

Deposit Agreement and Receipt

This Deposit Agreement is entered into between SM Ranch Partners, Ltd. and _____ (the "Purchaser") effective the ____ day of _____, 2007. Receipt is hereby acknowledged that Purchaser has paid the amount of _____ (the "Deposit" equal to \$10,000 per lot) as a non-refundable Deposit on the purchase of the following lot identified on the Preliminary or Final Plat in the planned residential development known as "Stone Mountain Estates" in Cross Roads, Denton County, Texas (the "Lot").

Stone Mountain Estates Block _____, Lot _____

Sales Price: \$ _____

Terms and Conditions:

1. If Purchaser has previously entered into a Builder Reservation Commitment Agreement, Purchaser hereby agrees to independently enter into a contract to build a home on that lot with _____ ("Approved Builder") in accordance with all applicable restrictions and obligations.
2. Once the Lot has been released by the applicable governing body (City and/or County) for sale, Purchaser will have 45 days to enter into a binding Lot Sales Agreement and close the purchase of the lot.
3. If Purchaser does not close the purchase of the lot within the 45-day period, Purchaser will forfeit the Deposit in full.
4. The Deposit will be held and used by SM Ranch Partners, Ltd. until the closing of the purchase of the Lot has been completed. If Purchaser does close the purchase of the Lot within the required 45-day period, the Deposit will be credited to the purchase price, plus an amount equivalent to interest earned at the rate of 6.5 % per annum, with the starting date equal to the date of receipt of the Deposit by SM Ranch Partners, Ltd.
5. Purchaser understands and agrees that the exact lot size and location in the final plat may be slightly different than that shown in the preliminary plat, if the Lot has not been Final Platted at the time of this Deposit Agreement. If the Lot in the final plat is substantially different than the one specified in the preliminary plat referenced in the Deposit Agreement and Purchaser does not want the Lot as modified, Purchaser will be given the option of selecting another Lot or receiving the Deposit amount refunded in full plus an amount equivalent to interest earned at the rate of 6.5 % per annum, with the starting date equal to the date of receipt of the Deposit by SM Ranch Partners, Ltd.
6. Purchaser hereby agrees to abide by all applicable codes, covenants and restrictions, building restrictions, and other requirements common to all owners of lots in the development.

Initials: _____ / _____
Purchaser / SM Ranch Partners, Ltd.

SM Ranch Partners, Ltd.

7. Purchaser agrees that construction will begin on the Lot (meaning that a building permit has been applied for) no later than 365 days after the closing of the Lot purchase. If this provision is not met, SM Ranch Partners, Ltd. will have the continuing right to re-purchase the Lot at the original Sales Price, less all interest paid or credited to Purchaser.

7. If Purchaser has entered into this Deposit Agreement by expressing intent to combine two or more Lots into one single family residential home site, Purchaser also agrees as follows:

- a. The Lots to be combined into one single family residential home site are:

- b. The Deposit amount will be \$10,000 per originally-platted lots.
- c. If Purchaser closes the sale of the Lots but does not, in fact, combine the Lots into one single family residential home site as promised, SM Ranch Partners, Ltd. will have the right to re-purchase any or all of the Lots back from Purchaser at the original Sales Price with no earned or credited interest.

Signatures:

(Signature of Purchaser)

(Name of Purchaser)

(Address of Purchaser)

(City, ST Zip of Purchaser)

(Phone of Purchaser)

SM Ranch Partners, Ltd.,
a Texas Limited Partnership
PO Box 797467
Dallas, TX 75379

By: MJ Operating Company,
a Texas Corporation
its General Partner

By: _____
J. B. Johnson
its President