

**Summerlin West Development Agreement
24-Month Report Detailed Review
July 15, 2009**

The Howard Hughes Corporation (THHC) ("Owner") confirms that to the best of its knowledge, information, and belief, it is generally in compliance with all material obligations stated within the Development Agreement for the Summerlin West Area between the Owner and the City of Las Vegas ("City") recorded November 21, 1997 and amended by a First Amendment November 19, 2003. The terms contained within those sections of the Development Agreement that are not specifically listed or addressed herein are being met and are in effect.

Section 3.03 Village Development Plans

The following Development Plans and Village-level Conceptual Drainage Studies have been submitted and approved:

Village	Approval Date
Village 20	June 9, 1997
Village 23A	January 16, 2002
Village 23B	January 16, 2002
Village 24	May 5, 2004
Village 26	By Pulte Homes, June 7, 2006
Summerlin West Master Conceptual Study	(2206 Update) April 13, 2007 – CLV (Final)
Village 22	November 5, 2002 – CLV December 26, 2002 – CCPW Concurrence December 30, 2002 – CCRFCD Concurrence

Drainage Study	Approval Date
Village 20	October 22, 1997 – CLV November 19, 1997 – CCRFCD Concurrence
Village 23A	(Update) May 16, 2003 – CLV
Village 23B	October 24, 2003 – CLV November 20, 2003 – CCRFCD Concurrence
Village 24	June 10, 2004 – CLV (Final) May 14, 2004 – CCRFCD Concurrence May 4, 2004 – CCPW Concurrence
Village 26	(Update #2) April 29, 2008 – CLV
Summerlin West Master Conceptual Study	(2206 Update) April 13, 2007 – CLV (Final)
Village 22	November 5, 2002 – CLV December 26, 2002 – CCPW Concurrence December 30, 2002 – CCRFCD Concurrence

Section 3.05(a) Reliance on Concurrent Approvals

Under this section of the Development Agreement, the City agrees that THHC shall have the right to develop and construct residential, non-residential, and golf course developments, as well as "...such other land uses and facilities as are described in or reasonably inferable from the Summerlin West General Development Plan". Current development activity of these uses is as follows:

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1. Residential Development: Please see Section 21/First Amendment/ Maximum Residential Units in this report.
2. Non-Residential Development:
Allowed: Up to 5.850 million square feet of office, retail, or industrial uses on up to 508 acres.
Currently developed: 94,000 square feet on 11.2 acres in Village 20.
3. Golf Course Development:
Allowed: Golf courses having up to ninety (90) holes of golf and related facilities.
Currently developed: None.
4. Other Development
Allowed: Such other land uses as are described in the Summerlin West General Development Plan.
Currently developed: An 11-acre school (Givens Elementary) in Village 20.

Section 5.01 City Fire Station

In 2007, THHC completed the design and construction of Fire Station 47 located near the intersection of Desert Foothills and Far Hills Avenue. THHC and the City have agreed to a location for a second fire station, Fire Station 46, near the intersection of Lake Mead Boulevard and the Beltway. THHC will dedicate up to 1.75 acres of land for this station at such time in the future the City requests this property. The City will construct and operate the fire station at its own expense.

Section 5.02 Satellite Government Facility

THHC and the City will work together to determine the appropriate timing for this facility. THHC will dedicate up to five (5) acres of land for this facility when appropriate.

Section 5.03 Planned Community Sports Park

THHC and the City will work together to determine the appropriate timing for this facility. THHC will dedicate up to 20 acres of land for this facility when appropriate.

Section 6.01 Water Conservation

Water conservation is an ongoing obligation that runs with the development of property in Summerlin West. THHC agrees to use its best effort to encourage water conservation in Summerlin West. Water conservation guidelines are attached to the Development Declarations in the form of an exhibit and recorded with every sale of property to a third party (refer to the attached document entitled, "Water Conservation Guidelines For New Homes In Summerlin" as a typical example of these guidelines).

Section 8.01 Park Flood Criteria

There are no parks or recreational facilities currently located within any existing drainage facilities in Summerlin West. However, there are preliminary plans to locate public park facilities in Detention Basin 5 in Village 30 as well as in the future Detention Basin in Village 22.

Section 8.03 Residential Construction Tax Credit

THHC, as well as any "Designated Builder", is entitled to park credits against the "residential construction tax" for every "Qualified Park" as defined in the Development Agreement. Park credits are accumulated on the basis of 330 square feet of qualified park area/ single family home or multi-family unit. To date, Summerlin has built 49.75 acres of qualified parks in Village 20 and 16.28

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acres of qualified parks in Village 23A. Based on current development, Designated Builders have received 3,400 park credits in Village 20 and 1,281 park credits in Village 23A. There are currently 3,167 available park credits in Village 20 and 867 available park credits in Village 23A.

Section 9.02 Village Traffic Studies

A Village Traffic Study has been prepared and approved by the City of Las Vegas (CLV) for Villages 20, 23A, 23B, and 24. A Traffic Study has also been done for Village 26 by Pulte Homes. A Summerlin West master traffic study was also done and approved by CLV for the remaining area in Summerlin West.

Traffic Study	Approval Date
Village 20	October 29, 1997 – CLV
Village 23A	May 7, 2003 – CLV
Village 23B	May 7, 2003 – CLV
Village 24	May 18, 2004 – CLV
Village 26	By Pulte Homes
Summerlin West Master Traffic Study	May 16, 2006 – CLV

The remaining Summerlin West Villages (25-32) will have a Traffic Study completed as development progresses.

Section 9.03 Mitigation of Off-Site Traffic Improvements

To date, there have been no Offsite Traffic Mitigation Fees paid to the City.

Section 9.04 Summerlin Parkway Extension

THHC has completed all of its obligations as listed in the Development Agreement for the extension of Summerlin Parkway from Town Center Drive to the Beltway.

Section 9.09 Interchanges

THHC has completed all of its obligations as listed in the Development Agreement to dedicate land to the City for right-of-way and easements for interchanges at Town Center Drive and Summerlin Parkway and Anasazi Drive and Summerlin Parkway.

Section 9.12 Underground Conduit

THHC will continue to require any user of any underground conduit, including THHC, to provide reasonable additional capacity for the City's exclusive use.

Section 10.01 Flood Control Facilities and Technical Drainage Studies

Drainage Study	Approval Date
Village 20 Rough Grading	(Included w/CDS) October 22, 1997
Village 20 Unit 1	July 18, 2001
Village 20 Unit 2	November 7, 2000
Village 20 Far Hills Drainage Improvements	April 7, 2000
Village 20 Alta Drive Drainage Improvements	April 20, 2000
Village 23A Charleston Drainage Improvements	May 30, 2002
Village 23A Unit 1	December 31, 2003
Village 23A Rough Grading	May 16, 2002
Village 23A Unit 2	September 5, 2003

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Drainage Study	Approval Date
Village 24 Unit 1	March 20, 2006
Village 24 Parcel A	September 27, 2007
Village 24 Parcel B	February 4, 2005
Village 20 Unit 3	April 11, 2001
Village 20 Parcel ES-1 Utilities Interconnect	August 2, 2002
Village 20 Parcel NP-1 Park Rough Grading	August 21, 2002
Village 20 parcel NP-1 Park	October 31, 2002
Village 20 parcel CP-1 Park	December 3, 2002
Village 20 parcel CP-1 Park Update #2	March 15, 2007
Village 23A/23B Alta Drive RCB	October 13, 2003
Village 23B Rough Grading	November 22, 2006
Village 23A/23B Alta Drive Improvements	November 7, 2006
Village 23A/24 Sky Vista Drive	June 11, 2004

A Technical Drainage Study (TDS) has been prepared and approved by CLV for each phase of development within Villages 20 and 23A. A TDS has also been prepared for Village 24 Unit 1, Village 24 Parcels "A" and "B".

Section 10.02 CCRFCD Priority

The Clark County Regional Flood Control District has recently released the LAS VEGAS VALLEY FLOOD CONTROL MASTER PLAN UPDATE dated 2008. All of the Regional drainage facilities for complete buildout of Summerlin West have already been incorporated into the update.

Section 11.01 Frequency of Reviews

This is the first comprehensive 24-Month Report for Summerlin West. The next report will be submitted to the City approximately two years from the date of this report.

Section 1/First Amendment Recreational Space

Currently, THHC exceeds its obligation for providing a minimum of 2 acres of "programmable space" per 1000 residents and 0.5 acres of "passive space" per 1000 residents in Summerlin West per the following calculations:

Village 20:

3,400 units sold x 2.5 people per residence = 8,500 residents ÷ 1,000 = 8.5
 $8.5 \times 2 = 17$ acres of "programmable space" required (compared to 38.15 acres provided)
 $8.5 \times 0.5 = 4.25$ acres of "passive space" required (compared to 11.6 acres provided)

Village 23A:

1,281 units sold x 2.5 people per residence = 3,202 residents ÷ 1,000 = 3.2
 $3.2 \times 2 = 6.4$ acres of "programmable space" required (compared to 13.39 acres provided)
 $3.2 \times 0.5 = 1.6$ acres of "passive space" required (compared to 2.89 acres provided)

Section 2/First Amendment Neighborhood Pool

THHC notified the City in July 2007 that the swimming pool to be built in the Vistas Park will fulfill this obligation under the Development Agreement. Pool plans were reviewed and approved by the Leisure Services group at the City in 2007. To date, the pool has not been built.

Section 3/First Amendment Community Center

THHC and the City will work together to determine the appropriate timing for this facility.

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Section 4/First Amendment Police Substation

THHC is currently negotiating with the Las Vegas Metropolitan Police Department and the City with regards to the location and timing of this facility.

Section 5/First Amendment Third Fire Station

THHC will dedicate up to 1.75 acres of land for a third fire station if the City determines that a third fire station is necessary to serve the area. Timing of this dedication will be predicated on the development of homes along the westerly boundary of Villages 24, 30, 28, and 29.

Section 6/First Amendment Plans and Specifications

This is an ongoing obligation that THHC continues to meet.

Section 7/First Amendment Notification and Inspection

This is an ongoing obligation that THHC will continue to meet.

Section 10/First Amendment As-Built Drawings and Specifications

This is an ongoing obligation that THHC will continue to meet.

Section 12/First Amendment Maps, Plans, and Other Documents

This is an ongoing obligation that THHC will continue to meet.

Section 18/First Amendment Disclosure of Principles

This is an ongoing obligation that THHC will continue to meet.

Section 19/First Amendment Special Improvement District Funding

To date, a Special Improvement District has not been established to fund the design and construction of the regional park (to be dedicated to the City), the Community Center, and the Police Substation.

Section 20/First Amendment Transportation Master Plan Update

To date, THHC has not reimbursed, nor has been made aware of the need to reimburse, the City for costs incurred to update the Transportation Master Plan as it relates to the Property.

Section 21/First Amendment Maximum Residential Units

Allowed:	Up to 30,000 units
Currently developed:	Village 20 - 3,400 units
	Village 23A - 1,281 units

WATER CONSERVATION GUIDELINES FOR NEW HOMES IN SUMMERLIN

September 15, 2003
Revised: July 13, 2007

General

Southern Nevada Water Authority (SNWA) rules on water usage change according to drought conditions and when they are more restrictive than the guidelines below, take precedence. Specific items such as turf limits and types of grass that can be planted in the summer are based on the drought stage in effect at the time a building permit is issued.

Front Yards (and Corner Side Yards)

1. No turf is allowed.
2. A minimum of 50% of the landscape area shall be covered with organic material at two year's growth on the ground plane.
3. Artificial turf may not be used.
4. Trees and shrubs must be chosen from the approved Summerlin plant list.
5. Planting areas shall be covered with a minimum 2" layer of mulch material (rock, decomposed granite, fiber, etc.). Bare soil is not permitted. If a weed barrier fabric is used, it shall be permeable to air and water.
6. Decorative fountains are allowed but shall not exceed 25 square feet of surface area.

Rear Yards (and Large Side Yards)

1. Turf is allowed but shall be limited to 50% of the total rear yard area.
2. The surface area of swimming pools, spas, water features and fountains shall be counted as turf area, but shall not exceed 2,000 square feet in total.
3. Turf shall be set back 3 feet min. from the house or property line walls if spray irrigation is used. There are no setback restrictions if subterranean irrigation is used.
4. Artificial turf may be used without restriction.
5. Non-turf planting areas shall be covered with a minimum 2" layer of mulch material (rock, decomposed granite, fiber, etc.). Bare soil is not permitted. If a weed barrier fabric is used, it shall be permeable to air and water.
6. Swimming pools and spas shall be permanently plumbed to the sanitary sewer system for draining.
7. No misting systems are allowed.

Irrigation

1. Irrigation systems shall be designed so that, if properly operated, no spray or runoff leaves the property.
2. Spray irrigation is allowed for turf and flower beds only. Drip irrigation shall be used on all other planting areas.
3. Subterranean irrigation may be used in lieu of spray or drip irrigation.
4. Spray heads shall have a 4" or greater pop-up height and matched precipitation nozzles.

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5. Turf, flower beds and non-turf planting areas shall be on different valves.
6. Drip irrigation systems shall be equipped with a pressure regulator, filter, flush end assembly and any other appropriate components. Components shall be accessible for maintenance.
7. Irrigation systems shall be zoned for exposure (north and east exposures together, south and west exposures together). Wherever feasible, valves should also be separated into "hydrozones" that group plants with similar water needs.
8. Solid state residential irrigation controllers shall be installed for each home that provide the following minimum features:
 - a. Three independent programs
 - b. Station run times of 0-99 minutes in one-minute increments
 - c. Three watering start times per day per program
 - d. Watering schedules that are selectable per program for any day of the week from daily to every fourteen days
 - e. Non-volatile memory for program data (no battery required to maintain program)
 - f. Capable of accepting external soil moisture and/or rain sensors
9. Self-adjusting ET (evapo-transpiration rate) controllers shall be offered as an option.
10. An owner's manual shall be provided for all irrigation controllers and other components.
11. SNWA assigns a "Watering Group" to all customers that determine spray irrigation requirements, days acceptable for spray irrigation, etc.

Interior of the Home

1. Service pressure for all uses (indoor and outdoor) shall be set to a maximum 60 psi by a pressure regulating valve (PRV) downstream of the water meter.
2. Builders shall provide the following water conserving features as standards:
 - a. Toilets using 1.6 gallons per flush maximum
 - b. Kitchen faucets using 2.2 gallons per minute (gpm) maximum
 - c. Bathroom faucets using 1.5 gallons per minute (gmp) maximum
 - d. Shower heads using 2.5 gallons per minute (gpm) maximum
(Note: There shall be no limit to the number of shower heads or spray jets if the total flow is less than 2.5 gpm. If multiple heads or spray jets exceed 2.5 gpm, they shall be on separate valves so that each valve controls a flow of 2.5 gpm or less. The total available flow cannot exceed 5 gpm in any single shower enclosure.
 - e. Sink faucet aerators
3. Builders shall provide the following water conserving features as options:
 - a. Hot water recirculating systems (with timer required) and/or point of use devices
 - b. Ultra-high efficiency dishwashers (If dishwashers are offered)
 - c. Pressure assisted toilets and/or other high performance (1.6 gallons per flush) technologies
 - f. Water softeners, if offered, shall be a type where the interval of regeneration is variable (either automatically or manually) and can be adjusted to match actual use. It shall also be capable of using potassium instead of sodium in the exchange process.
4. No evaporative cooling systems are allowed.