

FILED

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4 Ike.shupe@hughesluce.com

CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA, CALIFORNIA
BY: _____

5 Attorneys for THOMAS A. SEAMAN,
RECEIVER

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

LAMBERT VANDER TUIG (a/k/a/
LAMBERT VANDER TAG a/k/a/
DEAN I. VANDER TAG), THE
CAROLINA DEVELOPMENT
COMPANY, INC. (a/k/a THE
CAROLINA COMPANY AT
PINEHURST, INC.), AND
JONATHAN CARMAN,

Defendants.

Case No. SACV06-172 AHS(ANx)
Complaint Filed: February 16, 2006

- (1) HUGHES & LUCE, LLP'S
FIRST INTERIM
APPLICATION FOR
ALLOWANCE OF
COMPENSATION AND
REIMBURSEMENT OF
EXPENSES FROM
SEPTEMBER 26, 2006
THROUGH NOVEMBER 7,
2006;
- (2) DECLARATION OF
DWIGHT A. SHUPE; AND
- (3) DECLARATION OF
THOMAS A. SEAMAN

[Notice Of Interim Fee Applications Of
Thomas A. Seaman, Sheppard Mullin
Richter & Hampton, Coats Rose, and
Hughes Luce Filed Concurrently Herewith]

Hearing:
Date: January 8, 2007
Time: 10:00 a.m.
Place: Courtroom 10A
411 W. Fourth Street
Santa Ana, California

1 Hughes & Luce, LLP ("Hughes Luce"), attorneys for the court-
2 appointed Receiver, Thomas A. Seaman ("Receiver"), hereby submits its first
3 interim fee application ("Fee Application") for allowance of compensation and
4 reimbursement of expenses incurred from September 26, 2006 through and
5 including November 7, 2006 (the "Period") on behalf of the Receiver as its counsel
6 in connection with the negotiation of an amendment to the Development Agreement
7 entered into with the City of Celina (the "City"). In support of its Fee Application,
8 Hughes Luce respectfully represents as follows:

9
10 **I. INTRODUCTION.**

11 **A. Hughes Luce Is Duly Employed As Counsel For The Receiver.**

12 On February 16, 2006, the Court appointed a receiver for Lambert
13 Vander Tuig (a/k/a Lambert Vander Tag, a/k/a Dean L. Vander Tag, a/k/a Dean L.
14 Vandertag), The Carolina Development Company, Inc. (a/k/a The Carolina
15 Company at Pinehurst, Inc.), and Jonathan Carman (collectively, "Carolina"). The
16 Receiver has employed Hughes Luce in order to negotiate an amendment to the
17 Development Agreement consistent with discussions between the Receiver and the
18 City. Hughes Luce represented Carolina beginning on September 26, 2006 and
19 Hughes Luce's representation of Carolina concluded on November 7, 2006.

20
21 **B. Compensation Requested/Amounts Available In The Estate.**

22 In this Fee Application, Hughes Luce requests that the Court allow
23 compensation for legal services rendered on behalf of the Receiver during the Period
24 in the total amount of Forty Three Thousand Four Hundred and Two Dollars and
25 Fifty Cents (\$43,402.50) and expenses incurred in the total amount of Six Hundred
26 Ninety Five Dollars and Twenty Three Cents (\$695.23). Therefore, Hughes Luce
27 seeks total compensation and reimbursement in the amount of Forty Four Thousand
28 Ninety Seven Dollars and Seventy Three Cents (\$44,097.73) for the entire period of

1 September 26, 2006 through November 7, 2006. This is the first, and likely last,
2 interim fee application filed by Hughes Luce and, therefore, Hughes Luce has not
3 yet received any compensation nor reimbursement of expenses.

4
5 As reflected in the attached declaration of Thomas A. Seaman, the
6 Receiver instructed Hughes Luce to undertake the tasks discussed below, has
7 approved the amounts billed by Hughes Luce in connection with these tasks, and has
8 instructed Hughes Luce to prepare this Fee Application.

9
10 **C. Distribution Of Charges.**

11 Attached hereto as Exhibit A and incorporated herein by reference is a
12 detailed description of the legal services provided by Hughes Luce, along with a
13 description of each expense incurred on behalf of Carolina and the Receiver. Also
14 included on Exhibit A is a distribution of hours and the costs of services rendered by
15 Dwight A. Shupe of Hughes Luce in connection with this case overall. These
16 descriptions and tables provide a quick reference to enable the Court to determine
17 the distribution of efforts by Hughes Luce among the various tasks required in
18 connection with negotiating the revised Development Agreement.

19
20 **II. BACKGROUND OF THE CELINA BRIDGES PROPERTY AND THE**
21 **DEVELOPMENT AGREEMENT.**

22 **A. The Existing Development Agreement.**

23 Carolina owns approximately 700 acres of real estate in Collin County,
24 Texas known as "Celina Bridges." Celina Bridges is currently governed by a
25 Development Agreement entered into in 2004 in settlement of a contested case
26 hearing over the creation of a municipal utility district on the property. In early
27 2006, the City expressed an interest in amending the Development Agreement to
28 permit a greater variety of residential products, commercial and mixed use areas, a

1 new school and park site, and a site for a future city hall and town green. The
2 Receiver's diligence revealed that this proposed amendment to the Development
3 Agreement could significantly increase the value of Celina Bridges.

4
5 As a result, the Receiver retained Hughes Luce to negotiate an
6 amendment to the Development Agreement. The first step in Hughes Luce's
7 representation of the Receiver was to determine the nature and extent of the
8 revisions to the Development Agreement that had already been agreed to, in
9 principle, with the mayor of Celina as well as the members of the City Council.
10 After learning the details of the parties' discussions, Hughes Luce helped prepare a
11 revised Development Agreement to allow the construction of several residential
12 product types, commercial and mixed use areas, a major school and park site, and a
13 city hall and town green area. The proposed revised Development Agreement also
14 completely changed the property's roadway circulation plan and divided the
15 property into various development phases, each of which contained a certain
16 maximum number of residential units. Hughes Luce also assisted with the
17 development of a Conceptual Land Use Plan for the property which was added to
18 the proposed Development Agreement. Moreover, the proposed Development
19 Agreement was also revised to reflect the current jurisdictional status of the
20 property.

21
22 The revised Development Agreement was delivered to the Celina City
23 Council on October 9, 2006. Thereafter, until November 7, 2006, Hughes Luce was
24 involved in negotiations with the City, as well as its Mayor, City Administrator, and
25 attorneys. These negotiations involved several additional revisions to the
26 Development Agreement in an attempt to accommodate the City's concerns. These
27 negotiations required Hughes Luce to attend several City Council meetings and
28 participate in numerous lengthy telephone conferences.

1 On November 6, 2006, after approximately a month of negotiations
2 with the City, the City Administrator and its attorneys presented the Receiver with a
3 third set of what they deemed "open items" with respect to the revised Development
4 Agreement. These "open items" included new issues that contradicted the terms that
5 the Receiver had already agreed to in principle with the Mayor and City
6 Administrator. Consequently, the Receiver instructed Hughes Luce to cease all
7 negotiations with the City, and Hughes Luce has not since engaged in any
8 negotiations with the City.

9

10 **B. Summary Of Specific Tasks Performed By Hughes Luce.**

11 Between September 26, 2006 and November 7, 2006, Hughes Luce
12 performed the following tasks, among others, on behalf of the Receiver and at the
13 Receiver's direction:

14

- 15 • Reviewed background materials relating to the existing
16 Development Agreement;
- 17
- 18 • Participated in meetings and telephone conferences with city
19 officials to discuss the existing Development Agreement;
- 20
- 21 • Reviewed city zoning ordinances;
- 22
- 23 • Negotiated and prepared revised a Development Agreement;
- 24
- 25 • Attended meetings with city officials to negotiate revised
26 Development Agreement;
- 27
- 28 • Attended City Council meetings;

- 1 • Prepared multiple versions of a revised Development Agreement.

2
3 **III. DETAILED ANALYSIS OF ALL TIME RECORDED BY**
4 **PROFESSIONALS IN CONNECTION WITH THIS CASE.**

5 Exhibit A to this Application is a detailed description of time expended
6 and fees incurred by Hughes Luce's attorneys in connection with this case.

7 Exhibit A also shows the total activity of each attorney who has billed time on this
8 case. In addition, Exhibit A includes a description of each expense incurred by
9 Hughes Luce on behalf of Carolina and the Receiver.

10
11 The amounts sought in this Application are reasonable for the
12 professional services performed by Hughes Luce on behalf of the Receiver and
13 Carolina, and are the same rates charged to Hughes Luce's non-receiver clients for
14 similar services. Hughes Luce believes that the services that Hughes Luce has
15 rendered constitute necessary and appropriate services incident to the representation
16 of the Receiver. Moreover, Hughes Luce believes that the services rendered have
17 also provided substantial benefit to the Receiver and Carolina's investors. As such,
18 Hughes Luce submits that the fees requested are properly compensable.

19
20 **IV. STATEMENT OF QUALIFICATIONS OF COATS ROSE**
21 **PROFESSIONALS CHARGING MATERIAL TIME IN CONNECTION**
22 **WITH THIS CASE.**

23 The professional qualifications of the attorney who has performed work
24 on this matter to date — Dwight A. Shupe — is attached as Exhibit B.

25
26 **V. CONCLUSION.**

27 Based on the foregoing, Hughes Luce requests that its fees and costs be
28 approved and awarded as set forth in this Application.

1 Dated: November 17, 2006

2 HUGHES & LUCE, LLP

3
4 By 

5 DWIGHT A. SHUPE
6 Counsel for Receiver
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DECLARATION OF DWIGHT A. SHUPE

I, Dwight A. Shupe, hereby declare and say that:

1. I am an attorney licensed to practice law in the State of Texas and am a member of the bar of this Court. I am a partner in the law firm of Hughes & Luce, LLP ("Hughes Luce"), and am the attorney with principal responsibility for this matter. I have responsibility for overseeing the billing in this matter. I have personal knowledge of the facts set forth herein, and if called as a witness could testify competently thereto.

2. The Receiver has reviewed the fee and expense statements reflected in this Fee Application and the Receiver has approved the Fee Application.

I declare under penalty of perjury pursuant to the laws of the United States of America that the foregoing is true and correct and that this Declaration was executed on November 17, 2006.


DWIGHT A. SHUPE

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DECLARATION OF THOMAS A. SEAMAN

I, Thomas A. Seaman, declare as follows:

1. I am the Receiver for The Carolina Development Company, Inc. and related subsidiaries and affiliates.

2. The following facts are within my personal knowledge unless otherwise stated. I am over the age of eighteen and competent to testify in a court of law. If called to testify as a witness regarding the statements set forth below, I could and would competently testify thereto.

3. I have reviewed the time records and expense records of Hughes & Luce, LLP ("Hughes Luce") reflected in the within Fee Application for compensation and expenses incurred in representing the Receiver and Carolina in this matter. Based upon my knowledge of the Receiver's needs in this matter, as well as Carolina's needs prior to the appointment of the Receiver, I believe the legal services performed and the fees and expenses incurred by Hughes Luce were reasonably required to represent the Receiver and Carolina adequately. Thus, I have no objection to the award of the compensation and reimbursement of expenses sought by Hughes Luce in the Fee Application.

I declare under penalty of perjury pursuant to the laws of the United States of America that the foregoing is true and correct and that this Declaration was executed on November 21, 2006.



THOMAS A. SEAMAN

List of Exhibits

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- Exhibit A Distribution of hours / costs of services rendered, by attorney
- Exhibit B Descriptions of professional education, experience and expertise of
Dwight A. Shupe

EXHIBIT A

HUGHES • LUCE LLP

Austin Office
Suite 900
111 Congress Avenue
Austin TX 78701-4209
(512) 412-6800
Fax (512) 482-6859

Dallas Office
Suite 2800
1717 Main Street
Dallas TX 75201
(214) 939-5500
Fax (214) 939-6100

Fort Worth Office
Suite 3000
301 Commerce Street
Fort Worth TX 76102
(817) 930-0700
Fax (817) 335-6505

**PRIVILEGED AND CONFIDENTIAL
DO NOT DISCLOSE**

Thomas Seaman, Receiver
The Thomas Seaman Company
1 Park Plaza, Suite 370
Irvine, CA 92614

October 19, 2006
Invoice: 565828
Matter Desc.: Celina Bridges
Client/Matter #: 016333-00010

STATEMENT

This statement covers fees for legal services rendered and expenses incurred for your account during the period ending 09/30/2006. Detailed information regarding these fees and expenses is attached.

Current Charges:

Fees 7,460.00

Current Amount Due

\$7,460.00

Previous Balance:

Fees 0.00

Expenses 0.00

Total Previous Balance

\$0.00

PAYMENT DUE IN FULL ON OR BEFORE NOVEMBER 18, 2006

*Please Return a Copy of This Page With Your Payment to the Dallas Address or Reference Invoice: 565828
Payment Can Also be Made by Wire to; JPMorgan Private Bank ABA Routing Number: 021 000 021
Credit Acct: 00999-99-651: T and I Journal (FFC) Act No Q33776 of Hughes and Luce, LLP. Invoice # 565828
Tax ID 75-1542195*

EXHIBIT A

HUGHES • LUCE LLP

Austin Office
Suite 900
111 Congress Avenue
Austin TX 78701-4209
(512) 412-6800
Fax (512) 482-6859

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Suite 3000
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Fort Worth TX 76102
(817) 930-0700
Fax (817) 335-6505

**PRIVILEGED AND CONFIDENTIAL
DO NOT DISCLOSE**

Thomas Seaman, Receiver
The Thomas Seaman Company
1 Park Plaza, Suite 370
Irvine, CA 92614

October 19, 2006
Invoice: 565828

FOR PROFESSIONAL SERVICES RECORDED AS OF 09/30/06:

Matter: 016333-00010

Matter Description: Celina Bridges

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Description</u>
09/26/06	Shupe, D.	2.1	Reviewed background materials provided by Bret Bernard.
09/26/06	Shupe, D.	2.5	Prepared Property Analysis for meeting; meeting with Rex Glendenning, Bret Bernard, and Dennis Bickler.
09/26/06	Shupe, D.	1.2	Calls with Tim Green regarding MOU and amendment to Development Agreement; call with Rex Glendenning;
09/29/06	Shupe, D.	.80	Reviewed materials from Bret Bernard.
	Shupe, D.	.60	Conference call with Bret regarding Development Agreement and Concept Plan.
09/29/06	Thurman, E.	1.00	Contact Cindy Jackson for copies of C2 Commercial, C2 Mixed Use and the new Comprehensive Zoning Ordinance.
09/30/06	Shupe, D.	9.10	Worked on revisions to Celina Bridges Development Agreement.

TOTAL HOURS 17.30

TOTAL FOR SERVICES \$7,460.00

EXPENSES RECORDED AS OF 09/30/06:

INVOICE TOTAL

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Prior Outstanding Balance Due	0.00	0.00	0.00
Current Charges	7,460.00	0.00	7,460.00
Net Balance	7,460.00	0.00	7,460.00

TOTAL BALANCE DUE THIS MATTER \$7,460.00

PAYMENT DUE IN FULL ON OR BEFORE NOVEMBER 18, 2006

EXHIBIT A

HUGHES & LUCE LLP

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III Congress Avenue
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PRIVILEGED AND CONFIDENTIAL DO NOT DISCLOSE

Thomas Seaman, Receiver
The Thomas Seaman Company
1 Park Plaza, Suite 370
Irvine, CA 92614

November 15, 2006
Invoice: 566839
Matter Desc.: Celina Bridges
Client/Matter #: 016333-00010

STATEMENT

This statement covers fees for legal services rendered and expenses incurred for your account during the period ending 11/10/2006. Detailed information regarding these fees and expenses is attached.

Current Charges:

Fees	35,942.50
Expenses	695.23

Current Amount Due

\$36,637.73

Previous Balance:

Fees	7,460.00
Expenses	0.00

Total Previous Balance

\$7,460.00

TOTAL DUE

\$44,097.73

PAYMENT DUE IN FULL ON OR BEFORE DECEMBER 15, 2006

*Please Return a Copy of This Page With Your Payment to the Dallas Address or Reference Invoice: 566839
Payment Can Also be Made by Wire to; JPMorgan Private Bank ABA Routing Number: 021 000 021
Credit Acct: 00999-99-651: T and I Journal (FFC) Act No Q33776 of Hughes and Luce, LLP. Invoice # 566839
Tax ID 75-1542195*

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Fort Worth TX 76102
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Fax (817) 335-6505

PRIVILEGED AND CONFIDENTIAL DO NOT DISCLOSE

Thomas Seaman, Receiver
The Thomas Seaman Company
1 Park Plaza, Suite 370
Irvine, CA 92614

November 15, 2006
Invoice: 566839

FOR PROFESSIONAL SERVICES RECORDED AS OF 10/31/06:

Matter: 016333-00010

Matter Description:

Celina Bridges

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Description</u>
10/01/06	Shupe, D.	8.80	Continued work on Celina Bridges revised Development Agreement.
10/02/06	Shupe, D.	5.40	Development Agreement and district-related issues; completed rewrite of Development Agreement; further revisions to Development Agreement;.
10/02/06	Shupe, D.	1.10	Calls with Tom Seaman and Bret Bernard; calls with Rex Glendenning.
10/02/06	Shupe, D.	2.70	Prepared outline of WD Celina provisions for Rex Glendenning and call regarding same.
10/02/06	Thurman, E.	1.00	Highlight words and phrases in the Development Agreement to distinguish commercial and residential obligations.
10/03/06	Shupe, D.	1.70	Call with Tim Green regarding Development Agreement; reviewed Tim Green comments to Development Agreement; conference call with Bret Bernard and Dennis Bickler regarding their comments to the Development Agreement; further call with Tim Green;
10/03/06	Shupe, D.	4.60	Continued work on revisions to Development Agreement;
10/03/06	Shupe, D.	1.20	Conference call with Bret Bernard, Dennis Bickler, Rex Glendenning, and Jim Duggan regarding their comments to the Development Agreement.
10/03/06	Shupe, D.	1.40	Further revisions to Development Agreement;
10/03/06	Shupe, D.	.60	Further calls with Bret Bernard and Dennis Bickler;
10/03/06	Shupe, D.	1.60	Finalized re-draft of Development Agreement.
10/05/06	Thurman, E.	0.50	Prepare exhibits.
10/06/06	Thurman, E.	1.50	Phone conversations with Bret Bernard with regarding exhibits for Development Agreement; revise exhibits.
10/08/06	Shupe, D.	2.20	Further revisions to revised Development Agreement; calls with Bret Bernard regarding same.

HUGHES & LUCE LLP

Matter: Celina Bridges
 Client/Matter #: 016333-00010

Page: 2
 November 15, 2006
 Invoice: 566839

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Description</u>
10/09/06	Thurman, E.	3.00	Replace exhibits, split agreement four times for Bret Bernard, Dennis Bickler, Rex Glendenning. Coordinate delivery to the Mayor. Call Bret Bernard when delivered.
10/12/06	Shupe, D.	1.80	Call with Bret Bernard regarding Scott Albert call; conference call with Bret Bernard, Dennis Bickler, and Tom Seaman; calls with Terry Morgan regarding timeline and attorneys fees; further call with Bret Bernard.
10/13/06	Shupe, D.	.80	Calls with and among Pat Lindner and Terry Morgan regarding revised Development Agreement and related issues; further call to Terry Morgan regarding form of document and review approach; call with Bret Bernard regarding same;
10/13/06	Shupe, D.	1.00	Calls with Rex Glendenning regarding status of Development Agreement and possibility of separating commercial from residential; further calls and correspondence with Pat Lindner and Terry Morgan; further call with Bret Bernard;
10/13/06	Shupe, D.	.70	call with Corbett Howard regarding funding; further call with Bret Bernard regarding same; further call with Corbett Howard; call among Bret Bernard, Dennis Bickler, and Corbett Howard regarding fees;
10/13/06	Shupe, D.	.90	further call with Pat Lindner regarding fee reimbursement and water/sewer provisions of revised Development Agreement; further calls and correspondence among Bret Bernard, Dennis Wickler, Tom Seaman, Corbett Howard, Pat Lindner, and Terry Morgan
10/16/06	Shupe, D.	2.20	Calls with Terry Morgan regarding document review; calls and correspondence with Bret Bernard and Dennis Bickler regarding same; further call with Terry Morgan regarding status; further calls and correspondence with and among Bret Bernard, Dennis Bickler, and Tom Seaman.
10/17/06	Shupe, D.	0.20	Call with Bret Bernard regarding project status.
	Shupe, D.	0.20	Prepared additional materials for delivery to Terry Morgan.
10/18/06	Shupe, D.	4.40	Calls with and among Tom Seaman, Bret Bernard, and Dennis Bickler regarding status; pre-meeting discussion with Terry Morgan; attended Celina City Council meeting; further discussion with Terry Morgan and Scot Albert regarding Development Agreement review process; further calls with Bret Bernard regarding same.
10/19/06	Shupe, D.	0.40	Calls with Bret Bernard and Dennis Bickler regarding Celina strategy.
10/20/06	Shupe, D.	0.60	Calls with Bret Bernard and Dennis Bickler regarding strategy for Monday meeting with Celina.

HUGHES & LUCE LLP

Matter: Celina Bridges
 Client/Matter #: 016333-00010

Page: 3
 November 15, 2006
 Invoice: 566839

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Description</u>
10/23/06	Shupe, D.	4.10	Prepared for and attended meeting with Dennis Bickler and City of Celina representatives; follow-up phone calls with Terry Morgan; calls with and among Bret Bernard, Dennis Bickler, and Rex Glendenning.
10/24/06	Shupe, D.	3.90	Meeting with Terry Morgan regarding open issues prepared by Scott Albert; calls with Bret Bernard regarding same; conference call with Tom Seaman, Bret Bernard, Bruce Bickler; and Rex Glendenning; prepared draft letter for Tom Seaman; further call with Tom Seaman regarding status.
10/25/06	Shupe, D.	2.40	Call with Tom Seaman regarding status and approach; call with Terry Morgan regarding same; further call with Tom Seaman; call with Mayor Howard regarding open issues; further call with Tom Seaman regarding status; calls with Bret Bernard regarding status.
11/01/06	Shupe, D.	1.80	Call with Tom Seaman and Bret Bernard regarding revisions to Development Agreement; calls with Terry Morgan regarding revisions to Development Agreement; began revisions to Development Agreement.
11/02/06	Shupe, D.	4.10	Revised Development Agreement based on Scott Alpert "Discussion Points" and Terry Morgan deal-points memo from Scott Alpert to Terry Morgan; calls with and among Bret Bernard and Dennis Bickler regarding revisions; further revisions to Development Agreement;
11/02/06	Shupe, D.	.90	call with Tom Seaman regarding status; call with Terry Morgan regarding status of review and schedule; further call with Terry regarding questions; call with Tom Seaman regarding status;
11/02/06	Shupe, D.	.80	call with Bret Bernard and Dennis Bickler regarding final comments to Development Agreement and revisions to Concept Plans for consistency; further calls with Bret Bernard regarding revised Development Agreement and Celina Council schedule.
11/03/06	Shupe, D.	2.40	Calls with Terry Morgan regarding Development Agreement and Concept Plan exhibits; calls with Bret Bernard regarding open issues and status; further calls with Terry Morgan regarding MUD road powers, developable land, and park land credits; further calls and correspondence among Terry Morgan, Scott Alpert, and Bret Bernard regarding park land issues and deal point issues; revised Development Agreement to reflect changes approved by Tom Seaman;
11/06/06	Shupe, D.	1.20	Calls with Terry Morgan regarding status and Council protocol; calls with and among Bret Bernard, Dennis Bickler, and Tom Seaman.
11/06/06	Shupe, D.	.80	Further revised Development Agreement and prepared final Development Agreement for Council meeting.

HUGHES & LUCE LLP

Matter: Celina Bridges
 Client/Matter #: 016333-00010

Page: 4
 November 15, 2006
 Invoice: 566839

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Description</u>
11/06/06	Shupe, D.	4.80	Pre-meeting with Terry Morgan; attended Council meeting; post-meeting with Terry Morgan and Scott Albert; calls with Bret Bernard and Tom Seaman.
11/07/06	Shupe, D.	2.20	Call with Terry Morgan regarding open issues; prepared list of open issues from City Council meeting; conference calls with Bret Bernard and Dennis Bickler regarding same; call with Tom Seaman regarding status and strategy; prepared letter to Terry Morgan terminating negotiations; further call with Bret Bernard.
TOTAL HOURS			79.90
TOTAL FOR SERVICES			\$35,942.50

EXPENSES RECORDED AS OF 10/31/06:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
10/01/06	Secretarial Overtime - - - - - Beaver Dorothy	105.00
10/09/06	Copies ELSIE T USER DEFINED 1: 0104 DACOP10	75.00
10/09/06	Copies ELSIE T USER DEFINED 1: 0104 DACOP11	169.50
10/24/06	Express Mail - Vendor - United Parcel Service Inv# 7157637416 dated 10/14/06	8.74
10/24/06	Express Mail - Vendor - United Parcel Service Inv# 7157637416 dated 10/14/06	8.74
10/24/06	Express Mail - Vendor - United Parcel Service Inv# 7157637416 dated 10/14/06	12.00
10/24/06	Express Mail - Vendor - United Parcel Service Inv# 7157637416 dated 10/14/06	12.00
10/24/06	Express Mail - Vendor - United Parcel Service Inv# 7157637416 dated 10/14/06	12.00
11/06/06	Copies COPIES USER DEFINED 1: 8008 DACOP07	114.30
11/07/06	Deliveries - Vendor - Special Delivery Inc. Inv# 209213 dated 10/14/06	177.95
EXPENSES TOTAL		\$695.23

INVOICE TOTAL

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Prior Outstanding Balance Due	7,460.00	0.00	7,460.00
Current Charges	35,942.50	695.23	36,637.73
Net Balance	43,402.50	695.23	44,097.73

TOTAL BALANCE DUE THIS MATTER \$44,097.73

PAYMENT DUE IN FULL ON OR BEFORE DECEMBER 15, 2006

EXHIBIT A

EXHIBIT B



Dwight (Ike) A. Shupe

Partner

Mr. Shupe joined Hughes & Luce LLP in 1981 and has significant experience in real estate transactions, with emphasis on municipal, zoning and land use law applicable to residential, commercial and industrial development, including the development of Alliance Airport in north Fort Worth and the American Airlines Center and Victory projects in downtown Dallas.

Mr. Shupe has represented clients in the acquisition, annexation, zoning and development of major, mixed-use projects including extensive experience in negotiating annexation service plans and development agreements for public development of infrastructure and municipal services to support planned private development. Mr. Shupe has also represented municipalities and counties in the negotiation and acquisition of rights-of-way for state and local highway projects involving federal funds.

Mr. Shupe served as an officer in the U.S. Air Force, 1971-1978, during which time he managed research and development contracts for the B-1 bomber and Minuteman ICBM weapons systems.

AREAS OF EMPHASIS

- Land use
- Annexation
- Zoning
- Subdivision approval
- Site plan and development plan approval
- Infrastructure development agreements
- House Bill 1197 "Development Agreements"
- Regulatory "takings" and illegal exactions
- Vested development rights
- Tax Increment Financing
- Public Improvement Districts
- Special taxing districts (e.g., MUDs, FWSDs, and WCIDs)
- Oil and gas development
- Environmental
- Real estate development



Dallas Office
214.939.5468
214.939.5849 (fax)
Fort Worth Office
817.347.5280
817.347.5299 (fax)

PRACTICES

Real Estate
Land Use & Property Rights

ADMISSIONS

State Bar of Texas, 1982

EDUCATION

Southern Methodist University,
J.D., *cum laude*, 1981

- Moot Court Board, Order of the Coif

Massachusetts Institute of
Technology, M.S., 1970
Ball State University, B.S., *with
honors*, 1968

REPRESENTATIVE EXPERIENCE

- Representation of Electronic Data Systems Corporation in zoning and land use matters in Dallas, Plano, Denton, Carrollton and McKinney.
- Representation of a real estate investor in the annexation, zoning and development of over 13,000 acres of land, including the development of Fort Worth Alliance Airport, in Tarrant and Denton Counties north of Fort Worth.
- Representation of a real estate investor in the creation of a special "Airport Overlay Zoning District" to minimize the potential for incompatible land uses in and around Fort Worth Alliance Airport.
- Representation of a real estate investor in the creation of public improvement districts to supplement standard municipal services for private development.
- Representation of Pinnacle Air Services, Inc. in negotiating airport management agreements and long term ground leases for the construction, operation and maintenance of aeronautical related facilities, including FBO operations and fuel farm facilities.
- Representation of MCorp and MBank Dallas in the development and construction of Momentum Place, a 60 story office tower in downtown Dallas.
- Representation of AIL Investments, Inc. in the rezoning of the 2,500 acre mixed use Circle T Ranch in the Town of Westlake.
- Representation of SABRE, Inc. in the rezoning of its 156 acre corporate campus headquarters site in Southlake.
- Representation of a large real estate developer and Center Operating Company in the rezoning of the 75 acre downtown Dallas site containing the American Airlines Center and surrounding Victory development project.
- Representation of a large real estate developer and Center Operating Company in the creation of the Victory Special Provision Sign District containing the 75 acre downtown Dallas site for the American Airlines Center and surrounding Victory development project.
- Representation of Bob Shelton Enterprises in the development of Cross Oak Ranch, a master planned residential community in Denton County.
- Representation of a large residential developer in the development of Liberty, a master planned residential community in Collin County.
- Representation of James Mabrey Partners in the development of Kingsborough, a master planned

residential community in Kaufman County.

- Representation of Bear Creek, LP and affiliated entities in the development of Bear Creek, a master planned residential community in Lavon, Texas.
- Representation of Cadence Capital in the development of a mixed-use residential, commercial and retail project in Mansfield, Texas.
- Representation of the AVEX Group in connection with the development of Light Ranch, a master planned residential community in Collin County, Texas.
- Representation of IHP in connection with the development of Travis Ranch, a master planned residential community in Kaufman County, Texas.
- Representation of Bennett Realty Group, Inc. in connection with the development of Bear Creek, a large mixed-use residential, office, and retail development in Bedford, Texas.
- Representation of Devon Energy in land use matters related to oil and gas development.

BAR & PROFESSION

- American Bar Association
- Dallas Bar Association

COMMUNITY

- *Pro bono* representations
- Denton Chamber of Commerce, member
Development Code Review Committee
- Greater Dallas Homebuilders Association, member
Governmental Affairs Committee
- Greater Fort Worth Homebuilders Association

AWARDS & HONORS

- Best Lawyers in Dallas, *D Magazine*, 2005
- Texas SuperLawyer, *Law & Politics Magazine* and *Texas Monthly*, 2003, 2004, 2005, 2006
- Best Lawyers in Dallas, *D Magazine*, 2003
- Best Lawyers in Dallas, *D Magazine*, 2001

PUBLICATIONS & SPEECHES

- "Takings Litigation," *Special Institute on Development Issues & Conflicts in Modern Gas and Oil Plays*, 11-4-04
- "The Inlets and Outfalls of Drainage Liability," Carter Burgess presentation, September 1, 2004