

AGREEMENT BY AND BETWEEN
CITY OF WESTON AND LAND ADVISORS, LTD

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

 This Agreement is executed as of the day of , 2004, by and between
the City of Weston, Texas (the "City") and Land Advisors, Ltd. ("Developer").

RECITALS

1. The Developer owns approximately 1289 acres of land within and adjacent to the City that the Developer plans to develop for residential and other associated uses (the "Project"). The location of the Project is shown on a site plan which is attached hereto marked "Exhibit "A" and made a part hereof by reference.
2. The Developer desires to coordinate the development of this Project, including the creation of a Fresh Water Supply District ("District"), pursuant to the provisions of Chapter 53 of the Texas Water Code, and a Public Improvement District ("PID"), pursuant to the provisions of Chapter 372 of the Texas Local Government Code, with the City. To date, however, neither the petition for the creation of the District nor the petition for the creation of the PID have been prepared or submitted to the City for review.
3. The parties recognize that the creation of the PID and the District as well as the preparation of any associated agreements, including, but not limited to, debt financing, cost sharing, annexation and dis-annexation agreements will require consultation with the City Attorney and additional legal or technical consultants.
4. The Developer recognizes that the City has limited financial resources to expend for legal and technical consultants and without the financial assistance from the Developer, the City may be unable to expeditiously process and possibly assist the Developer with the proposed Project.
5. As a result and in consideration of the foregoing, the Developer desires to pay for the City's legal and technical consultant fees that are directly or indirectly associated with the Project.

AGREEMENT

1. That the Recitals set forth above are hereby incorporated into the body of this Agreement as if copied verbatim in this Section 1 hereof.

2. In consideration of the foregoing, the Developer hereby agrees to pay for any and all City-incurred legal and technical consultant fees, including, but not limited to, legal, engineering, permitting and surveying fees expended by the City that are directly associated with the Project in an amount not to exceed \$25,000.00. In the event such fees exceed \$25,000.00, the City and Developer may amend this Agreement to provide for the payment of the additional costs by Developer. Developer hereby agrees to deposit \$10,000.00 with the City for payment of the fees outlined in this Section 2 (the "Developer Deposit"). At such time as the balance of the Developer Deposit is less than \$8,000.00, Developer agrees to advance such additional amounts to the City in order to at all times maintain a minimum balance of the lesser of (a) \$8,000.00 or (b) such lesser amount which, when added to all amounts previously deposited hereunder, equals \$25,000.00.

The Developer and City will agree to amounts and/or percentages of participation on items, fees and expenditures that are indirectly associated with the Project by independent letter agreement or other means mutually acceptable to both parties on a case by case basis.

Developer shall have the right to request copies of all invoices paid by the City relating to the Project.

3. The City shall have sole discretion to select and employ the number of legal and technical consultants it deems necessary. The City shall act in good faith in its selection of consultants and shall not incur costs unnecessarily or arbitrarily.

4. The City agrees to cooperate with Developer where Developer seeks restitution or initiates legal action against consultants retained associated with this Agreement for negligence, errors, omissions, or other wrong doing.

5. The City may deduct from the Developer Deposit any legal and technical consulting fees incurred to date by the City for work related to the Project.

6. Notwithstanding anything to the contrary contained herein, Developer acknowledges that the City Attorney shall exclusively represent the legal interests of the City of Weston, Texas and that no attorney client privilege between the Developer and the offices of the City Attorney, or any of its attorneys, shall be established by virtue of this Agreement. The City shall direct its City Attorney and all other legal counsel retained not to release any data or information provided by Developer to a third party, unless either Developer provides written consent for such release or the City is otherwise directed to release the information by the Office of the Texas Attorney General ("OAG"). In addition, absent Developer authorization for the release of Developer data and information, the City shall direct the City Attorney to diligently seek approval of the OAG to withhold proprietary and confidential information subject to a request for public information pursuant to Chapter 552 of the Texas Government Code.

7. The provisions of this Agreement shall not be binding until executed first by the Developer and then by the City.

8. Upon execution of this Agreement, and upon presentation of a petition for the creation of any Corporation and/or District, the City and the Developer will proceed to negotiate in good faith the definitive agreements which will include mutually acceptable provisions relative to the Project and all matters relating thereto. The approval of this Agreement does not, however, constitute approval, tacit or otherwise, of any proposal that the City Council deems to be not in the best interests of the City.

9. The agreements of the parties as outlined herein are subject to the parties having the necessary authority, securing all necessary approvals under all applicable laws.

10. All notices, demands, requests or replies provided for or permitted by either party must be in writing and may be delivered by any one of the following methods: (1) by personal delivery; (2) by deposit with the United States Postal Service; (3) by prepaid telegram; or (4) by deposit with an overnight express delivery service. Notice deposited with the United States Postal Service in the manner described above will be deemed effective two (2) business days after deposit with the United States Postal Service. Notice by telegram or overnight express delivery service will be deemed effective one (1) business day after transmission to the telegraph company or overnight express carrier. All such communications must only be made to the following:

If to City:

City of Weston
Attn: Mayor Harrington
301 Main Street
Weston, TX 75097
(972) 382-1001

If to Developer:

Land Advisors, LTD.
ATTN: Scott Norris
4265 Kellway Circle
Addison, TX 75001
(972) 239-0707

Change of address must be made by sending notice as set out above.

11. If any term or provision of this Agreement or the application hereof to any person or circumstance is, to any extent, unenforceable, invalid or illegal under present or future law, then the remainder of this Agreement, or the application of said term or provision to persons or circumstances other than those as to which it is held invalid, unenforceable or illegal, will not be affected thereby, and to the extent that any term or provision is held unenforceable, invalid or illegal in its application to persons or circumstances, a term or provision as similar in nature to said invalid, unenforceable or illegal term or provision as may be possible and be legal, valid and enforceable will be added to this Agreement automatically.

12. The Agreement may only be amended, altered or revoked by written instrument signed by the Developer and the City.

13. The Agreement shall be binding upon all successors and assigns of Developer.

14. This Agreement is made and shall be construed in accordance with the laws of the State of Texas and venue shall lie in Collin County, Texas.

Executed in Duplicate originals and effective as of the date set forth above.

Attest:

City of Weston, Texas

Sharon M. Cooper
City Secretary

Patti Harrington
Patti Harrington, Mayor

Land Advisors, Ltd.

By: *[Signature]*
Dan O. Tomlin III, President

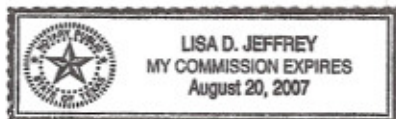
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF *Dallas*

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This instrument was acknowledged before me on *August 10, 2004* by Dan O. Tomlin, III, President of Land Advisors, Ltd., a Texas Limited Partnership, on behalf of said partnership.



Lisa D. Jeffrey
Notary Public, State of Texas

Printed Name:

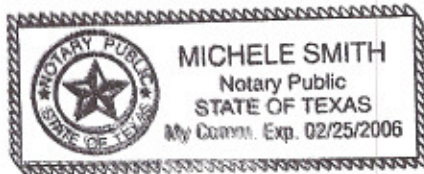
LISA D JEFFREY

Expiration Date:

8.20.07

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on
August 10, 2004 by Patti Harrington, Mayor of the City of Weston, a
Texas municipal corporation, on behalf of said corporation.



Michele Smith

Notary Public, State of Texas

Printed Name: Michele Smith
Expiration Date: 2/25/2006