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BY SW
C. Bos

June 9, 2008

The Honorable Gavin Newsom
Mayor
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 200
San Francisco, California 94102-4689

Dear Mayor Newsom,

I want to thank you, Supervisor Sophie Maxwell, other members of the San Francisco Board of Supervisors and the voters for your support on Election Day. By voting overwhelmingly to support Proposition G and oppose Proposition F, San Francisco took one giant step in our quest to improve the Bayview Hunters Point community.

As we move forward, there will undoubtedly be more challenges.

Lennar is committed to continuing to work closely with our community partners and the City and County of San Francisco to overcome any obstacles and to work toward a successful venture. You have my personal reassurance that we will keep you fully informed of any and all significant developments that may impact the project. Likewise, we will continue to utilize the development partnership's experience and qualifications to leverage all state and federal funding sources to enhance the project and ensure its timely completion.

As you may know, LandSource Communities Development LLC, a joint venture in which Lennar is a minority owner, filed for Chapter 11 restructuring yesterday. It's important to take this opportunity to explain Lennar's relationship to LandSource and to verify to you that the bankruptcy filing has **no impact** on the Hunters Point project, our partners or their obligations to the City of San Francisco.

LandSource is a land and development company. It is a joint venture between MW Housing Partners, which owns a 68 percent share, and LNR Property Corp. and Lennar, which each own a 16 percent share. LandSource owns properties in California, Arizona, Florida, Texas and New Jersey.

Because LandSource is a stand-alone entity, this bankruptcy filing only covers this specific joint venture. You should also know that Lennar and the other owners are not responsible for, nor a guarantor of, any LandSource debt. Hunters Point, its partners and respective financial obligations are completely unaffected by LandSource's filing.

The LandSource bankruptcy is extremely complex. We anticipate that there may be some effort to link LandSource to other Lennar ventures, including Hunters Point Shipyard. **Let me be clear: There is no relationship between the two entities.** Hunters Point has its own capital structure and financial partners.

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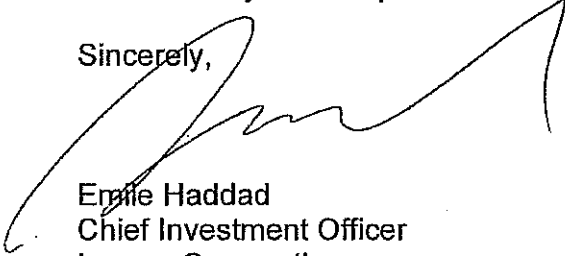


We intend to build a partnership with the City and County of San Francisco that is a model for the industry and across the country. Our joint venture is committed to the long-term success of the project and invigorating this historically vibrant neighborhood in San Francisco.

Again, thank you and your staff for your focus and commitment to this project.

Please don't hesitate to contact me should you have further questions regarding this matter or any other aspect of the Hunters Point project.

Sincerely,



Emile Haddad
Chief Investment Officer
Lennar Corporation

cc: San Francisco Board of Supervisors