

EXHIBIT O

Form of Developer's Base Security as of the Reference Date

GUARANTY AGREEMENT (CANDLESTICK POINT AND PHASE 2 OF THE HUNTERS POINT SHIPYARD)

This GUARANTY AGREEMENT (CANDLESTICK POINT AND PHASE 2 OF THE HUNTERS POINT SHIPYARD) (this "**Guaranty**") dated as of _____, 20__ (the "**Effective Date**"), is made by Lennar Corporation, a Delaware corporation ("**Guarantor**"), to and for the benefit of the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic, of the State of California (the "**Agency**"). Unless otherwise defined in this Guaranty, all initially capitalized terms used in this Guaranty shall have the meanings given to them in the CP/HPS DDA (as defined below).

This Guaranty is made with reference to the following facts and circumstances:

RECITALS

A. The Agency and Lennar - BVHP, LLC, a California limited liability company doing business as Lennar/BVHP Partners ("**Lennar BVHP**"), and Lennar Communities, Inc., a California corporation ("**Lennar Communities**"), entered into that certain Second Amended and Restated Exclusive Negotiations and Planning Agreement (Phase 2 of Hunters Point Shipyard, with an Option to Expand Planning and Exclusive Negotiations to Include Candlestick Point) dated as of May 1, 2007 (including all Attachments thereto, the "**Original ENA**").

B. On or about August 29, 2008, Lennar BVHP, Lennar Communities and the Agency amended the Original ENA (the "**First ENA Amendment**") to, among other things, permit the transfer of their respective interests in the Original ENA to HPS Development Co., LP, a Delaware limited partnership ("**HPS Developer**"), and CP Development Co., LP, a Delaware limited partnership ("**Developer**"), respectively. In connection with the First ENA Amendment, Guarantor provided to the Agency certain guaranties, including: (i) that certain Guaranty Agreement (Second Amended and Restated Exclusive Negotiations and Planning Agreement (Hunters Point Shipyard)) dated as of August 29, 2008 relating to the obligations of HPS Developer (the "**HPS Developer ENA Guaranty**"), and (ii) that certain Guaranty Agreement (Second Amendment and Restated Exclusive Negotiations and Planning Agreement (Hunters Point Shipyard)) dated as of August 29, 2008 relating to the obligations of Developer (the "**Developer ENA Guaranty**").

C. On or about April 6, 2010, HPS Developer, Developer and the Agency amended the Original ENA (the "**Second ENA Amendment**", and together with the Original ENA and the First ENA Amendment and as amended from time to time, the "**CP/HPS ENA**") to, among other things, permit the transfer of HPS Developer's interests in the CP/HPS ENA to Developer. In connection with the Second ENA Amendment, Guarantor provided that certain Guaranty Amendment and Affirmation dated as of April 6, 2010 to the Agency (the "**Guaranty Amendment and Affirmation**") and together with the Developer ENA Guaranty, the "**CP/HPS ENA Guaranty**") and the Agency returned the HPS Developer ENA Guaranty to Guarantor.

D. The Agency and Developer entered into that certain Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard) dated for reference purposes as of June 3, 2010 (including all incorporated exhibits thereto and as amended from time to time, the “**CP/HPS DDA**”).

E. Guarantor will derive material financial benefit from the CP/HPS DDA and the taking of actions in accordance with the CP/HPS DDA under which the obligation to provide this Guaranty arose. In accordance with section 26 of the CP/HPS DDA, Guarantor is willing to amend and restate the CP/HPS ENA Guaranty as set forth herein and provide this Guaranty to the Agency as Developer’s Base Security. As set forth in the CP/HPS DDA, the Agency shall return the CP/HPS ENA Guaranty to Guarantor upon the receipt of this Guaranty.

AGREEMENT

ACCORDINGLY, in consideration of the matters described in the above Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, Guarantor agrees as follows:

1. Guaranty

1.1 Guaranty. Guarantor unconditionally and irrevocably guarantees to the Agency the due and punctual payment (and not merely the collectability) and performance of the Guaranteed Obligations (as defined below), as and when the same shall become due and/or payable, on the terms provided in this Guaranty. In addition, Guarantor shall pay, and upon the Agency’s request shall reimburse the Agency promptly for, all costs and expenses actually incurred by the Agency to enforce the Agency’s rights, powers or remedies under this Guaranty (including, without limitation, reasonable collection charges and Attorneys’ Fees and Costs (as defined below)) (together with any late payment interest on amounts due as set forth below, the “**Reimbursement Amount**”). With respect to Guaranteed Obligations that constitute payment (i.e. not performance) obligations under the CP/HPS ENA or the CP/HPS DDA, as applicable, any amount due and payable by Guarantor under this Guaranty but not paid within sixty (60) days after receipt of the Agency’s written demand therefor shall be accompanied by interest on such amounts at the lesser of ten percent (10%) per annum or the maximum amount permitted by law, calculated from the date of Guarantor’s receipt of the Agency’s written demand therefor through and including the date of payment of such amounts (calculated on the basis of a 365-day year and for the actual number of days elapsed).

1.2 Definition of Guaranteed Obligations. As used herein, “**Guaranteed Obligations**” shall mean (i) all of the obligations of Developer under the CP/HPS ENA arising on, before and after the Effective Date, including but not limited to (1) all obligations of “Lennar” under the CP/HPS ENA, which obligations were previously assumed by Developer, (2) the Released Claims (as defined in that certain Guaranty Termination and Release Agreement between Guarantor, LNR Property Corporation, a Delaware corporation, and the Agency) and (3) the HPS Developer Released Claims (as defined in the Second ENA Amendment) (collectively, the “**ENA Guaranteed Obligations**”) and (ii) Developer’s payment and performance of all of obligations under the CP/HPS DDA, including but not limited to its payment of Agency Costs and Community Benefits Payments and its Indemnification

obligations (the “**DDA Guaranteed Obligations**”); provided, however, that under no circumstances shall the aggregate liability of Guarantor for the Guaranteed Obligations, excluding the Reimbursement Amount, exceed Five Million Dollars (\$5,000,000) (the “**Secured Amount**”). Without limiting the generality of the preceding sentence, should the Guaranteed Obligations include a guaranty of performance, Guarantor shall not be obligated to incur obligations or spend funds for the Guaranteed Obligations that, in the aggregate (including payment obligations to the Agency for the Guaranteed Obligations), exceed the Secured Amount.

1.3 Acknowledgments by Guarantor. Guarantor acknowledges, confirms, and agrees that: (a) it has received fair and adequate consideration for its execution of this Guaranty; (b) it derived material financial benefit from the Agency’s execution of the CP/HPS ENA and the CP/HPS DDA and the Agency’s actions under which the obligation to provide this Guaranty arose; and (c) there are no conditions to the full effectiveness of this Guaranty other than those expressly set forth in this Guaranty.

1.4 Independent Obligations; Continuing Guaranty. This Guaranty is a primary and original payment and performance obligation of Guarantor and is absolute, unconditional, continuing and irrevocable.

2. Waivers by Guarantor

2.1 Waivers. Guarantor hereby waives: (a) notice of acceptance of this Guaranty; (b) demand of payment, notice of nonperformance, notice of dishonor, presentation, protest, and indulgences and (except as specifically provided in this Guaranty) notices of any kind whatsoever; (c) any right to assert or plead any statute of limitations relating to this Guaranty, the CP/HPS ENA and the CP/HPS DDA (and Guarantor agrees that any act that tolls any statute of limitations applicable to the CP/HPS ENA and/or the CP/HPS DDA will operate similarly to toll the statute of limitations applicable to Guarantor’s liability for the ENA Guaranteed Obligations and the DDA Guaranteed Obligations, respectively); (d) any right to require the Agency to proceed against Developer or any other person or entity liable to the Agency except to the extent expressly set forth in the CP/HPS DDA and/or the CP/HPS ENA, as applicable; (e) any right to require the Agency to apply to the cure of any default any letter of credit or other security it may hold under the CP/HPS DDA except to the extent expressly set forth in the CP/HPS DDA; (f) until the Guaranteed Obligations have been satisfied in full, any right of subrogation; (g) any right to require the Agency to pursue or enforce any remedy that the Agency now has or may later have against Developer or any other person or entity; (h) any right to participate in any letter of credit or other security now or later held by the Agency; and (i) any defense that may arise by the reason of: (1) the incapacity, lack of authority, death, disability or other defense of Developer or any other person or entity; (2) the revocation or repudiation of this Guaranty by Guarantor; (3) failure of the Agency to file or enforce a claim against the estate (either in administration, bankruptcy or any other proceeding) of Developer or any others; (4) any election by the Agency in any proceeding instituted under the United States Bankruptcy Code, as amended (11 U.S.C. §§ 101, *et seq.*); (5) any borrowing or granting of a security interest under section 364 of the United States Bankruptcy Code; (6) the Agency’s election of any remedy against Guarantor or Developer or any other party to the extent permitted hereunder or under the CP/HPS DDA and/or the CP/HPS ENA, as applicable; (7) the Agency’s taking, modification, or releasing of any collateral or guarantees, or any failure to perfect any security interest in, or the

taking of or failure to perfect any other action with respect to any collateral securing performance of obligations under the CP/HPS DDA and/or the CP/HPS ENA, as applicable; (8) any amendment or modification of the CP/HPS DDA, the CP/HPS ENA or related documents, whether or not known or consented to by Guarantor; or (9) any offset by Guarantor against any obligation now or later owed to Guarantor by Developer or any other person, it being the intention of this Guaranty that Guarantor remain liable to the full extent set forth in this Guaranty until the full performance of each and every term, condition and covenant of the CP/HPS DDA and the CP/HPS ENA to be performed with respect to the DDA Guaranteed Obligations and the ENA Guaranteed Obligations, respectively, notwithstanding any act, omission or thing that might otherwise operate as a legal or equitable discharge of Guarantor. Without limiting the generality of the foregoing, Guarantor expressly waives any and all benefits under California Civil Code sections 2809, 2810, 2819, 2839, 2845, 2846, 2848, 2849, 2850, 2855, 2899 and 3433.

Without limiting the foregoing, Guarantor understands and acknowledges that if the Agency exercises any rights under the CP/HPS DDA, the CP/HPS ENA or any related agreements, then the exercise of such rights could impair or destroy any ability that Guarantor may have to seek reimbursement, contribution or indemnification from Developer or others based on any right Guarantor may have of subrogation, reimbursement, contribution or indemnification for any amounts paid or cost incurred by Guarantor under this Guaranty. Guarantor further understands and acknowledges that in the absence of this Section 2.1, such potential impairment or destruction of Guarantor's rights, if any, may entitle Guarantor to assert a defense to this Guaranty based on law or in equity, including but not limited to, in the case of any real property security, section 580d of the California Code of Civil Procedure as interpreted in Union Bank v. Gradsky, 265 Cal. App. 2d 40 (1968). By executing this Guaranty, Guarantor freely, irrevocably, absolutely and unconditionally: (i) waives and relinquishes that defense and agrees that Guarantor will be fully liable under this Guaranty even though the Agency may exercise any right or remedy under the CP/HPS DDA and the CP/HPS ENA, including any act judicially or nonjudicially against any real property security; (ii) agrees that Guarantor will not assert that defense in any action or proceeding which the Agency may commence to enforce this Guaranty; (iii) agrees that the rights and defenses waived by Guarantor under this Guaranty include any right or defense that Guarantor may have or be entitled to assert based on or arising out of law or equity, including, without limitation, any one or more of sections 580a, 580b, 580d or 726 of the California Code of Civil Procedure; (iii) waives notice of default, acceleration, protest or dishonor; (iv) waives any notice of sale or other disposition of any security; (v) waives notice of acceptance of this Guaranty and of the existence, creation or incurring of new or additional guaranteed obligations, and all other notices of any kind with respect to any Guaranteed Obligations except for any notice required to be given to Guarantor under this Guaranty; and (vi) agrees that the Agency relied on these waivers in entering into the CP/HPS DDA and taking the actions under which the obligation to provide this Guaranty arose and that this waiver is a material part of the consideration that the Agency is receiving in connection with such acts.

2.2 Waiver of Subrogation. Subject to the waivers set forth in Section 2.1, upon satisfaction in full of all of the Guaranteed Obligations, Guarantor shall be subrogated to the rights of the Agency against Developer or others with respect to the Guaranteed Obligations, and the Agency agrees to take such steps as Guarantor may reasonably request to implement such

subrogation (provided Guarantor shall pay the Agency all costs actually incurred with respect thereto pursuant to the CP/HPS DDA and that the Agency shall not incur any liabilities in taking any such steps).

3. Consents by Guarantor

3.1 Consents; No Discharge of Obligations. Without releasing, discharging, impairing, or otherwise affecting any obligations of Guarantor under this Guaranty or the validity or enforceability of this Guaranty, the Agency, by action or inaction, in its sole and absolute discretion and without notice to Guarantor, may refuse or fail to enforce all or any portion of the Agency's rights, powers or remedies under this Guaranty, the CP/HPS DDA, the CP/HPS ENA or any related documents. The Agency, in its sole and absolute discretion and without notice to Guarantor may additionally: (a) compromise, settle, extend the time for payment or performance of all or any part of the Guaranteed Obligations; and (b) deal in all respects with Guarantor as if this Guaranty were not in effect. It is the intent of the Guarantor and the Agency that Guarantor shall remain liable for the payment and performance of the Guaranteed Obligations and all other obligations guaranteed hereby to the extent set forth herein, notwithstanding any act or thing that might otherwise operate as a legal or equitable discharge of a surety.

3.2 Payments to Other Persons. The Agency shall be under no obligation to marshal any assets in favor of Guarantor or against, or in payment or performance of, any or all of the Guaranteed Obligations. If all or any part of any payment to or for the benefit of the Agency in respect of the Guaranteed Obligations is invalidated, declared to be fraudulent or preferential, set aside, or required for any reason to be repaid or paid over to a trustee, receiver or other person (a "**trustee**") under any insolvency law or any other law or rule of equity (collectively, "**set aside**"), to the extent of that payment or repayment, the Guaranteed Obligations (or the part thereof) intended to have been satisfied shall be revived and continued in full force and effect as if that payment had not been made, and Guarantor shall be primarily liable for that obligation, provided that nothing hereunder shall preclude Guarantor from obtaining a refund from a trustee.

3.3 Additional Rights. This Guaranty is in addition to, and not in substitution for or in reduction of, any other guaranty by Guarantor, or any obligation of Guarantor under any other agreement or applicable law that may now or hereafter exist in favor of the Agency. Except as may be expressly provided to the contrary in the CP/HPS DDA and/or the CP/HPS ENA, the liability of Guarantor under this Guaranty shall not be contingent upon the enforcement of any lien or realization upon the security, if any, the Agency may at any time possess with respect to the Guaranteed Obligations. Nothing herein shall limit the obligations of Developer or others under the CP/HPS DDA and/or the CP/HPS ENA.

3.4 Recourse. The Agency shall have the right to seek recourse against Guarantor to the full extent provided for in this Guaranty, which right shall be absolute and shall not in any way be impaired, deferred, or otherwise diminished by reason of any inability of the Agency to claim any amount of such Guaranteed Obligation from Guarantor or Developer or others as a result of bankruptcy or otherwise, including, but not limited to, any limitation on the Agency's claim from Guarantor or Developer or others under section 502(b)(6) of the United States Bankruptcy Code. No election to proceed in one form of action or proceeding, or against any

person, or on any obligation, will constitute a waiver of the Agency's right to proceed in any form of action or proceeding or against other persons unless the Agency has expressly waived that right in writing.

4. Representations and Warranties of Guarantor

4.1 Representations and Warranties. Guarantor represents, warrants and covenants that it has full power and authority to execute, deliver and perform its obligations under this Guaranty, and that execution, delivery and performance have been duly authorized by all requisite action on its part.

4.2 Independent Investigation. Guarantor has performed its own independent investigation as to the matters covered by this Guaranty.

5. Termination of Guaranty

5.1 Termination. Guarantor's liability under this Guaranty shall be terminated, discharged and satisfied, and Guarantor shall be relieved of any and all further obligations under this Guaranty with respect to the terminated obligations, as follows:

(a) with respect to the ENA Guaranteed Obligations, on termination of the ENA; and

(b) with respect to DDA Guaranteed Obligations, five (5) years following the earliest to occur of the following events: (a) the issuance of the last Certificate of Completion for all Infrastructure to be Completed by Developer; (b) the expiration or termination of the CP/HPS DDA with respect to Developer; or (c) the expiration or termination of all of Developer's rights to develop or submit Applications to develop any portion of the Project Site; provided, that no such event shall result in termination of this Guaranty unless and until the expiration of any further period within which a trustee or other similar official in an action under any insolvency law may avoid, rescind, or set aside any payment previously made of any of the Guaranteed Obligations and provided further that if at the time of any such termination there is an unpaid Reimbursement Amount, then such termination shall be tolled until the payment of such Reimbursement Amount in accordance with the terms of this Guaranty.

5.2 Evidence of Termination. Following any such termination and upon Guarantor's request, the Agency shall confirm in writing the fact of termination of this Guaranty and promptly return this Guaranty.

6. Notices

A notice or communication under this Guaranty by either Guarantor or the Agency to the other shall be sufficiently given or delivered if given in writing and dispatched by hand, by registered or certified mail, postage prepaid, or by a recognized overnight carrier, such as Federal Express, addressed as follows:

- (i) In the case of a notice or communication to the Agency:

San Francisco Redevelopment Agency
One South Van Ness Avenue, Fifth Floor
San Francisco, California 94103
Attn: Executive Director
Facsimile: 415.749.2575

And to:

San Francisco Redevelopment Agency
One South Van Ness Avenue, Fifth Floor
San Francisco, California 94103
Attn: Legal Division
Facsimile: 415.749.2575

- (ii) And in the case of a notice or communication sent to Guarantor:

Lennar Corporation
25 Enterprise
Aliso Viejo, California 92656
Attention: Chief Operating Officer

And to:

CP Development Co., LP
c/o Lennar Urban
One California Street, Suite 2700
San Francisco, California 94111
Attn: Kofi Bonner
Facsimile: 415.995.1778

And to:

Paul Hastings LLP
55 Second Street, 24th Floor
San Francisco, California 94105
Attn: Charles V. Thornton, Esq.
Facsimile: 415.856.7101

For convenience, copies of notices may also be given by facsimile.

Every notice pursuant to the terms of this Guaranty must be in writing and must state (or must be accompanied by a cover letter that states) substantially the following:

- (b) the Section of this Guaranty pursuant to which the notice is given and the action or response required, if any;

(c) if applicable, the period of time within which the recipient of the notice must respond thereto;

(d) if approval is being requested, that it is a “Request for Approval under Guaranty Agreement”; and

(e) if it provides notice of a disapproval or an objection that requires reasonableness, specifically and with particularity the reasons therefor.

Any mailing address or facsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days before the effective date of the change. All notices under this Guaranty will be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed or delivered by a recognized carrier, on the delivery date or attempted delivery date shown on the return receipt or in the records of such carrier, as applicable. Official or binding notice may not be given by facsimile. The effective time of a notice shall not be affected by the receipt, before receipt of the original, of a facsimile copy of the notice.

7. General Provisions

7.1 Successors and Assigns. This Guaranty will be binding upon, and inure to the benefit of, Guarantor and the Agency and their respective successors, heirs, administrators and assigns.

7.2 Amendments. This Guaranty may be amended or modified only by a written instrument executed by the Agency and Guarantor.

7.3 Waivers. No action taken pursuant to this Guaranty by the Agency shall be deemed to be a waiver by the Agency of Guarantor’s compliance with any of the provisions hereof. No waiver by the Agency of any breach of any provision of this Guaranty shall be construed as a waiver by the Agency of any subsequent or different breach. No forbearance by the Agency to seek a remedy for noncompliance hereunder or breach by Guarantor shall be construed as a waiver by the Agency of any right or remedy with respect to such noncompliance or breach.

7.4 Continuation and Survival of Covenants. All covenants by Guarantor contained herein shall be deemed to be material and shall survive any termination of the CP/HPS DDA, the CP/HPS ENA or a portion of either if the Guaranteed Obligations have arisen and not been satisfied as of the date of any such termination.

7.5 Governing Law; Selection of Forum. This Guaranty shall be governed by and construed in accordance with the laws of the State of California. As part of the consideration for the CP/HPS DDA and the Agency’s actions under which the obligation to provide this Guaranty arose, Guarantor agrees that all actions or proceedings arising directly or indirectly under this Guaranty may, at the sole option of the Agency, be litigated in courts located within the State of California, and Guarantor expressly consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Guarantor wherever Guarantor may then be located, or by certified or

registered mail directed to Guarantor at the address set forth in this Guaranty for the delivery of notices.

7.6 Merger of Prior Agreements. Guarantor and the Agency intend that this Guaranty shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. Guarantor and the Agency further intend that this Guaranty shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Guaranty. Without limiting the generality of this Section 7.6, Guarantor and the Agency acknowledge and agree that this Guaranty amends and restates the CP/HPS ENA Guaranty in its entirety and therefore the CP/HPS ENA Guaranty is of no further force or effect.

7.7 Interpretation of Guaranty. Unless otherwise specified, whenever in this Guaranty reference is made to any Section, or any defined term, the reference shall be deemed to refer to the Section or defined term of this Guaranty. Any reference to a Section includes all subsections and subparagraphs of that Section. The use in this Guaranty of the words “including”, “such as” or words of similar import when following any general term, statement or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation, such as “without limitation” or “but not limited to”, or words of similar import, is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. In the event of a conflict between the Recitals and the remaining provisions of the Guaranty, the remaining provisions shall prevail. Any titles of the several parts and Sections of this Guaranty are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions. The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. References to days, months and years mean calendar days, months and years unless otherwise specified. References to any law, specifically or generally, will mean the law as amended, supplemented or superseded from time to time. The provisions of this Guaranty shall be construed as a whole according to their common meaning and not strictly for or against either Guarantor or the Agency in order to achieve the objectives and purposes of Guarantor and the Agency, regardless of who drafted this Guaranty.

7.8 Attorneys’ Fees and Costs. Should either Guarantor or the Agency institute any action or proceeding in court to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Guaranty, the prevailing party shall be entitled to receive from the losing party court costs incurred by the prevailing party including, without limitation, expert witness fees and costs and expenses, travel time and associated costs; transcript preparation fees and costs; document copying expenses; exhibit preparation costs; carrier expenses and postage and communications expenses; such amount as a court or other decision maker may adjudge to be reasonable attorneys’ fees for the services rendered to the prevailing party in such action or proceeding; fees and costs associated with execution upon any judgment or order; and costs on appeal and any collection efforts (the “**Attorneys’ Fees and Costs**”). For purposes of this Guaranty, the Attorneys’ Fees and Costs shall include the fees and costs of in-house counsel for the City, the Agency and Guarantor based on the fees regularly charged by

private attorneys with the equivalent number of years of professional experience in the subject matter area of the law for which the City's, the Agency's or Guarantor's in-house counsel's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the City, the Agency or Guarantor.

7.9 Severability. Invalidation of any provision of this Guaranty, or of its application to any person, by judgment or court order, will not affect any other provision of this Guaranty or its application to any other person or circumstance, and the remaining portions of this Guaranty will continue in full force and effect, unless enforcement of this Guaranty as invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Guaranty.

7.10 Net Worth. If at any time during the period this Guaranty is in effect, the Net Worth of Guarantor falls below Fifty Million Dollars (\$50,000,000) (the "**Net Worth Requirement**"), then Guarantor shall notify the Agency as soon as reasonably practicable. Within thirty (30) days after delivery of such notice, Guarantor shall provide the Agency with a substitute guaranty (in the form of this Guaranty), an unconditional letter of credit, or other form of security, in each case: (i) in favor of the Agency; (ii) in form and substance, and issued by persons or entities, reasonably satisfactory to the Agency (including satisfaction of the Net Worth Requirement); (iii) in the amount of one hundred percent (100%) of the Guaranteed Obligations; and (iv) to remain in effect until the Guaranteed Obligations are fulfilled, but will be reduced from time to time, as approved by the Agency Director (which approval will not be unreasonably denied), by an amount equal to the cost of specified components of the Guaranteed Obligations when such components are fulfilled ("**Substitute Security**"). Failure to give such notice shall not relieve Guarantor of its obligations hereunder, and failure to provide the Substitute Security will be a default hereunder. The Agency's sole remedy against Guarantor for Guarantor's failure to provide the Substitute Security will be to require Guarantor to specifically perform, not to seek damages attributable to such failure. However, this limitation on remedies shall apply only to Guarantor's failure to provide the Substitute Security, not to the Agency's rights to enforce this Guaranty generally, and shall not limit the Agency's rights against Developer under the CP/HPS DDA and the CP/HPS ENA. Upon providing any Substitute Security, the Agency shall promptly return this Guaranty.

7.11 Significant Change. It shall be a default under this Guaranty if at any time during the period this Guaranty is in effect Guarantor causes or allows to occur a Significant Change and the Significant Change is not reversed or voided and Guarantor fails to provide Substitute Security within thirty (30) days following Guarantor's receipt of notice thereof from the Agency. "**Significant Change**" means (i) Guarantor files a petition for bankruptcy, or makes a general assignment for the benefit of its creditors, (ii) a receiver is appointed on account of Guarantor's insolvency, (iii) a writ of execution or attachment or any similar process is issued or levied against any bank accounts of Guarantor, or against any property or assets of Guarantor being used or required for use in the development of the Infrastructure or against any substantial portion of any other property or assets of Guarantor, (iv) a final non-appealable judgment is entered against Developer in an amount in excess of Five Million Dollars (\$5,000,000.00) and Guarantor does not satisfy or bond the judgment, or (v) without the consent of Guarantor, an application for relief is filed against Developer under any federal or state bankruptcy law, unless the application is dismissed within ninety (90) days.

7.12 Counterparts. This Guaranty may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, Guarantor and the Agency, each being duly authorized, have executed and delivered this Guaranty as of the Effective Date.

GUARANTOR:

LENNAR CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUE ON NEXT PAGE]

ACCEPTED AND AGREED:

APPROVED AS TO FORM:

By: _____
Name: _____
Title: General Counsel

AGENCY:

REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO

By: _____
Name: _____
Title: Executive Director