any agent, representative or person acting on his behalf may modify the notice by substitution of the words 'January 1, 20___' for the words 'this date' and place the correct calendar year in the appropriate space