SEWER AND HORSE TRAIL IMPROVEMENTS AGREEMENT

This Improvements Agreement ("Agreement") is made and entered into this 15 day of April, 2009, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada (hereinafter referred to as the "City"), and D.R. Horton, Inc., a Delaware corporation, with its principal place of business in Nevada located at 330 Carousel Pkwy, Henderson, Nevada 89014 (hereinafter referred to as "DRH").

WITNESSETH:

WHEREAS, DRH is the developer of the Log Cabin Ranch community (the "Community") located in Northwest Las Vegas;

WHEREAS, as a condition of receiving approvals from the City on various applications related to the Community, the City required that DRH obtain a sewer easement ("Sewer Easement") over portions of land within the Floyd Lamb State Park ("FLSP") from the State of Nevada ("State") for a gravity-flow sewer system;

WHEREAS, DRH obtained the Sewer Easement from the State in exchange for DRH's commitment to install certain sewer improvements within FLSP, as set forth in that certain April 5, 2005 letter agreement from DRH to the State;

WHEREAS, in or around 2007, the State transferred ownership and control of FLSP to the City;

WHEREAS, in connection with DRH's future construction of sewer improvements within FLSP, GC Wallace submitted to the City for approval on May 11, 2006 plans for full sewer improvements within FLSP (the "Complete FLSP Sewer Plans"); the FLSP Sewer Plans were eventually approved by the City;

WHEREAS, the City has maintained that the Complete FLSP Sewer Plans constitute the scope of DRH's commitment to install sewer improvements within FLSP;

WHEREAS, the City has put a hold on the approval and issuance of building permits to DRH for, among other things, DRH's failure to construct the sewer improvements in accordance with the Complete FLSP Sewer Plans;

WHEREAS, DRH maintains that preparation of the Complete FLSP Sewer Plans was necessary to ensure that the portion of the FLSP sewer system which DRH had committed to install would function properly with the balance of the FLSP sewer system, and that the true and accurate scope of DRH's commitment is set forth in its April 5, 2005 letter commitment to the State;

WHEREAS, DRH and the City have come to an agreement regarding the scope of the sewer improvements which DRH is required to install within FLSP (the "Sewer Improvements"), upon the terms set forth herein;

WHEREAS, DRH and the City have also come to an agreement regarding the scope of certain horse trail improvements (the "Horse Trail Improvements") which DRH will construct and install within a portion of the Sewer Easement, upon the terms set forth herein;

WHEREAS, in exchange for DRH's construction of the Sewer Improvements and the Horse Trail Improvements, and the other terms and provisions set forth herein, the City has agreed to release certain building permits to DRH at the Community according to the schedule set forth herein.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, of the mutual promises and agreements that are hereinafter contained and of other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, said parties do hereby agree as follows:

1. **SEWER IMPROVEMENTS**. DRH shall obtain all necessary permits, construct and install, at its sole cost and expense, the following Sewer Improvements for and within FLSP:

a. Approximately Three Thousand Eight Hundred Thirty (3,830) linear feet of eight inch (8") sewer main line in accordance with the revised Improvement Plans for Floyd Lamb State Park Sewer System approved by the City, attached hereto as Exhibit A ("Revised Sewer Plans").

b. Six (6) ten foot six inch (6") stubs for future connections in accordance with the Revised Sewer Plans.

c. Four (4) six foot eight inch (8") continuations in accordance with the Revised Sewer Plans.

d. Eighteen (18) manholes in accordance with the Revised Sewer Plans.

2. **RESTORATION.** In connection with its construction of the Sewer Improvements set forth in Section 1 above, DRH shall take the following action, at its sole cost and expense, to restore the areas of FLSP disturbed by DRH's construction activities:

a. Backfill and properly compact all sewer trenching and level off to match existing grades in accordance with all applicable ordinances and regulations of the City, including without limitation the Uniform Standard Drawings for Public Works Construction, Clark County Area, and the Uniform Standard Specifications for Public Works Construction, Clark County area, that are in effect on the date of the execution of this Agreement.

b. Cold-patch all asphalt roadways disturbed by the construction of the Sewer Improvements to reasonably conform in surface and appearance to the adjacent undisturbed portions of the roadway, to the reasonable satisfaction of the City.

c. Repair landscape areas to their approximate pre-construction condition by replacing all turf or other landscape amenities which are damaged or removed as a direct result of the construction of the Sewer Improvements.

3. **HORSE TRAIL IMPROVEMENTS**. DRH shall obtain all necessary permits, construct and install, at its sole cost and expense, the following Horse Trail Improvements:

a. Approximately 8,950 linear feet of multi-use horse trail in accordance with the approved Horse Trail Plans attached hereto as Exhibit B.

b. Repair landscape areas to their approximate pre-construction condition by replacing all turf or other landscape amenities which are damaged or removed as a direct result of the construction of the Horse Trail Improvements.

4. **CONSTRUCTION SCHEDULE**.

a. Sewer Improvements. DRH shall commence construction of the Sewer Improvements no later than thirty (30) days following the date this Agreement is fully executed by DRH and the City. DRH shall substantially complete all Sewer Improvements no later than ninety (90) days following commencement of construction; provided, however, that this schedule may be extended to allow DRH additional time to complete construction of the Sewer Improvements in the event DRH or its subcontractors encounter existing conditions on the FLSP land that cause unusual or unforeseen delays.

b. Horse Trail Improvements. DRH shall commence construction of the Horse Trail Improvements no later than May 7, 2009. DRH shall substantially complete all Horse Trail Improvements no later than forty-five (45) days following commencement of construction; provided, however, that this schedule may be extended to allow DRH additional time to complete construction of the Horse Trail Improvements in the event DRH or its subcontractors encounter existing conditions that cause unusual or unforeseen delays.

c. Delays. DRH shall notify the City within a reasonable time of any delays in construction caused by any conditions

5. **CITY INSPECTIONS**. The City shall assist DRH in obtaining information regarding the location of existing utility lines and other underground improvements within FLSP. The City shall also inspect the construction of the Sewer Line and the Horse Trail Improvements pursuant to the Las Vegas Municipal Code.

6. **BUILDING PERMITS**. The City has put a hold on all new building permits for DRH at the Community. The City agrees that building permits for the Community ("Building Permits") shall be released to DRH according to the following schedule:

a. The City shall release to DRH ten (10) Building Permits upon the approval by City staff, and the approval and execution by DRH, of this Agreement.

b. The City shall release to DRH five (5) additional Building Permits upon DRH's commencement of construction of the Horse Trail Improvements. Construction of the Horse Trail Improvements shall be deemed to have commenced hereunder on the first day DRH, or its subcontractors, have grading equipment onsite and grading has commenced.

c. The City shall release to DRH five (5) additional Building Permits upon DRH's commencement of construction of the Sewer Improvements. Construction of the Sewer Improvements shall be deemed to have commenced hereunder on the first day DRH, or its subcontractors, have excavation equipment onsite, excavation of the sewer trenches has commenced, and any pipe has been placed in the trench.

d. The City shall release to DRH (15) additional Building Permits upon the substantial completion by DRH of the Horse Trail Improvements.

e. The City shall release to DRH ten (10) additional Building Permits upon DRH's completion of construction on both the Sewer Improvements and the Horse Trail Improvements, and the City's acceptance thereof.

f. The City shall consider, in the discretion of City staff, releasing additional Building Permits to DRH as construction on the Sewer Improvements progresses to the satisfaction of City staff. This provision shall not require the City to release any Building Permits to DRH beyond that required under subsections (a) – (e) above.

g. DRH shall have the right to determine the lots and subdivisions within the Community for which additional Building Permits will be released by the City according to the above schedule.

The City's release of any Building Permits to DRH shall be subject to DRH's compliance with all applicable state and local laws, codes and regulations governing the requested permit and the release of building permits. DRH understands and acknowledges that the language regarding release of permits is related solely to the Public Works Department division of Land Development, and in no way does this language preclude a building permit hold by another City department if DRH has not complied with all relevant state and local laws, codes and regulations governing the requested permit.

7. **OTHER AGREEMENTS**. Prior to commencement of construction, the City and DRH shall enter into a standard form off-site improvements agreement for the Horse Trail Improvements. The parties acknowledge that they have already entered into a separate off-site improvements agreement for the Sewer Improvements, and that no further agreements for the performance of such work by DRH is required, but DRH does acknowledge that additional bonds and fees may apply pursuant to the Las Vegas Municipal Code. In the event that any of the terms and provisions of this Agreement specifically conflict with the terms and conditions set forth in the off-site improvements agreements for either the Horse Trail Improvements or the Sewer Improvements, the parties acknowledge and agree that the terms and provisions of this Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives the day and year first above written.

CITY OF LAS VEGAS

By: ______________________

OSCAR B. GOODMAN, Mayor

ATTEST:

____

BEVERLY BRIDGES, ~~Acting~~ City Clerk

APPROVED AS TO FORM

____

~~JAMES B. LEWIS~~

DEPUTY CITY ATTORNEY

D.R. HORTON, INC., a Delaware corporation

By: ______________________

JAMES R. FRASURE, Division President

CERTIFICATE OF ASSISTANT SECRETARY

The undersigned hereby certifies as follows:

1. He is a duly elected, qualified and acting Assistant Secretary of DRHI, Inc., a Delaware corporation (the "Company"), is familiar with the facts herein certified and is duly authorized to certify the same.

2. The following is a true, correct and complete copy of resolutions related to the subject matter as adopted by the Consent of Executive Committee of the Board of Directors of the Company dated April 19, 2005 (the "Resolutions"). The Resolutions have not been amended, rescinded or modified and remain in full force and effect as of the date hereof.

Election of Vice President and Division President

RESOLVED, that James R. Frasure is hereby elected or re-elected to the office of Vice President of the Company and Division President (the "Division President") of the Company's Las Vegas Division (the "Division"), to serve until the next annual meeting of the directors of the Company and until his successor is duly elected and qualified or until his earlier death, resignation or removal.

RESOLVED FURTHER, that the Division President is hereby authorized and empowered, in the Division and in the name and on behalf of (A) the Company, (B) any partnership of which the Company is a general partner, manager or agent, and (C) any limited liability company of which the Company is a member, manager or agent (collectively the "Entities"), (i) subject to written approval by any one of the following officers of the Company: (a) Chairman of the Board, (b) President, (c) Senior Executive Vice President, (d) Executive Vice President or (e) the Region President of the Division (the "Approving Officers"), to execute and deliver contracts, agreements and other documents and instruments for the purchase of real property, and any improvements or appurtenances constructed thereon or affixed thereto, or any interest therein, including without limitation any right-of-way, easement, leasehold or other tangible or intangible property, right or interest, and any personal property relating or incident thereto, (ii) subject to written approval by any one of the Approving Officers, to execute and deliver contracts, agreements, deeds, conveyances or other obligations of the Entities, closing statements and other documents and instruments for the sale of improved or unimproved real property, or any interest or right therein, owned, leased or otherwise controlled by the Entities and (iii) to execute and deliver office and model home leases and such other agreements, instruments or documents as the Approving Officers shall direct.

RESOLVED FURTHER that, in connection with the management of the Entities' business, the Division President is hereby authorized and empowered, in the name and on behalf of the Entities in the Division, to execute and deliver (i) contracts, agreements and other documents and instruments for the subdivision, development and/or improvement of real property, (ii) home sales contracts, sales person employment agreements and similar or equivalent agreements, documents or instruments and (iii) personal property leases for, among other things, office equipment and construction trailers.

RESOLVED FURTHER that, in connection with the management of the Entities' business in the Division, the Division President shall be authorized and empowered, in the name and on behalf of the Entities in the Division, to execute and deliver any and all documents and instruments necessary to sell and convey title to single-family homes.

IN WITNESS WHEREOF, the undersigned has set his hand on the 10th day of June, 2005.

Paul Buchschacher,
Assistant Secretary

CERTIFICATE OF ASSISTANT SECRETARY

The undersigned hereby certifies as follows:

1. He is a duly elected, qualified and acting Assistant Secretary of D.R. Horton, Inc., a Delaware corporation (the "Company"), is familiar with the facts herein certified and is duly authorized to certify the same.

2. The following is a true, correct and complete copy of resolutions related to the subject matter as adopted by the Consent of Executive Committee of the Board of Directors of the Company dated June 3, 1998 (the "Resolutions"). The Resolutions have not been amended, rescinded or modified and remain in full force and effect as of the date hereof, except that subsequent to June 3, 1998, James R. Frasure was elected as Vice President of the Company and Division President of the Las Vegas Division, Donald R. Horton was elected Chairman of the Board of the Company, Donald J. Tomnitz was elected Vice Chairman, President and Chief Executive Officer and James K. Schuler was elected Senior Vice President of the Company and Region President as an "Approving Officer" with regard to the Las Vegas Division.

Election of Officer

RESOLVED, that James R. Frasure is hereby elected to the office of Vice President of the Company to serve as Division Manager of the Company's Las Vegas Division until the 1999 annual meeting of directors of the Company and until his successor is duly elected and qualified or until his earlier death, resignation or removal;

RESOLVED FURTHER, that James R. Frasure, as Vice President of the company, is hereby authorized and empowered, in the name and on behalf of the Company, (i) subject to written corporate approval by any one of the following directors or officers of the Company: a) Donald R. Horton, the Chairman of the Board and President, b) Donald J. Tomnitz, Executive Vice President, c) David J. Keller, Executive Vice President, d) Richard Beckwitt, Executive Vice President, or e) Thomas F. Noon, Vice President (the "Approving Officers"), to execute and deliver contracts, agreements and other documents and instruments for the purchase of real property, and any improvements or appurtenances constructed thereon or affixed thereto, or any interest therein, including without limitation any right-of-way, easement, leasehold or other tangible or intangible property, right or interest, and any personal property relating or incident thereto, (ii) subject to the written corporate approval of any one of the Approving Officers, to execute and deliver contracts, agreements, deeds, conveyances or other obligations of the Company, closing statements and other documents and instruments for the sale of improved or unimproved real property, or any interest or right therein, owned, leased or otherwise controlled by the Company, and (iii) to execute and deliver office and model home leases and such other agreements, instruments or documents as the Approving Officers of the Company shall direct;

RESOLVED FURTHER, that, in connection with the management of the Company's business, James R. Frasure, as Vice President of the Company, shall be authorized and empowered, in the name and on behalf of the Company, to execute and deliver (i) home sales contracts, salesman's employment agreements and similar or equivalent agreements, documents or instruments and (ii) personal property leases for, among other things, office equipment and construction trailers; and

RESOLVED FURTHER, that in connection with the management of the Company's business, James R. Frasure, as Vice President of the Company, shall be authorized and empowered, in the name and on behalf of the Company, to execute and deliver any and all documents and instruments necessary to sell and convey title to single-family homes.

IN WITNESS WHEREOF, the undersigned has set his hand on the 10th day of June, 2005.

Paul W. Buchschacher

Paul W. Buchschacher,
Assistant Secretary