

HORTON D R INC /DE/
Form S-4/A
January 14, 2002

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As filed with the Securities and Exchange Commission on January 14, 2002

Registration No. 333-73888

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

Amendment No. 2

to

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

D.R. Horton, Inc.

(Exact name of Registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

1531

*(Primary Standard Industrial
Classification Code Number)*

75-2386963

*(I.R.S. Employer
Identification No.)*

1901 Ascension Blvd., Suite 100

Arlington, Texas 76006

(817) 856-8200

*(Address, including zip code, and telephone number,
including area code, of Registrant's principal executive offices)*

Paul W. Buchschacher

Vice President & Corporate Counsel

1901 Ascension Blvd., Suite 100

Arlington, Texas 76006

(817) 856-8200

*(Name and address, including zip code, and telephone number,
including area code, of agent for service)*

With copies to:

Irwin F. Sentilles, III

Gibson, Dunn & Crutcher LLP

2100 McKinney Avenue, Suite 1100

Dallas, Texas 75201

(214) 698-3100

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and the effective time of the merger of Schuler Homes, Inc. with and into the Registrant as described in the Agreement and Plan of Merger dated as of October 22, 2001, as amended.

If any of the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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January , 2002

Dear Schuler Homes Stockholder:

You are cordially invited to attend a special meeting of stockholders of Schuler Homes, Inc. to be held at 400 Continental Boulevard, Suite 100, El Segundo, California 90245, on Thursday, February 21, 2002, at 9:00 a.m. local time.

At the special meeting, you will be asked to vote on the merger of Schuler with and into D.R. Horton, Inc. At the effective time of the merger, the separate corporate existence of Schuler will cease, and D.R. Horton will be the surviving corporation.

Your board of directors believes that the merger offers significant potential by combining the strengths and attributes of two premier companies. It is expected to create the second largest homebuilder based on units closed. We believe the merger allows you to participate in a more diversified company. In addition, we expect the transaction to be beneficial to you since D.R. Horton enjoys significantly greater liquidity and superior access to the capital markets.

Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/ Prospectus, if the merger is completed, each share of your Schuler Class A common stock and Class B common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration. The base merger consideration for each share of Schuler common stock will consist of a combination of \$4.09 in cash and a fraction of a share of D.R. Horton common stock. Alternatively, you may elect to receive merger consideration in the form of all cash or all D.R. Horton common stock in an amount equal to the base merger consideration. However, because both the total cash portion of the merger consideration and the total number of shares of D.R. Horton common stock to be issued as merger consideration will be fixed, elections to receive all cash or all D.R. Horton common stock will be subject to proration. You do not have to make an election to receive the base merger consideration. If you decide to make an election, however, you must make the election for all of your shares.

The exact number of shares of D.R. Horton common stock that will be included in the base merger consideration will be based on the average closing price of D.R. Horton common stock as reported for New York Stock Exchange composite transactions for the 15 trading days ending on, and including, the third trading day prior to the special meeting. Subject to the provisions of the merger agreement, and as more fully described in the enclosed Joint Proxy Statement/ Prospectus, the fraction of a share of D.R. Horton common stock per share of Schuler common stock included in the base merger consideration will range from .487, if the average closing price is \$27.51 or higher, to .635, if the average closing price is \$17.50 or lower. However, if the average closing price is less than \$16.00, Schuler may terminate the merger agreement unless D.R. Horton makes an election to increase the cash portion of the merger consideration or the stock portion of the merger consideration, or a combination thereof, so that the base merger consideration for each share of Schuler common stock equals at least \$14.25, valued at the average closing price.

Assuming the average closing price for the merger was the closing price of D.R. Horton common stock on January 11, 2002, which was \$30.54, the base merger consideration would consist of \$4.09 and .487 shares of D.R. Horton common stock for each outstanding share of Schuler common stock, for a total merger consideration of \$18.96 per share. Promptly after determination of the base merger consideration, Schuler and D.R. Horton will issue a press release advising their stockholders of the fraction of a share of D.R. Horton common stock included in the base merger consideration.

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An additional illustration of the different amounts of base merger consideration Schuler stockholders would receive for each share of Schuler common stock, based on various assumed average closing prices for D.R. Horton common stock, is set forth on page 3 of the enclosed Joint Proxy Statement/ Prospectus. Since the number of shares of D.R. Horton common stock you will receive will be calculated based on an average closing price, the market value of the shares of D.R. Horton common stock that you receive upon completion of the merger may be greater or less than the calculated value.

Your board of directors has unanimously determined that the merger agreement is advisable, fair to and in the best interests of Schuler and its stockholders and recommends that you vote **FOR** approval and adoption of the merger agreement and the transactions contemplated by the merger agreement. I strongly support the merger and join with the other members of the board in enthusiastically recommending the merger to you.

The accompanying Joint Proxy Statement/ Prospectus provides detailed information about the proposed merger. We encourage you to read carefully the entire document, including the annexes.

Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing your proxy card in the enclosed envelope as promptly as possible so that your shares will be voted at the special meeting. This will not limit your right to vote in person or to attend the special meeting.

Please refer to the election form and letter of transmittal which will be mailed separately for instructions regarding your stock certificates.

Very truly yours,

JAMES K. SCHULER

Co-Chairman, President and Chief Executive Officer

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January , 2002

Dear D.R. Horton Stockholder:

You are cordially invited to attend the 2002 annual meeting of the stockholders of D.R. Horton, Inc. to be held at 1901 Ascension Blvd., Suite 100, Arlington, Texas 76006, on Thursday, February 21, 2002, at 11:00 a.m. local time.

D.R. Horton has entered into a merger agreement with Schuler Homes, Inc. providing for the merger of Schuler into D.R. Horton, with D.R. Horton as the surviving corporation. At the annual meeting, we will ask you to consider and vote on the approval and adoption of the merger agreement and the transactions contemplated by the merger agreement, including the issuance of D.R. Horton common stock in connection with the merger.

Your board of directors believes that the merger offers significant strategic benefits for D.R. Horton and its stockholders. We expect to create the nation's second largest homebuilder based on units closed. The merger strengthens D.R. Horton's current market position while expanding its geographic presence and product offerings in key Western markets. On a combined basis, D.R. Horton will become the largest homebuilder in Southern California and the second largest in the State of California. In addition, the combined companies will be ranked first in market share in nine markets, and will be ranked in the top five in an additional 20 markets, based on units closed. The merger also reflects our strategy of pursuing acquisitions of homebuilders that have strong management teams. We expect the merger to be accretive to earnings.

Your board of directors has determined that the merger is advisable and is in the best interests of D.R. Horton and its stockholders, has unanimously approved the merger and the issuance of D.R. Horton common stock in connection with the merger, and recommends that you vote **FOR** this proposal. I strongly support the merger and join with the other members of the board in enthusiastically recommending the merger to you.

In addition to voting on the merger agreement, at the annual meeting we will ask you to:

elect ten directors; and

consider and vote on an amendment to the D.R. Horton 1991 Stock Incentive Plan to increase the total number of shares authorized for issuance thereunder by 1,600,000 shares, with the amendment to be effective upon effectiveness of the merger.

Your board of directors recommends that you vote **FOR** these proposals.

The accompanying Joint Proxy Statement/ Prospectus provides detailed information about the proposed merger and the other matters to be voted on at the annual meeting. We encourage you to read carefully the entire document, including the annexes.

Whether or not you plan to attend the annual meeting, please take the time to vote by completing and mailing your proxy card in the enclosed envelope as promptly as possible so that your shares will be voted at the annual meeting. Doing so will not limit your right to vote in person or to attend the annual meeting.

Very truly yours,

DONALD R. HORTON
Chairman of the Board

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SCHULER HOMES, INC.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be held on February 21, 2002

To Our Stockholders:

Notice is hereby given that Schuler Homes, Inc. is holding a special meeting of its stockholders at 9:00 a.m. local time, on Thursday, February 21, 2002, at 400 Continental Boulevard, Suite 100, El Segundo, California 90245, for the following purposes:

1. To consider and vote on a proposal to approve and adopt the Agreement and Plan of Merger dated as of October 22, 2001, as amended November 8, 2001, between D.R. Horton, Inc. and Schuler Homes, Inc., and the transactions contemplated by the merger agreement.

2. To transact any other business that properly comes before the meeting or any adjournment or postponement of the meeting.

Only stockholders of record at the close of business on January 14, 2002, will be entitled to notice of or to vote at the meeting or any adjournment or postponement of that meeting.

By Order of the Board of Directors

JAMES K. SCHULER
*Co-Chairman, President and
Chief Executive Officer*

January , 2002

Important: To ensure that your stock is represented at the special meeting, please fill in, date and sign the enclosed proxy and return it promptly in the enclosed return envelope, which requires no postage if mailed in the United States.

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D.R. HORTON, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held on February 21, 2002

To Our Stockholders:

Notice is hereby given that D.R. Horton, Inc. is holding its 2002 annual meeting of stockholders at 11:00 a.m. local time, on Thursday, February 21, 2002, at 1901 Ascension Blvd., Suite 100, Arlington, Texas 76006 for the following purposes:

1. To consider and vote on a proposal to approve and adopt the Agreement and Plan of Merger, dated as of October 22, 2001, as amended November 8, 2001, between D.R. Horton, Inc. and Schuler Homes, Inc., and the transactions contemplated by the merger agreement, including the issuance of D.R. Horton common stock in connection with the merger of Schuler into D.R. Horton;

2. To elect ten directors;

3. To consider and vote on an amendment to the D.R. Horton 1991 Stock Incentive Plan to increase the total number of shares authorized for issuance thereunder by 1,600,000 shares; and

4. To transact any other business that properly comes before the meeting or any adjournment or postponement of the meeting.

Only stockholders of record at the close of business on January 14, 2002, will be entitled to notice of or to vote at the meeting or any adjournment or postponement of the meeting.

By Order of the Board of Directors

DONALD R. HORTON
Chairman of the Board

January , 2002

Important: To ensure that your shares are represented at the annual meeting, please fill in, date and sign the enclosed proxy and return it promptly in the enclosed return envelope, which requires no postage if mailed in the United States.

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The boards of directors of D.R. Horton, Inc. and Schuler Homes, Inc. have each unanimously approved the merger of Schuler into D.R. Horton pursuant to the terms of a merger agreement entered into on October 22, 2001, as amended November 8, 2001. As a result, at the effective time of the merger, the separate corporate existence of Schuler will cease, and D.R. Horton will be the surviving corporation in the merger. In order to complete the merger, both companies must obtain the approval of their stockholders. Meetings of the stockholders of Schuler and D.R. Horton will be held on February 21, 2002 to vote on the merger.

Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/ Prospectus, if the merger is completed, each share of Schuler Class A common stock and Class B common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration. The base merger consideration for each share of Schuler common stock will consist of a combination of \$4.09 in cash and a fraction of a share of D.R. Horton common stock determined as set forth in the table below, based on the average closing price of D.R. Horton common stock as reported for New York Stock Exchange composite transactions for the 15 trading days ending on, and including, the third trading day prior to the Schuler stockholder meeting:

Average Closing Price of D.R. Horton Common Stock	D.R. Horton Common Stock Issued for Each Schuler Share	Total Amount of Base Merger Consideration for Each Share of Schuler Common Stock Consisting of \$4.09 in Cash and Shares of D.R. Horton Common Stock at the Average Closing Price
\$27.51 or higher	0.487 shares	\$17.49 or higher
\$23.51 to \$27.50	Fraction of a share equal to the quotient obtained by dividing \$13.395 by the average closing price of D.R. Horton common stock	\$17.49
\$19.50 to \$23.50	0.570 shares	\$15.21 to \$17.49
\$17.51 to \$19.49	Fraction of a share equal to the quotient obtained by dividing \$11.115 by the average closing price of D.R. Horton common stock	\$15.21
\$16.00 to \$17.50	0.635 shares	\$14.25 to \$15.20

If the average closing price of D.R. Horton common stock determined as set forth above is less than \$16.00, the total amount of the base merger consideration would be less than \$14.25. However, in that event, Schuler can terminate the merger agreement, unless D.R. Horton makes an election to increase the cash portion of the merger consideration or the stock portion of the merger consideration, or both, so that the amount of the base merger consideration of cash and D.R. Horton common stock for each share of Schuler common stock equals at least \$14.25.

Alternatively, a Schuler stockholder may elect to receive the amount of the base merger consideration in the form of all cash or all D.R. Horton common stock. However, because both the total cash portion of the merger consideration and the total number of shares of D.R. Horton common stock to be issued as merger consideration will be fixed, that election will be subject to proration.

This Joint Proxy Statement/ Prospectus provides Schuler stockholders and D.R. Horton stockholders with detailed information about the proposed merger. It also constitutes the prospectus of D.R. Horton with respect to its common stock to be issued to the stockholders of Schuler in connection with the merger. In addition, this Joint Proxy Statement/ Prospectus constitutes the proxy statement for the 2002 annual meeting of D.R. Horton stockholders. We encourage you to read this entire document carefully.

On October 22, 2001, the day before the merger was announced, the closing price of D.R. Horton common stock, which is traded on the New York Stock Exchange under the symbol DHI, was \$21.10. On the same day, the last sale price of Schuler Class A common stock, which is traded on the Nasdaq National Market under the symbol SHLR, was \$12.00. On January 11, 2002, the closing price of D.R. Horton common stock reported on the New York Stock Exchange composite tape was \$30.54 per share, and the last sale price of Schuler Class A common stock

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reported on the Nasdaq National Market was \$19.09 per share. Assuming the average closing price for the merger were the closing price of D.R. Horton common stock on January 11, 2002, the base merger consideration would consist of \$4.09 and .487 shares of D.R. Horton common stock for each outstanding share of Schuler common stock, for a total consideration of \$18.96 per share. Promptly after determination of the base merger consideration, Schuler and D.R. Horton will issue a press release advising their stockholders of the fraction of a share of D.R. Horton common stock included in the base merger consideration.

All information contained in this Joint Proxy Statement/ Prospectus with respect to D.R. Horton has been provided by D.R. Horton. All information contained in this Joint Proxy Statement/ Prospectus with respect to Schuler has been provided by Schuler.

For risk factors involved in the transaction that you may want to consider, including risks involved in an investment in D.R. Horton common stock, see the section of this Joint Proxy Statement/ Prospectus captioned Risk Factors beginning on page 26.

The D.R. Horton common stock to be issued pursuant to this Joint Proxy Statement/ Prospectus has not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Joint Proxy Statement/ Prospectus. Any representation to the contrary is a criminal offense.

This Joint Proxy Statement/ Prospectus is dated January , 2002, and is first being mailed to holders

of Schuler common stock and D.R. Horton common stock on or about January , 2002.

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This document incorporates important business and financial information about D.R. Horton and Schuler that is not included in or delivered with this document. This information is available without charge to stockholders upon written or oral request at the applicable company's address and telephone number listed on page 6. To obtain timely delivery stockholders must request the information no later than February 11, 2002.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This Joint Proxy Statement/ Prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent expectations or beliefs of D.R. Horton and Schuler concerning future events, and no assurance can be given that the results described will be achieved. These forward-looking statements can generally be identified by the use of statements that include words or phrases such as estimate, project, believe, expect, anticipate, intend, plan, foresee, likely, will, or other similar words or phrases. All forward-looking statements are based upon information available to D.R. Horton and Schuler on the date of this Joint Proxy Statement/ Prospectus. Neither D.R. Horton nor Schuler undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of D.R. Horton's and Schuler's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, among other things, the matters discussed in this Joint Proxy Statement/ Prospectus in the sections captioned: Summary ; Risk Factors ; The Merger Recommendations of the Schuler Board of Directors; Schuler's Reasons for the Merger ; The Merger Recommendations of the D.R. Horton Board of Directors; D.R. Horton's Reasons for the Merger ; The Merger Opinion of Schuler's Financial Advisor; and The Merger Opinion of D.R. Horton's Financial Advisor . Additional information about issues that could lead to material changes in performance is contained in D.R. Horton's and Schuler's filings with the SEC.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: *What will happen in the proposed transaction?*

A: Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/ Prospectus, if the merger is completed, each share of Schuler Class A common stock and Class B common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration. The base merger consideration for each share of Schuler common stock will consist of a combination of \$4.09 in cash and a fraction of a share of D.R. Horton common stock. Alternatively, a Schuler stockholder may elect to receive merger consideration in the form of all cash or all D.R. Horton common stock, but that election will be subject to proration. As a result of the merger, the separate corporate existence of Schuler will cease, and D.R. Horton will be the surviving corporation after the merger. Outstanding shares of D.R. Horton common stock prior to the merger will remain shares of D.R. Horton common stock.

Q: *Why are Schuler and D.R. Horton merging? How will I benefit?*

A: D.R. Horton believes its stockholders will benefit as a result of the combined company's strengthened position in existing homebuilding markets, entry into new homebuilding markets, broader product offering and increased efficiencies and cost savings. Schuler believes that its stockholders will enjoy the same benefits as D.R. Horton stockholders from the merger and may also realize other benefits by virtue of the merger, as described in this Joint Proxy Statement/ Prospectus.

Q: *When do you expect to complete the merger?*

A: We are working to complete the merger as quickly as possible. Currently, we expect to complete the merger during the first calendar quarter of 2002.

Q: *Assuming a Schuler stockholder receives shares of D.R. Horton common stock in the merger, will the rights of the stockholder as a D.R. Horton stockholder be different from what they were as a Schuler stockholder?*

A: Yes. Schuler and D.R. Horton each have different charter documents and by-laws. For a summary of material differences between the rights of Schuler stockholders and the rights of D.R. Horton stockholders, please refer to "Comparative Rights of Stockholders" beginning on page 91.

Q: *What do I do to vote?*

A: After reading this Joint Proxy Statement/ Prospectus, you should fill out and sign your proxy card, and then mail it in the enclosed return envelope as soon as possible so that your shares will be represented at the meeting. You may also return your proxy card by facsimile. Schuler stockholders may fax their completed and signed proxy cards to (201) 296-4142. D.R. Horton stockholders may fax their completed and signed proxy cards to (718)259-1144. **To vote on the merger, Schuler stockholders do not need to complete an election form with respect to the merger consideration.**

Q: *What happens if I don't return a proxy card or vote at the meeting?*

A: Failure to return your proxy card or vote in person at the meeting will have the same effect as voting against approval of the merger. For each of Schuler and D.R. Horton the affirmative vote of a majority of its outstanding common stock is required to approve the merger, and in Schuler's case a majority of outstanding Class A common stock and Class B common stock voting as separate classes is also required. Therefore, it is important that you return your proxy card.

Q: *May I vote in person?*

A: Yes. You may attend the meeting and vote your shares in person, whether or not you have sent in a proxy card.

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Q: *Can I revoke my proxy after I have mailed or faxed my signed proxy card?*

A: Yes. You can revoke your proxy at any time before your proxy is voted at the applicable stockholder meeting. You can do that by:

attending the applicable stockholder meeting and voting in person;

completing, signing and mailing in or transmitting by facsimile a new proxy card (in time so that the new proxy card is received prior to the applicable stockholder meeting);

revoking your proxy by facsimile at (201) 296-4142 for Schuler stockholders and (718) 259-1144 for D.R. Horton stockholders; or

sending a written notice to the address specified below stating that you are revoking your proxy (in time so that the notice is received prior to the applicable stockholder meeting):

D.R. Horton Stockholders:

D.R. Horton, Inc.
1901 Ascension Blvd.
Suite 100
Arlington, TX 76006
Attn: Vice President and Corporate Counsel

Schuler Stockholders:

Schuler Homes, Inc.
400 Continental Blvd.
Suite 100
El Segundo, CA 90245
Attn: Corporate Secretary

Q: *If my shares are held in street name, will my broker vote them for me?*

A: Your broker will vote your shares with respect to the merger only if you provide instructions on how to vote. For both Schuler stockholders and D.R. Horton stockholders, if you fail to provide your broker with instructions, your shares will not be voted with respect to the merger, and the failure to provide instructions will have the same effect as a vote against approval of the merger. You cannot vote your shares held in street name by returning a proxy card to us. However, if you are a D.R. Horton stockholder, your broker can vote your shares for the amendment to the D.R. Horton stock incentive plan and for the election of D.R. Horton directors without instructions.

You should follow the directions provided by your broker to vote your shares.

Q: *What does it mean if I get more than one proxy card?*

A: You may own both Schuler and D.R. Horton common stock, or your shares may be registered in different names or at different addresses or may be in more than one account. Sign and return all proxy cards to be sure that all of your shares of Schuler and D.R. Horton common stock are voted.

Q: *What will Schuler stockholders receive in the merger?*

A: Subject to the adjustments, elections and limitations described in this Joint Proxy Statement/ Prospectus, if the merger is completed, each share of Schuler Class A common stock and Class B common stock outstanding immediately prior to the effective time of the merger will be canceled and converted into the right to receive the merger consideration. The base merger consideration for each share of Schuler common stock will consist of a combination of \$4.09 in cash and a fraction of a share of D.R. Horton common stock, based on the average closing price of D.R. Horton common stock as reported for NYSE composite transactions for the 15 trading days ending on, and including, the third trading day prior to the Schuler stockholder meeting. Alternatively, a Schuler stockholder may elect to receive merger consideration in the form of all cash or all D.R. Horton common stock, but that election will be subject to proration. A Schuler stockholder cannot make an election for less than all of his or her shares.

Both the total cash portion of the merger consideration and the total number of shares of D.R. Horton common stock to be issued as merger consideration will be fixed. The total amount of cash that D.R. Horton will pay as part of the merger consideration is equal to the product of \$4.09 multiplied by the number of shares of Schuler common stock outstanding, other than dissenting shares, immediately prior to the effective time of the merger, unless D.R. Horton elects to increase the cash portion of the merger consideration if the average closing price

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of D.R. Horton common stock were to fall below \$16.00. The total number of shares of D.R. Horton common stock issued as merger consideration will be determined in the manner set forth in the table below as if each stockholder had elected to receive the base merger consideration.

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The following table shows, at various assumed average closing prices of D.R. Horton common stock, the fraction of a share of D.R. Horton common stock that would be issued as part of the base merger consideration, and the total amount of the base merger consideration per share of Schuler common stock. This table does not include cash to be received in lieu of fractional shares.

The range of average closing prices presented in the following table is for illustrative purposes only. No assurance can be given that any illustrative average closing price shown in the table will be equivalent to the market value of D.R. Horton common stock on the date such stock is received by a holder of Schuler common stock or at any other time. The market value of D.R. Horton common stock received by a holder of Schuler common stock may be greater or less than the recent market values of D.R. Horton common stock or the average closing price used to calculate the base merger consideration.

Assumed Average Closing Price of D.R. Horton Common Stock	Fraction of a Share of D.R. Horton Common Stock Issued for Each Schuler Share	Amount of Base Merger Consideration for Each Share of Schuler Stock Consisting of \$4.09 in Cash and Shares of D.R. Horton Common Stock at the Average Closing Price
\$33.50	.487	\$20.40
\$33.00	.487	\$20.16
\$32.50	.487	\$19.92
\$32.00	.487	\$19.67
\$31.50	.487	\$19.43
\$30.50	.487	\$18.94
\$30.00	.487	\$18.70
\$29.50	.487	\$18.46
\$29.00	.487	\$18.21
\$28.50	.487	\$17.97
\$28.00	.487	\$17.73
\$27.51	.487	\$17.49
\$27.00	.496	\$17.49
\$26.50	.505	\$17.49
\$26.00	.515	\$17.49
\$25.50	.525	\$17.49
\$25.00	.536	\$17.49
\$24.50	.547	\$17.49
\$24.00	.558	\$17.49
\$23.51	.570	\$17.49
\$23.00	.570	\$17.20
\$22.50	.570	\$16.92
\$22.00	.570	\$16.63
\$21.50	.570	\$16.35
\$21.00	.570	\$16.06
\$20.50	.570	\$15.78
\$20.00	.570	\$15.49
\$19.50	.570	\$15.21
\$19.00	.585	\$15.21
\$18.50	.601	\$15.21
\$18.00	.617	\$15.21
\$17.51	.635	\$15.21