

**EXTENSION AND AMENDMENT OF EXCLUSIVE
NEGOTIATION AGREEMENT**

THIS EXTENSION AND AMENDMENT OF EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement") is entered into as of the 11th day of July, 2007, by and between CITY PARKWAY V, INC., a Nevada not-for-profit company ("Seller") and HERITAGE-NEVADA VIII, LLC, a Nevada limited liability company ("Developer"). Seller and Developer are individually and collectively referred to herein as ("Party(ies)").

WHEREAS, CPV and Developer have entered into that certain Exclusive Negotiation Agreement dated July 12, 2006 (the "ENA") whereby Developer is undertaking a feasibility analysis of development of a mixed use project (the "Project") on a parcel of property located within the real estate development owned by CPV and known as Union Park;

WHEREAS, the ENA has an Initial Negotiation Period which expires on July 12, 2007 and permits Developer upon meeting certain conditions to extend the Initial Negotiation Period for up to 180 days; and

WHEREAS, the Parties desire to enter into this Agreement in order to grant Developer an extension of the Initial Negotiation Period and to set out the terms and conditions of the extension of the Initial Negotiation Period.

NOW, THEREFORE, in consideration of the foregoing and of the covenants and conditions contained herein, the Parties agree as follows:

1. Definitions. All capitalized terms contained herein which are not defined herein shall have the same meaning as set forth in the ENA.

2. Extension. The Parties agree that the Negotiation Period of the ENA is hereby extended to January 2, 2008 (the "New Expiration Date").

3. Design Review; Environmental Due Diligence.

(a) Developer agrees to submit to the Union Park design review committee ("UPDRC") no later than August 15, 2007 the design material and matters and all other material necessary in accordance with the design standards for Union Park (the "Design Package") for a complete application to the UPDRC

for design development review which shall include: final program; site plan; grading plan; floor plans; elevations with key details; landscape and streetscape plans; materials, finishes and colors; site signage; refined 3-D massing; solar shading study; and LEED checklist with justification. No later than September 18, 2007, UPDRC shall submit to Developer comments and proposed revisions to the Design Package. No later than thirty (30) days thereafter, Developer shall use commercially reasonable efforts to incorporate UPDRC's proposed revisions into the Design Package and submit to the City a Site Development Plan Review application pursuant to Title 19 of the Las Vegas, Municipal Code.

(b) In order for Developer to fulfill its obligations under Section 3(a) above, Seller shall fully cooperate with Developer by providing in a timely manner, any and all information requested by Developer in connection with the Site, including, but not limited to, civil drawings for the phase II infrastructure at Union Park approved by the Department of Public Works for the City. In the event Seller does not provide any such information within ten (10) days of written request by Developer, and such delay contributes to Developer's delay in meeting the deadlines set forth in Section 3(a) above, Developer's delay shall not constitute a breach or default of this Agreement or the ENA.

(c) Developer shall complete its environmental due diligence with respect to the Site and provide Seller with a written and final report on remediation and any other related costs no later than August 1, 2007, including a complete estimate of all remediation costs.

4. DDA. The Parties agree that they shall continue to negotiate the DDA with the intent that the DDA be in final form and mutually agreed upon for submittal to the City Clerk by December 21, 2007 for review by the City Council at the January 2, 2008 scheduled meeting of the City Council. The Parties agree that Seller is not committing itself by this Agreement to undertake (a) disposition of land to Developer; or (b) any other acts or activities requiring the subsequent independent exercise of discretion by the City or any governmental authority with authority over the resulting development. This Agreement does not constitute an agreement for disposition of the Site to Developer or the exercise of control over

the Site by Developer. The execution of this Agreement by Seller is merely an agreement to enter into a period of exclusive, good faith negotiations according to the terms hereof, reserving final discretion and approval by Seller (in good faith) as to any and all proceedings and decisions in connection therewith.

5. TIF. The Parties acknowledge that it is the intent of Developer to apply to the City of Las Vegas Redevelopment Agency (the "Agency") to enter into an Owner Participation Agreement (the "*TIF Agreement*") whereby the Agency would agree to pay to Developer no less than fifty percent (50%) of the total amount of the increase in the ad valorem real estate taxes received by the Agency attributable to the Site and the project to be developed by Developer on the Site. Developer agrees (i) to make application to the Agency for a TIF Agreement and (ii) to use commercially reasonable efforts to submit to the City Clerk by December 21, 2007 the TIF Agreement for review by the Agency at the January 2, 2008 scheduled meeting of the Agency. CPV agrees to support Developer's efforts in obtaining approval of the TIF Agreement. The Parties agree that in the event Developer does not submit the TIF Agreement to the Agency or in the event the TIF Agreement is not approved by the Agency, Developer shall not be in default of this Agreement and Developer shall have the option, at Developer's sole election, to enter into the DDA pursuant to the terms and conditions of this Agreement notwithstanding that a TIF Agreement is not approved and executed. To the extent Developer is eligible and qualified, Developer may also apply to and seek from the Agency and/or other governmental agencies the maximum amount of any available rebate, discount or offset of taxes and fees.

6. Financial Ability. Developer agrees to provide to Seller for Seller's review and approval all matters required by Section V. [500] Developer's Financial Capacity of the ENA prior to New Expiration Date.

7. FTZ Application. The Parties acknowledge that an application has been submitted by the Nevada Development Authority to the United States Department of Commerce in order to have the Site designated a foreign trade zone or subzone, whereby such Foreign Trade Zone would be designated and

governed by the United States Department of Commerce. In the event at the Expiration Date (i) Developer has completed all of the items under Sections 3, 4, 5 and 6 of this Agreement, (ii) Developer is otherwise in compliance with the ENA as amended hereby, and (iii) the Site has not yet been designated as a Foreign Trade Zone or subzone, then the Negotiation Period will be automatically extended for an additional ninety (90) days for the sole purpose of determining if the Foreign Trade Zone or subzone status will be granted. In no event will the Negotiation Period be extended beyond such ninety (90) day period regardless of whether the Foreign Trade Zone (or subzone) designation is granted for the Site.

8. Deposits.

(a) Developer has already deposited with Seller the Earnest Money Deposit in the amount of two hundred thousand dollars (\$200,000.00). Developer acknowledges and agrees that as set forth in the ENA, the Earnest Money Deposit is now nonrefundable in all respects and shall be retained by Seller in all circumstances notwithstanding whether a DDA is entered into by the Parties. The Earnest Money is hereby released to Seller for all purposes.

(b) Within two (2) business days of the Effective Date of this Agreement (as defined in Section 17 below), Developer shall deposit with Seller the Extension Deposit in the amount of two hundred thousand dollars (\$200,000.00). The Extension Deposit shall be held by Seller pursuant to the terms and conditions of the ENA.

(c) In the event Seller and Developer enter into the DDA, both the Earnest Money Deposit and the Extension Deposit, shall be applied to the Purchase Price of the Site.

9. Off-site Parking. Seller and Developer mutually agree that Seller will not be required to provide any offsite parking for the Project at anytime. Notwithstanding the foregoing, Seller shall use commercially reasonable efforts to provide offsite parking and lay down areas for construction vehicles, equipment and materials during the construction of the Project.

10. Parcel Q. Notwithstanding anything to the contrary contained in the ENA, Developer agrees that Developer shall have no rights whatsoever in Parcel

Q in Union Park and that Seller shall no obligation whatsoever to conduct any negotiations with Developer in connection with Parcel Q. Developer hereby releases any and all rights and interests, if any, Developer has in connection with Parcel Q.

11. Seller Assistance. Developer agrees and acknowledges (i) that Seller has provided all assistance and cooperation required of Seller pursuant to VII. B.[702] of the ENA and (ii) Seller has fulfilled all of its obligations under the ENA and is otherwise in compliance with the ENA. Notwithstanding the foregoing, Seller shall have a continuing obligation to provide all assistance and cooperation required under Section VII.B[702] of the ENA throughout the term of this Agreement.

12. Reports. Within ninety (90) days of the execution of this Agreement, Developer shall deliver to Seller, at the expense of Developer, copies of all nonproprietary reports and studies pertaining to the Site, including surveys and geotechnical and environmental reports and studies in undertaken by Developer in connection with its due diligence analysis of the Site.

13. Effect. Except as modified by this Agreement, the ENA remains in full force and effect in all respects. In the event of any conflict or inconsistency between the ENA and this Agreement, this Agreement shall control in all respects. This Agreement and the ENA are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and is intended as the complete and exclusive statement of the terms of the agreement between the Parties.

14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalidated, it shall be deemed to be severed from this Agreement and the remaining provisions shall remain in full force and effect.

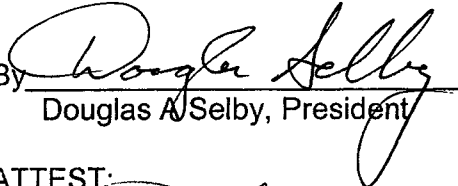
15. Captions. The captions contained in this Agreement are for the convenience of the Parties and shall not be construed so as to alter the meaning of the provisions of the Agreement.

16. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same Agreement. Delivery of this Agreement may be accomplished by facsimile transmission of this Agreement. In such event, the Parties hereto shall promptly thereafter deliver to each other executed counterpart originals of this Agreement.

17. Time for CPV Acceptance. This Agreement has been submitted for review at the July 11, 2007 meeting of the Las Vegas City Council. The effective date of this Agreement shall be the date this Agreement has been approved by City Council ("*Effective Date*").

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

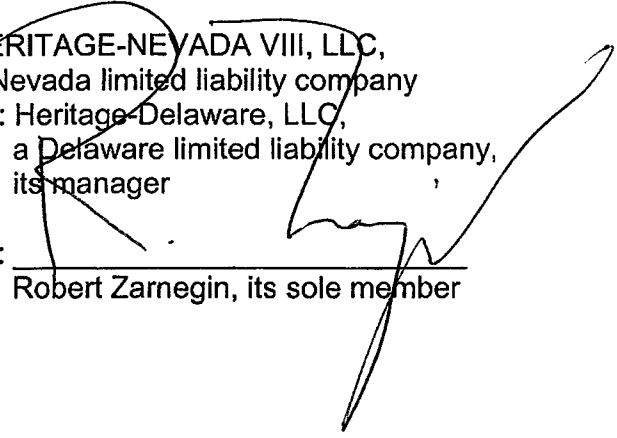
CITY PARKWAY V, INC,
a Nevada corporation

By: 
Douglas A. Selby, President

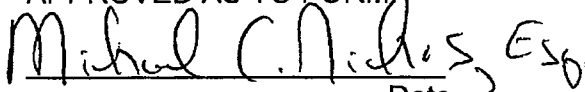
ATTEST:


Steve Houchens Secretary

HERITAGE-NEVADA VIII, LLC,
a Nevada limited liability company
By: Heritage-Delaware, LLC,
a Delaware limited liability company,
its manager

By: 
Robert Zarnegin, its sole member

APPROVED AS TO FORM:


Date
6/25/07