



**ADDENDUM FOR
COASTAL AREA PROPERTY**
(SECTION 33.135, TEXAS NATURAL RESOURCES CODE)

TO CONTRACT CONCERNING THE PROPERTY AT

101 STANEK, SURFSIDE Beach, TX
(Address of Property)

NOTICE REGARDING COASTAL AREA PROPERTY

1. The real property described in and subject to this contract adjoins and shares a common boundary with the tidally influenced submerged lands of the state. The boundary is subject to change and can be determined accurately only by a survey on the ground made by a licensed state land surveyor in accordance with the original grant from the sovereign. The owner of the property described in this contract may gain or lose portions of the tract because of changes in the boundary.
2. The seller, transferor, or grantor has no knowledge of any prior fill as it relates to the property described in and subject to this contract except: None Known
3. State law prohibits the use, encumbrance, construction, or placing of any structure in, on, or over state-owned submerged lands below the applicable tide line, without proper permission.
4. The purchaser or grantee is hereby advised to seek the advice of an attorney or other qualified person as to the legal nature and effect of the facts set forth in this notice on the property described in and subject to this contract. Information regarding the location of the applicable tide line as to the property described in and subject to this contract may be obtained from the surveying division of the General Land Office in Austin.

Buyer

SANDCASTLE SURFSIDE LLC
Seller

Buyer

by [Signature]
Seller PAUL S. Gardner MBR
PSG Interests, LLC

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>) TREC No. 33-2 This form replaces TREC No. 33-1.



ADDENDUM FOR
PROPERTY LOCATED SEAWARD OF THE
GULF INTRACOASTAL WATERWAY
(SECTION 61.025, TEXAS NATURAL RESOURCES CODE)
TO CONTRACT CONCERNING THE PROPERTY AT

101 STANEK SURFSIDE BEACH, TX
(Address of Property)

DISCLOSURE NOTICE CONCERNING LEGAL AND ECONOMIC RISKS OF PURCHASING
COASTAL REAL PROPERTY NEAR A BEACH

WARNING: THE FOLLOWING NOTICE OF POTENTIAL RISKS OF ECONOMIC LOSS TO YOU AS THE
PURCHASER OF COASTAL REAL PROPERTY IS REQUIRED BY STATE LAW.

- READ THIS NOTICE CAREFULLY. DO NOT SIGN THIS CONTRACT UNTIL YOU FULLY UNDERSTAND
THE RISKS YOU ARE ASSUMING.
• BY PURCHASING THIS PROPERTY, YOU MAY BE ASSUMING ECONOMIC RISKS OVER AND ABOVE THE
RISKS INVOLVED IN PURCHASING INLAND REAL PROPERTY.
• IF YOU OWN A STRUCTURE LOCATED ON COASTAL REAL PROPERTY NEAR A GULF COAST BEACH, IT
MAY COME TO BE LOCATED ON THE PUBLIC BEACH BECAUSE OF COASTAL EROSION AND STORM
EVENTS.
• AS THE OWNER OF A STRUCTURE LOCATED ON THE PUBLIC BEACH, YOU COULD BE SUED BY THE
STATE OF TEXAS AND ORDERED TO REMOVE THE STRUCTURE.
• THE COSTS OF REMOVING A STRUCTURE FROM THE PUBLIC BEACH AND ANY OTHER ECONOMIC
LOSS INCURRED BECAUSE OF A REMOVAL ORDER WOULD BE SOLELY YOUR RESPONSIBILITY.

The real property described in this contract is located seaward of the Gulf Intracoastal Waterway to its
southernmost point and then seaward of the longitudinal line also known as 97 degrees, 12', 19" which
runs southerly to the international boundary from the intersection of the centerline of the Gulf
Intracoastal Waterway and the Brownsville Ship Channel. If the property is in close proximity to a beach
fronting the Gulf of Mexico, the purchaser is hereby advised that the public has acquired a right of
use or easement to or over the area of any public beach by prescription, dedication, or presumption, or
has retained a right by virtue of continuous right in the public since time immemorial, as recognized in
law and custom.

The extreme seaward boundary of natural vegetation that spreads continuously inland customarily
marks the landward boundary of the public easement. If there is no clearly marked natural vegetation
line, the landward boundary of the easement is as provided by Sections 61.016 and 61.017, Natural
Resources Code.

Much of the Gulf of Mexico coastline is eroding at rates of more than five feet per year. Erosion rates for
all Texas Gulf property subject to the open beaches act are available from the Texas General Land
Office.

State law prohibits any obstruction, barrier, restraint, or interference with the use of the public
easement, including the placement of structures seaward of the landward boundary of the easement.
OWNERS OF STRUCTURES ERECTED SEAWARD OF THE VEGETATION LINE (OR OTHER APPLICABLE
EASEMENT BOUNDARY) OR THAT BECOME SEAWARD OF THE VEGETATION LINE AS A RESULT OF
PROCESSES SUCH AS SHORELINE EROSION ARE SUBJECT TO A LAWSUIT BY THE STATE OF TEXAS TO
REMOVE THE STRUCTURES.

The purchaser is hereby notified that the purchaser should: (1) determine the rate of shoreline erosion
in the vicinity of the real property; and (2) seek the advice of an attorney or other qualified person
before executing this contract or instrument of conveyance as to the relevance of these statutes
and facts to the value of the property the purchaser is hereby purchasing or contracting to purchase.

Buyer

SANDCASTLE SURFSIDE LLC
Seller

Buyer

by Paul S. Gardner MBR
Seller PS& Investments, LLC

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transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (http://www.trec.texas.gov) TREC No.
34-4. This form replaces TREC No. 34-3.



ENVIRONMENTAL ASSESSMENT, THREATENED OR ENDANGERED SPECIES, AND WETLANDS ADDENDUM

TO CONTRACT CONCERNING THE PROPERTY AT

101 STANEK SURFSIDE BEACH, TX

(Address of Property)

- A. ENVIRONMENTAL ASSESSMENT: Buyer, at Buyer's expense, may obtain an environmental assessment report prepared by an environmental specialist.
- B. THREATENED OR ENDANGERED SPECIES: Buyer, at Buyer's expense, may obtain a report from a natural resources professional to determine if there are any threatened or endangered species or their habitats as defined by the Texas Parks and Wildlife Department or the U.S. Fish and Wildlife Service.
- C. WETLANDS: Buyer, at Buyer's expense, may obtain a report from an environmental specialist to determine if there are wetlands, as defined by federal or state law or regulation.

Within 10 days after the effective date of the contract, Buyer may terminate the contract by furnishing Seller a copy of any report noted above that adversely affects the use of the Property and a notice of termination of the contract. Upon termination, the earnest money will be refunded to Buyer.

Buyer

SAND CASTLE SURFSIDE, LLC
Seller

Buyer

by [Signature]
Seller PAUL S. GARDNER, MBR
PSG Interests, LLC

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