

Reservation Agreement and Receipt

This Reservation Agreement is entered into between SM Ranch Partners, Ltd. and _____ (the "Reserver") effective the ____ day of _____, 2006. Receipt is hereby acknowledged that Reserver has paid the amount of _____ (the "Reservation Deposit" equal to \$10,000 per lot reserved) to be applied toward a non-refundable deposit on the purchase of _____ lot(s) in the planned residential development known as "Stone Mountain Estates." The deposit will be held by SM Ranch Partners, Ltd. until such time as Reserver is offered the opportunity to enter into a Deposit Agreement described below. Priority will be given to all Reservers in selecting lots for purchase and entering into Deposit Agreements based on the date of execution of their Reservation Agreement and receipt of their Reservation Deposit.

At such time as the development has been preliminarily platted and lot prices assigned to each lot (currently anticipated to be no later than August 2006), the preliminary plat and prices will be made public. Reserver acknowledges that the owners of SM Ranch Partners, Ltd. (the "Partners") or their assigns will have the first option to select and place deposits on lots at the published prices. The reservation deposit for any lots reserved by the Partners or their assigns will also be \$10,000 per lot, and the prices will be the same as the prices made available to parties who have entered into Reservation Agreements. Any lots not purchased or reserved by execution of a Deposit Agreement by the Partners within 7 days of the publishing of the preliminary plat and initial price list will then be made available to Reservers in the order in which their Reservation Deposits have been received. After all Reservers have had the opportunity to enter into a Deposit Agreement, Deposit Agreements on the remaining lots will be made available to the general public.

Seven (7) days after the preliminary plat and price list has been published and the Partners or their assigns have had the opportunity to enter into Deposit Agreements, a lot selection event will be held for all Reservers to make their selection of specific lot(s). The parties hereto anticipate that a Deposit Agreement will be entered into at that time that will cause the Reservation Deposit to become a non-refundable deposit and will specify at least the following

1. The specific lot as shown on the preliminary plat.
2. The actual sales price for such lot.
3. Acknowledgement that once the specific lot has been released by the applicable governing body (City and/or County) for sale, Reserver will have 45 days to close the purchase of the lot.
4. Acknowledgement that if Reserver does not close the purchase of the lot within the 45-day period, Reserver will forfeit the deposit in full.
5. Acknowledgement that if Reserver does close the purchase of the lot within the 45-day period, the initial deposit of \$10,000 per lot 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 execution of the Deposit Agreement.

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

6. Acknowledgement 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 in the final plat is substantially different than the one specified in the preliminary plat referenced in the Deposit Agreement and Reserver does not want the lot as modified, Reserver 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 execution of the Deposit Agreement.

7. Acknowledgement that Reserver agrees to abide by all applicable codes, covenants and restrictions, building restrictions, and other requirements common to all owners of lots in the development.

If Reserver does not enter into a Deposit Agreement at the time of the lot selection event, this Reservation Deposit will be refunded in full without interest and there will be no remaining obligations by either party to the other.

Signatures:

(Signature of Reserver)

(Name of Reserver)

(Address of Reserver)

(City, ST Zip of Reserver)

(Phone of Reserver)

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