



HISTORIC GROUNDBREAKING PAVES WAY FOR DEVELOPMENT OF GREAT PARK NEIGHBORHOODS

***Public-Private Partnership Between FivePoint Communities And
City of Irvine Provides Funding and Infrastructure for Great Park***

***Long-Awaited, Master-Planned Community in Irvine
To Create Jobs and Stimulate Southern California Economy***

Irvine, CA – January 31, 2012 – FivePoint Communities Management, Inc. today held a groundbreaking ceremony to start construction of Great Park Neighborhoods, the long-awaited, master-planned community on the site of the former El Toro Marine Corps Air Station.

“With today’s groundbreaking, we are moving forward with the first phase of Great Park Neighborhoods. This demonstrates the value of the Irvine market and the commitment made by our financial partners,” said Emile Haddad, CEO of FivePoint Communities, the development manager of the project. “All of us have been anticipating this day for a long time. We wish to thank members of the City Council and staff, the County of Orange, Irvine Unified School District and Irvine residents for making this milestone a reality.”

The Irvine City Council approved plans last year to build Phase One of the development, which will consist of nearly 5,000 homes and 1.2 million square feet of commercial space. The plans call for a pedestrian- and transit-friendly community surrounding the Orange County Great Park, including 23 miles of walking and biking trails connecting the neighborhoods to a train station, schools, retail shops and nearby Cleveland National Forest.

The launching of the historic project marks the success of one of the largest public/private partnerships in the United States. Great Park Neighborhoods is the first master-planned community of its kind to begin construction in California since the homebuilding industry declined in 2006.

“Moving forward with the development of Great Park Neighborhoods is critical to the development of the Great Park,” said Marian Bergeson, chair of the Foundation for the Great Park. “The two are intrinsically interwoven. The Park is dependent upon the project funding necessary for infrastructure. It is my hope that the spirit of cooperation we have seen to date will continue.”

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Michael Parham, President of the Irvine Unified School Board, said, "We are excited and encouraged by the opportunity to work with FivePoint to construct the greatest high school in the nation. This past fall, after several trying years and numerous hurdles, Irvine Unified signed a broad and comprehensive agreement with FivePoint to build our dream."

The investors in Great Park Neighborhoods consist of affiliates of national homebuilder Lennar Corp.; global real estate investment management firm Rockpoint Group LLC; private investment firm MSD Capital LP, which manages the capital of Michael Dell and his family, and real estate investment and management firm LNR Property LLC. Co-investors in the project consist of California State Teachers' Retirement System; the Board of Trustees of Stanford University; Oregon Public Employees' Retirement Fund, and New York State Teachers' Retirement System.

"We are pleased to have the opportunity to continue to invest in one of the most attractive urban infill communities in the United States," said Barry A. Sholem, a partner of MSD Capital LP. "Great Park Neighborhoods will be a legacy project and we are proud to be part of it."

"We are excited about the groundbreaking and the commitment to make Great Park Neighborhoods a model master-planned community," said Greg Hartman, a managing member of Rockpoint Group. "The appeal to living in Irvine is so strong that a substantial number of new homes were sold there right through the housing crisis. We believe that FivePoint is one of the top land developers in the nation and is well positioned to make the vision for Great Park Neighborhoods a reality."

Under terms of the public-private partnership, FivePoint is responsible for managing development of Great Park Neighborhoods and the City of Irvine is responsible for building the Orange County Great Park.

Great Park Neighborhoods will provide:

- More than \$1.4 billion in infrastructure and cash payments during the next decade. This includes an estimated \$350 million in infrastructure for the benefit of the Great Park.
- A bold investment in the future of the development project and the Great Park by constructing an estimated \$150 million in joint infrastructure improvements during Phase One. In addition, more than \$200 million will be invested in regional traffic improvements for current infrastructure projects.
- Single-family, detached homes with an American Heritage character. Model homes are anticipated to open in 2013.
- An estimated 16,000 jobs.

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Recently, FivePoint submitted an application for Phase Two of Great Park Neighborhoods to complete the master planning process announced in 2006 by the City Council. This will provide much-needed funding to move forward with the Great Park. FivePoint also negotiated an agreement with the Irvine Unified School District to provide a fully funded, state-of-the-art high school together with the Irvine Company that will support development of Great Park Neighborhoods and surrounding communities. In addition, Great Park Neighborhoods will build all required K-8 schools to support the project.

Most important, Great Park Neighborhoods will stimulate economic activity throughout Orange County and Southern California by creating thousands of jobs and helping small and medium sized businesses.

“After some six years of planning and working shoulder-to-shoulder with our private and public partners, we can now begin to execute on the vision for Great Park Neighborhoods,” Haddad said. “This will be consistent with the quality of development which has made Irvine one of the premier planned communities in the world. It’s now incumbent on all of us to remain engaged during the next decade so that Irvine and Orange County remain one of the most desirable communities in America.”

ABOUT FIVEPOINT COMMUNITIES

FivePoint Communities Management, Inc. is an independent real estate development and management company jointly owned by Emile Haddad and Lennar Homes of California, Inc. FivePoint is a leader in the management and development of master-planned communities. FivePoint is currently managing the planning, entitlement and development of more than 50,000 residential homesites, approximately 20 million square feet of commercial uses and billions of dollars of infrastructure. FivePoint also is the development manager of Newhall Land Development in Los Angeles County and Treasure Island, The Shipyard at Hunters Point and Candlestick Point master-planned communities in San Francisco. The leadership team at FivePoint has managed dozens of master-planned communities in California and developed more than 100,000 home sites and several million square feet of commercial space. These communities include Valencia in Los Angeles County, Coto de Caza in Orange County, Natomas Park in Sacramento and Windemere in the San Francisco Bay Area.