

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
:
: Chapter 11
:
:
: Case No. 08-11111 (KJC)
:
: (Jointly Administered)
:
: Debtors.
:
-----X

FOURTH PLAN SUPPLEMENT

THIS IS THE FOURTH PLAN SUPPLEMENT FILED IN SUPPORT OF THE SECOND AMENDED JOINT CHAPTER 11 PLANS OF REORGANIZATION FOR LANDSOURCE COMMUNITIES DEVELOPMENT LLC AND EACH OF ITS AFFILIATED DEBTORS PROPOSED BY BARCLAYS BANK PLC, AS ADMINISTRATIVE AGENT, UNDER THE SUPER-PRIORITY DEBTOR-IN-POSSESSION FIRST LIEN CREDIT AGREEMENT, AS MODIFIED, DATED JULY 6, 2009 [DOCKET NO. 2047] (THE "PLAN").²

THE PROPONENT EXPRESSLY RESERVES THE RIGHT TO ALTER, AMEND, MODIFY, REMOVE, AUGMENT OR SUPPLEMENT EACH DOCUMENT IN THIS FOURTH PLAN SUPPLEMENT FROM TIME TO TIME. THE DOCUMENTS CONTAINED IN THIS FOURTH PLAN SUPPLEMENT ARE INTEGRAL TO THE PLAN AND, IF THE PLAN IS APPROVED, ARE TO BE APPROVED, SUBSTANTIALLY IN THE FORM ATTACHED HERETO, AS PART OF THE CONFIRMATION ORDER.

YOUNG CONAWAY STARGATT & TAYLOR LLP	GREENBERG TRAUIG, LLP
Edwin J. Harron (No. 3396)	Bruce R. Zirinsky (<i>pro hac vice</i>)
Joseph M. Barry (No. 4221)	Nathan A. Haynes (<i>pro hac vice</i>)
The Brandywine Building	200 Park Avenue
1000 West Street, 17th Floor	New York, New York 10166
P.O. Box 391	Telephone: (212) 801-9200
Wilmington, Delaware 19899-0391	Facsimile: (212) 801-6400
Telephone: (302) 571-6600	
Facsimile: (302) 571-1253	and

Nancy A. Peterman (*pro hac vice*)
77 West Wacker Drive, Suite 3100
Chicago, Illinois 60601
Telephone: (312) 456-8400
Facsimile: (312) 456-8435

Dated: July 19, 2009

¹ The Debtors are as follows: California Land Company; Friendswood Development Company LLC; Kings Wood Development Company, L.C.; LandSource Communities; LandSource Communities Development Sub LLC; LandSource Holding Company, LLC; Lennar Bressi Ranch Venture, LLC; Lennar Land Partners II; Lennar Mare Island, LLC; Lennar Moorpark, LLC; Lennar Stevenson Holdings, L.L.C.; LNR-Lennar Washington Square, LLC; LSC Associates, LLC; NWHL GP LLC; The Newhall Land and Farming Company (A California Limited Partnership); The Newhall Land and Farming Company; Southwest Communities Development LLC; Stevenson Ranch Venture LLC; Tournament Players Club at Valencia, LLC; Valencia Corporation; and Valencia Realty Company.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.



TABLE OF CONTENTS

Please note that the documents attached hereto are continuing to be negotiated and modified by parties in interest. Accordingly, their contents are subject to further modification.

<u>Document</u>	<u>Exhibit</u>
Amended Holdco LLC Agreement.....	28
Amended Newhall Intermediary LLC Agreement	29
Amended Reorganized LandSource Communities LLC Agreement.....	30

Exhibit 28

Amended Holdco LLC Agreement¹

¹ For ease of reference, the Plan Proponent has attached the Amended Holdco LLC Agreement in blackline format to reflect the modifications that were made since its filing with the Plan Supplement on June 12, 2009.

LIMITED LIABILITY COMPANY AGREEMENT

OF

NEWHALL HOLDING COMPANY, LLC

[_____] , 2009

THE UNITS ACQUIRED HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED BY SALE, ASSIGNMENT, PLEDGE OR OTHERWISE WITHOUT COMPLIANCE WITH APPLICABLE FEDERAL, STATE AND/OR FOREIGN SECURITIES LAWS. IN ADDITION, THE TRANSFER OR OTHER DISPOSITION OF THE UNITS SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

TABLE OF CONTENTS

ARTICLE I ORGANIZATION AND PURPOSE.....	2
Section 1.01 Certain Definitions.....	2
Section 1.02 Name	<u>1918</u>
Section 1.03 Term.....	<u>1918</u>
Section 1.04 Purposes and Scope of Business	<u>1918</u>
Section 1.05 Documents	<u>2019</u>
Section 1.06 Principal Place of Business.....	20
Section 1.07 Registered Agent and Office.....	20
Section 1.08 No Partnership Status.....	20
Section 1.09 Ownership of Property.....	20
Section 1.10 Business Opportunities	20
Section 1.11 Restriction on Holding Debt of the Company	21
ARTICLE II MANAGEMENT AND OPERATIONS.....	22
Section 2.01 Management of the Company.....	22
Section 2.02 Size of the Board.....	22
Section 2.03 Designation of Managers.....	<u>2322</u>
Section 2.04 Term of Office of Managers	24
Section 2.05 Lead Director	24
Section 2.06 Meetings of the Board.....	24
Section 2.07 Observers	<u>2625</u>
Section 2.08 Officers	26
Section 2.09 Committees	26
Section 2.10 Remuneration.....	28
Section 2.11 Action by the Board	28
Section 2.12 Super-Majority Actions	29
Section 2.13 Affiliated Transactions.....	<u>3130</u>
Section 2.14 Unanimous Actions.....	32
Section 2.15 Exculpations; Indemnities.....	<u>3433</u>
ARTICLE III CAPITALIZATION.....	35
Section 3.01 Authorized Units; Capital Contributions	35
Section 3.02 Limited Liability of Members.....	<u>3837</u>
Section 3.03 Capital Contributions.....	38
Section 3.04 Special Capital Contributions	38
Section 3.05 Benefits of Agreement	<u>4241</u>
Section 3.06 New Members	<u>4241</u>
Section 3.07 No Withdrawal of Members	42
Section 3.08 No Rights of Partition	42
Section 3.09 Non-Certification of Units; Legend; Units are Securities.....	42
Section 3.10 Preemptive Rights.....	43
Section 3.11 Cancellation of Class B Units Upon Exchange	45
Section 3.12 Right to Piggyback.....	45
ARTICLE IV ACCOUNTING; ALLOCATIONS AND DISTRIBUTIONS	46

Section 4.01	Tax Status, Reports and Allocations	46
Section 4.02	Accounting	<u>4746</u>
Section 4.03	Information	<u>4847</u>
Section 4.04	Bank Accounts	48
Section 4.05	Distributions.....	48
Section 4.06	Special Distributions	49
ARTICLE V TRANSFERS		<u>5049</u>
Section 5.01	General Restrictions.....	<u>5049</u>
Section 5.02	Drag-Along	50
Section 5.03	Further Restrictions on Transfer	52
Section 5.04	Legal Opinion Prior to Transfer.....	<u>5352</u>
Section 5.05	Admission of Substituted or New Member	53
Section 5.06	Other Restricted Transfers	54
Section 5.07	Specific Performance	54
Section 5.08	Tag-Along	54
Section 5.09	Right of First Offer	<u>5756</u>
ARTICLE VI DISSOLUTION AND TERMINATION.....		58
Section 6.01	Dissolution of the Company	58
Section 6.02	Termination and Liquidation of the Company.....	59
Section 6.03	Members Not Personally Liable	<u>6059</u>
Section 6.04	Provisions Cumulative.....	<u>6059</u>
Section 6.05	Certificate of Cancellation	60
ARTICLE VII GENERAL		60
Section 7.01	Notice	60
Section 7.02	Amendments	61
Section 7.03	Authorization; Powers of Attorney	63
Section 7.04	Governing Law	<u>6564</u>
Section 7.05	Rule of Construction	65
Section 7.06	Entire Agreement.....	65
Section 7.07	Waiver.....	65
Section 7.08	Severability	65
Section 7.09	Binding Agreement.....	65
Section 7.10	Counterparts.....	<u>6665</u>
Section 7.11	Further Assurances.....	66
Section 7.12	Venue	66
Section 7.13	Jury Trial Waiver	66
Section 7.14	Fees and Costs.....	<u>6766</u>
ARTICLE VIII DISCLOSURES		67
Section 8.01	Disclosures.....	67

Schedules

Schedule I Unit Ownership of the Company

Exhibits

Exhibit A Initial Managers of the Company
Exhibit B Initial Officers of the Company
Exhibit C Initial Members of the Executive and Finance Committees

**LIMITED LIABILITY COMPANY AGREEMENT
OF
NEWHALL HOLDING COMPANY, LLC**

This Limited Liability Company Agreement (this "**Agreement**") of Newhall Holding Company, LLC (the "**Company**") is made and entered into as of the [] day of [], 2009, by and among the Company and such Persons as may be listed from time to time on **Schedule I** as the Members. Capitalized terms shall have the respective meanings set forth in Section 1.01.

RECITALS:

A. The Company was formed under the name Newhall Holding Company, LLC as a Delaware limited liability company by the filing of its Certificate of Formation with the Secretary of State of the State of Delaware (the "**Secretary of State**") on _____, 2009 (as amended, restated or supplemented, the "**Certificate of Formation**"), which remains in full force and effect.

B. On June 8, 2008, Newhall Opco commenced a case under Chapter 11 of Title 11 of the United States Code currently pending before the United States Bankruptcy Court for the District of Delaware as Case No. 08-11111(KJC) (the "**Chapter 11 Case**").

C. This Agreement is being entered into in connection with the consummation of the Second Amended Joint Chapter 11 Plan of Reorganization for LandSource and its Affiliated Debtors Proposed by Barclays Bank PLC, as Administrative Agent, under the Super-Priority Debtor-in-Possession First Lien Credit Agreement, dated March 20, ~~2009~~2009, as modified (the "**Plan of Reorganization**") and the final order or orders of the United States District Court for the District of Delaware having jurisdiction over the Chapter 11 Case, among other things, confirming the Plan of Reorganization pursuant to Section 1129 of the Bankruptcy Code, dated [_____] , 2009 (collectively, the "**Final Orders**").

D. In connection with the Chapter 11 Case and the Plan of Reorganization, as of the effective date of the Plan of Reorganization (the "**Effective Date**"), (i) the Rights Offering (as defined in the Plan of Reorganization) will have been completed; (ii) the Members (or certain of their Affiliates or related Entities thereof) will have contributed to the Company, Newhall IH and/or Newhall Opco cash and/or certain claims or debt interests in Newhall Opco or its Subsidiaries in exchange for Units; (iii) the Company will have acquired equity in Newhall IH pursuant to a subsequent capital contribution by the Company to Newhall IH of such cash and/or claims or debt interests contributed to the Company; (iv) all membership interests in Newhall Opco at the time of filing the Chapter 11 Case will have been extinguished and cancelled in connection with the Chapter 11 Case (provided, however, that, each of Lennar and the LNR Investors will continue to be a Newhall Opco Member for tax purposes); (v) Newhall Opco will have become a Subsidiary of Newhall IH pursuant to a subsequent capital contribution by Newhall

IH of such cash and/or claims or debt interests in exchange for equity interests in Newhall Opco; and (vi) the Company will have become the sole manager of Newhall IH and Newhall Opco.

WITNESSETH:

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

ORGANIZATION AND PURPOSE

Section 1.01 Certain Definitions.

(a) Certain Definitions. The following terms shall have the meaning ascribed to them as set forth below:

"Acceptance Period" shall have the meaning set forth in Section 5.09(b).

"Accountant" shall mean an accountant selected by the Board.

"Act" shall mean Del. Code Ann., tit. 6, ch. 18, known as the Delaware Limited Liability Company Act, as amended from time to time.

"Actively Traded Market" shall mean a national securities exchange, an over-the-counter bulletin board, the "Pink Sheets" electronic quotation service or a trading desk at a nationally recognized securities firm, in each case, through which Principal Members (and/or their Affiliates) would be permitted to place bids with respect to Units.

"Additional Newhall IH Units" shall have the meaning set forth in Section 3.01(g).

"Additional Newhall Opco Units" shall have the meaning set forth in Section 3.01(g).

"Affiliate" shall mean, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person, as well as, in the case of an individual, any immediate family member or any Entity that directly or indirectly is Controlled by an immediate family member of

such individual. For the avoidance of doubt, Lennar shall not be deemed an Affiliate of Management Co. or CEO Manager and no Member shall be deemed an Affiliate of the Company, Newhall IH, Newhall Opco or another Member solely as a result of the terms of this Agreement.

"Affiliated Fund" shall mean, with respect to any specified Person, any investment partnership or similar Entity, fund or pooled investment vehicle that is (a) an Affiliate of such Person, (b) advised by the same investment adviser as such Person or by an Affiliate of such investment adviser of such Person or (c) sponsored, managed or Controlled by an Affiliate of such Person.

"Affiliated Transaction" shall have the meaning set forth in Section 2.13(a).

"Agreement" shall have the meaning set forth in the Preamble, as this Agreement may be amended, restated or supplemented from time to time in accordance with the provisions of Section 7.02.

"Anchorage Members" shall mean as of any date [NAMES TO COME]¹ and any Person to which any Anchorage Member has made a Permitted Class A Transfer or a Permitted Class B Transfer, in each case only if such Person is then a Class A Member or a Class B Member.

"Approved Budget" shall have the meaning set forth in the Management Agreement, for so long as the Management Agreement is in effect, and otherwise, shall mean a budget for the Company Assets setting forth all anticipated income and expenditures and the marketing and operating plan for any fiscal year, in each case, approved by the Board pursuant to Section 2.12.

"Authorized Units" shall have the meaning set forth in Section 3.01(b).

"Backstop Agreement" shall mean that certain Amended and Restated Backstop Rights Purchase Agreement, dated as of June 9, 2009, by and among the Company, Newhall IH, Newhall Opco, Barclays Bank PLC, in its capacity as plan proponent, and the other parties listed on Schedule 1 thereto.

"Beneficial Ownership" (including the terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned") shall mean beneficial ownership within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act; provided, however, that, for purposes of Article II, no single Unit may be Beneficially Owned by more than one Member or other Person.

¹ Exact entity names to be filled in prior to the Effective Date.

"Board" shall have the meaning set forth in Section 2.01.

"Business Day" shall mean any day that is not a Saturday, Sunday or a day on which the Federal Reserve Bank in New York is closed for business.

"Capital Call Shortfall Amount" shall have the meaning set forth in Section 3.04(b).

"Capital Contributions" shall mean, for any Member at any particular time, all capital contributed (or deemed contributed) by such Member to the Company through such time in accordance with the terms of this Agreement, as set forth on Schedule I under the heading "Capital Amount" to be deemed effective as of the dates set forth on Schedule I under the heading "Contribution Effective Date."

"Cash Equivalents" shall mean (a) marketable direct obligations issued or unconditionally guaranteed by the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof, (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having the highest rating obtainable from any of Standard & Poor's Corporation, Moody's Investors Service, Inc. or Duff & Phelps Credit Rating Co., or (c) commercial paper maturing not more than one year from the date of issuance thereof and, at the time of acquisition, having the highest rating obtainable from either Standard & Poor's Corporation or Moody's Investors Service, Inc.

"Cash Exchange" shall have the meaning set forth in either the Newhall IH LLC Agreement or the Newhall Opco LLC Agreement, as applicable.

"CEO Manager" shall have the meaning set forth in Section 2.03(c).

"Certificate of Formation" shall have the meaning set forth in the Recitals.

"Change of Control" shall mean (a) any Person or Group, in each case, excluding any Principal Member and its Affiliates as of the Effective Date, and any Affiliate thereof, shall have acquired Beneficial Ownership of a number of Units corresponding to a Percentage Interest equal to or greater than ninety-five percent (95%), whether by merger, consolidation, reorganization, other business combination, Transfer or otherwise or (b) any Person or Group shall have acquired all or substantially all of the Company Assets, taken as a whole, in a transaction or series of related transactions; provided that Members as of the Effective Date and New Members and Substituted Members admitted in accordance with the terms of this Agreement shall not be considered a Group solely as a result of the terms of this Agreement.

"Chapter 11 Case" shall have the meaning set forth in the Recitals.

"Class A Member" shall mean a Member holding one or more Class A Units.

"Class A Units" shall mean the Units designated as "Class A" as set forth in Section 3.01(b).

"Class B Member" shall mean a Member holding one or more Class B Units.

"Class B Units" shall mean the Units designated as "Class B" as set forth in Section 3.01(b).

"Class of Members" shall have the meaning set forth in Section 7.02(a)(i).

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"Company" shall have the meaning set forth in the Preamble.

"Company Assets" shall mean collectively the assets of the Company and its Subsidiaries, whether now owned or hereafter acquired.

"Company First Lien Members" shall mean such Class A Members as of the Effective Date that were lenders under the term loan facility described in Section 2.02 of the First Lien Credit Agreement or such Class A Members' successors, assigns or transferees, but only to the extent they are Class A Members.

"Company-Managed Subsidiaries" shall have the meaning set forth in Section 2.11(b).

"Control" (including the terms "Controlled by" and "under common Control with"), with respect to the relationship between or among two or more Persons, shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities of the general partner of a limited partnership or securities having the power to manage an Entity or elect a majority of the board of directors or similar body governing the affairs of such Person.

"Covered Persons" shall have the meaning set forth in Section 2.15(b).

"Designated Manager" shall have the meaning set forth in Section 2.03(a).

"Designation Notice" shall have the meaning set forth in Section 2.03(b).

"Designation Right" shall have the meaning set forth in Section 2.03(a).

"Designation Right Minimum Requirement" shall have the meaning set forth in Section 2.03(a).

"Designation Right Minimum Transfer Requirement" shall have the meaning set forth in Section 2.03(a).

"Designation Right Transferee" shall have the meaning set forth in Section 2.03(a).

"Dilutive Shortfall Amount" shall have the meaning set forth in Section 3.04(d).

"Distribution" shall have the meaning set forth in Section 4.05(a).

"Drag-Along Election" shall have the meaning set forth in Section 5.02(a).

"Drag-Along Notice" shall have the meaning set forth in Section 5.02(b).

"Drag-Along Proposal" shall have the meaning set forth in Section 5.02(a).

"Drag-Along Purchaser" shall have the meaning set forth in Section 5.02(a).

"Dragged Members" shall have the meaning set forth in Section 5.02(a).

"Dragging Members" shall have the meaning set forth in Section 5.02(a).

"Economic Percentage Interest" shall mean, with respect to a Class A Member at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the aggregate number of Class A Units held by such Class A Member as of such date and time and (y) the denominator of which equals the aggregate number of all Class A Units held by all Class A Members as of such date and time.

"Effective Date" shall have the meaning set forth in the Recitals.

"Electronic Transmission" (including the term "Electronically Transmitted") shall mean any form of communication not directly involving the physical delivery of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process, including, a facsimile or email.

"Encumbrance" shall mean any security interest, pledge, mortgage, lien (including environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement, lease, letter of credit or restriction of any kind, including any restriction on the use, voting, transfer (other than restrictions under applicable securities laws), receipt of income or other exercise of any attributes of ownership, except in all events for any Encumbrance imposed or created pursuant to the Pledge Agreement.

"Entitlement Strategy" shall have the meaning set forth in the Management Agreement, for so long as the Management Agreement is in effect, and otherwise shall mean, the Company's strategy for pursuit and attainment of entitlements relating to the Newhall Ranch Property, as shall be approved, and/or modified from time to time, by the Board.

"Entity" shall mean any corporation, partnership, joint stock company, limited liability company, trust, unincorporated association or any other entity.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exchange Date" shall have the meaning set forth in the Newhall Opco LLC Agreement or the Newhall IH LLC Agreement, as applicable.

"Exchange Transaction" shall have the meaning set forth in the Newhall Opco LLC Agreement or the Newhall IH LLC Agreement, as applicable.

"Executive Committee" shall have the meaning set forth in Section 2.09(c).

"Family Members" shall mean one or more spouses, parents, grandparents, children (natural or adopted), spouses of any such children, grandchildren and/or lineal descendants of any of the foregoing.

"Final Orders" shall have the meaning set forth in the Recitals.

"Final Washington Square and SoCal Resolved Claims Allocation" shall mean, with respect to each of the ~~Washington Square and SoCal Resolved Claims~~ Participants and its membership interest in the Company, Newhall IH and/or Newhall Opco (as the case may be) at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (i) the numerator of which equals the aggregate number of Class A Units, Newhall IH Units and/or Newhall Opco Units, as applicable, that such ~~Washington Square and SoCal Resolved Claims~~ Participant holds in the Company, Newhall IH and/or Newhall Opco, as applicable, and (ii) the denominator of which equals the aggregate number of Class A Units, Newhall IH Units and Newhall Opco Units held by all ~~Washington Square and SoCal Resolved Claims~~ Participants as of such date and time.

"Final Washington Square and SoCal Resolved Claims Capital Call" shall have the meaning set forth in Section 3.04(b).

"Finance Committee" shall have the meaning set forth in Section 2.09(b).

"First Lien Credit Agreement" shall mean that certain Super-Priority Debtor-in-Possession First Lien Credit Agreement, dated as of June 16, 2008, by and among Newhall Opco, as parent guarantor, LandSource Holding Company, LLC, as borrower, the guarantors party thereto, the lenders party thereto and Barclays Bank PLC, as administrative agent, as amended, supplemented or otherwise modified from time to time.

"First Lien Newhall Members" shall have the meaning set forth in Section 3.04(a).

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such accounting profession, in effect from time to time, consistently applied.

"Governmental Entity" shall mean any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof.

"Group" shall mean a group of Persons within the meaning of Section 13(d) or 14 of the Exchange Act.

"Haddad" shall mean Emile Haddad, an individual, and/or any direct or indirect Person that is owned by or for the exclusive benefit of Emile Haddad and/or one or more of Emile Haddad's Family Members, or upon the death of Emile Haddad, the estate of Emile Haddad and/or one or

more of Emile Haddad's Family Members (including as a result of transfers by testamentary or trust disposition upon the death of Emile Haddad).

"Haddad Agreements" shall mean, collectively, the Award Agreement, effective as of the Effective Date, among Newhall Opco, the Company and Emile Haddad and the Investment Agreement, effective as of the Effective Date, among Newhall Opco, the Company and Emile Haddad, as applicable.

"Haddad Pledge Agreement" shall mean that certain Pledge and Security Agreement dated as of [___], 2009, by and between Haddad and Fidelity Guaranty and Acceptance Corp., a Delaware corporation and an Affiliate of Lennar, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Indebtedness" shall mean indebtedness for borrowed money or any guarantee thereof.

"Interest Allocation" shall mean, with respect to a Member's membership interest in the Company, Newhall IH and/or Newhall Opco at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (i) the numerator of which equals the number of Class A Units, Newhall IH Units and/or Newhall Opco Units, as applicable, that such Member holds in the Company, Newhall IH and/or Newhall Opco, as applicable, and (ii) the denominator of which equals the aggregate number of Units that such Member holds as of such date and time.

"Interested Managers" shall have the meaning set forth in Section 2.13(a)(iii).

"Interested Party" shall have the meaning set forth in Section 2.13(a).

"Interim CEO" shall have the meaning set forth in the Management Agreement.

"Lead Director" shall have the meaning set forth in Section 2.05.

"Lennar" shall mean Lennar Homes of California, Inc., a California corporation.

"Lennar Members" shall mean Lennar and as of any date any Person to which any Lennar Member has made a Permitted Class A Transfer or a Permitted Class B Transfer, in each case only if such Person is then a Class A Member or a Class B Member.

"LNR Investment Agreement" shall mean that certain agreement among Newhall Opco, the Company, Barclays Bank PLC and the LNR Investors, dated as of July ___, 2009.

"LNR Investors" shall mean the investors listed on the signature pages to the LNR Investment Agreement.

"Management Agreement" shall mean the management services agreement, effective as of the Effective Date, between Newhall Opco and Management Co.

"Management Co." shall mean Five Point Communities Management, Inc., a Delaware corporation.

"Management Promote Distributions" shall have the meaning set forth in the Newhall Opco LLC Agreement.

"Manager" shall have the meaning set forth in Section 2.02.

"Marathon Members" shall mean as of any date [NAMES TO COME] and any Person to which any Marathon Member has made a Permitted Class A Transfer or a Permitted Class B Transfer, in each case only if such Person is then a Class A Member or a Class B Member.

"Marketable Securities" shall mean securities that are (a)(i) securities of or other interests in any Person that are traded on a national securities exchange or otherwise actively traded over-the-counter or (ii) debt securities of an issuer that has debt or equity securities that are so traded and in which a nationally recognized securities firm has agreed to make a market, and (b) not subject to restrictions on transfer as a result of any applicable contractual provisions or the provisions of the Securities Act or, if subject to such restrictions under the Securities Act, are also subject to registration rights approved by the Board.

"Member" shall mean each Person listed on Schedule I and each other Person hereafter admitted as a Member in accordance with the terms of this Agreement and the Act. The Members shall constitute the "members" (as such term is defined in the Act) of the Company. Except as otherwise set forth herein or in the Act, the Members shall constitute a single class or group of members of the Company for all purposes of the Act and this Agreement. For the avoidance of doubt, each holder of any Class A Units and each holder of any Class B Units shall be a Member and shall be bound as a Member by all the terms and provisions of this Agreement.

"Minimum Block" shall mean [] Class A Units, adjusted to reflect any changes to the number of Class A Units issued and outstanding from time to time as a result of an issuance, reclassification, split (including a reverse split), recapitalization, merger or otherwise.

"Minimum Cash Amount" shall mean twenty-five million dollars (\$25,000,000).

"Negotiation Parameters" shall have the meaning set forth in the Management Agreement.

~~"Net Proceeds" shall have the meaning set forth in the Newhall Opco LLC Agreement.~~

"Newhall IH" shall mean Newhall Intermediary Holding Company, LLC, a Delaware limited liability company, or any successor by acquisition, merger or recapitalization of Newhall Intermediary Holding Company, LLC with or into any other Person.

"Newhall IH Certificate of Formation" shall mean "Certificate of Formation" as defined in the Newhall IH LLC Agreement.

"Newhall IH First Lien Members" shall mean such Non-Newhall Members as of the Effective Date that were lenders under the term loan facility described in Section 2.02 of the Newhall First Lien Credit Agreement or such Non-Newhall Members' successors, assigns or transferees, but only to the extent they are Non-Newhall Members.

"Newhall IH LLC Agreement" shall mean the Limited Liability Company Agreement of Newhall IH, effective as of the Effective Date, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Newhall IH Manager" shall mean "Manager" as defined in the Newhall IH LLC Agreement.

"Newhall IH Member" and "Newhall IH Members" shall mean "Member" and "Members," respectively, as defined in the Newhall IH LLC Agreement.

"Newhall IH Percentage Interest" shall mean "Percentage Interest" as defined in the Newhall IH LLC Agreement.

"Newhall IH Units" shall mean "Units" as defined in the Newhall IH LLC Agreement.

"Newhall Opco" shall mean LandSource Communities Development LLC (which entity will be renamed Newhall Land Development, LLC on or prior to the Effective Date), a Delaware limited liability company, or any successor by acquisition, merger or recapitalization of Newhall Land Development, LLC with or into any other Person.

"Newhall Opco Certificate of Formation" shall mean "Certificate of Formation" as defined in the Newhall Opco LLC Agreement.

"Newhall Opco First Lien Members" shall mean such Non-Newhall IH Members as of the Effective Date that were lenders under the term loan facility described in Section 2.02 of the Newhall First Lien Credit Agreement or such Non-Newhall IH Members' successors, assigns or transferees, but only to the extent they are Non-Newhall IH Members.

"Newhall Opco LLC Agreement" shall mean the Third Amended and Restated Limited Liability Company Agreement of Newhall Opco, effective as of the Effective Date, , as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Newhall Opco Manager" shall mean "Manager" as defined in the Newhall Opco LLC Agreement.

"Newhall Opco Member" and "Newhall Opco Members" shall mean "Member" and "Members," respectively, as defined in the Newhall Opco LLC Agreement.

"Newhall Opco Percentage Interest" shall mean "Percentage Interest" as defined in the Newhall Opco LLC Agreement.

"Newhall Opco Units" shall mean "Units" as defined in the Newhall Opco LLC Agreement.

"Newhall Percentage Interest Adjustment" shall have the meaning set forth in Section 3.04(c).

"Newhall Percentage Interests" shall have the meaning set forth in Section 3.03.

"Newhall Ranch Property" shall have the meaning set forth in the Management Agreement.

"New Member" shall have the meaning set forth in Section 3.06.

"New Securities" shall have the meaning set forth in Section 3.10(c).

"Non-Newhall IH Member" shall have the meaning set forth in the Newhall Opco LLC Agreement.

"Non-Newhall Member" shall have the meaning set forth in the Newhall IH LLC Agreement.

"Non-Transferring Members" shall have the meaning set forth in Section 5.09(a).

"Observer" shall have the meaning set forth in Section 2.07.

"Och-Ziff Members" shall mean as of any date [NAMES TO COME] and any person to which any Och-Ziff Member has made a Permitted Class A Transfer or a Permitted Class B Transfer, in each case only if such Person is then a Class A Member or a Class B Member.

"Parent" shall mean, with respect to any specified Person, any other Person that, directly or indirectly through one or more intermediaries, owns one hundred percent (100%) of the voting and equity economic interests of such specified Person.

"Participating First Lien Newhall Member" shall mean each First Lien Newhall Member that made a capital contribution in respect of the ~~Washington Square and SoCal~~Resolved Claims Capital Call in an amount equal to no less than the product of (x) the ~~Washington Square and SoCal Shortfall~~Resolved Claims Amount, multiplied by (y) such First Lien Newhall Member's ~~Washington Square and SoCal~~Resolved Claims Allocation immediately prior to the ~~Washington Square and SoCal~~Resolved Claims Capital Call.

"Percentage Interest" shall mean, with respect to a Member at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the aggregate number of vested and unvested Units held by such Member as of such date and time and (y) the denominator of which equals the aggregate number of all vested and unvested Units held by all Members as of such date and time.

"Permitted Class A Transfers" shall mean each and any of the following transfers: (a) any direct or indirect transfer of all or any portion of any direct or indirect equity or other ownership interests owned or held by any Person in the ultimate Parent of a Class A Member (for the avoidance of doubt, as of the Effective Date, the ultimate Parent of Lennar is Lennar Corporation, a Delaware corporation); (b) any direct or indirect Transfer of all or any portion of a Class A Member's Units to any Parent of such Class A Member; (c) any direct or indirect Transfer of all or any portion of a Class A Member's Units to any wholly-owned Subsidiary of (x) such Class A Member or (y) any Parent of such Class A Member, in each case, Controlled by such Class A Member or such Class A Member's Parent; (d) with respect to Class A Units held by any Anchorage Member, any Marathon Member, any Och-Ziff Member, any TPG Member or any Third Avenue Member, any direct or indirect Transfer of all or any portion of such Member's Class A Units to any Affiliated Fund of such Member; and (e) any Transfer made pursuant to the Pledge Agreement or the Haddad Pledge Agreement; provided that in the case of any such Permitted Class A Transfer, each transferee that holds any Units agrees to be bound by the terms and provisions of this Agreement applicable to each transferor.

"Permitted Class B Transfers" shall mean any Transfer of Class B Units in connection with any transfer of (i) Newhall IH Units as permitted by the Newhall IH LLC Agreement or (ii) Newhall Opco Units as permitted under the Newhall Opco LLC Agreement.

"Person" shall mean any individual, Entity or Governmental Entity.

"Piggyback Registration" shall have the meaning set forth in Section 3.12.

"Plan of Reorganization" shall have the meaning set forth in the Recitals.

"Pledge Agreement" shall mean that certain Pledge Agreement effective as of the Effective Date, by and between Lennar and Newhall Opco IH, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Principal Members" shall mean any one of (a) the Anchorage Members, collectively, (b) the Marathon Members, collectively, (c) the Och-Ziff Members, collectively, (d) the Third Avenue Members, collectively, (e) the TPG Members, collectively, and (f) the Lennar Members, collectively, subject in each case to change pursuant to the provisions of Section 2.03. Where this Agreement provides for the vote, consent or approval of any of the Anchorage Members, the Marathon Members, the Och-Ziff Members, the Third Avenue Members or the TPG Members or provides that such Members are entitled to exercise any rights under this Agreement (including Designation Rights under Article II hereof), such vote, consent or approval, or decision to exercise any such rights shall be determined by the holders of a majority of the Units held by the Anchorage Members, the Marathon Members, the Och-Ziff Members, the Third Avenue Members or the TPG Members, as the case may be.

"Proceeding" shall have the meaning set forth in Section 2.15(c).

"Property" shall mean an interest of any kind in any real or personal (or mixed) property, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"Preemptive Issuing Entity" shall have the meaning set forth in Section 3.10(a).

"Preemptive Other-Issuing Entity" shall have the meaning set forth in Section 3.10(a).

"Preemptive Right" shall have the meaning set forth in Section 3.10(a).

"Public Offering" shall mean the sale of the equity securities of the Company, Newhall IH or Newhall Opco, as applicable, in an underwritten public offering registered under the Securities Act.

"Regulations" shall mean the temporary and final Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).

"Resolved Claims Allocation" shall mean, with respect to each of the First Lien Newhall Members and its membership interest in the Company, Newhall IH and/or Newhall Opco (as the case may be) at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (i) the numerator of which equals the aggregate number of Class A Units, Newhall IH Units and/or Newhall Opco Units, as applicable, that such First Lien Newhall Member holds in the Company, Newhall IH and/or Newhall Opco, as applicable, and (ii) the denominator of which equals the aggregate number of Class A Units, Newhall IH Units and Newhall Opco Units held by all First Lien Newhall Members as of such date and time.

"Resolved Claims Amount" shall mean, with respect to each applicable Resolved Claims Capital Call, an amount equal to (a) the aggregate of (i) any amounts paid or payable by the Company (or its Subsidiaries) in connection with (x) a final non-appealable determination or decision in the CIM Litigation (as defined in the Newhall Opco LLC Agreement) or (y) a valid settlement or compromise of the CIM Litigation, (ii) any amounts released by the Company (or one of its Subsidiaries) to any holder of any asserted Senior Permitted Lien Claim (as defined in the Plan of Reorganization) that had been held in a separate account established by the Company (or one of its Subsidiaries) pursuant to the 11th Decree set forth in the Final Orders and (iii) any amounts paid or payable by the Company (or its Subsidiaries) to Barclays Bank PLC pursuant to the 9th Decree set forth in the Final Orders for any Losses (as define in the Final Orders) incurred by Barclays Bank PLC related to or arising out of or in connection with the Plan of Reorganization; provided that a Resolved Claims Amount in respect of any Resolved Claims Capital Call shall be reduced by the Resolved Claims Amount(s), if any, in respect of any and all previous Resolved Claims Capital Calls.

"Resolved Claims Capital Call" shall have the meaning set forth in Section 3.04(a).

"Resolved Claims Participants" shall have the meaning set forth in Section 3.04(b).

"Restricted Member" shall have the meaning set forth in Section 3.12.

"Rights Offering Amount" shall have the meaning set forth in the Plan of Reorganization.

"Rights Offering Per Unit Price" shall have the meaning set forth in Section 3.04(a).

"Rights Offering Units" shall have the meaning set forth in the Plan of Reorganization.

"ROFO Offer" shall have the meaning set forth in Section 5.09(a).

"ROFO Transfer Notice" shall have the meaning set forth in Section 5.09(a).

"ROFO Units" shall have the meaning set forth in Section 5.09(a).

~~"Sale" shall mean the sale, transfer, assignment, distribution, dividend, divestiture, separation of holding or other disposition of all or substantially all of Washington Square (or the real property it owns) and the Southern California Properties (or the real property it owns), in one transaction or a series of related transactions, including by way of a merger (forward or reverse) of the Entity or Entities owning Washington Square and the Southern California Properties or similar transaction or by operation of law or otherwise, either voluntarily or involuntarily (which shall include any forward sale, deferred delivery transaction, hedging arrangement or other transaction pursuant to which substantially comparable economic benefits are derived).~~

"Secretary of State" shall have the meaning set forth in the Recitals.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Special Distribution Amount" shall have the meaning set forth in Section 4.06(a).

~~"Southern California Properties" shall mean the real property located in the State of California, commonly know as Harveston 1 - Barrington, Harveston 2 - Consolidated, McSweeney, Palm Spring Classic, The Bridges at Jefferson, Indian Palms (4500s and 5000s), and Vista Escondida - Coachella.~~

"Subsidiary" shall mean, with respect to any Person, (i) a corporation, more than fifty percent (50%) of the voting or capital stock of which is, as of the time in question, directly or indirectly owned by such Person and (ii) any Entity in which such Person, directly or indirectly, owns more than fifty percent (50%) of the equity economic interest thereof or has the power to elect or direct the election of fifty percent (50%) or more of the members of the governing body of such Entity or otherwise has Control over such Entity; provided, however, that each of Newhall IH and Newhall Opco shall be deemed a Subsidiary of the Company and Newhall Opco shall be deemed a Subsidiary of Newhall IH.

"Substituted Member" shall mean a Person that has been admitted to the Company as a Member pursuant to Section 5.05 by virtue of such Person receiving Units from a Member and not from the Company.

"Substitute New Securities" shall have the meaning set forth in Section 3.10(a)(ii).

"Successor CEO" shall have the meaning set forth in the Management Agreement.

"Super-Majority Action" shall have the meaning set forth in Section 2.12.

"Tag-Along Acceptance" shall have the meaning set forth in Section 5.08(b).

"Tag-Along Election" shall have the meaning set forth in Section 5.08(a).

"Tag-Along Notice" shall have the meaning set forth in Section 5.08(b).

"Tag-Along Proposal" shall have the meaning set forth in Section 5.08(a).

"Tag-Along Purchaser" shall have the meaning set forth in Section 5.08(a).

"Tagged Members" shall have the meaning set forth in Section 5.08(a).

"Tagging Member(s)" shall have the meaning set forth in Section 5.08(a).

"Terminating Person" shall have the meaning set forth in Section 6.02(a).

"Third Avenue Members" shall mean as of any date [NAMES TO COME] and any Person to which any Third Avenue Member has made a Permitted Class A Transfer or a Permitted Class B Transfer, in each case only if such Person is then a Class A Member or a Class B Member.

"Third Party" shall mean, with respect to any Member, any other Person (other than the Company or any Affiliate of such Member).

"TPG Members" shall mean as of any date [NAMES TO COME] and any Person to which any TPG Member has made a Permitted Class A Transfer or a Permitted Class B Transfer, in each case only if such Person is then a Class A Member or a Class B Member.

"Transfer," "Transferred," or "Transferring" shall mean any sale, assignment, transfer, distribution or other disposition of legal or Beneficial Ownership of any Unit or of a participation therein (including through any swap, structured note or any derivative transaction), whether voluntarily or by operation of law, including any redemption or issuance of Units by the Company.

"Transferring Members" shall have the meaning set forth in Section 5.09(a).

"Unanimous Action" shall have the meaning set forth in Section 2.14.

"Unit" or "Units" shall mean the entire ownership interest of a Member in the Company at any particular time expressed in units (whether designated as "Class A," "Class B" or otherwise), or fraction thereof, in accordance with this Agreement, including the right of such Member to any and all benefits and Distributions to which a Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all of the terms and conditions of this Agreement and of the Act. The Class A Units and Class B Units of the Members as of the Effective Date shall be as set forth on Schedule I subject to adjustment as a result of a Transfer permitted hereunder.

~~"Washington Square" shall mean LNR Lennar Washington Square, LLC, a California limited liability company.~~

~~"Washington Square/SoCal Sale" shall have the meaning set forth in the Newhall Opeo LLC Agreement.~~

~~"Washington Square and SoCal Allocation" shall mean, with respect to each of the First Lien Newhall Members and its membership interest in the Company, Newhall IH and/or Newhall Opeo (as the case may be) at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (i) the numerator of which equals the aggregate number of Class A Units, Newhall IH Units and/or Newhall Opeo Units, as applicable, that such First Lien Newhall Member holds in the Company, Newhall IH and/or Newhall Opeo, as applicable, and (ii) the denominator of which equals the aggregate number of Class A Units, Newhall IH Units and Newhall Opeo Units held by all First Lien Newhall Members as of such date and time.~~

~~"Washington Square and SoCal Amount" shall mean thirty million dollars (\$30,000,000).~~

~~"Washington Square and SoCal Capital Call" shall have the meaning set forth in Section 3.04(a).~~

~~"Washington Square and SoCal Participants" shall have the meaning set forth in Section 3.04(b).~~

~~"Washington Square and SoCal Shortfall" shall mean the difference of (x) the Washington Square and SoCal Amount minus (y) the aggregate Net Proceeds received from any and all Washington Square/SoCal Sale(s), if any.~~

"Withdrawing Manager" shall have the meaning set forth in Section 2.04.

(b) Interpretation.

(i) Unless the context clearly indicates otherwise, references to Recitals, Articles, Sections and paragraphs refer to Recitals, Articles, Sections and paragraphs of this Agreement. Unless the context clearly indicates otherwise, words in the singular shall include the plural and vice versa. Whenever the masculine, feminine or neuter gender is used inappropriately in this Agreement, this Agreement shall be read as if the appropriate gender was used. The terms "hereof," "herein," "hereby" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. The terms "includes" and the word "including" and words of similar import shall be deemed to be followed by the words "without limitation." The term "dollars" or "\$" means United States Dollars. Accounting terms used but not otherwise defined in this Agreement shall have the meaning given them by GAAP. The Article and Section captions set forth herein have been included solely for the convenience of the parties and shall not be used or referred to in the interpretation or construction of this Agreement or any provision hereof. "Days" means calendar days and "year" means a calendar year.

(ii) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

(iii) The Exhibits and Schedules to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

Section 1.02 Name. The name of the Company shall be Newhall Holding Company, LLC. All business and affairs of the Company shall be conducted solely under, and all of the Company Assets shall be held solely in, Newhall Holding Company, LLC, and/or any of its Subsidiaries, unless otherwise determined by the Board.

Section 1.03 Term. The Company shall be in effect for a term beginning on [____], 2009, and subject to the provisions of Article VI, the Company shall have a perpetual life.

Section 1.04 Purposes and Scope of Business.

(a) The businesses and purposes of the Company are to, directly or indirectly through one or more entities, carry out such businesses and investments as may be permitted under the Act, including the acquisition, development, operation, leasing and disposition of real estate and the ownership and operation of a public utility, and all activities associated therewith, to form and/or own other Entities to carry out the foregoing, to carry out a Public Offering if deemed appropriate by the Board, and to do all other things as may be determined by the Board as provided herein. Subject to the terms and conditions of this Agreement, the Company shall have the power and authority to do all such acts and things as may be necessary, desirable, expedient, convenient for, or incidental to, the furtherance and accomplishment of the foregoing objectives and purposes and for the protection and benefit of the Company, including acquiring financing.

(b) Notwithstanding anything else in this Agreement to the contrary, including Section 1.04(a), for so long as there are any Class B Units outstanding, the Company and its Subsidiaries (other than Newhall IH and its Subsidiaries):

(i) shall not, directly or indirectly, enter into or conduct any business activity or transaction, or hold any assets other than (A) business conducted and assets held by Newhall IH and its Subsidiaries, (B) the ownership, acquisition and disposition of equity interests in Newhall IH, (C) the management of the business of Newhall IH and/or its Subsidiaries, (D) making loans and incurring indebtedness that is not prohibited by this Agreement, the Newhall IH LLC Agreement or the Newhall Opco LLC Agreement, (E) the offering, sale, syndication, private placement or public offering of Units, bonds, other securities or other interests in accordance with this Agreement, the Newhall IH LLC Agreement and the Newhall Opco LLC Agreement, (F) in accordance with this Agreement, the Newhall IH LLC Agreement and the Newhall Opco LLC Agreement, any financing or refinancing of any type related to the Company, its Subsidiaries, any of their activities or any of the Company Assets and (G) such activities as are incidental to the foregoing; and

(ii) shall not own any assets or take title to assets (other than temporarily in connection with an acquisition prior to contributing such assets to Newhall IH or its Subsidiaries) other than (A) equity interests in Newhall IH, (B) such loans, debt securities or other evidence of indebtedness obtained in accordance with this Agreement, the Newhall IH LLC Agreement and the Newhall Opco LLC Agreement and (C) such cash, Cash Equivalents, Marketable Securities, bank accounts or similar instruments or accounts as the Board deems are reasonably necessary for the Company and its Subsidiaries to pay their expenses

and other liabilities, and carry out their respective responsibilities contemplated under this Agreement.

Section 1.05 Documents. A Person properly authorized by the Board shall promptly execute and duly file with the proper offices in each state in which the Company may conduct the activities hereinafter authorized, one or more certificates as required by the laws of each such state in order that the Company may lawfully conduct the businesses, purposes and activities herein authorized in each such state, and the Company shall take any other action or measures necessary in such state or states for the Company to conduct such activities.

Section 1.06 Principal Place of Business. The principal place of business of the Company shall be 23823 Valencia Boulevard, Valencia, CA 91355 or at such other place or places as may be approved by the Board. A Person properly authorized by the Board shall be responsible for maintaining at the Company's principal place of business those records required by the Act to be maintained there.

Section 1.07 Registered Agent and Office. The Company's registered office in the State of Delaware shall be at 1209 Orange Street, Wilmington, Delaware 19801. The name of the registered agent at the above address is The Corporation Trust Company. The Board may change the Company's registered office in Delaware to any other place or places as the Board may from time to time designate. The Board may change the Company's registered agent to any other Person as the Board may from time to time designate.

Section 1.08 No Partnership Status. The Members intend that the Company shall not be a partnership, including a general partnership or limited partnership, or a joint venture, and that no Member shall be a partner or a joint venturer of any other Member with respect to the business of the Company, for any purposes and this Agreement shall not be construed to suggest otherwise. The Members intend that the Company shall be treated as a corporation for U.S. federal, state and local income tax purposes and shall take all actions necessary to effect such treatment including making any elections required under applicable law.

Section 1.09 Ownership of Property. Legal title to all Property conveyed to or held by the Company or its Subsidiaries shall reside in the Company or its Subsidiaries, as applicable, and shall be conveyed only in the name of the Company or its Subsidiaries, as applicable, and no Member or any other Person, individually, shall have any ownership of such Property.

Section 1.10 Business Opportunities. Except as specifically set forth in the Management Agreement, the Members recognize that: (i) each of the Members and their respective Affiliates, and their respective shareholders, members, officers, directors, employees, agents and representatives, have or may in the future have other business interests, activities and investments, some of which are or may be in direct or indirect conflict or competition with the business of the Company or its Subsidiaries; (ii) each Member and its Affiliates, and each of the other Persons referenced in clause (i) above, (a) are and shall continue to be entitled to carry on such other business interests, activities and investments, (b) may engage in or possess an interest in any other business or venture of any kind, independently or with others, including the acquisition, development, operation, leasing, and disposition of real estate, and all activities associated therewith on its own behalf or on behalf of other entities with which any of them is affiliated or

otherwise and (c) may engage in such activities, whether or not competitive with the Company or its Subsidiaries, without any obligation to offer any interest in such activities to the Company, its Subsidiaries or the other Members or to account for or otherwise share information relating thereto to or with the Company, its Subsidiaries or any Member; and (iii) none of the Company, its Subsidiaries or any Member shall have any right, by virtue of this Agreement, in and to such activities, or the cash, income or profits derived therefrom, and the pursuit of such activities, even if competitive with the business of the Company, its Subsidiaries or the Members, shall not be deemed wrongful or improper in any way.

Section 1.11 Restriction on Holding Debt of the Company.

(a) Notwithstanding the provisions of Section 1.10, Lennar shall not and shall cause its Affiliates not to (other than pursuant to this Agreement and the Management Agreement), without the prior written consent of Designated Managers (other than the Designated Manager designated by the Lennar Members) holding at least a majority of the total number of votes of all such Designated Managers (other than the Designated Manager designated by the Lennar Members), directly or indirectly, through any legal or Beneficial Ownership interest, debt or equity investment or contractual or other arrangement with any other Person, acquire, own, develop, operate, manage or otherwise participate or deal in (i) any of the Company Assets or (ii) any debt encumbering the Company, its Subsidiaries or the Company Assets unless, in the case of clause (ii), at least a majority of the Principal Members (other than the Lennar Members), either directly or through one or more Affiliates, also own, develop, operate, manage or otherwise participate or deal in any debt encumbering the Company, its Subsidiaries or the Company Assets (other than pursuant to this Agreement or the Management Agreement).

(b) In the event that Lennar or any of its Affiliates is entitled to vote in its capacity as the holder of any debt encumbering the Company, its Subsidiaries or the Company Assets, including as a result of a bankruptcy of the Company or otherwise, then Lennar shall, and shall cause its Affiliates to, vote all of its and its Affiliates' interests arising out of such debt in the manner directed by the Principal Member or Principal Members (in each case, other than the Lennar Members) holding at least a majority of the interests arising out of such debt that are held by the Principal Members (other than the Lennar Members).

(c) Prior to acquiring, owning, developing, operating, managing or otherwise participating or dealing in any debt encumbering the Company, its Subsidiaries or the Company Assets (other than, in each case, pursuant to this Agreement and the Management Agreement), Lennar and, if applicable, its Affiliates shall request from the Designated Manager of each Principal Member (other than the Lennar Members) to disclose, and the Designated Manager of each such Principal Member shall promptly disclose, to Lennar (and/or its Affiliates) whether such Principal Member or any of its Affiliates owns, develops, operates, manages or otherwise participates or deals in any debt encumbering the Company, its Subsidiaries or the Company Assets (other than pursuant to this Agreement or the Management Agreement). If any such Designated Manager fails to provide such disclosure to Lennar (and/or its Affiliates) within thirty (30) days of Lennar's or its Affiliate's request, then the Principal Member which designated such

Designated Manager shall be deemed, for purposes of this Section 1.11, to own, develop, operate, manage or otherwise participate or deal in such debt or, in the alternative, to have waived such Principal Member's rights under this Section 1.11. Lennar and its Affiliates shall be entitled to rely on such disclosure or failure to disclose as conclusive evidence for purposes of compliance with Section 1.11(a).

ARTICLE II

MANAGEMENT AND OPERATIONS

Section 2.01 Management of the Company. Except as otherwise expressly provided herein: (i) all powers and management of the Company shall be solely vested in, be solely exercised by or under the authority of, and the business and affairs of the Company shall be solely managed under the direction of, a board of managers (the "**Board**"); (ii) the Board may make all decisions and take all actions for and on behalf of the Company not otherwise provided in this Agreement; and (iii) the Company may take any action without the vote or approval of any Member, including modifying the rights of Members, so long as such action has been approved by the Board in accordance with this Agreement and is not otherwise inconsistent with this Agreement, including Section 7.02, or the Act. Except as otherwise expressly provided in this Agreement, no Member or Manager (in its, his or her capacity as such) shall have the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company, or to incur any expenditures, debts, liabilities or obligations on behalf of the Company, unless such authority or power has been properly delegated to such Member or Manager in accordance with this Agreement or has been expressly set forth in the Management Agreement. The Board shall cause all of the Company's Subsidiaries to be managed, and their respective businesses and operations indirectly controlled, consistent with the terms of this Agreement.

Section 2.02 Size of the Board. The number of managers which constitutes the entire initial Board (each such manager, a "**Manager**") shall be seven (7). The names of the Managers as of the Effective Date are listed on Exhibit A. Each Manager shall be a natural person. The Board may only increase the authorized number of Managers as a result of the issuance of Units corresponding to a Percentage Interest equal to or greater than ten percent (10%) to a Person other than the Principal Members or their Affiliates.

Section 2.03 Designation of Managers.

(a) Designation by Principal Members. Each of the Principal Members shall have the right (the "**Designation Right**") to designate and re-designate at any time one (1) Manager to the Board (such a Manager, a "**Designated Manager**"), for so long as such Principal Member is the Beneficial Owner of a number of Units corresponding to a Percentage Interest equal to or greater than five percent (5%) (the "**Designation Right Minimum Requirement**"). For the avoidance of doubt, any Principal Member that becomes the Beneficial Owner of Units representing a Percentage Interest of less than the Designation Right Minimum Requirement shall lose the right to designate a Manager. For the avoidance of doubt, the Designation Right of each Principal Member shall include the right to remove at any time the Designated Manager

designated by such Principal Member (but only such Designated Manager) and designate any successor Designated Manager, whether as a result of removal, resignation, death, disability, incapacitation or otherwise. If Units Beneficially Owned by a Principal Member shall be Transferred in one or a series of Transfers to the same Person consisting of an aggregate number of Units corresponding to a Percentage Interest (A) equal to or greater than the Designation Right Minimum Requirement and (B) greater than the difference of (i) the Percentage Interest corresponding to the number of Units such Principal Member Beneficially Owns as of the Effective Date (or with respect to a Designation Right Transferee, the Percentage Interest corresponding to the number of Units such Designation Right Transferee Beneficially Owns as of the transfer of the Designation Right) minus (ii) the Designation Right Minimum Requirement (the "**Designation Right Minimum Transfer Requirement**"), then the Designation Right of such Principal Member shall transfer to and vest in such Person to whom such Units were Transferred (the "**Designation Right Transferee**"), the Designation Right Transferee shall be deemed to be a Principal Member under this Agreement, the transferor Principal Member shall cease to be a Principal Member under this Agreement, and the Designated Manager of such transferor Principal Member shall become the Designated Manager of such Designation Right Transferee. For the avoidance of doubt, if in a series of transactions a Principal Member Transfers Beneficial Ownership of Units to one (1) or more Persons so that neither such Principal Member nor any of the Persons to whom such Units were Transferred Beneficially Owns a number of Units greater than or equal to the Designation Right Minimum Requirement and such Principal Member's Designation Right Minimum Transfer Requirement, then neither such Principal Member nor any of such Person(s) to whom such Units were Transferred shall have a Designation Right and the Designated Manager of such Principal Member shall automatically and without any further action be removed from the Board and the Board shall be accordingly reduced in size.

(b) Manner of Designation. Exercise of the Designation Rights, pursuant to Section 2.03(a), shall be in writing (a "**Designation Notice**") and shall be delivered to the Board. A Designation Notice shall take effect immediately, unless stated otherwise in such Designation Notice. A Designation Notice by a Principal Member setting forth a Designated Manager other than the Designated Manager previously designated by such Principal Member shall act as the removal of such previously-designated Designated Manager. **Exhibit A** to this Agreement shall be deemed to constitute all applicable Designation Notices for purposes of designating the initial Managers.

(c) Designation by Management Co. Management Co. shall have the right to designate the chief executive officer (or equivalent officer) of Management Co. as a Manager (the "**CEO Manager**") for so long as (i) the CEO Manager is the chief executive officer (or equivalent officer) of Management Co., (ii) the Management Agreement is in effect and (iii) Management Co. is a Member of the Company; provided, however, that if the CEO Manager is removed solely as a result of clause (i) above, Management Co. shall designate the then-current chief executive officer (or equivalent officer) of Management Co. as CEO Manager, if applicable; provided, further, that if the CEO Manager is an Interim CEO, then for all purposes of voting of Managers under this Agreement the CEO Manager shall have no votes until the Successor CEO has been approved. **Exhibit A** shall be deemed to constitute Management Co.'s designation of the CEO Manager as of the Effective Date.

Section 2.04 Term of Office of Managers. Each Manager serving on the Board shall hold office until his or her successor is designated or, if earlier, until his or her resignation, removal, death, disability or incapacitation. In the event that a Manager resigns, is removed, dies, becomes disabled or incapacitated (a "**Withdrawing Manager**"), such Withdrawing Manager's replacement shall be designated by (x) the applicable Principal Member, if such Withdrawing Manager was a Designated Manager or (y) Management Co., if such Withdrawing Manager was the CEO Manager and the Management Agreement is in effect, in each case, in accordance with Section 2.03. No Manager serving on the Board need be a Member of the Company or a resident of the State of Delaware.

Section 2.05 Lead Director. The Board may elect a Manager to act as the Lead Director (the "**Lead Director**"). The authority of the Lead Director shall be (i) to call, give notice of and manage Board meetings as set forth in this Agreement, (ii) to execute any documents on behalf of the Company (to the extent approved by the Board or such approval is not required), unless otherwise determined by the Board with respect to any or all documents, (iii) to certify to any Person whether any action has been approved by the Board and (iv) to the extent properly approved by the Board, grant consents or approvals under the Management Agreement, unless otherwise determined by the Board, except that the Board may reduce or revoke any such authority as it may see fit; provided, however, that the Lead Director shall have no special voting rights. The Board may remove or replace the Lead Director at any time and/or may elect a substitute Lead Director for any meeting of the Board to which the Lead Director was unable to attend.

Section 2.06 Meetings of the Board.

(a) Location and Notice. The Board shall hold regular meetings on at least a quarterly basis. In addition, a special meeting of the Board shall be convened (i) by the Lead Director (or, in his or her absence, any Manager), upon the request of any three (3) Managers or (ii) by the CEO Manager at his or her discretion; provided that the authority of the CEO Manager to convene a special meeting at his or her discretion shall be limited to no more than three (3) special meetings in any consecutive twelve (12) month period. All regular and special meetings of the Board shall be conducted at such place or places as shall be determined from time to time by the Lead Director, whether within or without the State of Delaware. The Lead Director (or, in his or her absence, any Manager) shall notify, or cause notification of, each Manager of any regular or special meeting of the Board, stating the time, date and place of and, in the case of special meetings, the business to be transacted at or the purpose of any such special meeting. Notice shall be given at least two (2) days prior to such regular or special meeting and shall be given to each Manager personally, by telephone, telegram, cablegram, Electronic Transmission or by any similar transmission. Notice of any Board meeting may be waived by any Manager before or after any regular or special meeting. Attendance of a Manager at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting and the manner in which it has been called or convened, except when a Manager states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

(b) Proxies. At any regular or special meeting of the Board, a Manager may vote either in person, by telephone or by proxy executed in writing by such Manager; provided, however, that the Person designated to act as proxy shall be (i) an existing Manager or (ii) with respect to a proxy executed by a Designated Manager, a natural person and an officer, director, employee, principal, owner, member, manager, partner or shareholder of the Principal Member (or of any of its Affiliates) that designated such Designated Manager. A telegram, cablegram, Electronic Transmission or similar transmission by a Manager, or a photographic, photostatic, facsimile or similar reproduction of a writing executed by a Manager, as applicable, shall be treated as an execution in writing for purposes of this Section 2.06(b). All proxies for use at any meeting of the Board shall be filed with the Company and brought to the attention of the Board before or at the time of the meeting.

(c) Action by Written Consent. Any action required or permitted to be taken at a regular or special meeting of the Board may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the actions to be taken, is signed by the Managers holding at least the number and percentage of the votes necessary to approve such action pursuant to this Agreement; provided that the Board shall use good faith efforts to provide an executed copy of such written consent to any non-executing Manager promptly after the date of execution thereof (provided that the failure to promptly provide such copy shall not affect the validity of any such action). A photographic, photostatic, facsimile or similar reproduction of a writing executed by a Manager and a writing transmitted by Electronic Transmission by a Manager shall be deemed to be a writing for purposes of this Section 2.06(c). Unless otherwise specified by such consent, any consent given pursuant to this Section 2.06(c) shall have the same force and effect as a vote of such Manager in a regular or special meeting, as of the date stated therein.

(d) Telephonic Meetings. The Managers may participate in and hold regular or special meetings by means of conference telephone or similar communications equipment by means of which all Managers participating in such regular or special meeting can hear each other.

(e) Monthly Status Reports. Except for months in which a regular meeting takes place, the Board shall convene on a monthly basis by means of a conference telephone or similar communications equipment by means of which all Managers participating can hear each other to review such matters as may be required by the Management Agreement to be reported to the Board on a monthly basis (for as long as the Management Agreement is in effect) and such other matters as the Board may determine from time to time. For so long as the Management Agreement is in effect, the CEO Manager shall report to the Board on such matters as may be required by the Management Agreement or as may be reasonably requested by the Board from time to time.

Section 2.07 Observers. The Board may designate one or more individuals (each, an "**Observer**") to attend any regular or special meeting of the Board, act as observers and advise the Board on any matter; provided that any Observer shall have no right to vote or otherwise participate in the Board meeting in any way other than to observe any applicable meeting of the

Board and, if requested by the Board, to advise on any matter so requested. Each Observer shall be provided advance notice of each meeting of the Board in the same manner and at the same time as Managers and, except as restricted or otherwise prohibited by the Board, shall be given copies of all documents, material and information as and when given to the Managers; provided that each Observer shall have executed a non-disclosure and confidentiality agreement reasonably satisfactory to the Board. Each Observer shall be a natural person.

Section 2.08 Officers. The Board may appoint individuals as officers of the Company to act on behalf of the Company with such titles as the Board may elect, including the titles of Chief Executive Officer, President, Vice President, Chief Financial Officer, Treasurer and Secretary, with authority and duties that are specified by this Agreement and the Board; provided, however, that, notwithstanding anything to the contrary herein, no officer shall have the authority to take any action that (i) violates this Agreement or (ii) requires Board or other approval under this Agreement without first obtaining such approval. Officers may report directly to the Board, to a Person designated by the Board or to a committee designated by the Board, at the Board's sole discretion. The Board may, at its sole discretion, delegate authority to the officers, may modify or revoke any such authority and may remove or replace any of the officers at any time. The initial officers of the Company as of the Effective Date are set forth on **Exhibit B**, and the Board shall specify their authority and duties, if not otherwise provided herein. In addition to officers, as long as the Management Agreement is in effect, the CEO Manager shall have the title of "Managing Director." The title of "Managing Director" shall grant no additional power or authority unless otherwise specifically authorized by the Board.

Section 2.09 Committees.

(a) Creation of Committees. The Board may create one or more committees to consider any matters that the Board shall, from time to time, assign to each such committee. The Board may only appoint Managers to serve on each such committee. Each committee may exercise, subject to the provisions of this Agreement, the powers and authority of the Board granted hereunder, but only to the extent the Board specifically delegates such power or authority to such committee pursuant to Section 2.14; provided, however, that the Board may not delegate its power or authority, or make any modifications thereto, to take any Super-Majority Action pursuant to Section 2.12, to approve any Affiliated Transactions pursuant to Section 2.13 or to take any Unanimous Action pursuant to Section 2.14. The committee and its members serve at the direction of the Board, and shall report to the Board as the Board sees fit. Each member of a committee serves at the discretion of the Board, and the Board may remove or replace any member of any committee as the Board sees fit, subject to the provisions of Section 2.14. Any member of a committee may invite additional Persons to any meeting of such committee or any workgroup established by such committee that have specific experience relevant to the matters to be discussed at such meeting; provided that each such invited Person shall have executed a non-disclosure and confidentiality agreement reasonably satisfactory to the Board or committee. Such additional Persons shall be entitled to participate in any discussions, but may not vote or be present while votes are being cast with respect to matters before the applicable committee. Except as otherwise determined by the Board at the time of the delegation of any power or authority to such committee, each member of a committee shall have one (1) vote and the committee shall act by the unanimous vote of all of the committee members. Notwithstanding anything to the contrary in this Agreement,

unless the Board indicates otherwise when delegating power or authority to a committee, once power or authority is properly delegated to a committee by the Board, no further Board action shall be required for the committee to properly exercise such delegated power or authority and such committee may take any action pursuant to such delegated power or authority in the Board's stead, although any delegation by the Board may be revoked or modified at any time by the Board.

(b) Finance Committee. The Board shall establish, pursuant to Section 2.09(a), and maintain a Finance Committee (the "**Finance Committee**") consisting of at least two (2) Managers. As of the Effective Date, the Finance Committee shall have the power and authority to approve the policies and procedures regarding withdrawals from the bank account or accounts of the Company and its Subsidiaries, including naming Persons eligible to withdraw amounts therefrom. The members of the Finance Committee as of the Effective Date are set forth on Exhibit C. This Section 2.09(b) shall be deemed to constitute the unanimous consent of all of the Managers pursuant to Section 2.09(a) and Section 2.14(c).

(c) Executive Committee. The Board shall establish, pursuant to Section 2.09(a), and maintain an Executive Committee (the "**Executive Committee**") consisting of at least three (3) Managers, one of which shall be the CEO Manager (but only for so long as the Management Agreement is in effect). As of the Effective Date, the Executive Committee shall have the power and authority to:

(i) for so long as the Management Agreement is in effect, approve deviations by Management Co. of expenditures or obligations involving an aggregate amount with respect to any fiscal year of no greater than two and one-half percent (2.5%) of the amount permitted to be expended or incurred under an Approved Budget, above and beyond any permissible deviations to an Approved Budget under Section 3.3(b) of the Management Agreement (which permissible deviations, for the avoidance of doubt, do not require any further Board or committee action); provided, however, that the Executive Committee may only approve such deviations if not inconsistent with the Entitlement Strategy;

(ii) hire, fire, replace, suspend or otherwise discipline any and all of the employees of the Company or its Subsidiaries;

(iii) designate, in the Executive Committee's sole discretion, (x) the employees of the Company or its Subsidiaries that may receive incentive compensation pursuant to Section 4.06(i) of the Newhall Opco LLC Agreement, (y) the allocation of such incentive compensation among such employees of the Company or its Subsidiaries and (z) the vesting schedule and/or the events that would trigger vesting with respect to such incentive compensation applicable to each such employee; and

(iv) enter into an agreement in writing with Management Co. to modify the effect of Section 4.06(i) of the Newhall Opco LLC Agreement.

The members of the Executive Committee as of the Effective Date are set forth on **Exhibit C**. This Section 2.09(c) shall be deemed to constitute the unanimous consent of all of the Managers pursuant to Section 2.09(a) and Section 2.14(c).

Section 2.10 Remuneration. The Managers shall not receive any remuneration for their services in such capacity. Expenses of attendance, if any, may be allowed for attendance at each meeting of the Board, if provided for in an Approved Budget; provided, however, that nothing contained in this Agreement shall be construed to preclude any Manager from serving the Company in any other capacity and receiving remuneration for such service.

Section 2.11 Action by the Board.

(a) For all voting, consent, approval and other actions by the Board, as of the Effective Date and from time to time thereafter, each Manager shall have a number of votes equal to the number of Units Beneficially Owned by such Principal Member or Management Co., as the case may be, that designated such Manager. The number of votes held by each Manager as of the Effective Date is set forth on **Exhibit A**. At least five (5) Business Days prior to each regular meeting of the Board, an employee or officer of the Company or its Subsidiaries designated by the Board shall update **Exhibit A** to reflect any changes in the identity of any Managers and/or the number of votes of any Manager based on any changes to such Manager's number of votes and/or the number of Units Beneficially Owned by the Principal Member or Management Co. that designated such Manager; provided, however, that an employee or officer of the Company or its Subsidiaries designated by the Board shall update **Exhibit A** to reflect any changes in the identity of any Manager and/or the number of votes of any Manager within five (5) Business Days following the reasonable request of any Manager. Prior to any action by the Board (whether pursuant to this Section 2.11 or otherwise), each Designated Manager shall confirm to the Board that the Principal Member that designated such Designated Manager continues to Beneficially Own a number of Units equal to at least the Designation Right Minimum Requirement. For any action of the Board, unless any Designated Manager fails to so confirm that such Designation Right Minimum Requirement has been met (in which event such Designated Manager shall have no vote), the number of votes set forth on **Exhibit A** at the time of such action shall be conclusive evidence of the number of votes such Manager has for purposes of such action, unless objected to in writing by any Manager prior to such action.

(b) Except as otherwise provided in this Agreement, including the taking of any Super-Majority Action pursuant to Section 2.12, approving any Affiliated Transaction pursuant to Section 2.13 or the taking of any Unanimous Action pursuant to Section 2.14, the affirmative vote of the Managers holding a majority of the votes of the Managers then in office in a meeting duly called (or, if applicable, by the written consent of the Managers pursuant to Section 2.06(c)) shall be required for the Company or any of its Subsidiaries for which the Company acts, directly or indirectly, as a "manager" under the Act or the sole or managing member for any Subsidiary that is member-managed ("**Company-Managed Subsidiaries**"), or Management Co. or its Subsidiaries

or any of their respective directors, officers, partners, managers or employees, as applicable, to take any action, make any decision, expend any sum or incur any obligation for or on behalf of the Company or any of its Company-Managed Subsidiaries or affecting, directly or indirectly, the Company or any of its Company-Managed Subsidiaries or the Company Assets; provided, however, that no further Board action or approval shall be required to take any action, make any decision, enter into any agreement to effectuate, expend any sum or incur any obligation for or on behalf of the Company or any of its Company-Managed Subsidiaries or affecting, directly or indirectly, the Company or any of its Company-Managed Subsidiaries or the Company Assets, so long as and to the extent that such action, decision, agreement, expense or obligation is (i) pursuant to an Approved Budget and consistent with the Entitlement Strategy (if applicable), (ii) permitted pursuant to Section 3.3(b) of the Management Agreement, (iii) permitted pursuant to Section 3.4 of the Management Agreement or (iv) permitted pursuant to the first proviso of Section 2.3(a) of the Management Agreement with respect to Negotiation Parameters, in each case, by Persons duly authorized by the Board or the Management Agreement; provided, further, that such action, decision, agreement, expense or obligation is not inconsistent with the terms of the Management Agreement, including Section 2.4 of the Management Agreement.

Section 2.12 Super-Majority Actions. Notwithstanding anything else in this Agreement to the contrary, none of the actions listed below shall be entered into, taken or approved by the Company, any of its Company-Managed Subsidiaries or Management Co. or any of its Subsidiaries, or any of their respective directors, officers, partners, managers or employees, as applicable, for or on behalf of the Company or any of its Company-Managed Subsidiaries (each, a "Super-Majority Action"), unless first approved by no less than the Managers holding two-thirds ($\frac{2}{3}$) of the votes of the Managers then in office in a meeting duly called (or, if applicable, by the written consent of Managers pursuant to Section 2.06(c)):

(i) filing a petition under any bankruptcy or similar law providing for reorganization, dissolution or liquidation;

(ii) appointing or consenting to the appointment of a receiver or trustee for the Company, the Company Assets, or a substantial part thereof;

(iii) subject to Section 2.14(g), electing to dissolve or dissolving the Company pursuant to Section 6.01, Newhall IH pursuant to Section 6.01 of the Newhall IH LLC Agreement, Newhall Opco pursuant to Section 6.01 of the Newhall Opco LLC Agreement or any other Subsidiary of the Company that owns all or substantially all of the Company Assets;

(iv) approving or effecting a merger, consolidation, reorganization or other business combination involving the Company, Newhall IH and/or Newhall Opco; provided, however, that either (i) such merger, consolidation, reorganization or other business combination does not result in a material change to the amounts that Management Co. would be entitled to receive pursuant to Section 4.06 and Section 4.07 of the Newhall Opco LLC Agreement had such merger,

consolidation, reorganization or other business combination not occurred or (ii) the prior written consent of Management Co. shall have been obtained;

(v) approving or effecting any transaction that would result in a Change of Control;

(vi) approving the sale or disposition of all or substantially all of the Company Assets in a transaction or a series of related transactions;

(vii) approving any Drag-Along Election;

(viii) approving any Approved Budget or the Entitlement Strategy and any revisions, amendments or modifications thereto, to the extent such action is not permitted to be taken without the Board's approval pursuant to the Management Agreement;

(ix) causing either Newhall IH or Newhall Opco to elect to effect a Cash Exchange; and

(x) except to the extent properly delegated to the Executive Committee (including pursuant to Section 2.09(c)), approving any action that would violate, be inconsistent with or would not be in accordance with an Approved Budget or the Entitlement Strategy, to the extent such action is not permitted to be taken without the Board's approval pursuant to the Management Agreement.

Section 2.13 Affiliated Transactions.

(a) Notwithstanding anything else in this Agreement to the contrary, neither the Company nor any of its Company-Managed Subsidiaries shall enter into, propose to enter into or contemplate entering into, any transaction, contract, arrangement, amendment to, or waiver or consent under, any existing transaction, contract or arrangement (including the Management Agreement) with Management Co., any Principal Member, any Manager or any of their respective Affiliates (other than Newhall or any of its Subsidiaries) (each, an "**Interested Party**"), in any capacity, or in which an Interested Party has or will have a direct or indirect economic interest, including an economic interest that would only exist if a proposed transaction, contract, arrangement, amendment, waiver or consent were rejected in favor of an alternative proposed transaction, contract, arrangement, amendment, waiver or consent then under consideration, whether or not in the ordinary course of business (an "**Affiliated Transaction**"), unless such Affiliated Transaction:

(i) contains terms that are fair and reasonable and are substantially as favorable to the Company and/or its Company-Managed Subsidiaries, as applicable, as would be obtainable by the Company and/or such Company-Managed Subsidiaries, as applicable, at the time in a comparable arm's length transaction, contract, arrangement, amendment, waiver or consent with a Person not an Interested Party; and

(ii) has been approved by the affirmative vote of the non-Interested Managers (as defined below) holding a majority of the votes of the non-Interested Managers then in office, in a meeting duly called (or, if applicable, by the written consent, pursuant to Section 2.06(c), of the non-Interested Managers holding a majority of the votes of the non-Interested Managers then in office); provided, however, that in the event that an Affiliated Transaction is also an action described in Section 2.12, then, in addition to the approval pursuant to Section 2.12 (including, for the avoidance of doubt, the vote of the Interested Manager(s)) such Affiliated Transaction shall have been approved by the affirmative vote of no less than the non-Interested Managers holding a majority of the votes of the non-Interested Managers then in office (or, if applicable, by the written consent, pursuant to Section 2.06(c), of no less than the non-Interested Managers holding a majority of the votes of the non-Interested Managers then in office); provided further that approving any Drag-Along Election or Tag-Along Election shall be deemed not to constitute an Affiliated Transaction.

(iii) "**Interested Managers**" shall mean, collectively, (A) any Manager who is (or an Affiliate of whose is) an Interested Party and any Designated Manager designated by any Principal Member that is (or an Affiliate of which is) an Interested Party, (B) if not already excluded from voting, the CEO Manager in the case of any Affiliated Transactions involving Lennar or any of its Affiliates and (C) if not already excluded from voting, the CEO Manager and the

Designated Manager designated by the Lennar Members, in the case of any Affiliated Transaction involving the CEO Manager or Management Co. (or any of their respective Affiliates), or an Affiliated Transaction in connection with the Management Agreement.

(b) Notwithstanding anything in this Section 2.13 to the contrary, any transaction, contract, arrangement, amendment to, or waiver or consent under, any existing transaction, contract or arrangement pursuant to which an Interested Party (other than Lennar, the CEO Manager, Management Co. and their respective Affiliates) would receive aggregate payments from the Company and/or any Subsidiary of the Company of less than sixty thousand dollars (\$60,000) per annum, shall be deemed not to be an Affiliated Transaction.

(c) Notwithstanding anything in this Section 2.13 to the contrary (other than Section 2.13(d)), for so long as the Management Agreement is in effect, each of Management Co. (for the avoidance of doubt, on behalf of itself and not on behalf of the Company or any Subsidiary of the Company) and its Affiliates shall have the right to enter into any agreement or enter into any transaction with Lennar or any Affiliates of Lennar without the approval of the Board if the aggregate monetary value of such transaction or agreement is less than ten thousand dollars (\$10,000) per transaction or agreement, and less than one hundred thousand dollars (\$100,000) when aggregated with all other transactions or agreements with Lennar or any Affiliates of Lennar during the term of the Management Agreement. Management Co. shall promptly provide notice to the Company, the Board and the Lead Director of any agreement or transaction between (i) Management Co. and/or any of its Affiliates and (ii) Lennar and/or any Affiliates of Lennar undertaken without the approval of the Board pursuant to this Section 2.13(c) which has an aggregate monetary value equal to or in excess of five thousand dollars (\$5,000) but less than ten thousand dollars (\$10,000).

(d) Notwithstanding anything to the contrary in this Agreement and for the avoidance of doubt, the Members and the Board hereby approve the Management Agreement and all agreements and transactions expressly approved thereunder and any and all other agreements and transactions being consummated and/or approved in connection with the Plan of Reorganization and the Final Orders.

(e) Notwithstanding anything to the contrary in this Agreement, any consent to be given under Section 5.02 of the Newhall Opco LLC Agreement shall be approved by Designated Managers (other than the Designated Manager designated by the Lennar Members) holding at least a majority of the total number of votes of all such Designated Managers (other than the Designated Manager designated by the Lennar Members).

Section 2.14 Unanimous Actions. Notwithstanding anything else in this Agreement to the contrary, none of the actions listed below shall be entered into, taken or approved by the Company, any of its Company-Managed Subsidiaries or Management Co., or any of their respective directors, officers, partners, managers or employees, as applicable, for or on behalf of the Company or any of its Company-Managed Subsidiaries (each, a "Unanimous Action"), unless

first approved by all of the Managers then in office in a meeting duly called (or, if applicable, by the written consent of Managers pursuant to Section 2.06(c)):

(a) incurring any Indebtedness on behalf of the Company and/or any of its Company-Managed Subsidiaries, in the aggregate together with all other previously incurred Indebtedness in excess of one hundred million dollars (\$100,000,000) prior to the one (1) year anniversary of the Effective Date, or mortgaging, pledging, hypothecating or subjecting any of the Company Assets to any type of lien or encumbrance (other than inchoate liens for contractors and subcontractors established by applicable law) in connection with such Indebtedness;

(b) incurring any Indebtedness on behalf of the Company and/or any of its Company-Managed Subsidiaries, in the aggregate together with all other previously incurred Indebtedness in excess of two hundred million dollars (\$200,000,000) prior to the two (2) year anniversary of the Effective Date, or mortgaging, pledging, hypothecating or subjecting any of the Company Assets to any type of lien or encumbrance (other than inchoate liens for contractors and subcontractors established by applicable law) in connection with such Indebtedness;

(c) delegating any power or authority to any committee of the Board, making any modifications to (other than reducing or revoking) the power or authority of any committee of the Board and removing, replacing or adding any member to a committee of the Board;

(d) delegating any additional power or authority to the Lead Director beyond the power or authority set forth in Section 2.05, or making any modification to (other than reducing or revoking) such power or authority;

(e) removing or replacing the manager of Newhall IH or Newhall Opco;

(f) electing to change the classification of the Company, Newhall IH or Newhall Opco for U.S. federal income tax purposes;

(g) allowing any transfer of Newhall IH Units or Newhall Opco Units that (i) would result in a technical termination of Newhall IH or Newhall Opco under Section 708(b)(1)(B) of the Code, other than a transfer in connection with the consummation of a Drag-Along Proposal, or (ii) would cause Newhall IH or Newhall Opco to be treated as "publicly traded partnership" as defined in Section 7704 of the Code subject to tax as a corporation; and

(h) except as may otherwise be required pursuant to this Agreement, the Newhall IH Agreement or the Newhall Opco Agreement, pursuant to the consummation of a Drag-Along Proposal or Tag-Along Proposal, requiring any member of Newhall IH and/or Newhall Opco to effect an Exchange Transaction.

Section 2.15 Exculpations; Indemnities.

(a) No Member or Manager, solely in the capacity as a Member or Manager, as applicable, shall owe the Company or any other Member or Person any duty of loyalty or due care or any other fiduciary duty. To the extent that, at law or in equity, such Manager or any other Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to another Member or another Manager, (i) any such Manager or other Person acting under this Agreement shall not be liable to the Company or to any such other Member or other Manager for such Manager's or other Person's good faith reliance on the provisions of this Agreement and (ii) such Manager's or other Person's duties and liabilities are hereby restricted by and subject in all respects to the provisions of this Agreement (including the other provisions of this Section 2.15).

(b) Subject to Section 2.15(e), no officer of the Company, Manager, Member, any of the respective Affiliates of the foregoing, any of the respective shareholders, officers, directors, partners, members, managers, employees and agents of the foregoing, in each case, in their capacities as such (collectively, the "**Covered Persons**"), shall be liable to the Company, any Member or any other Person for any act or omission taken or suffered by such Covered Person in good faith and in the belief that such act or omission was in or was not opposed to the best interests of the Company; provided, however, that such act or omission was not fraud, willful misconduct or a knowing, material violation of this Agreement, the Newhall IH LLC Agreement or the Newhall Opco LLC Agreement by such Covered Person. No Covered Person shall be liable to the Company, any Member or any other Person for any action taken by any other Member, nor shall any Covered Person be liable to the Company, any other Member or any other Person for any action of any employee or agent of the Covered Person that does not meet the requirements for exculpation set forth in the preceding sentence, so long as the Covered Person seeking exculpation meets such requirements.

(c) Subject to Section 2.15(e), to the fullest extent allowed or permitted under or not prohibited by any provision of applicable law, including the Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the Company to provide prior to such amendment), the Company shall indemnify, defend and hold harmless each Covered Person (including, for purposes of this Section 2.15(c), all Persons who were Covered Persons at the time the act(s) as to which a claim arises occurred, whether or not such Person is a Covered Person at the time such Person seeks indemnification hereunder) to the extent of the Company Assets, from and against any losses, expenses (including reasonable costs, expenses and attorneys' and paralegals' fees), judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and damages incurred by the Company or such Covered Person arising out of any threatened, pending or completed claim, action, suit or proceeding (a "**Proceeding**"), whether civil, criminal, administrative or arbitral, including any appeal of any such Proceeding, or any inquiry or investigation that could lead to such a Proceeding, based upon acts (including negligent acts, whether or not under a theory of strict liability) performed or omitted to be performed by the Company or such Covered Person in good faith and in the belief that such act or omission was in or was not opposed to the best interests

of the Company; provided that such act or omission was not fraud, willful misconduct or a knowing, material violation of this Agreement, the Newhall IH LLC Agreement or the Newhall Opco LLC Agreement by such Covered Person. Subject to the Company's compliance with its obligations pursuant to this Section 2.15, any decision of the Company required by this Section or applicable law concerning the indemnity of any Person by the Company shall be approved by the Board; provided, however, that nothing in this Agreement shall prevent a Covered Person from challenging such decision of the Board.

(d) Reasonable expenses incurred by a Covered Person of the type entitled to be indemnified under Section 2.15(c) who was, is or is threatened to be made a named defendant or respondent in a Proceeding, appeal, investigation or inquiry shall be paid by the Company in advance of the final disposition of the Proceeding, appeal, investigation or inquiry upon receipt of an undertaking by or on behalf of such Covered Person to repay such amount if it shall ultimately be determined that it, he or she is not entitled to be indemnified by the Company.

(e) Except as provided above or otherwise approved by the Board, no employees or agents of the Company or its Subsidiaries, acting in their capacity as an employee or agent of the Company or its Subsidiaries, shall be a "Covered Person" under this Section 2.15 or otherwise released from liability to the Company or its Subsidiaries or provided indemnification by the Company for their acts or omissions in such capacities.

(f) The Company shall, or shall cause its Subsidiaries to, purchase and maintain insurance on behalf of any Person who is or was a Covered Person of the Company against any reasonably insurable liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Covered Person, whether or not the Company would have the power to indemnify such Person against such liability under the provisions of this Section 2.15.

ARTICLE III

CAPITALIZATION

Section 3.01 Authorized Units; Capital Contributions.

(a) As of the Effective Date, the Company hereby issues Class A Units and Class B Units to the Persons listed on Schedule I in the amounts set forth on Schedule I and admits such persons as Members.

(b) As of the Effective Date, [] Units are authorized for issuance under this Agreement (the "Authorized Units"). Subject to compliance with the provisions of this Agreement, the Newhall IH LLC Agreement and the Newhall Opco LLC Agreement, the Company may, at any time upon approval of the Board, increase or decrease the number of

authorized but unissued Units, Newhall IH Units and/or Newhall Opco Units for future issuance under this Agreement, the Newhall IH LLC Agreement and/or the Newhall Opco LLC Agreement, as applicable. Any authorization or approval by the Board of the issuance of any Units, Newhall IH Units and/or Newhall Opco Units, in each case, shall be deemed to be approval by the Board of an increase in the number of authorized but unissued Units, Newhall IH Units and/or Newhall Opco Units, as applicable, under this Agreement, the Newhall IH LLC Agreement and/or the Newhall Opco LLC Agreement, as applicable, in an amount equal to the number of Units, Newhall IH Units and/or Newhall Opco Units authorized or approved to be issued, but, in all events, only to the extent that the Board has not separately authorized such increase in the number of authorized but unissued Units, Newhall IH Units and/or Newhall Opco Units. Issuance of fractional Units is authorized. As of the Effective Date, [] Units are designated "Class A" (the "**Class A Units**") and [] Units are designated "Class B" (the "**Class B Units**"). Class B Units shall not be entitled to any Distributions pursuant to Section 4.05 and/or any distributions pursuant to Section 4.06. As of the Effective Date, [] Class A Units are authorized but unissued, reserved for the purpose of effecting Exchange Transactions.

(c) In connection with the admission of a New Member to the Company pursuant to Section 3.06 or an additional Capital Contribution by an existing Member, the amount of cash and/or the cumulative fair market value (as determined by the Board) of all non-cash assets (less the amount of any liabilities assumed by the Company or its Subsidiaries with respect to such assets or to which such assets are subject) contributed to the capital of the Company by a New Member or an existing Member in exchange for Units shall constitute a Capital Contribution for purposes of this Agreement.

(d) In the event that at any time and from time to time for any reason other than pursuant to an Exchange Transaction the Company issues any additional Class A Units pursuant to this Agreement, the Board shall cause both (i) Newhall IH to increase the number of Newhall IH Units issued to the Company by such aggregate number of additional Class A Units, and (ii) Newhall Opco to increase the number of Newhall Opco Units issued to Newhall IH by such aggregate number of additional Class A Units. In the event that at any time and from time to time for any reason there is a decrease in the number of issued and outstanding Class A Units (whether pursuant to a redemption or otherwise), the Board shall cause both (i) Newhall IH to decrease the number of Newhall IH Units issued to the Company by a number equal to such decrease in the number of issued and outstanding Class A Units, and (ii) Newhall Opco to decrease the number of Newhall Opco Units issued to Newhall IH by a number equal to such decrease in the number of issued and outstanding Class A Units.

(e) In the event that at any time and from time to time the Company issues any additional Class A Units to any Non-Newhall IH Member pursuant to an Exchange Transaction, the Board shall cause Newhall Opco to increase the number of Newhall Opco Units issued to Newhall IH by such aggregate number of additional Class A Units.

(f) In the event that at any time and from time to time the Company issues any additional Class A Units to any Non-Newhall Member pursuant to an Exchange Transaction, the

Board shall cause Newhall IH to increase the number of Newhall IH Units issued to the Company by such aggregate number of additional Class A Units.

(g) In the event that at any time and from time to time for any reason Newhall IH issues additional Newhall IH Units ("**Additional Newhall IH Units**") to any Non-Newhall Member and/or Newhall Opco issues additional Newhall Opco Units ("**Additional Newhall Opco Units**") to any Non-Newhall IH Member, the Board shall cause the Company to increase the number of Class B Units issued to such Person by the number of Additional Newhall IH Units and/or Additional Newhall Opco Units issued to such Person. In the event that at any time and from time to time for any reason there is a decrease in the number of Newhall IH Units owned by any Non-Newhall Member (other than pursuant to (x) an Exchange Transaction or (y) a Transfer of such Newhall IH Units by such Non-Newhall Member to another Person) and/or a decrease in the number of Newhall Opco Units owned by any Non-Newhall IH Member (other than pursuant to (x) an Exchange Transaction of such Newhall Opco Units or (y) a Transfer by such Non-Newhall IH Member to another Person), the Board shall cause the Company to decrease the number of Class B Units issued to such Person by a number equal to such decrease in the number of Newhall IH Units and/or Newhall Opco Units (as applicable) owned by such Person. At all times, the aggregate number of Class B Units issued to any Member shall equal the aggregate number of (i) Newhall IH Units and (ii) Newhall Opco Units issued to such Member.

(h) In the event that at any time and from time to time for any reason Newhall IH issues any Additional Newhall IH Units to any Newhall IH Member, the Board shall cause Newhall Opco to increase the number of Newhall Opco Units issued to Newhall IH by such aggregate number of Additional Newhall IH Units. In the event that at any time and from time to time for any reason other than as a result of an Exchange Transaction there is a decrease in the number of issued and outstanding Newhall IH Units owned by all Newhall IH Members, the Board shall cause Newhall Opco to decrease the number of Newhall Opco Units issued to Newhall IH by the aggregate number of such decrease in the number of issued and outstanding Newhall IH Units owned by all Newhall IH Members. At all times the aggregate number of Newhall Opco Units issued to Newhall IH shall equal the sum of (i) the aggregate number of Newhall IH Units issued to all Non-Newhall Members plus (ii) the aggregate number of issued and outstanding Class A Units.

(i) In the event that at any time and from time to time for any reason Newhall Opco issues any Additional Newhall Opco Units to any Newhall Opco Member, the Board shall cause Newhall IH to increase the number of Newhall IH Units issued to the Company by such aggregate number of Additional Newhall Opco Units. In the event that at any time and from time to time for any reason other than as a result of an Exchange Transaction there is a decrease in the number of issued and outstanding Newhall Opco Units owned by all Newhall Opco Members, the Board shall cause Newhall IH to decrease the number of Newhall IH Units issued to the Company by the aggregate number of such decrease in the number of issued and outstanding Newhall Opco Units owned by all Newhall Opco Members. At all times the aggregate number of Newhall IH Units issued to the Company shall equal the sum of (i) the aggregate number of Newhall Opco Units issued to all Non-Newhall IH Members plus (ii) the aggregate number of issued and outstanding Class A Units.

(j) For purposes of clarification, the intention of Sections 3.01(d), (e), (f), (g), (h) and (i) is to ensure that at all times the aggregate number of Units issued to the Members is equal to both (i) the aggregate number of Newhall IH Units issued to the Newhall IH Members pursuant to the Newhall IH LLC Agreement, and (ii) the aggregate number of Newhall Opco Units issued to the Newhall Opco Members pursuant to the Newhall Opco LLC Agreement.

Section 3.02 Limited Liability of Members. Notwithstanding anything contained in this Agreement to the contrary and except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company. No Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person, and the liability of each Member for any of the debts, losses or obligations of the Company shall be limited to the amount of the sum of such Member's Capital Contributions. Accordingly, no Covered Person shall be obligated to provide additional capital to the Company or its creditors by way of Capital Contribution, loan, guaranty or otherwise. Except as provided in the Act or as may be agreed by a Member, no Member shall have any personal liability whatsoever, whether to the Company or any third party, for the debts of the Company or any of its losses beyond the amount of such Member's Capital Contributions.

Section 3.03 Capital Contributions. The Board may authorize one or more capital calls requesting additional capital contributions to be made to the Company, Newhall IH and/or Newhall Opco from each of the Members (other than with respect to their Class B Units) on a *pro rata* basis (based on each Member's Economic Percentage Interest, Newhall IH Percentage Interest and/or Newhall Opco Percentage Interest (together, collectively, the "**Newhall Percentage Interests**") as the case may be); provided, however, that each Member may only make a capital contribution to each of the Company, Newhall IH and/or Newhall Opco up to such Member's *pro rata* share (based on Interest Allocation) of the aggregate capital contributions made by such Member in respect of such capital call. The Members are not required to but may, in their sole respective discretion, make any such additional capital contributions, subject, however, to any resulting decrease to the Economic Percentage Interest, Newhall IH Percentage Interest and/or Newhall Opco Percentage Interest, as applicable, of noncontributing Members. Except as provided in this Agreement to the contrary, no Member shall be entitled to interest on such Member's Capital Contributions nor shall any Member be entitled to demand the return of all or any part of such Capital Contributions.

Section 3.04 Special Capital Contributions.

(a) Notwithstanding anything else in this Agreement to the contrary, including Section 3.03, the Board shall promptly authorize a capital call after each [] following the Effective Date, and shall cause Newhall IH and Newhall Opco to call capital (the "**Washington Square and SoCal Resolved Claims Capital Call**"), requesting additional capital contributions from each of the Company First Lien Members, Newhall IH First Lien Members and Newhall IH Opco First Lien Members (together, collectively, the "**First Lien Newhall Members**") in an aggregate amount equal to the ~~Washington Square and SoCal Shortfall if either (i) prior to the Sale of the Washington Square and the Southern California Properties, the aggregate value of all cash, Cash Equivalents and Marketable Securities of Newhall Opco and its Subsidiaries is less~~

than the Minimum Cash Amount for a period of at least five (5) consecutive Business Days, or (ii) after the Sale of Washington Square and the Southern California Properties, the Washington Square and SoCal Shortfall is greater than zero (0) (so long as there has not already been a Washington Square and SoCal Capital Call pursuant to clause (i)). amount equal to the Resolved Claims Amount if the Resolved Claims Amount at that time is greater than 0. Each First Lien Newhall Member is not required to but may, in its sole discretion, make a capital contribution to each of the Company, Newhall IH and/or Newhall Opco, as applicable, in respect of the ~~Washington Square and SoCal~~ Resolved Claims Capital Call in the amount of all or any portion of the ~~Washington Square and SoCal Shortfall~~ Resolved Claims Amount, up to the ~~Washington Square and SoCal Shortfall~~ Resolved Claims Amount; provided, however, that each First Lien Newhall Member may only make a capital contribution in respect of the ~~Washington Square and SoCal~~ Resolved Claims Capital Call to each of the Company, Newhall IH and/or Newhall Opco up to its *pro rata* share (based on Interest Allocation) of the aggregate capital contribution made by such First Lien Newhall Member in respect of the ~~Washington Square and SoCal~~ Resolved Claims Capital Call; provided, further, that the capital contributions of each Participating First Lien Newhall Member in respect of the ~~Washington Square and SoCal~~ Resolved Claims Capital Call shall be reduced *pro rata* (based on each Participating First Lien Newhall Member's relative ~~Washington Square and SoCal~~ Resolved Claims Allocation or as otherwise agreed to among the Participating First Lien Newhall Members) to the extent the aggregate capital contributions proposed to be made by all such Participating First Lien Newhall Members in respect of the ~~Washington Square and SoCal~~ Resolved Claims Capital Call exceeds the ~~Washington Square and SoCal Shortfall~~ such Resolved Claims Amount. Immediately following the ~~Washington Square and SoCal~~ Resolved Claims Capital Call, each First Lien Newhall Member in consideration of the capital contributions made in connection with the ~~Washington Square and SoCal~~ such Resolved Claims Capital Call, if any, shall be entitled to, and the Board shall cause each of the Company, Newhall IH and/or Newhall Opco to promptly issue to such First Lien Newhall Member, a number of Class A Units, Newhall IH Units (and corresponding Class B Units) and/or Newhall Opco Units (and corresponding Class B Units), as applicable, allocated on a *pro rata* basis (based on the extent of the capital contribution such First Lien Newhall Member made to each of the Company, Newhall IH and/or Newhall Opco in respect of the ~~Washington Square and SoCal~~ such Resolved Claims Capital Call), equal in aggregate to a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which is the aggregate amount of capital contributions made (and not reduced) by such First Lien Newhall Member in connection with the ~~Washington Square and SoCal~~ such Resolved Claims Capital Call and (y) the denominator of which is a fraction, expressed as a percentage rounded to two decimal points, (the "**Rights Offering Per Unit Price**"), (A) the numerator of which equals the Rights Offering Amount as of the Effective Date and (B) the denominator of which equals the number of Rights Offering Units as of the Effective Date.

(b) To the extent the ~~Washington Square and SoCal Shortfall~~ Resolved Claims Amount has not been one hundred percent (100%) funded with additional capital contributions in respect of the ~~Washington Square and SoCal~~ such Resolved Claims Capital Call (such shortfall, thea "**Capital Call Shortfall Amount**"), within ninety (90) days after the date of the ~~Washington Square and SoCal~~ such Resolved Claims Capital Call, the Board shall authorize a capital call, and shall cause Newhall IH and Newhall Opco to call capital (thea "**Final Washington Square and SoCal Resolved Claims Capital Call**"), requesting additional capital contributions in an aggregate amount equal to the such Capital Call Shortfall Amount from each of the Lennar

Members, Management Co., Haddad and each of the Participating First Lien Newhall Members (collectively, the "~~Washington Square and SoCal Participants~~"); ~~provided, however, any Net Proceeds received from any Washington Square/SoCal Sale following the Washington Square and SoCal Capital Call but prior to completing the Final Washington Square and SoCal Capital Call shall reduce the amount to be funded in the Final Washington Square and SoCal Capital Call dollar for dollar. Each of the Washington Square and SoCal~~Resolved Claims Participants". Each of the Resolved Claims Participants is not required to but may, in its sole discretion, make a capital contribution to each of the Company, Newhall IH and/or Newhall Opco in respect of ~~the~~such Final ~~Washington Square and SoCal~~Resolved Claims Capital Call in the amount of all or any portion of ~~the~~such Capital Call Shortfall Amount; ~~provided, however, that each of the Washington Square and SoCal~~Resolved Claims Participants may only make a capital contribution in respect of ~~the~~a Final ~~Washington Square and SoCal~~Resolved Claims Capital Call to each of the Company, Newhall IH and/or Newhall Opco up to its *pro rata* share (based on Interest Allocation) of the aggregate capital contribution made by such ~~Washington Square and SoCal~~Resolved Claims Participant in respect of ~~the~~such Final ~~Washington Square and SoCal~~Resolved Claims Capital Call; ~~provided, further, that the capital contributions of each of the Washington Square and SoCal~~Resolved Claims Participants in respect of ~~the~~a Final ~~Washington Square and SoCal~~Resolved Claims Capital Call shall be reduced *pro rata* (based on each ~~Washington Square and SoCal~~Resolved Claims Participant's relative Final ~~Washington Square and SoCal~~Resolved Claims Allocation or as otherwise agreed to among the ~~Washington Square and SoCal~~Resolved Claims Participants contributing to ~~the~~such Final ~~Washington Square and SoCal~~Resolved Claims Capital Call) to the extent the aggregate capital contributions proposed to be made by all such ~~Washington Square and SoCal~~Resolved Claims Participants in respect of ~~the~~such Final ~~Washington Square and SoCal~~Resolved Claims Capital Call exceeds the Capital Call Shortfall Amount. Immediately following the capital contributions in connection with ~~the~~a Final ~~Washington Square and SoCal~~Resolved Claims Capital Call, each ~~Washington Square and SoCal~~Resolved Claims Participant in consideration of the capital contributions made in connection with ~~the~~such Final ~~Washington Square and SoCal~~Resolved Claims Capital Call, if any, shall be entitled to, and the Board shall cause each of the Company, Newhall IH and/or Newhall Opco to promptly issue to each ~~Washington Square and SoCal~~Resolved Claims Participant, a number of Class A Units, Newhall IH Units (and corresponding Class B Units) and/or Newhall Opco Units (and corresponding Class B Units), as applicable, allocated on a *pro rata* basis (based on the extent of the capital contribution such ~~Washington Square and SoCal~~Resolved Claims Participant made to each of the Company, Newhall IH and/or Newhall Opco in respect of ~~the~~such Final ~~Washington Square and SoCal~~Resolved Claims Capital Call) equal in aggregate to a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which is the aggregate amount of capital contributions made (and not reduced) by such ~~Washington Square and SoCal~~Resolved Claims Participant in connection with ~~the~~such Final ~~Washington Square and SoCal~~Resolved Claims Capital Call and (y) the denominator of which is the product of (A) eighty percent (80%) multiplied by (B) the Rights Offering Per Unit Price.

(c) Immediately following the capital contributions in respect of ~~the~~a Final ~~Washington Square and SoCal~~Resolved Claims Capital Call (or, if there is no Capital Call Shortfall Amount, ~~the~~a ~~Washington Square and SoCal~~Resolved Claims Capital Call), the Board shall cause the Company, Newhall IH and/or Newhall Opco to promptly issue to the Lennar Members, Management Co. and Haddad such number of Class A Units, Newhall IH Units (and

corresponding Class B Units) and/or Newhall Opco Units (and corresponding Class B Units), as applicable, allocated *pro rata* (based on Interest Allocation), as would cause each of the Lennar Members, Management Co. and Haddad to have the same Newhall Percentage Interests following ~~the~~ Final Washington Square and SoCal Resolved Claims Capital Call (or, if there is no Capital Call Shortfall Amount, ~~the~~ Washington Square and SoCal Resolved Claims Capital Call) as they had immediately prior to ~~the~~ Washington Square and SoCal Resolved Claims Capital Call excluding, in the case of a Capital Call Shortfall Amount, any and all capital contributions made by the Lennar Members, Management Co. and/or Haddad in respect of ~~the~~ such Final Washington Square and SoCal Resolved Claims Capital Call, solely to the extent any change in their Newhall Percentage Interests is due to the issuance of Class A Units, Newhall IH Units and/or Newhall Opco Units in connection with ~~the~~ such Final Washington Square and SoCal Resolved Claims Capital Call (excluding any issuance of Class A Units, Newhall IH Units and/or Newhall Opco Units to the Lennar Members, Management Co. and/or Haddad in respect of capital contributions made by them to the Company, Newhall IH and/or Newhall Opco in connection with ~~the~~ such Final Washington Square and SoCal Resolved Claims Capital Call) and/or ~~the~~ Washington Square and SoCal Resolved Claims Capital Call (the "**Newhall Percentage Interest Adjustment**"); provided, however, that the Lennar Members, Management Co. and Haddad shall not be required to make any additional capital contributions with respect to any issuances of Class A Units, Newhall IH Units (and corresponding Class B Units) and/or Newhall Opco Units (and corresponding Class B Units) pursuant to this Section 3.04(c), but in the event that any of the Lennar Members, Management Co. or Haddad make any such additional capital contribution, it or he shall be issued Class A Units, Newhall IH Units (and corresponding Class B Units) and/or Newhall Opco Units (and corresponding Class B Units) (as the case may be) pursuant to Section 3.04(b), which shall increase its or his applicable Newhall Percentage Interests after taking into account the Newhall Percentage Interest Adjustment.

(d) To the extent ~~the~~ Capital Call Shortfall Amount has not been one hundred percent (100%) funded with additional capital contributions in respect of ~~the~~ Washington Square and SoCal Resolved Claims Capital Call and ~~the~~ Final Washington Square and SoCal Resolved Claims Capital Call (such shortfall, ~~the~~ "Dilutive Shortfall Amount"), the Board shall cause each of the Company, Newhall IH and/or Newhall Opco to promptly issue, in addition to any other Class A Units, Newhall IH Units and/or Newhall Opco Units issued pursuant to this Section 3.04, to each of the Lennar Members, Management Co., Haddad and the Participating First Lien Newhall Members, such number of Class A Units, Newhall IH Units (and corresponding Class B Units) and/or Newhall Opco Units (and corresponding Class B Units), allocated on a *pro rata* basis (based on Interest Allocation), equal in aggregate to the product of (i) a fraction, expressed as a percentage rounded to two decimal places, (A) the numerator of which equals ~~the~~ such Dilutive Shortfall Amount and (B) the denominator of which is the Rights Offering Per Unit Price, multiplied by (ii) a fraction, expressed as a percentage rounded to two decimal places, (A) the numerator of which is the Newhall Percentage Interest of such Member (taking into account any issuances pursuant to Section 3.04(b) and/or Section 3.04(c)) and (B) the denominator of which equals the aggregate Newhall Percentage Interests of the Lennar Members, Management Co., Haddad and all of the Participating First Lien Newhall Members (taking into account any issuance pursuant to Section 3.04(b) and/or Section 3.04(c)); provided, however, that none of the Lennar Members, Management Co., Haddad or the Participating First Lien Newhall Members shall be

required or permitted to make any additional capital contributions with respect to any issuances of Class A Units, Newhall IH Units and/or Newhall Opco Units pursuant to this Section 3.04(d).

(e) All proceeds received by the Company in respect of the ~~Washington Square and SoCal~~ Resolved Claims Capital Call and/or the ~~a~~ Final Washington Square and SoCal Resolved Claims Capital Call shall be contributed by the Company to Newhall IH, which shall in turn contribute all such proceeds and all proceeds it directly receives in respect of the ~~Washington Square and SoCal~~ Resolved Claims Capital Call and/or the ~~a~~ Final Washington Square and SoCal Resolved Claims Capital Call to Newhall Opco.

(f) Notwithstanding anything in this Agreement or the Newhall Opco LLC Agreement to the contrary, the Designated Managers of the Principal Members (other than the Lennar Members) shall have the option to reduce the amount of a Resolved Claims Capital Call and a Final Resolved Claims Capital Call by the amount of any cash proceeds or other proceeds received by Newhall Opco in connection with the matters listed on Schedule II of the Newhall Opco LLC Agreement, to extent that such cash proceeds or other proceeds have not been distributed to Newhall IH pursuant to Section 4.09(a) of the Newhall Opco LLC Agreement. To the extent the Designated Managers of the Principal Members (other than Lennar Members) elect to reduce the amount of a Resolved Claims Capital Call or a Final Resolved Claims Capital Call, the obligation of Newhall Opco to distribute any cash proceeds or the proceeds received by Newhall Opco in connection with the matters listed on Schedule II of the Newhall Opco LLC Agreement to Newhall IH pursuant to Section 4.09(a) of the Newhall Opco LLC Agreement, shall be reduced dollar-for-dollar.

Section 3.05 Benefits of Agreement. Nothing in this Agreement and, without limiting the generality of the foregoing, in this Article III, expressed or implied, is intended or shall be construed to give to any creditor of the Company or to any creditor of any Member or any other Person whatsoever, other than the Members and the Company, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition, or provision herein contained, and such provisions are and shall be held to be for the sole and exclusive benefit of the Members and the Company.

Section 3.06 New Members. A new Member (each, a "**New Member**") may be admitted to the Company if such New Member has acquired Units (or if otherwise approved by the Board). In connection therewith, such New Member shall contribute the amount determined as fair value for the Units to be issued to such New Member, all as approved by the Board. The Haddad Agreements shall be deemed to be approved by the Board.

Section 3.07 No Withdrawal of Members. No Member shall be entitled to withdraw any part of such Member's Capital Contributions or to receive any distribution from the Company, except as expressly provided in this Agreement.

Section 3.08 No Rights of Partition. No Member shall have the right to seek or obtain partition by court decree or operation of law of any Company Assets or the right to own or use particular or individual Company Assets or, except as expressly contemplated by this Agreement, be entitled to distributions of specific Company Assets.

Section 3.09 Non-Certification of Units; Legend; Units are Securities.

(a) Units shall be issued in non-certificated form and no Member shall have the right to require the Company to issue physical certificates representing Units for any reason, except as may be required by applicable law; provided that the Board, at its sole discretion, may cause the Company to issue one or more certificates to all of the Members representing the Units held by such Members in a form approved by the Board (which need not bear the seal of the Company), including any legends or other notations the Board determines to be appropriate.

(b) If the Board determines to issue certificates to all of the Members, each certificate shall be signed by any two Persons so authorized by the Board, certifying the class and the number of Units represented by such certificate. In the event any such authorized Person who shall have signed, or whose facsimile signature or signatures shall have been placed upon, any such certificate or certificates shall have ceased to be authorized by the Board before such certificate is issued by the Company, such certificate or certificates may nevertheless be issued by the Company with the same effect as if such Person were authorized by the Board at the date of issue. To the extent any certificates are issued, they shall be consecutively numbered and shall be entered in the books of the Company as they are issued and shall exhibit the holder's name, number and class of Units. The Board shall keep a record of the Members, giving the names and addresses of all Members, the class and the number of Units held by each Member and the certificates, if any, issued to each Member.

(c) The Board may determine the conditions upon which a new certificate may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed and may, in its discretion, require the owner of such certificate or its legal representative to give bond, with sufficient surety, to indemnify the Company against any and all loss or claims which may arise by reason of the issuance of a new certificate in the place of the one so lost, stolen or destroyed.

(d) The Company hereby irrevocably elects that all Units shall be "securities" governed by Article 8 of the Uniform Commercial Code as in effect from time to time in the State of Delaware or analogous provisions in the Uniform Commercial Code as in effect in any other jurisdiction.

Section 3.10 Preemptive Rights.

(a) Preemptive Rights. In the event that from time to time following the Effective Date the Company, Newhall IH and/or Newhall Opco (the "**Preemptive Issuing Entity**") proposes to sell or issue New Securities, then each Principal Member (and/or its Affiliates) and Management Co. shall have the right (a "**Preemptive Right**") to purchase

(i) up to such number of New Securities from the Preemptive Issuing Entity equal to the product of (A) the aggregate number of such New

Securities that the Preemptive Issuing Entity proposes to sell or issue multiplied by (B) such Principal Member's (and/or its Affiliates') Percentage Interest, or Management Co.'s Newhall Opco Percentage Interest, as applicable, as in effect prior to such sale or issuance, multiplied by (C) such Principal Member's (and/or its Affiliates') or Management Co.'s Interest Allocation in the Preemptive Issuing Entity; and

(ii) up to such number of securities in each of the Company, Newhall IH and Newhall Opco, other than the Preemptive Issuing Entity (the "**Preemptive Other-Issuing Entity**"), having the same price, on substantially the same terms and of substantially the same type as the New Securities that are being sold or issued by the Preemptive Issuing Entity ("**Substitute New Securities**"), equal to the product of (A) the aggregate number of such New Securities that the Preemptive Issuing Entity proposes to sell or issue multiplied by (B) such Principal Member's (and/or its Affiliates') Percentage Interest or Management Co.'s Newhall Opco Percentage Interest, as applicable, as in effect prior to such sale or issuance, multiplied by (C) such Principal Member's (and/or its Affiliates') or Management Co.'s Interest Allocation in each of the Preemptive Other-Issuing Entities.

(b) The Company shall sell or issue, or cause Newhall IH and Newhall Opco to sell or issue, as applicable, up to such number of New Securities and/or Substitute New Securities to such Principal Member (and/or its Affiliates) and/or Management Co., as applicable, as calculated in accordance with Section 3.10(a).

(c) Definition of New Securities. "**New Securities**" shall mean any Units, Newhall IH Units and/or Newhall Opco Units, whether now authorized or not, any rights, options or warrants to purchase Units, Newhall IH Units and/or Newhall Opco Units and any indebtedness or class of securities of the Company, Newhall IH and/or Newhall Opco which is convertible into Units, Newhall IH Units and/or Newhall Opco Units, as applicable (or which is convertible into a security which is, in turn, convertible into Units, Newhall IH Units and/or Newhall Opco Units, as applicable); provided that the term "New Securities" does not include (i) indebtedness of the Company, Newhall IH and/or Newhall Opco which is not by its terms convertible into Units, Newhall IH Units and/or Newhall Opco Units, as applicable; (ii) Units, Newhall IH Units and/or Newhall Opco Units issued as a distribution to all Members *pro rata* or upon any subdivision or combination thereof; (iii) Units, Newhall IH Units and/or Newhall Opco Units issued in exchange for the cancellation or retirement of any debt securities of the Company, Newhall IH and/or Newhall Opco or in connection with any restructuring or other financial workout of the Company, Newhall IH and/or Newhall Opco; (iv) Units, Newhall IH Units and/or Newhall Opco Units issued to selling Persons in connection with the acquisition of another corporation or other entity by the Company or one of its Subsidiaries from such selling Person, by merger, consolidation or other business combination, purchase of all or substantially all assets, recapitalization or reorganization; (v) Units, Newhall IH Units and/or Newhall Opco Units issued upon the exercise of any convertible securities; (vi) Units, Newhall IH Units and/or Newhall Opco Units issued to officers, employees or consultants of the Company, Management Co. or their respective Subsidiaries, or to

the Managers pursuant to compensatory plans or agreements approved by the Board; (vii) Units, Newhall IH Units and/or Newhall Opco Units issued to any wholly-owned subsidiary of the Company; (viii) Units, Newhall IH Units and/or Newhall Opco Units issued in connection with any joint venture or strategic partnership entered into primarily for purposes other than raising capital (as determined by the Board in its sole discretion); (ix) Units, Newhall IH Units and/or Newhall Opco Units issued to financial institutions, commercial lenders, broker/finders or any similar party, or their respective designees, in connection with the incurrence or guarantee of indebtedness by the Company or any of its Subsidiaries; (x) Units, Newhall IH Units and/or Newhall Opco Units issued pursuant to a Public Offering; (xi) Units, Newhall IH Units and/or Newhall Opco Units issued pursuant to Section 3.04; (xii) Class B Units and Newhall Opco Units issued pursuant to the Haddad Agreements; (xiii) Class A Units issued in an Exchange Transaction pursuant to Section 5.03 of the Newhall Opco LLC Agreement or Section 5.02 of the Newhall IH LLC Agreement; (xiv) preferred securities of the Company, Newhall IH or Newhall Opco which are not by their terms exercisable for, convertible into or otherwise exchangeable for Units, Newhall IH Units or Newhall Opco Units with fixed periodic dividend payments or other fixed periodic distribution, to the extent otherwise approved by the Board; or (xv) Class B Units issued pursuant to Section 3.01(g).

(d) Notice from the Company. In the event the Preemptive Issuing Entity proposes to issue or sell New Securities, the Company shall give each Principal Member and Management Co. written notice of such proposal, setting forth the Preemptive Issuing Entity, the type of New Securities, the price and the terms upon which the Preemptive Issuing Entity proposes to issue such New Securities. For a period of fifteen (15) days following the delivery of such notice by the Company, the Company, Newhall IH and Newhall Opco shall be deemed to have irrevocably offered to sell to each Principal Member (and/or its Affiliates) and Management Co. up to such number of New Securities and/or Substitute New Securities as calculated in accordance with Section 3.10(a) for the price and upon the terms specified in the notice. Each Principal Member (and/or its Affiliates) and Management Co. may exercise their respective Preemptive Rights by giving written notice to the Company and stating therein the quantity of New Securities and/or the quantity and type of Substitute New Securities to be purchased.

(e) Sale by the Company. In the event any Principal Member (and/or its Affiliates) or Management Co. fails to exercise in full its Preemptive Right (whether with respect to New Securities, Substitute New Securities or both) within said fifteen (15) day period, the Preemptive Issuing Entity shall have one hundred eighty (180) days thereafter to sell the New Securities with respect to which the Preemptive Rights were not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the Company's notice given pursuant to Section 3.10(d).

(f) Closing. The closing for any such sale or issuance of New Securities and Substitute New Securities shall take place as proposed by the Preemptive Issuing Entity, subject to receipt of payment therefor and execution and delivery of any documents and/or instruments described in or included with the notice given under Section 3.10(d) as part of the terms specified in such notice. If any New Securities or Substitute New Securities are issued by Newhall IH

and/or Newhall Opco to any Member, the Company shall issue to such Member an equivalent number of Class B Units.

Section 3.11 Cancellation of Class B Units Upon Exchange. In accordance with Section 5.03 of the Newhall Opco LLC Agreement and/or Section 5.02 of the Newhall IH LLC Agreement, on each Exchange Date the Company shall cancel a number of such Member's Class B Units equal to the number of Class A Units to be issued (or, if the Exchange Transaction is settled in cash, equal to the number of Class A Units that would have been issued if such Exchange Transaction were not settled in cash) to such Member in connection with such Exchange Transaction and such cancelled Class B Units shall have no further rights or privileges and shall no longer be deemed to be outstanding limited liability company interests of the Company for any purpose from and after the applicable Exchange Date.

Section 3.12 Right to Piggyback. At any time the Company proposes to sell Class A Units (or other equity securities of the Company) in a Public Offering (other than pursuant to a registration statement on Form S-8 or on Form S-4 or any similar successor forms thereto) or to effectuate a take down off of an existing, effective shelf registration statement, whether for its own account or for the account of one or more Members, and the registration form to be used may be used for any registration of Class A Units (a "**Piggyback Registration**"), the Company shall, at least ten (10) Business Days prior to the earliest of, as applicable, (a) the initial filing of the applicable registration statement, (b) take-down off of an existing, effective shelf registration statement and (c) the date of the commencement of any such Public Offering, give written notice of its intention to effect such sale or registration to each Member that holds Units that are subject to restrictions on transferability pursuant to the Securities Act, as determined by the Board in its sole discretion (a "**Restricted Member**"), and shall include in such Piggyback Registration the resale of all Class A Units (including such Class A Units that would be issued as a result of an Exchange Transaction) with respect to which the Company has received a written request from a Restricted Member for inclusion therein within ten (10) days after the date of the Company's notice, subject to customary conditions, exceptions and rules of priorities. Notwithstanding any other provision of this Section 3.12, the Company may postpone or withdraw the filing or the effectiveness of a Piggyback Registration at any time in its sole discretion. If the managing underwriters advise the Company that in their opinion the number of equity securities requested to be included in such registration exceeds the number of equity securities which can be sold in such offering and/or that the number of equity securities proposed to be included in any such registration would adversely affect the price per equity security to be sold in such offering, the Company shall include in such registration (i) first, the equity securities the Company proposes to sell and (ii) second, the Class A Units requested to be included therein by the Restricted Members *pro rata* (based on such Restricted Member's Percentage Interest over the aggregate Percentage Interests of all Restricted Members participating in the Piggyback Registration), or as otherwise agreed by such Restricted Members participating in the Piggyback Registration.

ARTICLE IV

ACCOUNTING; ALLOCATIONS AND DISTRIBUTIONS

Section 4.01 Tax Status, Reports and Allocations.

(a) The Company shall be treated as a corporation for U.S. federal, state and local tax purposes and shall make any election necessary to effect such treatment. Notwithstanding anything in this Agreement to the contrary unless otherwise required by applicable law, the Company shall treat any amounts to which any Member was entitled pursuant to Section 2.2(d) of the Backstop Agreement as a reduction in the amount contributed by such Member to the Company as described in Section 3.01 and set forth on Schedule I.

(b) Management Co. (or if the Management Agreement is not in effect, any other Person as designated by the Board) shall use commercially reasonable efforts to arrange for the preparation and timely filing of all tax and information returns of Company income, gains, deductions, losses and other items required to be filed by the Company for federal, state and local income tax purposes and shall submit to the Board for its approval a draft of all such tax returns at least thirty (30) days in advance of the due date (taking into account extensions). If the Board does not object to the treatment of any item set forth on the draft return within thirty (30) days after receipt thereof, Management Co. (or such other Person) shall cause such tax and information returns to be timely filed with the appropriate authorities.

(c) For so long as the Company is the Newhall Opco Manager, the Company shall cause Newhall Opco to elect under Section 108(i) of the Code to defer for tax purposes, to the maximum extent allowable under the Code for any Newhall Opco Member, the cancellation of debt income recognized in connection with the Plan of Reorganization.

Section 4.02 Accounting.

(a) Fiscal Year. The fiscal year of the Company shall end on the last day of December of each year.

(b) Books. The books of account of the Company shall be kept and maintained at all times at the principal place of business of the Company or at such other place or places approved by the Board. The books of account shall be maintained according to GAAP.

(c) Annual Reports. The Board shall use commercially reasonable efforts to cause to be delivered to each Member, at the Company's sole expense, within one hundred (100) days after the expiration of each fiscal year audited consolidated financial statements for the immediately prior fiscal year, which shall consist of an audited consolidated balance sheet, an audited consolidated profit and loss statement showing the results of operations of the Company and its Subsidiaries for such fiscal year, together with the results of operations for the period from the beginning of the fiscal year to the end of such fiscal year with an unaudited comparison of such results to the applicable Approved Budget, and an audited consolidated statement of cash flow, in each case, prepared in accordance with GAAP; provided, however, that if as a result of an audit or otherwise any such annual financial statements are later determined to contain any material errors, misstatements or omissions, then the Board shall use commercially reasonable efforts to cause to be delivered to each Member, at the Company's sole expense, revised annual financial statements

or any other documents reflecting the corrected errors, misstatements and omissions, promptly after such revised annual financial statements or other documents become available to the Board. Such annual certified financial statements shall contain an opinion of the Accountant to the effect that, subject to any qualifications contained therein, the financial statements fairly present, in conformity with GAAP, the results of operations and cash flows of the Company Assets for the fiscal year then ended.

(d) Quarterly Reports. The Board shall use commercially reasonable efforts to cause to be delivered to each Member, at the Company's sole expense, within forty (40) days after the end of each fiscal quarter during a fiscal year, consolidated unaudited quarterly consolidated financial statements of the Company and its Subsidiaries for the immediately prior fiscal quarter, which shall consist of (i) an unaudited consolidated balance sheet as of the end of such fiscal quarter, (ii) an unaudited consolidated income and expense statement as of the end of such fiscal quarter, (iii) an unaudited consolidated cash flow statement as of the end of such fiscal quarter and (iv) an unaudited consolidated profit and loss statement showing the results of operations of the Company and its Subsidiaries for such fiscal quarter, together with the results of operations for the period from the beginning of the fiscal year to the end of such fiscal quarter with a comparison of such results to the applicable Approved Budget, in each case, prepared in accordance with GAAP (except for lack of footnotes thereto); provided, however, that if as a result of an audit or otherwise any such quarterly financial statements are later determined to contain any material errors, misstatements or omissions, then the Board shall use commercially reasonable efforts to cause to be delivered to each Member, at the Company's sole expense, revised quarterly financial statements or any other documents reflecting the corrected errors, misstatements and omissions, promptly after such revised quarterly financial statements or other documents become available to the Board (including by way of delivering annual financial statements).

Section 4.03 Information. Subject to such standards and procedures as may be set by the Board from time to time, and unless the Board in good faith determines that providing information to a Member is not in the best interest of the Company, could damage the Company or its business or is inconsistent with any law or agreement applicable to the Company, each Member shall have the right at all reasonable times during usual business hours to obtain the documents and other information described in Section 18-305(a) of the Act, at the principal place of business of the Company or such other place or places as determined by the Board. Such right may be exercised through any agent or employee of such Member designated by such Member or by an independent certified public accountant designated by such Member. Each Member shall bear all expenses incurred in any examination made on behalf of such Member. A Member wishing to exercise such right shall provide the Board with a written request setting forth the date, time and purpose of such request. The Board may then approve such request, approve such request in part or deny such request, all in accordance with this Agreement and the Act.

Section 4.04 Bank Accounts. Funds of the Company shall be deposited in one or more Company accounts in the bank or banks as selected by the Finance Committee and all withdrawals therefrom shall be subject to the approval of the Finance Committee. The Finance Committee shall cause the Company to deposit in an account such funds as required by Section 5.1 of the Management Agreement to be operated in accordance with Section 5.1 of the Management

Agreement and may designate in writing a representative of Management Co. to have the authority to draw checks thereon.

Section 4.05 Distributions.

(a) Distribution. The Board shall cause the Company to distribute (a "**Distribution**") to each Class A Member, as promptly as reasonably practicable following a distribution to the Company pursuant to Section 4.06(a)(ii) of the Newhall IH LLC Agreement, an amount equal to the product of (x) such Class A Member's Economic Percentage Interest multiplied by (y) the amount distributed to the Company pursuant to Section 4.06(a)(ii) of the Newhall IH LLC Agreement.

(b) Tax Withholding. The Company is authorized to withhold from payments or other distributions to the Class A Members, and to pay over to any U.S. federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any other applicable law. All amounts withheld with respect to any payment or other distribution by the Company to the Class A Members shall be treated as amounts paid to the Class A Members with respect to which such amounts were withheld pursuant to this Section 4.05(b) for all purposes under this Agreement. If any such withholding requirement with respect to any Member exceeds the amount distributable to such Class A Member under the applicable provision of this Agreement, or if any such withholding requirement was not satisfied with respect to any amount previously allocated or distributed to such Class A Member, such Class A Member and any successor or assignee with respect to such Class A Member's Class A Units hereby indemnifies and agrees to hold harmless the Company for such excess amount or such withholding requirement, as the case may be.

(c) Distributions in Cash. Unless otherwise determined by the Board, all Distributions shall be in cash. Any Distributions in-kind or other than in cash shall be distributed based on their fair market value (as determined in good faith by the Board) in the same proportions as if cash were distributed. If cash and property are to be distributed simultaneously, the Company shall distribute such cash and property in the same proportion to each Class A Member, unless otherwise agreed by the Class A Members.

Section 4.06 Special Distributions.

(a) Notwithstanding anything else in this Agreement to the contrary, including Section 4.05, the Board shall cause each amount distributed to the Company pursuant to Section 4.08(b) of the Newhall IH LLC Agreement (the "**Special Distribution Amount**"), to be distributed as promptly as reasonably practicable to each Company First Lien Member in an amount equal to the product of (A) the Special Distribution Amount multiplied by (B) a fraction, expressed as a percentage rounded to two decimal places, (x) the numerator of which equals the number of Class A Units such Company First Lien Member owns, if any, and (y) the denominator of which equals the aggregate number of Class A Units all Company First Lien Members own.

(b) The Company shall treat amounts contributed by any Member pursuant to ~~the Washington Square and SoCal~~any Resolved Claims Capital Call, ~~the any Final Washington Square and SoCal~~Resolved Claims Capital Call or distributed to any Member pursuant to Section 4.06(a) as adjustments to the Capital Contribution made by such Member on the Effective Date unless otherwise required by applicable law. The Company shall treat any amounts to which any Member is entitled pursuant to Section 2.2(d) of the Backstop Agreement as a reduction in the amount contributed by such Member to the Company on the Effective Date unless otherwise required by applicable law.

ARTICLE V

TRANSFERS

Section 5.01 General Restrictions.

(a) Any Transfer of Class A Units, whether by Management Co. or any other Member that does not comply or that violates the provisions of this Article V shall be null and void *ab initio*. Other than Permitted Class B Transfers or pursuant to Section 3.11, no Member shall be permitted to Transfer any Class B Units and any such Transfer of Class B Units shall be null and void *ab initio*.

(b) Unless the Board determines otherwise, no Member may Transfer Units to any Person (other than an existing Member) if the number of Units to be Transferred is less than or equal to the Minimum Block or, if less, all of such Member's Units being Transferred. Additionally, unless the Board determines otherwise, the Company shall only register in its books a Transfer of Units to any Person (other than an existing Member) if the number of Units to be Transferred is greater than the Minimum Block or, if less, all of a Member's Units being Transferred.

Section 5.02 Drag-Along.

(a) Drag-Along Right. Subject to the approval of the Board pursuant to Section 2.12, if one or more of the Principal Members or their Affiliates (the "**Dragging Members**") shall propose to Transfer (a "**Drag-Along Proposal**"), directly or indirectly, in one or a series of related bona fide arm's-length transactions, to a Third Party or Third Parties (such Third Party, or the Third Parties, collectively, the "**Drag-Along Purchaser**"), for cash, Cash Equivalents and/or Marketable Securities all of the Dragging Members' Units equal to or greater than fifty-one percent (51%) of the aggregate number of Units then outstanding and neither the other Principal Members (or their Affiliates) nor Management Co. timely exercise their respective rights of first offer pursuant to Section 5.09, if applicable, then the Dragging Members may, at their sole discretion, elect (a "**Drag-Along Election**") to require each of the other Members (collectively, the "**Dragged Members**") to Transfer to the Drag-Along Purchaser all (but not less than all) of the Units (including any unvested Units) held by the Dragged Members; provided, however, that the Dragging Members shall also sell all (but not less than all) of the Dragging Members' Units. All

proceeds of the closing of the Drag-Along Proposal (including those proceeds to be received by the Dragging Members and the Dragged Members) shall be distributed among the Dragging Members and the Dragged Members in accordance with Section 4.06 of the Newhall Opco LLC Agreement as if (i) such proceeds were received by Newhall Opco and distributed thereunder, (ii) the amount of such proceeds distributed to Newhall IH were then distributed by Newhall IH pursuant to Section 4.06 of the Newhall IH LLC Agreement and (iii) the amount of such proceeds distributed to the Company were then distributed by the Company pursuant to Section 4.05; provided that, for the avoidance of doubt, any amounts deemed distributed pursuant to clauses (i),(ii) and (iii) of this Section 5.02(a) shall not be interpreted to include tax consequences arising as a result of such deemed distribution.

(b) Drag-Along Procedure. The Dragging Members shall provide written notice (the "**Drag-Along Notice**") of the Drag-Along Proposal to the Company and all Members not later than the fifteenth (15th) Business Day prior to the consummation of the Drag-Along Proposal. The Drag-Along Notice shall contain written notice of the exercise of the Dragging Members' rights pursuant to Section 5.02(a), identify the number of Units to be Transferred to the Drag-Along Purchaser, the aggregate number of Units then outstanding, the consideration to be paid by the Drag-Along Purchaser, the per-Unit consideration to be paid to each Member, the expected date of consummation of the Drag-Along Proposal, a copy of any agreement and any other material documents related to the Drag-Along Proposal and any other material terms and conditions of the consummation of the Drag-Along Proposal. Within five (5) Business Days following the date the Drag-Along Notice is given to the Members, each of the Dragged Members shall deliver to the Dragging Members a special irrevocable power of attorney authorizing the Dragging Members, on behalf of such Dragged Member, to sell or otherwise dispose of the applicable number of Units held by such Dragged Member pursuant to the terms of the Drag-Along Proposal and to take all such actions as shall be necessary, appropriate or desirable in order to consummate such Transfer; provided, however, that the Dragging Members may not, without the written consent of any Dragged Member, (i) require such Dragged Member to make any representation or warranty other than with respect to (x) the authority of such Dragged Member to execute the relevant Transfer documents and Transfer its Units, (y) the due execution and delivery of the relevant Transfer documents by such Dragged Member and (z) such Dragged Member's ownership of its Units free and clear of any adverse interests or (ii) obligate such Dragged Member with respect to (x) any indemnity obligation beyond (1) a *pro rata* portion (based on Percentage Interests) of the indemnity obligations which obligate the Dragging Members and all Dragged Members (other than with respect to representations and warranties related to the Dragged Member's ownership of its Units free and clear of any adverse interests, which shall be several and not joint) and (2) the consideration received by such Dragged Member, or (y) any other continuing obligation on such Dragged Member in favor of any other Person following the Transfer of such Dragged Member's Units other than obligations relating to the transfer of title of such Dragged Member's Units to the Drag-Along Purchaser or the indemnification obligation provided for in clause (ii)(x) above; provided, further, that the Dragging Members may Transfer any Members' Units whether or not such Member delivers such power of attorney. For the avoidance of doubt, each Dragged Member shall only be responsible for its *pro rata* portion (based on Percentage Interests of the Dragging Members and the Dragged Members) of any indemnification claim made against the Dragging Members (other than with respect to the items set forth in clauses (i)(x), (i)(y) and (i)(z), which shall be several and not joint),

but in no event more than the aggregate consideration received by such Dragged Member. Immediately prior to consummating the Drag-Along Proposal, the Company shall cause Newhall IH or Newhall Opco, as applicable, to effect an Exchange Transaction pursuant to Section 5.03(c)(viii) of the Newhall Opco LLC Agreement and Section 5.02(c)(viii) of the Newhall IH LLC Agreement and, contemporaneously with such Exchange Transaction, shall cancel all Class B Units pursuant to Section 3.11.

(c) Sale Proceeds. Promptly after the consummation of the Drag-Along Proposal and receipt of the sale proceeds in connection therewith (and in any event, in each case, no later than three (3) Business Days thereafter), the Dragging Members shall remit or cause to be remitted to each of the Dragged Members their portion of the proceeds, as determined in accordance with Section 5.02(a), received in connection with the Drag-Along Proposal (to the extent such sale proceeds have not been otherwise remitted or delivered to such Dragged Members).

(d) Expiration. If, at the end of the one hundred eighty (180) day period following the date the Drag-Along Notice was received by the Company and the Members, the Dragging Members shall not have completed the Transfer contemplated by the Drag-Along Proposal, then the Dragging Members shall promptly thereafter return to each of the Dragged Members such Dragged Members' related documents, powers-of-attorney and instruments of assignment, if any, and no Transfers of Units may occur pursuant to the Drag-Along Proposal without the Dragging Members again complying with the provisions of this Section 5.02.

(e) No Liability. Notwithstanding anything to the contrary contained in this Agreement and irrespective of whether any Drag-Along Notice shall have been given, the Dragging Members shall have no obligation to any Dragged Member pursuant to this Section 5.02 as a result of any decision by the Dragging Members not to agree to or consummate the Transfer contemplated by the Drag-Along Proposal (it being understood that the decision to accept a Drag-Along Proposal or consummate such Transfer shall be made by the Dragging Members in their sole discretion).

Section 5.03 Further Restrictions on Transfer.

(a) Any Units Transferred shall remain subject to all terms and provisions of this Agreement. Any transferee or assignee of Units (other than an existing Member or an assignee or transferee pursuant to Section 5.02, Section 5.08 and Section 5.09) shall not be entitled to the benefits hereunder relating to the Units so Transferred, including any distributions hereunder, with respect to such Units until such transferee or assignee has been admitted by the Board as a Substituted Member with respect to the Units Transferred to such assignee or transferee. Until such transferee or assignee (other than an existing Member or an assignee or transferee pursuant to Section 5.02, Section 5.08 and Section 5.09) is admitted to the Company as a Substituted Member, the Member Transferring all or any portion of such Member's Units to such assignee or transferee shall remain primarily and directly liable for the performance of all of such Member's obligations under this Agreement in respect of such Transferred Units. Subject to the

other provisions of this Section 5.03, after the admission of such assignee or transferee as a Substituted Member, such Substituted Member shall be subject to all provisions of this Agreement in the place and stead of such Substituted Member's assignor or transferee Member with respect to the Units Transferred to such Substituted Member as if the Substituted Member originally was a party to this Agreement, except that the transferor or assignor Member shall be primarily and directly liable under this Agreement or otherwise for any obligations or liabilities related to the Transferred Units accruing prior to the effective time of the admission of such Substituted Member, unless such transferor or assignor Member is released in writing from such obligations or liabilities by the Board.

(b) Any Member making or offering to make a Transfer of all or any part of such Member's Units in the Company shall indemnify and hold harmless the Company, its Subsidiaries and all other Members from and against any costs, damages, claims, suits, or fees of any kind whatsoever suffered or incurred by the Company, its Subsidiaries or any such other Member directly or indirectly arising out of or resulting from any claims by the transferee of such Units or any offerees of such Units in connection with such Transfer or offer.

Section 5.04 Legal Opinion Prior to Transfer. Prior to admitting any Substituted Member, the Board may request at its sole discretion, unless there is in effect a registration statement under the Securities Act covering the Transfer, from the Transferring Member and/or the Substituted Member to describe the manner and circumstances of the Transfer in sufficient detail and either (i) provide a written opinion of legal counsel (who may be internal counsel, but in all cases shall be reasonably satisfactory to the Board), which opinion shall be reasonably satisfactory in form and substance to the Company's counsel, to the effect that the proposed Transfer may be effected without registration under the Securities Act and would not cause the Company to be required to register under the Exchange Act or (ii) provide such other showing that may be reasonably satisfactory to legal counsel to the Company that the proposed Transfer may be effected without registration under the Securities Act, will not cause the Company to be required to register under the Exchange Act and will not require the Company to register under the Investment Company Act of 1940, whereupon such Member shall be entitled to Transfer its Units in compliance with the requirements of this Agreement and in accordance with the terms of the notice delivered by such Member to the Board. Notwithstanding the foregoing, the requirements of clause (i) above need not be satisfied with respect to the following transactions: (A) transactions in compliance with Rule 144 or Rule 144A under the Securities Act, so long as the Company is furnished with evidence of compliance with such Rule reasonably satisfactory in form and substance to the Company's counsel; (B) Transfers by a Member which is a partnership or limited liability company to a general partner, limited partner or member of such partnership or limited liability company; or (C) Permitted Class A Transfers or Permitted Class B Transfers.

Section 5.05 Admission of Substituted or New Member.

(a) Any Substituted Member or New Member, as applicable, shall prior to such admission, execute an appropriate supplement to this Agreement pursuant to which such Substituted Member or New Member agrees to be bound by all the terms and provisions of this Agreement and an irrevocable power of attorney in form satisfactory to the Board appointing the

Lead Director, or such other Person as may be approved by the Board, as such Substituted Member's or New Member's, as applicable, attorney-in-fact with full power to execute, swear to, acknowledge and file all certificates and other instruments necessary to carry out the admission of such Substituted Member or New Member, as applicable, as a Member and such undertakings as the Board may require for the payment of all fees and costs necessary to effect any such admission, and, if required by the Board, any other documents reasonably requested by the Board. A Person may become a Member without the approval or consent of any of the Members. A Person may not become a Member without acquiring one or more Units.

(b) After the admission of a Substituted Member or New Member, as applicable, the Board shall reflect the admission of such Substituted Member or New Member, as applicable, as a Member and, if applicable, the withdrawal of the Transferring Member by updating Schedule I, dated as of the date of such admission and, if applicable, withdrawal, and reflecting the applicable number of Units held by such Substituted Member or New Member, as applicable, and by filing it with the records of the Company. The Board shall add the name and mailing address of the Substituted Member or New Member, as applicable, and remove the name and mailing address of the Transferring Member, if applicable, from the books and records of the Company. The books and records of the Company may be updated, from time to time, to reflect current and accurate information with respect to the Members.

(c) The Substituted Member or New Member, as applicable, by accepting any Units, shall be deemed to have (i) given the authorization and power of attorney pursuant to Section 7.03 and (ii) assumed all the obligations and agreed to be bound by all the terms and provisions of this Agreement.

Section 5.06 Other Restricted Transfers. Notwithstanding any other provision herein to the contrary, no Member shall Transfer one or more of its Units (or any interest therein) if such Transfer (i) shall require registration under the Securities Act, (ii) would cause the Company to be required to register under the Exchange Act or (iii) require the Company to register under the Investment Company Act of 1940.

Section 5.07 Specific Performance. The Members and the Company agree that irreparable damage would occur in the event that any provision of this Article V is not performed in accordance with the terms hereof and that the Members and the Company shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity, without the necessity of demonstrating the inadequacy of money damages.

Section 5.08 Tag-Along.

(a) Tag-Along Right. If one or more of the Members (the "Tagged Members") shall propose to Transfer (a "Tag-Along Proposal"), directly or indirectly, in one or a series of related bona fide arm's length transactions, to a Third Party or Third Parties (such Third Party, or the Third Parties, collectively, the "Tag-Along Purchaser"), for cash, Cash Equivalents and/or Marketable Securities a number of Class A Units (including such Tagged Members' Class A Units that may be received in connection with an Exchange Transaction) equal to or greater than

fifty-one percent (51%) of the aggregate number of Units then outstanding, which does not constitute a Drag-Along Proposal, and, to the extent not part of the Tagged Members, the Principal Members (or their Affiliates) and/or Management Co. do not timely exercise their respective rights of first offer pursuant to Section 5.09, then each Member may, at its sole discretion, elect (a "**Tag-Along Election**") to require the Tagged Members to Transfer all of the Class A Units (including such Class A Units that may be received in connection with an Exchange Transaction) held by such electing Member (a "**Tagging Member**" and, collectively, the "**Tagging Members**") to the Tag-Along Purchaser at the per Unit price offered to the Tagged Members by the Tag-Along Purchaser. If the aggregate number of Class A Units proposed to be Transferred by the Tagging Members and the Tagged Members pursuant to this Section 5.08(a) is greater than the number of Class A Units that the Tag-Along Purchaser is willing to acquire, then the number of Class A Units to be Transferred pursuant to the Tag-Along Proposal shall be allocated among the Tagging Members and the Tagged Members in proportion to the respective Percentage Interests of each of the Tagged Members and the Tagging Members.

(b) Tag-Along Procedure. The Tagged Members shall provide written notice (the "**Tag-Along Notice**") of the Tag-Along Proposal to the Company and each Member (other than the Tagged Members) not later than the fifteenth (15th) Business Day prior to the consummation of the Tag-Along Proposal. The Tag-Along Notice shall contain written notice of the Members' rights pursuant to Section 5.08(a), identifying the number of Class A Units to be Transferred to the Tag-Along Purchaser, the aggregate number of Class A Units and Class B Units then outstanding, the aggregate consideration to be paid by the Tag-Along Purchaser, a computation of the estimated per Unit amount that each Tagging Member would receive both if Management Co. elected to be a Tagging Member and if Management Co. did not so elect, the expected date of consummation of the Tag-Along Proposal, a copy of any agreement and any other material documents related to the Tag-Along Proposal, and any other material terms and conditions of the consummation of the Tag-Along Proposal. Within five (5) Business Days following the date the Tag-Along Notice is given to the Members, the Tag-Along Election may be exercised by each Member (other than the Tagged Members) who wishes to become a Tagging Member by giving written notice to the Tagged Members (the "**Tag-Along Acceptance**"), and each of the Tagging Members shall also deliver to the Tagged Members a special irrevocable power of attorney authorizing the Tagged Members, on behalf of such Tagging Member, to Transfer the applicable number of Class A Units held by such Tagging Member pursuant to the terms of the Tag-Along Proposal and to take all such actions as shall be necessary, appropriate or desirable in order to consummate such Transfer; provided, however, that the Tagged Members may not, without the written consent of any Tagging Member, (i) require such Tagging Member to make any representation or warranty other than with respect to (x) the authority of such Tagging Member to execute the relevant Transfer documents and Transfer its Class A Units, (y) the due execution and delivery of the relevant Transfer documents by such Tagging Member and (z) such Tagging Member's ownership of its Class A Units free and clear of any adverse interests or (ii) obligate such Tagging Member with respect to (x) any indemnity obligation beyond (1) a *pro rata* portion (based on Percentage Interests) of the indemnity obligations which obligate the Tagged Members and all Tagging Members (other than with respect to representations and warranties related to the Tagging Member's ownership of its Class A Units free and clear of any adverse interests, which shall be several and not joint) and (2) the consideration received by such Tagging Member, or (y) any other continuing obligation on such Tagging Member in favor of any other

Person following the Transfer of such Tagging Member's Class A Units other than obligations relating to the transfer of title of such Tagging Member's Class A Units to the Tag-Along Purchaser or the indemnification obligation provided for in clause (ii)(x) above. For the avoidance of doubt, each Tagging Member shall only be responsible for its *pro rata* portion (based on Percentage Interests of the Tagged Members and Tagging Members) of any indemnification claim made against the Tagged Members (other than with respect to the items set forth in clauses (i)(x), (i)(y) and (i)(z), which shall be several and not joint), but in no event more than the aggregate consideration received by such Tagging Member. Immediately prior to consummating the Tag-Along Proposal, the Company shall cause Newhall IH or Newhall Opco, as applicable, to effect an Exchange Transaction pursuant to Section 5.03(c)(ix) of the Newhall Opco LLC Agreement or Section 5.02(c)(ix) of the Newhall IH LLC Agreement, as applicable, with respect to the Newhall IH Units or Newhall Opco Units being purchased by the Tag-Along Purchaser and, contemporaneously with such Exchange Transaction, shall cancel all Class B Units corresponding to such Newhall IH Units or Newhall Opco Units, as applicable, pursuant to Section 3.11.

(c) Sale Proceeds. Promptly after the consummation of the Tag-Along Proposal and receipt of the sale proceeds in connection therewith (and in any event, in each case, no later than three (3) Business Days thereafter), the Tagged Members shall remit or cause to be remitted to each of the Tagging Members their portion of the proceeds, as determined in accordance with Section 5.08(a), received in connection with the Tag-Along Proposal (to the extent such sale proceeds have not been otherwise remitted or delivered to such Tagging Members).

(d) Expiration. If, at the end of the one hundred eighty (180) day period following the date the Tag-Along Notice was received by the Company and the Members, the Tagged Members shall not have completed the Transfer contemplated by the Tag-Along Proposal, the Tagged Members shall promptly thereafter return to each of the Tagging Members such Tagging Members' related documents, powers-of-attorney and instruments of assignment, if any, and no Transfers of Class A Units may occur pursuant to the Tag-Along Proposal without the Tagged Members and Tagging Members again complying with the provisions of this Section 5.08.

(e) No Liability. Notwithstanding anything to the contrary contained in this Agreement and irrespective of whether any Tag-Along Notice shall have been given, the Tagged Members shall have no obligation to any Tagging Member pursuant to this Section 5.08 as a result of any decision by the Tagged Members not to agree to or consummate the Transfer contemplated by the Tag-Along Proposal (it being understood that the decision to accept a Tag-Along Proposal or consummate such Transfer shall be made by the Tagged Members in their sole discretion).

(f) Management Co. Units. In the event Management Co. Transfers all of its Units pursuant to a Tag-Along Proposal, Management Co. shall remain a Member and a party to this Agreement for so long as Management Co. is entitled to receive any Management Promote Distributions pursuant to Section 4.06 of the Newhall Opco LLC Agreement.

(g) Notwithstanding anything in this Agreement to the contrary, unless otherwise approved by the Board in accordance with Section 2.14(g), in the event that a transfer of any or all of the Newhall IH Units or Newhall Opco Units proposed to be transferred by a Tagging Member pursuant to a Tag-Along Proposal would result in a "technical termination" of Newhall IH or Newhall Opco, as applicable, under Section 708(b)(1)(B) of the Code, then the total number of Class A Units proposed to be Transferred by the Tagging Members who are Newhall Opco or Newhall IH Members (such number of Class A Units corresponding to the Newhall IH Units or Newhall Opco Units that would have been redeemed by the Company pursuant to an Exchange Transaction in accordance with Section 5.03(c)(ix) of the Newhall Opco LLC Agreement or Section 5.02(c)(ix) of the Newhall IH LLC Agreement) shall be reduced to the extent required to avoid such "technical termination" and such reduced amount of Class A Units shall be allocated among such Tagging Members in proportion to the respective Percentage Interests of each such Tagging Members.

Section 5.09 Right of First Offer.

(a) Right of First Offer. If one or more of the Members (collectively, the "**Transferring Members**") shall desire to Transfer (except pursuant to any one or more Permitted Class A Transfers) an aggregate number of Class A Units in excess of seven and one-half percent (7.5%) of the aggregate number of Units then outstanding other than on an Actively Traded Market to a Third Party or Third Parties, including any Class A Units issued pursuant to an Exchange Transaction, the Transferring Members shall first deliver to the Principal Members and Management Co., other than to the extent they are Transferring Members (collectively, the "**Non-Transferring Members**") a written notice (a "**ROFO Transfer Notice**") setting forth the aggregate number of Class A Units intended to be Transferred (the "**ROFO Units**") and whether, in the case of a Transfer of a number of Class A Units equal to or greater than fifty-one percent (51%) of the aggregate number of Units then outstanding, the Transferring Members intend to make a Drag-Along Election pursuant to Section 5.02 to the extent they are permitted thereunder. Each Non-Transferring Member shall have the right, exercisable within ten (10) days following the delivery of the ROFO Transfer Notice, to make a written offer (each a "**ROFO Offer**") to purchase (either directly or through one or more Affiliates) all, but not less than all, of the ROFO Units at a cash price specified in the ROFO Offer.

(b) The Transferring Members shall have the right, exercisable within ten (10) days following the last day a timely ROFO Offer could have been made for the ROFO Units (the "**Acceptance Period**") to accept the highest ROFO Offer by sending written notice of their acceptance to the Non-Transferring Member making such ROFO Offer; provided, that if more than one ROFO Offer provides for the same purchase price and the Transferring Members wish to accept a ROFO Offer at such price, then the Transferring Members shall accept each such ROFO Offer in part, each such ROFO Offer to be accepted in proportion to the relative Percentage Interests of the Non-Transferring Member making such ROFO Offers. Upon acceptance of one or more ROFO Offers, the Non-Transferring Members making such ROFO Offer(s) shall be irrevocably obligated to purchase (either directly or through one or more Affiliates), and the Transferring Members shall be irrevocably obligated to sell, all, but not less than all, of the ROFO Units at the price specified in such ROFO Offer(s); provided that the definitive purchase

agreement memorializing the Transfer of the ROFO Units shall not contain any representation or warranty of the Transferring Members other than with respect to (i) the authority of each Transferring Member to execute the relevant Transfer documents and Transfer its portion of the ROFO Units, (ii) the due execution and delivery of the relevant Transfer documents by each Transferring Member and (iii) each Transferring Member's ownership of its portion of the ROFO Units free and clear of adverse interests. In the event that any Non-Transferring Member (and/or its Affiliates) defaults on its obligation to purchase the ROFO Units from the Transferring Members following the acceptance of such Non-Transferring Member's ROFO Offer by the Transferring Members, or if such Transfer does not consummate due to the fault of such Non-Transferring Member (and/or its Affiliates), no Member shall be obligated pursuant to this Section 5.09 to, at any time thereafter, deliver a ROFO Transfer Notice to such Non-Transferring Member and any ROFO Offer made by such Non-Transferring Member (and/or its Affiliates) may be completely disregarded for purposes of this Section 5.09, including the limitations set forth in Section 5.09(c).

(c) If the Transferring Members do not receive any timely ROFO Offers, the Transferring Members shall have the right for a period of one hundred eighty (180) days following the end of the Acceptance Period to Transfer all, but not less than all, of the ROFO Units to one or more Third Parties at such price as they so determine. If the Transferring Members receive one or more timely ROFO Offers but the Transferring Members elects not to accept any of such ROFO Offers, the Transferring Members shall have the right for a period of one hundred eighty (180) days following the end of the Acceptance Period to Transfer all, but not less than all, of the ROFO Units to one or more Third Parties at such price as they so determine; provided, however, that no such Transfers shall be permitted at a price that is less than ninety percent (90%) of the highest price set forth in any timely ROFO Offer not accepted by the Transferring Members. Any ROFO Units not sold by the end of such one hundred eighty (180) day period shall again be subject to this Section 5.09.

ARTICLE VI

DISSOLUTION AND TERMINATION

Section 6.01 Dissolution of the Company.

(a) The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

(i) the entry of a decree of judicial dissolution under Section 18-802 of the Act;

(ii) at any time there are no Members; provided, however, that the Company shall not be dissolved and shall not be required to be wound up if, within ninety (90) days after the occurrence of the event that terminated the

continued membership of the last remaining Member, the personal representative of the last remaining Member agrees in writing to continue the Company and to the admission of the personal representative of such last remaining Member or its nominee or designee to the Company as a Member effective as of the occurrence of the event that terminated the last remaining Member;

(iii) at any time upon the election to dissolve the Company when approved by the Managers in accordance with the provisions of Section 2.12; or

(iv) in the case of a Public Offering in which the listed Entity will be a successor-in-interest of the Company, subject to any tax, regulatory, lock-up, registration restrictions or other restrictions or limitations (as reasonably determined by the Board), as soon as possible (as is reasonable in the judgment of the Board) after a Public Offering occurs (with the intention of distributing, to the extent possible, the stock issued by the successor corporation to the Company in such Public Offering on an in-kind basis to the Members based upon and consistent with their distribution rights and priorities under Section 4.05).

(b) Nothing contained in this Section 6.01 is intended to grant to any Member or Members the right to dissolve the Company upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event specified in Section 18-304 of the Act that terminates the continued membership of any Member. Dissolution of the Company shall be effective as of the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until there has been a winding up of the Company's business and affairs and the Company Assets have been distributed as provided in Section 6.02.

Section 6.02 Termination and Liquidation of the Company.

(a) Upon dissolution of the Company, unless continued pursuant to Section 6.01(a)(ii), the Company shall be terminated as rapidly as business circumstances will permit. At the direction of the Board or such Person approved by the Board hereof (the Board or such other Person being herein called the "**Terminating Person**"), a full accounting of the assets and liabilities of the Company shall be taken and a statement of the Company Assets shall be furnished to all Members as soon as is reasonably practicable. The Terminating Person shall take such action as is necessary so that the Company's business shall be terminated, its liabilities discharged, and its assets distributed as hereinafter described. The Terminating Person may sell all of the Company Assets or distribute the Company Assets in kind. A reasonable period of time shall be allowed for the orderly termination of the Company to minimize the normal losses of a liquidation process.

(b) After the payment of all expenses of liquidation and of all debts and liabilities of the Company and its Subsidiaries in such order or priority as provided by law (including any debts or liabilities to Members, who shall be treated as secured or unsecured

creditors, as may be the case, to the extent permitted by law, for sums loaned to the Company, if any, as distinguished from Capital Contributions), all remaining Company Assets shall then be distributed among the Members in accordance with Section 4.05 and Section 4.06. Upon termination, a Member may not demand and receive cash in return for such Member's Capital Contributions. Distribution on termination may be made by the distribution to each Member of an undivided interest in any Company Asset that has not been sold at the time of termination of the Company.

Section 6.03 Members Not Personally Liable. Neither any Member nor any Affiliate of any Member shall be personally liable for the return of the Capital Contributions of any Member, and such return shall be made solely as provided in Section 6.02 or from available Company Assets, if any, and each Member hereby waives any and all claims it may have against any Member or any such Affiliate in this regard.

Section 6.04 Provisions Cumulative. All provisions of this Agreement relating to the dissolution, liquidation and termination of the Company shall be cumulative to the extent not inconsistent with other provisions herein; that is, the exercise or use of one of the provisions hereof shall not preclude the exercise or use of any other provision of this Agreement to the extent not inconsistent therewith.

Section 6.05 Certificate of Cancellation. When all liabilities and obligations of the Company have been paid or discharged, or adequate provision has been made therefor, and all of the remaining Company Assets have been distributed to the Members according to their respective rights and interests as provided in Section 6.02, the Company is terminated and a Certificate of Cancellation shall be executed on behalf of the Company by the Terminating Person (or such other Person or Persons as the Act may require or permit) and shall be filed with the Office of the Secretary of State, and the Terminating Person or such other Person or Persons shall take such other actions, and shall execute, acknowledge, and file any and all other instruments, as may be necessary or appropriate to reflect the dissolution and termination of the Company.

ARTICLE VII

GENERAL

Section 7.01 Notice.

(a) All notices, demands, requests or other communications provided for or permitted to be given pursuant to this Agreement must be in writing. Legal counsel for any Member or the Company may provide notice on behalf of such Member or the Company (as the case may be).

(b) All notices, demands, requests or other communications to be sent to a Member or the Company shall be deemed to have been properly given or served if: (i) personally delivered, (ii) deposited prepaid for next day delivery by Federal Express or other similar overnight courier services, addressed in the case of a Member, to such Member at the address for

such Member in the records of the Company or if to the Company at its address set forth in Section 1.06, (iii) deposited in the United States mail, addressed to such Member or the Company as above, prepaid and registered or certified with return receipt requested, (iv) transmitted via telecopier or other similar device to the attention of such Member or the Company at the fax number for such Member in the records of the Company, or (v) transmitted via Electronic Transmission to the attention of such Member at the e-mail address for such Member in the records of the Company; provided that for fax or other Electronic Transmission, a copy of such notices, demands, requests or other communications shall also be delivered by one of the methods set forth in clause (i), (ii) or (iii) of this Section 7.01(b) .

(c) All notices, demands, and requests so given shall be deemed received: (i) when personally delivered, (ii) twenty-four (24) hours after being deposited for next day delivery with an overnight courier, (iii) three (3) Business Days after being deposited in the United States mail or (iv) twelve (12) hours after being telecopied, transmitted via Electronic Transmission or otherwise transmitted and receipt has been confirmed.

(d) Any Member or the Company shall have the right from time to time, and at any time during the term of this Agreement, to change its address, fax number or e-mail address and each shall have the right to specify as his, her or its address any other address within the United States of America by giving to the Company or the Members, as the case may be, at least thirty (30) days written notice thereof, in the manner prescribed in Section 7.01(b); provided, however, that to be effective, any such notice must be actually received (as evidenced by a return receipt).

(e) All distributions to any Member shall be made at the address at which notices are sent unless otherwise specified in writing by any such Member.

Section 7.02 Amendments.

(a) All amendments to this Agreement, the Newhall IH LLC Agreement or the Newhall Opco LLC Agreement or the Certificate of Formation, the Newhall IH Certificate of Formation or the Newhall Opco Certificate of Formation shall require approval of the Board without the need for any approval by Members, Newhall IH Members or Newhall Opco Members; provided, however, that no amendment to this Agreement, the Newhall IH LLC Agreement or the Newhall Opco LLC Agreement (including as a result of the amendment of any definition used in this Agreement, the Newhall IH LLC Agreement or the Newhall Opco LLC Agreement) that:

(i) materially and adversely affects the rights of any Member, Newhall IH Member or Newhall Opco Member disproportionately to the rights of the other Members, Newhall IH Members or Newhall Opco Members, respectively, including distribution priorities under Section 4.05 of this Agreement, Section 4.06 of the Newhall IH LLC Agreement or Section 4.06 of the Newhall Opco LLC Agreement, the creation of any recourse liability to a Member, a Newhall IH Member or a Newhall Opco Member or any increase in the liability of a Member

pursuant to Section 2.15 of this Agreement, of a Newhall IH Member pursuant to Section 2.04 of the Newhall IH LLC Agreement or of a Newhall Opco Member pursuant to Section 2.04 of the Newhall Opco LLC Agreement, shall be made without the prior written consent of the Member, the Newhall IH Member or the Newhall Opco Member so disproportionately affected by such amendment; provided, however, that if an amendment materially and adversely affects the rights of two (2) or more Members, Newhall IH Members or Newhall Opco Members together (a "**Class of Members**") disproportionately to the rights of the other Members, Newhall IH Members or Newhall Opco Members, respectively, or of any other Class of Members of the relevant Entity, such amendment shall not be made without the prior written consent of Members, Newhall IH Members or Newhall Opco Members representing at least a majority of the Newhall Percentage Interests of the relevant Entity within each Class of Members of the relevant Entity so affected by such amendment;

(ii) materially alters Section 3.09(d) of this Agreement, Section 3.08(d) of the Newhall IH LLC Agreement or Section 3.09(e) of the Newhall Opco LLC Agreement shall not be made without the prior written consent of Members holding a majority of the outstanding Units (for the avoidance of doubt, including Class B Units);

(iii) materially alters Section 3.02, Section 4.06(i) or Section 4.07 of the Newhall Opco LLC Agreement shall be made without the prior written consent of Management Co., as long as the Management Agreement is in effect;

(iv) creates additional material restrictions on the ability of a Member to Transfer its Units beyond those contemplated by Article V of this Agreement, the ability of a Newhall IH Member to Transfer (as such term is defined in the Newhall IH LLC Agreement) its Newhall IH Units beyond those contemplated by Article V of the Newhall IH LLC Agreement or the ability of a Newhall Opco Member to Transfer (as such term is defined in the Newhall Opco LLC Agreement) its Newhall Opco Units beyond those contemplated by Article V of the Newhall Opco LLC Agreement; removes, reduces or modifies the material restrictions on the ability of a Member to Transfer its Units contemplated by Article V of this Agreement, the ability of a Newhall IH Member to Transfer (as such term is defined in the Newhall IH LLC Agreement) its Newhall IH Units contemplated by Article V of the Newhall IH LLC Agreement or the ability of a Newhall Opco Member to Transfer (as such term is defined in the Newhall Opco LLC Agreement) its Newhall Opco Units contemplated by Article V of the Newhall Opco LLC Agreement; or materially and adversely affects the rights of such Member to Transfer its Units without the approval of the Board as set forth in Article V of this Agreement, the rights of such Newhall IH Member to Transfer (as such term is defined in the Newhall IH LLC Agreement) its Newhall IH Units without the approval of the Newhall IH Manager as set forth in Article V of the Newhall IH

LLC Agreement or the rights of such Newhall Opco Member to Transfer (as such term is defined in the Newhall Opco LLC Agreement) its Newhall Opco Units without the approval of the Newhall Opco Manager as set forth in Article V of the Newhall Opco LLC Agreement; in each case as of the Effective Date, shall be made without the prior written consent of all of the Managers then in office;

(v) materially alters Section 1.04(b), Section 1.10, Section 1.11, Section 2.02, Section 2.03, Section 2.04, Section 2.11, Section 2.12, Section 2.13, Section 2.14, Section 3.10, Section 3.11, Section 5.01, Section 5.02, Section 5.03, Section 5.08 or Section 5.09 of this Agreement; Section 1.04(b), Section 3.09, Section 5.01, Section 5.02 or Section 5.03 of the Newhall IH LLC Agreement; Section 3.10, Section 5.01, Section 5.03 or Section 5.04 of the Newhall Opco LLC Agreement; or that otherwise materially alters the voting or other required approval or consent provision of the Board, shall be made without the prior written consent of all of the Managers then in office; or

(vi) alters this Section 7.02 to materially deprive any Person of its rights pursuant to clauses (i) – (v) above shall be made without the prior written consent of the Person so deprived.

(b) Any amendment to Section 2.15 of this Agreement, Section 2.04 of the Newhall IH LLC Agreement or Section 2.04 of the Newhall Opco LLC Agreement shall operate prospectively only.

(c) The Members agree that (i) the issuance of additional Units contemplated by this Agreement or approved by the Board, (ii) the admission of a New Member pursuant to Section 3.06 or admission of a Substituted Member pursuant to Section 5.05 or (iii) the amendment of **Schedule I** to reflect any Transfers of Units, admissions of New Members or Substituted Members or otherwise to properly reflect the Members, their respective number of Units and Percentage Interests, in each case, is not an impairment of any Member's rights or obligations hereunder and that any amendment to reflect such an event is not the type of amendment for which the consent of any particular Member is necessary pursuant to Section 7.02(a).

Section 7.03 Authorization; Powers of Attorney.

(a) Each Member hereby authorizes the Lead Director or such other Person as may be approved by the Board from time to time to make, execute, sign, swear to, acknowledge and file in all necessary or appropriate places all documents (and all amendments or supplements to or restatements of such documents necessitated by valid amendments to or actions permitted under this Agreement) on behalf of the Company and its Subsidiaries and to do all necessary things relating to the Company and its Subsidiaries and its and their respective activities, including

(provided, however, that in no event will any liability or obligation be created or accrue to a Member pursuant to the authorizations made by the Members under this Section 7.03):

(i) this Agreement and any amendments thereto approved as provided in this Agreement;

(ii) the Certificate of Formation and any amendments thereto, under the laws of the State of Delaware or in any other state or jurisdiction in which such filing is deemed advisable by the Board;

(iii) any applications, forms, certificates, reports, or other documents, or amendments thereto which may be requested or required by any federal, state or local governmental agency, securities exchange, securities association, self-regulatory organization or similar institution and which are deemed necessary or advisable by the Board;

(iv) any other instrument which may be required to be filed or recorded in any state or county or by any governmental agency, or which the Board deems advisable to file or record, including certificates of assumed name and documents to qualify foreign limited liability companies in other jurisdictions;

(v) any documents which may be required to effect the continuation of the Company or any of its Subsidiaries, the admission of Substituted Members or New Members, as applicable, the withdrawal of any Member, or the dissolution and termination of the Company;

(vi) making certain elections contained in the Code or state law governing taxation of limited liability companies; and

(vii) performing any and all other ministerial duties or functions necessary for the conduct of the business of the Company and its Subsidiaries.

(b) Each Member acknowledges that this Agreement permits certain amendments to be made and certain other actions to be taken or omitted to be taken without the consent of the Members.

(c) By accepting a Unit, each Member grants the Lead Director, or such other Person as may be approved by the Board, a power of attorney to execute any and all documents necessary to reflect any action that is approved in accordance with the provisions hereof.

(d) The power of attorney granted under this Section 7.03 is coupled with an interest and shall continue notwithstanding the subsequent incapacity or death of the Member.

(e) Each Member shall execute and deliver to the Board an executed and appropriately notarized irrevocable power of attorney in such form consistent with the provisions of this Section 7.03 as the Board may request; provided, however, that the provisions of this Section 7.03 shall be effective regardless of whether any such additional documents are executed.

Section 7.04 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE MEMBERS HEREUNDER SHALL BE INTERPRETED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES.

Section 7.05 Rule of Construction. The general rule of construction for interpreting a contract, which provides that the provisions of a contract should be construed against the party preparing the contract, is waived by the Members and the Company.

Section 7.06 Entire Agreement. This Agreement, the Newhall IH LLC Agreement, the Newhall Opco LLC Agreement, the Haddad Agreements and the Management Agreement, including all exhibits and schedules to such agreements and, if any, exhibits and schedules to such exhibits and schedules, contain the entire agreement among the parties relative to the matters contained in this Agreement, the Newhall IH LLC Agreement, the Newhall Opco LLC Agreement, the Haddad Agreements and the Management Agreement.

Section 7.07 Waiver. No consent or waiver, express or implied, by any Member or the Company to or of any breach or default by any other Member or the Company in the performance by such Member or the Company of his, her or its obligations under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member or the Company of the same or any other obligations of such other Member or the Company under this Agreement. Failure on the part of any Member or the Company to complain of any act or failure to act of any other Member or the Company or to declare any other Member or the Company in default, regardless of how long such failure continues, shall not constitute a waiver by such Member or the Company of his, her or its rights hereunder. Any waiver by a Member of any of its rights or remedies under this Agreement or of any breach or default by any other Member of the Company in the performance by such Member or the Company of his, her or its obligations under this Agreement shall be in writing and signed by the party to be charged thereunder.

Section 7.08 Severability. If any provision of this Agreement or the application thereof to any party to this Agreement or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other parties or circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

Section 7.09 Binding Agreement. Subject to the restrictions on Transfers and Encumbrances set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Company and each of the Members and their respective legal representatives,

successors, and permitted assigns. Whenever in this Agreement a reference to any Member is made, such reference shall be deemed to include a reference to the legal representatives, successors and permitted assigns of such Member.

Section 7.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument. Executed signature pages to any counterpart instrument may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto constitutes the original counterpart instrument. All of these counterpart pages shall be read as though one and they shall have the same force and effect as if all of the parties had executed a single signature page. Signatures to this Agreement, any amendment hereof and any notice given hereunder by Electronic Transmission shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an executed original of this Agreement (and any amendment hereto) with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement (or any amendment hereto); it being expressly agreed that each party to this Agreement shall be bound by its own Electronically Transmitted signature and shall accept the Electronically Transmitted signature of the other party.

Section 7.11 Further Assurances. The Members agree from time to time to execute and deliver such further and other documents, certificates, instruments and amendments and to do all matters and things which may be convenient or necessary to more effectively and completely to carry out the intentions and purposes of this Agreement.

Section 7.12 Venue. The Company and each of the Members consent to the jurisdiction of any court in Wilmington, Delaware for any action arising out of matters related to this Agreement. The Company and each of the Members waive the right to commence an action in connection with this Agreement in any court outside of Wilmington, Delaware, other than to enforce a judgment of a proper court against a Member or its Affiliates.

Section 7.13 Jury Trial Waiver. TO THE FULLEST EXTENT NOT PROHIBITED BY APPLICABLE LAW, WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, REMEDY OR DEFENSE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE, OR WITH RESPECT TO ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING TO THIS AGREEMENT; AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE AND NOT BEFORE A JURY. EACH OF THE PARTIES HERETO FURTHER WAIVES ANY RIGHT TO SEEK TO CONSOLIDATE ANY SUCH LITIGATION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. FURTHER, EACH OF THE PARTIES HERETO HEREBY CERTIFIES THAT NONE OF ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL

PROVISION. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL INDUCEMENT TO THE ACCEPTANCE OF THIS AGREEMENT BY THE OTHER PARTIES HERETO.

Section 7.14 Fees and Costs. In any suit, arbitration or other proceeding by any Member or the Company to enforce the terms and provisions of this Agreement, the prevailing party shall be entitled to all reasonable costs and expenses incurred by it or him in connection therewith (including reasonable attorneys' and paralegals' fees and costs incurred before and at any trial or arbitration and at all appellate levels), as well as all other relief granted or awarded in such suit, arbitration or other proceeding.

ARTICLE VIII

DISCLOSURES

Section 8.01 Disclosures. Each of the Members hereby acknowledges, represents, warrants and/or agrees as follows:

(a) THAT SUCH MEMBER UNDERSTANDS THAT, TO THE EXTENT THAT IT IS LEGALLY DETERMINED THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDED SUCH HEREUNDER), THE UNITS BEING ACQUIRED BY SUCH MEMBER HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS, IN RELIANCE ON EXEMPTIONS THEREFROM FOR NON PUBLIC OFFERINGS OR OTHER EXCEPTIONS AND FURTHER UNDERSTANDS THAT SUCH UNITS HAVE NOT BEEN FILED WITH OR REVIEWED OR APPROVED OR DISAPPROVED BY THE SECURITIES EXCHANGE COMMISSION, ANY STATE SECURITIES ADMINISTRATOR, AND NO SUCH AGENCY, ADMINISTRATOR OR AUTHORITY HAS PASSED ON OR ENDORSED THE MERITS OF ACQUIRING THE UNITS OR THE ACCURACY OR ADEQUACY OF ANY INFORMATION PROVIDED BY THE COMPANY TO SUCH MEMBER. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

(b) THAT, TO THE EXTENT THAT IT IS LEGALLY DETERMINED THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDED SUCH HEREUNDER), THE UNITS OF SUCH MEMBER HAVE NOT BEEN (NOR WILL BE) REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS BY REASON OF AND IN RELIANCE UPON SPECIFIC EXEMPTIONS THEREUNDER (IN ADDITION TO THE OTHER SUBSTANTIAL LIMITATIONS, RESTRICTIONS AND REQUIREMENTS SET FORTH IN THIS AGREEMENT).

(c) THAT SUCH MEMBER, OR THE SIGNATORY FOR SUCH MEMBER, IF THIS AGREEMENT IS BEING EXECUTED BY THE SIGNATORY IN A REPRESENTATIVE OR FIDUCIARY CAPACITY, HAS FULL POWER AND AUTHORITY TO EXECUTE AND DELIVER THIS AGREEMENT FOR HIMSELF OR IN SUCH

CAPACITY AND ON BEHALF OF SUCH MEMBER FOR WHOM SUCH SIGNATORY IS EXECUTING THIS AGREEMENT, AS THE CASE MAY BE, AND SUCH MEMBER HAS FULL RIGHT, POWER AND AUTHORITY TO PERFORM ALL OBLIGATIONS UNDER THIS AGREEMENT. IF THE SIGNATORY HERETO IS EXECUTING THIS AGREEMENT IN A REPRESENTATIVE OR FIDUCIARY CAPACITY, THE REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THIS ARTICLE VIII SHALL BE DEEMED TO HAVE BEEN MADE ON BEHALF OF THE PERSON WHOM SUCH SIGNATORY REPRESENTS.

(d) THAT, TO THE EXTENT THAT A COURT OF COMPETENT JURISDICTION DETERMINES THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDED SUCH HEREUNDER), SUCH MEMBER IS ACQUIRING THE UNITS IN THE COMPANY FOR ITS OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY, AND NOT WITH A VIEW TO THE SALE OR OTHER DISTRIBUTION THEREOF, IN WHOLE OR IN PART OR DIRECTLY OR INDIRECTLY, AND SUCH MEMBER IS NOT AN UNDERWRITER, BROKER OR DEALER WITH RESPECT TO SECURITIES OF ANY KIND, AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT.

(e) THAT SUCH MEMBER IS FULLY FAMILIAR WITH ALL FACTS AND CIRCUMSTANCES ATTENDANT TO ITS INVESTMENT IN THE COMPANY, HAS BEEN OFFERED ACCESS TO AND AN OPPORTUNITY TO REVIEW ALL BOOKS, RECORDS, DOCUMENTS AND OTHER INFORMATION RELATED TO THE COMPANY AND ITS BUSINESS, OPERATIONS, AFFAIRS AND PLANS, AND HAS HAD AN OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, REPRESENTATIVES OF THE COMPANY, AND THAT ALL INVESTIGATIONS, DUE DILIGENCE AND QUESTIONS HAVE BEEN COMPLETED OR ANSWERED TO SUCH MEMBER'S SATISFACTION.

(f) THAT SUCH MEMBER (AND ITS OFFICERS, PARTNERS, MEMBERS, MANAGERS, SHAREHOLDERS, PRINCIPALS AND/OR TRUSTEES AND ATTORNEYS IN FACT, IF ANY, WHO ARE ACTING ON ITS BEHALF) HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SO AS TO BE CAPABLE OF EVALUATING, ALONE OR TOGETHER, THE MERITS AND RISKS OF A POTENTIAL INVESTMENT IN THE COMPANY.

/SIGNATURES BEGIN ON THE FOLLOWING PAGE/

IN WITNESS WHEREOF, each of the undersigned has executed and delivered this Agreement to be effective as of the Effective Date.

COMPANY

NEWHALL HOLDING COMPANY, LLC

By: _____

Name: _____

Title: _____

*[Signature page to the Limited Liability Company Agreement of
Newhall Holding Company, LLC]*

MEMBERS:

By: _____

Name: _____

Title: _____

*[Signature page to the Limited Liability Company Agreement of
Newhall Holding Company, LLC]*

Schedule I

Unit Ownership of the Company²

² Note: Schedule I will reflect any discount in purchase price received as a result of the backstop commitment.

¹ DeltaView comparison of pcdocs://nycsr06a/719157/1 and pcdocs://nycsr06a/719157/6.
Performed on 7/19/2009.

Exhibit A

Initial Managers of the Company

Exhibit B

Initial Officers of the Company

Exhibit C

Initial Members of the Executive and Finance Committees

Document comparison done by DeltaView on Sunday, July 19, 2009 3:16:34 PM

Input:	
Document 1	pcdocs://nycsr06a/719157/1
Document 2	pcdocs://nycsr06a/719157/6
Rendering set	Option 3b with lines

Legend:	
<u>Insertion</u>	
Deletion	
<Moved from>	
>Moved to<	
Style change	
Format change	
Moved-deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:		
	Count	
Insertions	139	
Deletions	129	
Moved from	0	
Moved to	0	
Style change	0	
Format changed	0	
Total changes	268	

Exhibit 29

Amended Newhall Intermediary LLC Agreement¹

¹ For ease of reference, the Plan Proponent has attached the Amended Newhall Intermediary LLC Agreement in blackline format to reflect the modifications that were made since its filing with the Plan Supplement on June 12, 2009.

LIMITED LIABILITY COMPANY AGREEMENT
OF
NEWHALL INTERMEDIARY HOLDING COMPANY, LLC

[____], 2009

THE UNITS ACQUIRED HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED BY SALE, ASSIGNMENT, PLEDGE OR OTHERWISE WITHOUT COMPLIANCE WITH APPLICABLE FEDERAL, STATE AND/OR FOREIGN SECURITIES LAWS. IN ADDITION, THE TRANSFER OR OTHER DISPOSITION OF THE UNITS SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

TABLE OF CONTENTS

ARTICLE I ORGANIZATION AND PURPOSE.....	2
Section 1.01 Certain Definitions.....	2
Section 1.02 Name	17
Section 1.03 Term.....	17
Section 1.04 Purposes and Scope of Business	17
Section 1.05 Documents	18
Section 1.06 Principal Place of Business.....	18 19
Section 1.07 Registered Agent and Office.....	19
Section 1.08 No Partnership Status.....	19
Section 1.09 Ownership of Property	19
ARTICLE II MANAGEMENT AND OPERATIONS.....	19
Section 2.01 Management of the Company.....	19
Section 2.02 Officers	20
Section 2.03 Remuneration.....	20
Section 2.04 Exculpations; Indemnities.....	20
Section 2.05 Tax Matters Member.....	22
ARTICLE III CAPITALIZATION.....	22
Section 3.01 Authorized Units; Capital Contributions	22
Section 3.02 Limited Liability of Members.....	22 23
Section 3.03 Capital Contributions	23
Section 3.04 Benefits of Agreement	23
Section 3.05 New Members.....	23 24
Section 3.06 No Withdrawal of Members	23 24
Section 3.07 No Rights of Partition	24
Section 3.08 Non-Certification of Units; Legend; Units are Securities.....	24
Section 3.09 Special Capital Contribution; Preemptive Rights	24 25
ARTICLE IV ACCOUNTING; ALLOCATIONS AND DISTRIBUTIONS.....	25
Section 4.01 Tax Status, Reports and Allocations.....	25
Section 4.02 Mandatory Allocations.....	26
Section 4.03 Accounting.....	29
Section 4.04 Information	29
Section 4.05 Bank Accounts	29 30
Section 4.06 Distributions.....	30
Section 4.07 Tax Distributions	30 31
Section 4.08 Special Distributions.....	31
Section 4.09 Other Distributions.....	32
Section 4.10 Changes in Percentage Interests or Adjusted Percentage Interests	32
Section 4.11 Allocations for Tax Purposes.....	32
ARTICLE V TRANSFERS.....	33
Section 5.01 General Restrictions.....	33
Section 5.02 Exchange Transactions	33

Section 5.03	Further Restrictions on Transfer	37
Section 5.04	Legal Opinion Prior to Transfer.....	37
Section 5.05	Admission of Substituted or New Member	38
Section 5.06	Other Restricted Transfers	39
Section 5.07	Specific Performance	39
ARTICLE VI DISSOLUTION AND TERMINATION.....		39
Section 6.01	Dissolution of the Company	39
Section 6.02	Termination and Liquidation of the Company.....	40
Section 6.03	Members Not Personally Liable	41
Section 6.04	Provisions Cumulative.....	41
Section 6.05	Certificate of Cancellation	41
ARTICLE VII GENERAL		<u>4142</u>
Section 7.01	Notice.....	<u>4142</u>
Section 7.02	Amendments	<u>4243</u>
Section 7.03	Authorization; Powers of Attorney	43
Section 7.04	Governing Law	44
Section 7.05	Rule of Construction.....	<u>4445</u>
Section 7.06	Entire Agreement.....	<u>4445</u>
Section 7.07	Waiver.....	<u>4445</u>
Section 7.08	Severability	45
Section 7.09	Binding Agreement.....	45
Section 7.10	Counterparts.....	45
Section 7.11	Further Assurances.....	<u>4546</u>
Section 7.12	Venue	<u>4546</u>
Section 7.13	Jury Trial Waiver	46
Section 7.14	Fees and Costs.....	46
ARTICLE VIII DISCLOSURES.....		<u>4647</u>
Section 8.01	Disclosures.....	<u>4647</u>

Schedules

Schedule I Unit Ownership of the Company

Exhibits

Exhibit A Form of Exchange Notice
Exhibit B Gross Asset Value

**LIMITED LIABILITY COMPANY AGREEMENT
OF
NEWHALL INTERMEDIARY HOLDING COMPANY, LLC**

This Limited Liability Company Agreement (this "**Agreement**") of Newhall Intermediary Holding Company, LLC (the "**Company**") is made and entered into as of the [] day of [], 2009, by and among the Company and such Persons as may be listed from time to time on **Schedule I** as the Members. Capitalized terms shall have the respective meanings set forth in Section 1.01

RECITALS:

A. The Company was formed under the name Newhall Intermediary Holding Company, LLC as a Delaware limited liability company by the filing of its Certificate of Formation with the Secretary of State of the State of Delaware (the "**Secretary of State**") on _____, 2009 (as amended, restated or supplemented, the "**Certificate of Formation**"), which remains in full force and effect.

B. On June 8, 2008, Newhall Opco commenced a case under Chapter 11 of Title 11 of the United States Code currently pending before the United States Bankruptcy Court for the District of Delaware as Case No. 08-11111(KJC) (the "**Chapter 11 Case**").

C. This Agreement is being entered into in connection with the consummation of the Second Amended Joint Chapter 11 Plan of Reorganization for Newhall Opco and its Affiliated Debtors Proposed by Barclays Bank PLC, as Administrative Agent, under the Super-Priority Debtor-in-Possession First Lien Credit Agreement, dated March 20, 2009~~2009~~, as modified (the "**Plan of Reorganization**") and the final order or orders of the United States District Court for the District of Delaware having jurisdiction over the Chapter 11 Case, among other things, confirming the Plan of Reorganization pursuant to Section 1129 of the Bankruptcy Code, dated [], 2009 (collectively, the "**Final Orders**").

D. In connection with the Chapter 11 Case and the Plan of Reorganization, as of the effective date of the Plan of Reorganization (the "**Effective Date**"), (i) the Rights Offering (as defined in the Plan of Reorganization) will have been completed; (ii) the Members (or certain of their Affiliates or related Entities thereof) will have contributed to the Company cash and/or certain claims or debt interests in Newhall Opco or its Subsidiaries in exchange for Units; (iii) all membership interests in Newhall Opco at the time of filing the Chapter 11 Case will have been extinguished and cancelled in connection with the Chapter 11 Case (provided, however, that each of Lennar Homes of California, Inc. and the LNR Investors will continue to be a Newhall Opco Member for tax purposes), (iv) Newhall Opco will have become a Subsidiary of the Company pursuant to a subsequent contribution to Newhall Opco by the Company of such cash and claims or

debt interests in exchange for equity interests in Newhall Opco; and (v) Newhall will have become the sole manager of the Company and Newhall Opco.

WITNESSETH:

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

ORGANIZATION AND PURPOSE

Section 1.01 Certain Definitions.

(a) Certain Definitions. The following terms shall have the meaning ascribed to them as set forth below:

"Accountant" shall mean an accountant selected by the Manager.

"Act" shall mean Del. Code Ann., tit. 6, ch. 18, known as the Delaware Limited Liability Company Act, as amended from time to time.

"Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is obligated to restore to the Company pursuant to Section 1.704-1(b)(2)(ii)(c) of the Regulations or is deemed to be obligated to restore pursuant to Section 1.704-2(g)(1) of the Regulations or Section 1.704-2(i)(5) of the Regulations; and

(b) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (d)(5), and (d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Adjusted Percentage Interest" shall mean, (a) with respect to a Non-Newhall Member at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the aggregate number of Units held by such Member as of such date and time and (y) the denominator of which equals the sum of (i) the aggregate number of all Units held by all Non-Newhall Members as of such date and time plus (ii) the aggregate number of Newhall Class A Units issued and outstanding as of such date and time and, (b) with respect to Newhall at a particular date and time, a fraction, expressed as a percentage, (x) the numerator of which equals the aggregate number of Newhall Class A Units issued and outstanding as of such date and time and (y) the denominator of which equals the sum of (i) the aggregate number of all Units held by all Non-Newhall Members as of such date and time plus (ii) the aggregate number of Newhall Class A Units issued and outstanding as of such date and time.

"Affiliate" shall mean, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person, as well as, in the case of an individual, any immediate family member or any Entity that directly or indirectly is Controlled by an immediate family member of such individual. For the avoidance of doubt, no Member shall be deemed to be an Affiliate of the Company, Newhall, Newhall Opco or another Member solely as a result of the terms of this Agreement, the Newhall Opco LLC Agreement or the Newhall LLC Agreement.

"Affiliated Fund" shall mean, with respect to any specified Person, any investment partnership or similar Entity, fund or pooled investment vehicle that is (a) an Affiliate of such Person, (b) advised by the same investment adviser as such Person or by an Affiliate of such investment adviser of such Person or (c) sponsored, managed or Controlled by an Affiliate of such Person.

"Aggregate Value" shall mean, with respect to any Units surrendered in an Exchange Transaction, an amount equal to the product of (a) the number of Units so surrendered multiplied by (b) the Exchange Rate multiplied by (c) the Value of a Newhall Class A Unit.

"Agreement" shall have the meaning set forth in the Preamble, as this Agreement may be amended, restated or supplemented from time to time in accordance with the provisions of Section 7.02.

"Anchorage Members" shall have the meaning set forth in the Newhall LLC Agreement.

"Applicable Percentage" shall have the meaning set forth in Section 5.02(d).

"Authorized Units" shall have the meaning set forth in Section 3.01(a).

"Backstop Agreement" shall mean that certain Amended and Restated Backstop Rights Purchase Agreement, dated as of June 9, 2009, by and among Newhall, the Company, Newhall Opco, Barclays Bank PLC, in its capacity as plan proponent, and the other parties listed on Schedule 1 thereto.

"Beneficial Ownership" (including the terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned") shall mean beneficial ownership within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act.

"Business Day" shall mean any day that is not a Saturday, Sunday or a day on which the Federal Reserve Bank in New York is closed for business.

"Call Right" shall have the meaning set forth in Section 5.02(b).

"Capital Account" shall mean a book account which shall be maintained by the Company for each Member in accordance with the provisions of Treas. Reg. § 1.704-1(b)(2)(iv) and, to the extent consistent with those provisions, in accordance with the following provisions for each Member (and any other Person who acquires Units):

(a) To each Member's Capital Account there shall be credited the amount of cash contributed by such Member, the initial Gross Asset Value of any other asset contributed by such Member to the capital of the Company (net of liabilities secured by such contributed property that the Company assumes or takes subject to), such Member's distributive share of Profits, the amount of any of the liabilities of the Company assumed by the Member, and any other items in the nature of income or gain that are allocated to such Member; and

(b) To each Member's Capital Account there shall be debited the amount of cash distributed to the Member, the Gross Asset Value of any of the Company Assets distributed to such Member pursuant to any provision of this Agreement (net of liabilities secured by such distributed property that such Member assumes or takes subject to), and such Member's distributive share of Losses and any other items in the nature of expenses or losses that are allocated to such Member.

In the event that a Member's Units or portion thereof is Transferred within the meaning of Regulations § 1.704-1(b)(2)(iv)(l), the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the Units or portion thereof so Transferred.

The Capital Account of each Member as of the Effective Date shall be as set forth on Schedule I under the heading "Capital Account."

"Capital Contributions" shall mean, for any Member at any particular time, all capital contributed (or deemed contributed) by such Member to the Company through such time in accordance with the terms of this Agreement, as set forth on Schedule I under the heading "Capital Amount" to be deemed effective as of the dates set forth on Schedule I under the heading "Contribution Effective Dates."

"Cash Equivalents" shall mean (a) marketable direct obligations issued or unconditionally guaranteed by the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof, (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having the highest rating obtainable from any of Standard & Poor's Corporation, Moody's Investors Service, Inc. or Duff & Phelps Credit Rating Co., or (c) commercial paper maturing not more than one year from the date of issuance thereof and, at the time of acquisition, having the highest rating obtainable from either Standard & Poor's Corporation or Moody's Investors Service, Inc.

"Cash Exchange" shall have the meaning set forth in Section 5.02(d).

"Certificate of Formation" shall have the meaning set forth in the Recitals.

"Chapter 11 Case" shall have the meaning set forth in the Recitals.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"Company" shall have the meaning set forth in the Preamble.

"Company Assets" shall mean collectively the assets of the Company and its Subsidiaries, whether now owned or hereafter acquired.

"Control" (including the terms "Controlled by" and "under common Control with"), with respect to the relationship between or among two or more Persons, shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities of the general partner of a limited partnership or securities having the power to manage an Entity or elect a majority of the board of directors or similar body governing the affairs of such Person.

"Covered Persons" shall have the meaning set forth in Section 2.04(b).

"Depreciation" shall mean, for each fiscal year, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year bears to such beginning adjusted tax basis, except as otherwise required by Regulation § 1.704-3(d)(2); provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deductions for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Tax Matters Member.

"Designated Newhall Class B Units" shall mean the number of Newhall Class B Units owned by an Exchanging Non-Newhall Member which is equal to the product of (i) the Exchange Rate multiplied by (ii) the number of Units being surrendered by such Exchanging Non-Newhall Member pursuant to an Exchange Transaction.

"Distribution" shall have the meaning set forth in Section 4.06(a).

"Effective Date" shall have the meaning set forth in the Recitals.

"Electronic Transmission" (including the term "Electronically Transmitted") shall mean any form of communication not directly involving the physical delivery of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process, including, a facsimile or email.

"Encumbrance" shall mean any security interest, pledge, mortgage, lien (including environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement, lease, letter of credit or restriction of any kind, including any restriction on the use, voting, transfer (other than restrictions under applicable securities laws), receipt of income or other exercise of any attributes of ownership.

"Entity" shall mean any corporation, partnership, joint stock company, limited liability company, trust, unincorporated association or any other entity.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exchange Date" shall have the meaning set forth in Section 5.02(c)(ii).

"Exchange Notice" shall have the meaning set forth in Section 5.02(c)(i).

"Exchange Rate" shall mean the number of Newhall Class A Units for which a Unit is entitled to be exchanged pursuant to an Exchange Transaction. On the date of this Agreement, the Exchange Rate shall be one-for-one (1:1), which Exchange Rate shall be subject to adjustment as provided below. The Exchange Rate shall be adjusted accordingly if there is: (1) any subdivision (by split, distribution, reclassification, recapitalization or otherwise) or combination (by reverse split, reclassification, recapitalization or otherwise) of the Units that is not accompanied by an identical subdivision or combination of the Newhall Class A Units; or (2) any subdivision (by split, distribution, reclassification, recapitalization or otherwise) or combination (by reverse split, reclassification, recapitalization or otherwise) of the Newhall Class A Units that is not accompanied by an identical subdivision or combination of the Units. In the event of a reclassification or other similar transaction as a result of which the Newhall Class A Units are converted into another security, then each Non-Newhall Member shall be entitled to receive pursuant to an Exchange Transaction the amount of such other security that such Non-Newhall Member would have received if such Exchange Transaction had occurred immediately prior to the effective date of such reclassification or other similar transaction. No other adjustments shall be made in respect of the Exchange Rate.

"Exchange Transaction" shall mean an exchange of Units for Newhall Class A Units (or, in the case of a Cash Exchange, the Aggregate Value thereof) pursuant to, and in accordance with, Section 5.02.

"Exchanging Non-Newhall Member" shall mean any Non-Newhall Member effecting an Exchange Transaction.

"Final Orders" shall have the meaning set forth in the Recitals.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such accounting profession, in effect from time to time, consistently applied.

"Governmental Entity" shall mean any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof.

"Gross Asset Value" shall mean, with respect to any asset of the Company, such asset's adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset at the time of contribution, as determined by the Manager using such reasonable method of valuation as it may adopt;

(b) in the discretion of the Manager the Gross Asset Values of the Company Assets shall be adjusted to equal their respective gross fair market values, as reasonably determined by the Manager, immediately prior to the following events:

(i) a Capital Contribution (other than a *de minimis* Capital Contribution) or a contribution of services to the Company by a new or existing Member as consideration for Units;

(ii) the distribution by the Company to a Member of more than a *de minimis* amount of the Company Assets as consideration for the redemption of Units; and

(iii) the liquidation of the Company within the meaning of Regulations § 1.704-1(b)(2)(ii)(g), except as provided in Regulations § 1.704-1(b)(2)(iv)(1); and

(c) the Gross Asset Values of the Company Assets distributed to any Member shall be the gross fair market values of such assets as reasonably determined by the Manager as of the date of distribution.

At all times, Gross Asset Values shall be adjusted by any Depreciation taken into account with respect to the Company Assets for purposes of computing Profits and Losses. Gross Asset Values shall be further adjusted to reflect adjustments to Capital Accounts pursuant to Regulations § 1.704-1(b)(2)(iv)(m) to the extent not otherwise reflected in adjustments to Gross Asset Values. The Gross Asset Value of each of the Company Assets as of the Effective Date shall be as set forth on **Exhibit B**.

"LNR Investment Agreement" shall mean that certain agreement among Newhall, Newhall Opco, Barclays Bank PLC and the LNR Investors, dated as of July _____, 2009.

"LNR Investors" shall mean the investors listed on the signature pages to the LNR Investment Agreement.

"Management Agreement" shall mean the management services agreement, effective as of the Effective Date, between Newhall Opco and Management Co.

"Management Co." shall mean Five Point Communities Management Inc., a Delaware corporation.

"Manager" shall have the meaning set forth in Section 2.01(a), and unless and until changed pursuant to Section 2.01(a), shall mean Newhall.

"Marathon Members" shall have the meaning set forth in the Newhall LLC Agreement.

"Marketable Securities" shall mean securities that are (a)(i) securities of or other interests in any Person that are traded on a national securities exchange or otherwise actively traded over-the-counter or (ii) debt securities of an issuer that has debt or equity securities that are so traded and in which a nationally recognized securities firm has agreed to make a market, and (b) not subject to restrictions on transfer as a result of any applicable contractual provisions or the provisions of the Securities Act or, if subject to such restrictions under the Securities Act, are also subject to registration rights approved by the Manager.

"Member" shall mean each of, and "Members" shall mean collectively, Newhall and the Non-Newhall Members and each other Person hereafter admitted as a Member in accordance with the terms of this Agreement and the Act. The Members shall constitute the "members" (as such term is defined in the Act) of the Company. Except as otherwise set forth herein or in the Act, the Members shall constitute a single class or group of members of the Company for all purposes of the Act and this Agreement. For the avoidance of doubt, each holder of any Units shall be a Member and shall be bound as a Member by all the terms and provisions of this Agreement.

"Member Minimum Gain" shall mean an amount, with respect to each Member Nonrecourse Debt, equal to Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations § 1.704-2(i)(3).

"Member Nonrecourse Debt" shall mean a liability defined in Regulations § 1.704-2(b)(4).

"Member Nonrecourse Deductions" shall mean the partner nonrecourse deductions as defined in Regulations § 1.704-2(i)(2).

"Minimum Block" shall mean [] Units, adjusted to reflect any changes to the number of Units issued and outstanding from time to time as a result of an issuance, reclassification, split (including a reverse split), recapitalization, merger or otherwise.

"Minimum Gain" shall mean the aggregate gain, if any, that would be realized by the Company for purposes of computing Profits and Losses with respect to each asset of the Company

if each asset of the Company subject to a Nonrecourse Liability were disposed of for the amount outstanding on the Nonrecourse Liability by the Company in a taxable transaction for no consideration (other than debt relief). Minimum Gain with respect to each asset of the Company shall be further determined in accordance with Regulations § 1.704-2(d) and any subsequent rule or regulation governing the determination of minimum gain.

"New Member" shall have the meaning set forth in Section 3.05.

"Newhall" shall mean Newhall Holding Company, LLC, a Delaware limited liability company, or any successor by acquisition, merger or recapitalization of Newhall Holding Company, LLC with or into any other Person.

"Newhall Authorized Units" shall have the meaning of "Authorized Units" set forth in the Newhall LLC Agreement.

"Newhall Class A Units" shall mean "Class A Units" as defined in the Newhall LLC Agreement.

"Newhall Class B Units" shall mean "Class B Units" as defined in the Newhall LLC Agreement.

"Newhall Distribution Amount" shall have the meaning set forth in Section 4.06(a)(ii).

"Newhall Drag-Along Election" shall mean "Drag-Along Election" as defined in the Newhall LLC Agreement.

"Newhall Drag-Along Notice" shall mean "Drag-Along Notice" as defined in the Newhall LLC Agreement.

"Newhall Drag-Along Proposal" shall mean "Drag-Along Proposal" as defined in the Newhall LLC Agreement.

"Newhall Drag-Along Purchaser" shall mean "Drag-Along Purchaser" as defined in the Newhall LLC Agreement.

"Newhall Dragged Members" shall mean "Dragged Members" as defined in the Newhall LLC Agreement.

"Newhall Dragging Members" shall mean "Dragging Members" as defined in the Newhall LLC Agreement.

"Newhall Final Washington Square and SoCal Resolved Claims Capital Call" shall mean "~~Final Washington Square and SoCal~~Resolved Claims Capital Call" as defined in the Newhall LLC Agreement.

"Newhall First Lien Credit Agreement" shall mean "First Lien Credit Agreement" as defined in the Newhall LLC Agreement.

"Newhall First Lien Members" shall mean such Newhall Members as of the Effective Date that were lenders under the term loan facility described in Section 2.02 of the Newhall First Lien Credit Agreement or such Newhall Members' successors, assigns or transferees, but only to the extent they are Newhall Members.

"Newhall IH First Lien Member" shall mean such Non-Newhall Members as of the Effective Date that were lenders under the term loan facility described in Section 2.02 of the Newhall First Lien Credit Agreement or such Non-Newhall Members' successors, assigns or transferees, but only to the extent they are Non-Newhall Members.

"Newhall LLC Agreement" shall mean the limited liability company agreement of Newhall, effective as of the Effective Date, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Newhall Lead Director" shall mean "Lead Director" as defined in the Newhall LLC Agreement.

"Newhall Member" shall mean a "Member" as defined in the Newhall LLC Agreement.

"Newhall Opco" shall mean LandSource Communities Development LLC, a Delaware limited liability company (which entity will be renamed Newhall Land Development, LLC on or about the Effective Date), or any successor by acquisition, merger or recapitalization of LandSource Communities Development LLC with or into any other Person.

"Newhall Opco Distribution" shall mean "Distribution" as defined in the Newhall Opco LLC Agreement.

"Newhall Opco Exchange Transactions" shall mean all "Exchange Transactions" as defined in the Newhall Opco LLC Agreement.

"Newhall Opco LLC Agreement" shall mean the third amended and restated limited liability company agreement of Newhall Opco, effective as of the Effective Date, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Newhall Opco Member" shall mean "Member" as defined in the Newhall Opco LLC Agreement.

"Newhall Opco Tax Distribution" shall mean "Tax Distribution" as defined in the Newhall Opco LLC Agreement.

"Newhall Opco Unit" shall mean "Unit" as defined in the Newhall Opco LLC Agreement.

"Newhall Tag-Along Proposal" shall mean "Tag-Along Proposal" as defined in the Newhall LLC Agreement.

"Newhall Tag-Along Purchaser" shall mean "Tag-Along Purchaser" as defined in the Newhall LLC Agreement.

"Newhall Tagging Member" shall mean "Tagging Member" as defined in the Newhall LLC Agreement.

"Newhall Unit" shall mean "Unit" as defined in the Newhall LLC Agreement.

"Newhall Washington Square and SoCal Resolved Claims Capital Call" shall mean "Washington Square and SoCal Resolved Claims Capital Call" as defined in the Newhall LLC Agreement.

"Non-Newhall Member" shall mean each Person listed on **Schedule I**, other than Newhall, and each other Person hereafter admitted as a Member in accordance with the terms of this Agreement and the Act.

"Non-Newhall Member Distribution Amount" shall have the meaning set forth in Section 4.06(a)(i).

"Nonrecourse Deductions" shall mean nonrecourse deductions as defined in Regulations § 1.704-2(b)(1).

"Nonrecourse Liability" shall mean a liability defined in Regulations § 1.704-2(b)(3).

"Och-Ziff Members" shall have the meaning set forth in the Newhall LLC Agreement.

"Parent" shall mean, with respect to any specified Person, any other Person that, directly or indirectly through one or more intermediaries, owns one hundred percent (100%) of the voting and equity economic interests of such specified Person.

"Percentage Interest" shall mean, with respect to a Member at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the aggregate number of Units held by such Member as of such date and time and (y) the denominator of which equals the aggregate number of all Units held by all Members as of such date and time.

"Permitted Transfers" shall mean each and any of the following transfers: (a) any direct or indirect transfer of all or any portion of any direct or indirect equity or other ownership interests owned or held by any Person in the ultimate Parent of a Non-Newhall Member; (b) any direct or indirect Transfer of all or any portion of a Non-Newhall Member's Units to any Parent of such Non-Newhall Member; (c) any direct or indirect Transfer of all or any portion of a Non-Newhall Member's Units to any wholly-owned Subsidiary of (x) such Non-Newhall Member or (y) any Parent of such Non-Newhall Member, in each case, Controlled by such Non-Newhall Member or such Non-Newhall Member's Parent; and (d) with respect to Units held by any Anchorage Member, any Marathon Member, any Och-Ziff Member, any TPG Member or any Third Avenue Member, any direct or indirect Transfer of all or any portion of such Member's Units to any Affiliated Fund of such Member; provided, however, that any such Transfer of Units to such Parent, wholly-owned Subsidiary or Affiliated Fund shall also require the transfer of all or such portion of such Non-Newhall Member's Newhall Class B Units to such Parent, wholly-owned Subsidiary or Affiliated Fund, as the case may be; provided, further, that in the case of any such Permitted Transfer, each transferee that holds any Units agrees to be bound by the terms and provisions of this Agreement applicable to each transferor.

"Person" shall mean any individual, Entity or Governmental Entity.

"Plan of Reorganization" shall have the meaning set forth in the Recitals.

"Proceeding" shall have the meaning set forth in Section 2.04(c).

"Profits" and "Losses" shall mean, respectively, for each fiscal year or other period, the Company's taxable income or loss for such fiscal year or other period, determined in accordance with Code § 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code § 703(a)(1) shall be included in taxable income or loss), adjusted as follows:

(a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss;

(b) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period;

(c) any items that are specially allocated pursuant to Section 4.02 shall not be taken into account in computing Profits or Losses;

(d) any expenditures of the Company described in Code § 705(a)(2)(B) (or treated as such under Regulations § 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profits or Losses shall be deducted from such taxable income or loss;

(e) in the event the Gross Asset Value of any of the Company Assets is adjusted in accordance with paragraph (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(f) gain or loss resulting from any disposition of any of the Company Assets with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding the fact that the adjusted tax basis of such asset differs from its Gross Asset Value; and

(g) an allocation of the Company Profits or Losses to a Member shall be treated as an allocation to such Member of the same share of each item of income, gain, loss and deduction that has been taken into account in computing such Profits or Losses, except as otherwise required by law.

"Property" shall mean an interest of any kind in any real or personal (or mixed) property, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"Public Offering" shall mean the sale of the equity securities of the Company, Newhall IH or Newhall, as applicable, in an underwritten public offering registered under the Securities Act.

"Regulations" shall mean the temporary and final Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).

"Regulatory Allocations" shall have the meaning set forth in Section 4.02(h).

"Safe Harbor" shall have the meaning set forth in Section 4.01(c).

"Secretary of State" shall have the meaning set forth in the Recitals.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Special Distribution Amount" shall have the meaning set forth in Section 4.08.

"Subsidiary" shall mean, with respect to any Person, (i) a corporation, more than fifty percent (50%) of the voting or capital stock of which is, as of the time in question, directly or indirectly owned by such Person and (ii) any Entity in which such Person, directly or indirectly, owns more than fifty percent (50%) of the equity economic interest thereof or has the power to elect or direct the election of fifty percent (50%) or more of the members of the governing body of such Entity or otherwise has Control over such Entity; provided, however, that each of the Company and Newhall Opco shall be deemed a Subsidiary of Newhall and Newhall Opco shall be deemed a Subsidiary of the Company.

"Substituted Member" shall mean a Person that has been admitted to the Company as a Member pursuant to Section 5.05 by virtue of such Person receiving Units from a Member and not from the Company.

"Tax Distribution" shall have the meaning set forth in Section 4.07.

"Tax Distribution Date" shall have the meaning set forth in Section 4.07.

"Tax Matters Member" shall have the meaning set forth in Section 2.05.

"Tax Rate" shall mean forty-two percent (42%), as such rate may be increased or decreased by the Manager as a result of an increase or decrease in the highest applicable marginal federal and state income tax rates.

"Terminating Person" shall have the meaning set forth in Section 6.02(a).

"Third Avenue Members" shall have the meaning set forth in the Newhall LLC Agreement.

"TPG Members" shall have the meaning set forth in the Newhall LLC Agreement.

"Transfer," "Transferred," or "Transferring" shall mean any sale, assignment, transfer, distribution or other disposition of legal or Beneficial Ownership of any Units or of a participation therein (including through any swap, structured note or any derivative transaction), whether voluntarily or by operation of law, including any redemption or issuance of Units by the Company.

"Unit" or "Units" shall mean the entire ownership interest of a Member in the Company at any particular time expressed in units, or fraction thereof, in accordance with this Agreement, including the right of such Member to any and all benefits, allocations of Profits and Losses and Distributions to which a Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all of the terms and conditions of this Agreement and of the Act. The Units of the Members as of the Effective Date shall be as set forth on Schedule I subject to adjustment as a result of a Transfer permitted hereunder.

"Value" shall mean, on any Exchange Date with respect to a Newhall Class A Unit, the fair market value of a Newhall Class A Unit, as determined in good faith by the Manager; provided, however, that if the Newhall Class A Units are listed on a national securities exchange, the "Value" of a Newhall Class A Unit as of a particular Exchange Date shall be the last quoted closing price of Newhall Class A Units on the date immediately prior to the date of the Exchange Notice; provided, further, that if Newhall Class A Units are not listed on a national securities exchange but are quoted on an automated quotation system, the "Value" of a Newhall Class A Unit as of a particular Exchange Date shall be the average of the high bid and low ask price on the principal automated quotation system on which the Newhall Class A Units are quoted on the date immediately prior to the date of the Exchange Notice; provided, further, that if Newhall Class A Units are not listed on a national securities exchange and are not quoted on an automated quotation system but are traded through one or more trading desks at nationally recognized securities firms, then the "Value" of a Newhall Class A Unit as of a particular Exchange Date shall be the average of the bid and ask prices as furnished by the trading desks of such nationally recognized securities firms on the date immediately prior to the date of the Exchange Notice.

(b) Interpretation.

(i) Unless the context clearly indicates otherwise, references to Recitals, Articles, Sections and paragraphs refer to Recitals, Articles, Sections and paragraphs of this Agreement. Unless the context clearly indicates otherwise, words in the singular shall include the plural and vice versa. Whenever the

masculine, feminine or neuter gender is used inappropriately in this Agreement, this Agreement shall be read as if the appropriate gender was used. The terms "hereof," "herein," "hereby" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. The terms "includes" and the word "including" and words of similar import shall be deemed to be followed by the words "without limitation." The term "dollars" or "\$" means United States Dollars. Accounting terms used but not otherwise defined in this Agreement shall have the meaning given them by GAAP. The Article and Section captions set forth herein have been included solely for the convenience of the parties and shall not be used or referred to in the interpretation or construction of this Agreement or any provision hereof. "Days" means calendar days and "year" means a calendar year.

(ii) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

(iii) The Exhibits and Schedules to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

Section 1.02 Name. The name of the Company shall be Newhall Intermediary Holding Company, LLC. All business and affairs of the Company shall be conducted solely under, and all of the Company Assets shall be held solely in, Newhall Holding Company, LLC, Newhall Intermediary Holding Company, LLC, and/or any of their Subsidiaries, unless otherwise determined by the Manager.

Section 1.03 Term. The Company shall be in effect for a term beginning on [____], 2009, and subject to the provisions of Article VI, the Company shall have a perpetual life.

Section 1.04 Purposes and Scope of Business.

(a) The businesses and purposes of the Company are to, directly or indirectly through one or more entities, carry out such businesses and investments as may be permitted under the Act, including the acquisition, development, operation, leasing and disposition of real estate and the ownership and operation of a public utility, and all activities associated therewith, to form and/or own other Entities to carry out the foregoing, to carry out a Public Offering if deemed appropriate by the Manager, and to do all other things as may be determined by the Manager as provided herein. Subject to the terms and conditions of this Agreement, the Company shall have the power and authority to do all such acts and things as may be necessary, desirable, expedient,

convenient for, or incidental to, the furtherance and accomplishment of the foregoing objectives and purposes and for the protection and benefit of the Company, including acquiring financing.

(b) Notwithstanding anything else in this Agreement to the contrary, including Section 1.04(a), for so long as there are any Newhall Class B Units outstanding, the Company and its Subsidiaries (other than Newhall Opco and its Subsidiaries):

(i) shall not, directly or indirectly, enter into or conduct any business activity or transaction, or hold any assets other than (A) business conducted and assets held by Newhall Opco and its Subsidiaries, (B) the ownership, acquisition and disposition of equity interests in Newhall Opco, (C) the management of the business of Newhall Opco and/or its Subsidiaries, (D) making loans and incurring indebtedness that is not prohibited by this Agreement, the Newhall Opco LLC Agreement or the Newhall LLC Agreement, (E) the offering, sale, syndication, private placement or public offering of Units, bonds, other securities or other interests in accordance with this Agreement, the Newhall Opco LLC Agreement or the Newhall LLC Agreement, (F) in accordance with this Agreement, the Newhall Opco LLC Agreement or the Newhall LLC Agreement, any financing or refinancing of any type related to the Company, its Subsidiaries, any of their activities or any of the Company Assets and (G) such activities as are incidental to the foregoing; and

(ii) shall not own any assets or take title to assets (other than temporarily in connection with an acquisition prior to contributing such assets to Newhall Opco or its Subsidiaries) other than (A) equity interests in Newhall Opco, (B) such loans, debt securities or other evidence of indebtedness obtained in accordance with this Agreement, the Newhall Opco LLC Agreement or the Newhall LLC Agreement, and (C) such cash, Cash Equivalents, Marketable Securities, bank accounts or similar instruments or accounts as the Manager deems are reasonably necessary for the Company and its Subsidiaries to pay their expenses and other liabilities, and carry out their respective responsibilities contemplated under this Agreement.

Section 1.05 Documents. The Manager or a Person properly authorized by the Manager shall promptly execute and duly file with the proper offices in each state in which the Company may conduct the activities hereinafter authorized, one or more certificates as required by the laws of each such state in order that the Company may lawfully conduct the businesses, purposes and activities herein authorized in each such state, and the Company shall take any other action or measures necessary in such state or states for the Company to conduct such activities.

Section 1.06 Principal Place of Business. The principal place of business of the Company shall be 23823 Valencia Boulevard, Valencia, CA 91355 or at such other place or places as may be approved by the Manager. The Manager or a Person properly authorized by the Manager shall be responsible for maintaining at the Company's principal place of business those records required by the Act to be maintained there.

Section 1.07 Registered Agent and Office. The Company's registered office in the State of Delaware shall be at 1209 Orange Street, Wilmington, Delaware 19801. The name of the registered agent at the above address is The Corporation Trust Company. The Manager may change the Company's registered office in Delaware to any other place or places as the Manager may from time to time designate. The Manager may change the Company's registered agent to any other Person as the Manager may from time to time designate.

Section 1.08 No Partnership Status. The Members intend that the Company shall not be a partnership other than for tax purposes (including a general partnership or a limited partnership) or a joint venture, and that no Member shall be a partner or a joint venturer of any other Member with respect to the business of the Company, for any purposes other than federal, state or local income tax purposes, and this Agreement shall not be construed to suggest otherwise.

Section 1.09 Ownership of Property. Legal title to all Property conveyed to or held by the Company or its Subsidiaries shall reside in the Company or its Subsidiaries, as applicable, and shall be conveyed only in the name of the Company or its Subsidiaries, as applicable, and no Member or any other Person, individually, shall have any ownership of such Property.

ARTICLE II

MANAGEMENT AND OPERATIONS

Section 2.01 Management of the Company.

(a) Except as otherwise expressly provided herein: (i) all powers and management of the Company shall be solely vested in, be solely exercised by or under the authority of, and the business and affairs of the Company shall be solely managed under the direction of, the manager of the Company (the "**Manager**"); (ii) the Manager shall be a "manager" as defined in the Act and shall have all rights and authority under the Act and this Agreement, including to make all decisions and take all actions for and on behalf of the Company not otherwise provided in this Agreement; and (iii) the Company may take any action without the vote or approval of any Member. Except as otherwise expressly provided in this Agreement, no Member (in its, his or her capacity as such) shall have the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company, or to incur any expenditures, debts, liabilities or obligations on behalf of the Company, unless such authority or power has been properly delegated to such Member in accordance with this Agreement. The initial Manager shall be Newhall, which shall remain as Manager unless and until it is removed and/or replaced by Newhall pursuant to Section 2.14 of the Newhall LLC Agreement.

(b) In order to protect the economic, management and legal rights of the Members set forth in this Agreement, the Newhall Opco LLC Agreement and the Newhall LLC Agreement, the Manager shall not take any action under this Agreement that is in violation of the Newhall LLC Agreement.

Section 2.02 Officers. The Manager may appoint individuals as officers of the Company to act on behalf of the Company with such titles as the Manager may elect, including the titles of Chief Executive Officer, President, Vice President, Chief Financial Officer, Treasurer and Secretary, with authority and duties that are specified by this Agreement and the Manager; provided, however, that, notwithstanding anything to the contrary herein, no officer shall have the authority to take any action that (i) violates this Agreement, the Newhall LLC Agreement or the Newhall Opco LLC Agreement or (ii) requires Manager or other approval under this Agreement, the Newhall LLC Agreement or the Newhall Opco LLC Agreement without first obtaining such approval. Officers may report directly to the Manager, to a Person designated by the Manager or to a committee designated by the Manager, at the Manager's sole discretion. The Manager may, at its sole discretion, delegate authority to the officers, may modify or revoke any such authority and may remove or replace any of the officers at any time.

Section 2.03 Remuneration. The Manager shall not receive any remuneration for its services in such capacity.

Section 2.04 Exculpations; Indemnities.

(a) No Member or the Manager, solely in the capacity as a Member or the Manager, as applicable, shall owe the Company or any other Member or Person any duty of loyalty or due care or any other fiduciary duty. To the extent that, at law or in equity, the Manager or any other Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to another Member or the Manager (if applicable), (i) the Manager or other Person acting under this Agreement shall not be liable to the Company or to any such other Member or the Manager (if applicable) for such Manager's or other Person's good faith reliance on the provisions of this Agreement and (ii) the Manager's or other Person's duties and liabilities are hereby restricted by and subject in all respects to the provisions of this Agreement (including the other provisions of this Section 2.04).

(b) Subject to Section 2.04(e), no officer of the Company, Manager, Member, Tax Matters Member, any of the respective Affiliates of the foregoing, any of the respective shareholders, officers, directors, partners, members, managers, employees and agents of the foregoing, in each case, in their capacities as such (collectively, the "Covered Persons"), shall be liable to the Company, any Member or any other Person for any act or omission taken or suffered by such Covered Person in good faith and in the belief that such act or omission was in or was not opposed to the best interests of the Company; provided, however, that such act or omission was not fraud, willful misconduct or a knowing, material violation of this Agreement, the Newhall Opco LLC Agreement or the Newhall LLC Agreement by such Covered Person. No Covered Person shall be liable to the Company, any Member or any other Person for any action taken by any other Member, nor shall any Covered Person be liable to the Company, any other Member or any other Person for any action of any employee or agent of the Covered Person that does not meet the requirements for exculpation set forth in the preceding sentence, so long as the Covered Person seeking exculpation meets such requirements.

(c) Subject to Section 2.04(e), to the fullest extent allowed or permitted under or not prohibited by any provision of applicable law, including the Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the Company to provide prior to such amendment), the Company shall indemnify, defend and hold harmless each Covered Person (including, for purposes of this Section 2.04(c), all Persons who were Covered Persons at the time the act(s) as to which a claim arises occurred, whether or not such Person is a Covered Person at the time such Person seeks indemnification hereunder) to the extent of the Company Assets, from and against any losses, expenses (including reasonable costs, expenses and attorneys' and paralegals' fees), judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and damages incurred by the Company or such Covered Person arising out of any threatened, pending or completed claim, action, suit or proceeding (a "**Proceeding**"), whether civil, criminal, administrative or arbitrative, including any appeal of any such Proceeding, or any inquiry or investigation that could lead to such a Proceeding, based upon acts (including negligent acts, whether or not under a theory of strict liability) performed or omitted to be performed by the Company or such Covered Person in good faith and in the belief that such act or omission was in or was not opposed to the best interests of the Company; provided that such act or omission was not fraud, willful misconduct or a knowing, material violation of this Agreement, the Newhall Opco LLC Agreement or the Newhall LLC Agreement by such Covered Person. Subject to the Company's compliance with its obligations pursuant to this Section 2.04, any decision of the Company required by this Section 2.04(c) or applicable law concerning the indemnity of any Person by the Company shall be approved by the Manager; provided, however, that nothing in this Agreement shall prevent a Covered Person from challenging such decision of the Manager.

(d) Reasonable expenses incurred by a Covered Person of the type entitled to be indemnified under Section 2.04(c) who was, is or is threatened to be made a named defendant or respondent in a Proceeding, appeal, investigation or inquiry shall be paid by the Company in advance of the final disposition of the Proceeding, appeal, investigation or inquiry upon receipt of an undertaking by or on behalf of such Covered Person to repay such amount if it shall ultimately be determined that it, he or she is not entitled to be indemnified by the Company.

(e) Except as provided above or otherwise approved by the Manager, no employees or agents of the Company or its Subsidiaries, acting in their capacity as an employee or agent of the Company or its Subsidiaries, shall be a "Covered Person" under this Section 2.04 or otherwise released from liability to the Company or its Subsidiaries or provided indemnification by the Company for their acts or omissions in such capacities.

(f) Newhall, Newhall Opco and/or the Company shall purchase and maintain insurance on behalf of any Person who is or was a Covered Person of the Company against any reasonably insurable liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Covered Person, whether or not the Company would have the power to indemnify such Person against such liability under the provisions of this Section 2.04.

Section 2.05 Tax Matters Member. The Manager shall designate a Member to act as the tax matters partner for federal income tax purposes (the "**Tax Matters Member**"). The Tax Matters Member shall mean the Member (a) designated as the "tax matters partner" within the meaning of Section 6231(a)(7) of the Code and (b) whose responsibilities as Tax Matters Member include, where appropriate, commencing on behalf of the Company certain judicial proceedings regarding Company federal income tax items and informing all Members of any administrative or judicial proceeding involving federal income taxes. The initial Tax Matters Member shall be Newhall. In exercising its responsibilities as Tax Matters Member, the Tax Matters Member shall submit all federal income tax matters involving the Company or any Subsidiary of the Company for the approval of the Manager. Any direct out-of-pocket expense incurred by the Tax Matters Member in carrying out its responsibilities and duties under this Agreement shall be allocated to and charged to the Company as an expense of the Company for which the Tax Matters Member shall be reimbursed.

ARTICLE III

CAPITALIZATION

Section 3.01 Authorized Units; Capital Contributions.

(a) As of the Effective Date, the Company hereby issues Units to the Persons listed on **Schedule I** in the amounts set forth on **Schedule I** and admits such persons as Members. As of the Effective Date, [____] Units are authorized for issuance under this Agreement (the "**Authorized Units**"). Subject to compliance with the provisions of this Agreement, the Newhall Opco LLC Agreement and the Newhall LLC Agreement, the Company may, at any time upon approval of the Manager, increase or decrease the number of Authorized Units for future issuance under this Agreement. Issuance of fractional Units is authorized.

(b) In connection with the admission of a New Member to the Company pursuant to Section 3.05 or an additional Capital Contribution by an existing Member, the amount of cash and/or the cumulative fair market value (as determined by the Manager) of all non-cash assets (less the amount of any liabilities assumed by the Company or its Subsidiaries with respect to such assets or to which such assets are subject) contributed to the capital of the Company by a New Member or an existing Member in exchange for Units shall constitute a Capital Contribution for purposes of this Agreement.

Section 3.02 Limited Liability of Members. Notwithstanding anything contained in this Agreement to the contrary and except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company. No Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person, and the liability of each Member for any of the debts, losses or obligations of the Company shall be limited to the amount of the sum of such Member's Capital Contributions. Accordingly, no Covered Person shall be obligated to provide additional capital to the Company or its creditors by way of Capital Contribution, loan, guaranty or otherwise. Except as provided in the Act or as may

be agreed by a Member, no Member shall have any personal liability whatsoever, whether to the Company or any third party, for the debts of the Company or any of its losses beyond the amount of such Member's Capital Contributions.

Section 3.03 Capital Contributions.

(a) The Manager may authorize one or more capital calls requesting additional Capital Contributions from each of the Members in accordance with Section 3.03 of the Newhall LLC Agreement. The Members are not required to but may, in their sole respective discretion, make any additional Capital Contributions to the Company. Except as provided in this Agreement to the contrary, no Member shall be entitled to interest on such Member's Capital Contributions nor shall any Member be entitled to demand the return of all or any part of such Capital Contributions.

(b) Notwithstanding Section 3.03(a), Newhall shall make a Capital Contribution equal to one hundred percent (100%) of any capital contributions, cash proceeds, assets or other consideration received from the Newhall Members or from the issuance of any securities of Newhall.

(c) The Manager shall cause the Authorized Units at all times and from time to time to be equal to the Newhall Authorized Units. The Manager agrees at all times to maintain a sufficient number of authorized, but unissued, Newhall Class A Units reserved for the purpose of effecting all Exchange Transactions and all Newhall Opco Exchange Transactions.

(d) At all times, the Manager shall comply, and cause the Company, Newhall Opco and Newhall to comply, with Sections 3.01(d) through (j) of the Newhall LLC Agreement.

Section 3.04 Benefits of Agreement. Nothing in this Agreement and, without limiting the generality of the foregoing, in this Article III, expressed or implied, is intended or shall be construed to give to any creditor of the Company or to any creditor of any Member or any other Person whatsoever, other than the Members and the Company, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition, or provision herein contained, and such provisions are and shall be held to be for the sole and exclusive benefit of the Members and the Company.

Section 3.05 New Members. A new Member (each, a "**New Member**") may be admitted to the Company if such New Member has acquired Units and also has acquired the same number of Newhall Class B Units (or if otherwise approved by the Manager). In connection therewith, such New Member shall contribute the amount determined as fair value for the Units to be issued to such New Member, all as approved by the Manager.

Section 3.06 No Withdrawal of Members. No Member shall be entitled to withdraw any part of such Member's Capital Contributions or Capital Account or to receive any distribution from the Company, except as expressly provided in this Agreement.

Section 3.07 No Rights of Partition. No Member shall have the right to seek or obtain partition by court decree or operation of law of any Company Assets or the right to own or use particular or individual Company Assets or, except as expressly contemplated by this Agreement, be entitled to distributions of specific Company Assets.

Section 3.08 Non-Certification of Units; Legend; Units are Securities.

(a) Units shall be issued in non-certificated form and no Member shall have the right to require the Company to issue physical certificates representing Units for any reason, except as may be required by applicable law; provided that the Manager, at its sole discretion, may cause the Company to issue one or more certificates to all of the Members representing the Units held by such Members in a form approved by the Manager (which need not bear the seal of the Company), including any legends or other notations the Manager determines to be appropriate.

(b) If the Manager determines to issue certificates to all of the Members, each certificate shall be signed by any two Persons so authorized by the Manager, certifying the number of Units represented by such certificate. In the event any such authorized Person who shall have signed, or whose facsimile signature or signatures shall have been placed upon, any such certificate or certificates shall have ceased to be authorized by the Manager before such certificate is issued by the Company, such certificate or certificates may nevertheless be issued by the Company with the same effect as if such Person were authorized by the Manager at the date of issue. To the extent any certificates are issued, they shall be consecutively numbered and shall be entered in the books of the Company as they are issued and shall exhibit the holder's name, number and class of Units. The Manager shall keep a record of the Members, giving the names and addresses of all Members, the number of Units held by each Member and the certificates, if any, issued to each Member.

(c) The Manager may determine the conditions upon which a new certificate may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed and may, in its discretion, require the owner of such certificate or its legal representative to give bond, with sufficient surety, to indemnify the Company against any and all loss or claims which may arise by reason of the issuance of a new certificate in the place of the one so lost, stolen or destroyed.

(d) The Company hereby irrevocably elects that all Units shall be "securities" governed by Article 8 of the Uniform Commercial Code as in effect from time to time in the State of Delaware or analogous provisions in the Uniform Commercial Code as in effect in any other jurisdiction.

Section 3.09 Special Capital Contribution; Preemptive Rights. To the extent the Company, Newhall Opco or Newhall issues certain equity securities in a transaction contemplated by Section 3.04 or Section 3.10 of the Newhall LLC Agreement, then the Members shall have the right to contribute capital in exchange for additional Units to the extent such issuance is provided for by Section 3.04 or Section 3.10 of the Newhall LLC Agreement.

ARTICLE IV

ACCOUNTING; ALLOCATIONS AND DISTRIBUTIONS

Section 4.01 Tax Status, Reports and Allocations.

(a) Notwithstanding any provision contained in this Agreement to the contrary, solely for federal income tax purposes, each of the Members hereby recognizes that the Company will be treated as a partnership for U.S. federal, state and local tax purposes and will be subject to all provisions of Subchapter K of the Code. The Company shall take any action that the Manager determines to be necessary to ensure that the Company continues at all times to be subject to tax as a partnership and not as a "publicly traded partnership" subject to tax as a corporation under Section 7704(a) of the Code. Unless otherwise determined by the Manager, the Company shall take any action necessary to structure its operations to ensure that the Company satisfies the requirements of Section 7704(c) of the Code for each taxable year beginning on or after January 1, 2010. Notwithstanding anything in this Agreement to the contrary, the Company shall treat any amounts to which any Member is entitled pursuant to Section 2.2(d) of the Backstop Agreement as a reduction in the amount contributed by such Member to the Company as described in Section 3.01 and set forth on Schedule I of the Newhall LLC Agreement unless otherwise required by applicable law.

(b) The Manager shall cause Management Co. (or such other Person authorized by the Manager) to use commercially reasonable efforts to cause the Accountants to furnish, within seventy-five (75) days of the close of each taxable year of the Company, the tax information reasonably required by Members, including Form K-1s, for federal and state income tax reporting purposes. The Manager shall cause Management Co. (or such other Person authorized by the Manager) to use commercially reasonable efforts to cause the Accountants to arrange for the preparation and timely filing of all tax and information returns of Company income, gains, deductions, losses and other items required to be filed by the Company for federal and state income tax purposes. Management Co. (or such other Person authorized by the Manager) shall cause such tax and information returns to be timely filed with the appropriate authorities.

(c) The Manager, at its discretion, may elect to cause the Company to take such action necessary to elect the application of the safe harbor described in IRS Notice 2005-43 (or any substantially similar safe harbor provided for in other Internal Revenue Service guidance), if and when such guidance is finalized (the "**Safe Harbor**"). The Members agree to comply with all requirements of the Safe Harbor while such election remains in effect, including making tax filings (if any) consistent with the applicable requirements of such Safe Harbor and any relevant Regulations. In addition, the Members agree to amend this Agreement as and if required by the finalized guidance in order to ensure that the transfer of any Units in connection with the provision of services to, or on behalf of, the Company is eligible for the benefits of the Safe Harbor.

(d) Subject to Section 4.02 below (and, solely for federal and state (if any) income tax purposes, subject to Section 4.11 below), for accounting and federal and (if any) state

income tax purposes, Profits and Losses (including items thereof) of the Company shall be allocated among the Members in a manner such that if the Company were dissolved, its affairs wound up and its assets distributed to the Members in accordance with their respective Capital Account balances immediately after making such allocations, such distributions would, as nearly as possible, be equal to the distributions that would be made pursuant to Section 4.06 and Section 4.08. For purposes of making allocations pursuant to this Section 4.01(d) prior to the liquidation of the Company, (i) the assets held by the Company shall be deemed to have a fair market value equal to their Gross Asset Value (without any further adjustment thereto on account of the hypothetical dissolution and distribution) and (ii) and each Member shall be treated as having an initial Capital Account that corresponds to its relative Adjusted Percentage Interest. This Section 4.01(d) is intended to comply with applicable law and items of income, gain, loss or deduction shall be allocated in a manner required to comply with Section 704(b) of the Code and the Regulations thereunder.

Section 4.02 Mandatory Allocations.

(a) No Excess Deficit. To the extent that any Member has or would have, as a result of an allocation of Loss (or item thereof), an Adjusted Capital Account Deficit, such amount of Loss (or item thereof) shall be allocated on a Member-by-Member basis so as to allocate the maximum permissible deduction or loss to each Member under Regulations § 1.704-1(b)(2)(ii)(d). For the avoidance of doubt and without duplication, in the event any Loss (or item thereof) shall be specially allocated to a Member pursuant to the preceding sentence, an equal amount of items of Company income and gain shall be specially allocated to such Member in accordance with Section 4.02(h) prior to any allocation of Profits pursuant to Section 4.01 above, provided that an allocation pursuant to this Section 4.02(a) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IV have been tentatively made as if Section 4.02(d) and this Section 4.02(a) were not in the Agreement.

(b) Minimum Gain Chargeback. Notwithstanding any other provision of this Article IV, if there is a net decrease in Minimum Gain during any fiscal year, then, subject to the exceptions set forth in Regulations § 1.704-2(f)(2), (3), (4) and (5), each Member shall be specially allocated items of the Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Minimum Gain, as determined under Regulations § 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations § 1.704-2(f). This Section 4.02(b) is intended to comply with the minimum gain chargeback requirements in Regulations § 1.704-2(f) and shall be interpreted consistently therewith.

(c) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Article IV except Section 4.02(b), if there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any fiscal year, then, subject to the exceptions set forth in Regulations § 1.704-2(i)(4), each Member who has a share of the Member Minimum

Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations § 1.704-2(i)(5), shall be specially allocated items of the Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations § 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations § 1.704-2(i)(4). This Section 4.02(c) is intended to comply with the minimum gain chargeback requirement in such Section of the Regulations and shall be interpreted consistently therewith.

(d) Qualified Income Offset. Notwithstanding any other provision of this Article IV, except Section 4.02(b) and Section 4.02(c), in the event any Member receives any adjustments, allocations or distributions described in Regulations § 1.704-1(b)(2)(ii)(d)(4), (5), or (6), that cause or increase an Adjusted Capital Account Deficit of such Member, items of the Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 4.02(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IV have been tentatively made as if this Section 4.02(d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year shall be allocated to the Members in accordance with their respective Adjusted Percentage Interests as of the end of such fiscal year.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations § 1.704-2(i)(1).

(g) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company Asset pursuant to Code §§734(b) or 743(b) is required, pursuant to Regulations §1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to Regulations §1.704-1(b)(2)(iv)(m). Each Member hereby agrees to provide the Company with all information necessary to give effect to an election made under Code §754 if the Company has made or if the Manager determines to make, pursuant to Section 4.03(d), such an election; provided, however, that the cost associated with such an election shall be borne by the Company as a whole. With respect to such election:

(i) Any change in the amount of the depreciation deducted by the Company and any change in the gain or loss of the Company, for federal income tax purposes, resulting from an adjustment pursuant to Code §743(b) shall be allocated entirely to the transferee of the Units or portion thereof so Transferred. Neither the contribution obligations of, nor the Company interest of, nor the amount of any cash distributions to, the Members shall be affected as a result of such election, and except as provided in Regulations §1.704-1(b)(2)(iv)(m), the making of such election shall have no effect except for federal and (if applicable) state and local income tax purposes.

(ii) Solely for federal and (if applicable) state and local income tax purposes and not for the purpose of maintaining the Members' Capital Accounts (except as provided in Regulations §1.704-1(b)(2)(iv)(m)), the Company shall keep a written record for those assets, the bases of which are adjusted as a result of such election, and the amount at which such assets are carried on such record shall be debited (in the case of an increase in basis) or credited (in the case of a decrease in basis) by the amount of such basis adjustment. Any change in the amount of the depreciation deducted by the Company and any change in the gain or loss of the Company, for federal and (if applicable) state and local income tax purposes, attributable to the basis adjustment made as a result of such election shall be debited or credited, as the case may be, on such record.

(h) Curative Allocations. The allocations set forth in Section 4.02(a) through Section 4.02(g) (the "**Regulatory Allocations**") are intended to comply with certain requirements of Regulations §§ 1.704-1(b) and 1.704-2. The Regulatory Allocations (and any other Regulatory Allocation that is anticipated to be made that would have the effect of offsetting, in whole or in part, any such Regulatory Allocations) shall be taken into account for the purpose of equitably adjusting subsequent allocations of Profits and Losses, and items of income, gain, loss, and deduction among the Members so that, to the extent possible, the net amount of such allocations of Profits and Losses and other items to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

(i) Nonrecourse Debt Distribution. To the extent permitted by Regulations §§ 1.704-2(h)(3) and 1.704-2(i)(6), the Company shall endeavor to treat distributions as having been made from the proceeds of Nonrecourse Liabilities or Member Nonrecourse Debt only to the extent that such distributions would not cause or increase a deficit balance in any Member's Capital Account that exceeds the amount such Member is otherwise obligated to restore (within the meaning of Regulations § 1.704-1(b)(2)(ii)(c)) as of the end of the Company's taxable year in which the distribution occurs.

Section 4.03 Accounting.

(a) Fiscal Year. The fiscal year of the Company shall end on the last day of December of each year.

(b) Books. The books of account of the Company shall be kept and maintained at all times at the principal place of business of the Company or at such other place or places approved by the Manager. The books of account shall be maintained according to GAAP.

(c) Tax Election. The Company may elect, at the discretion of the Manager, in accordance with Code §§ 734, 743 and 754 and applicable Regulations, to adjust the income tax basis of the Company Assets on the federal income tax return (and any applicable state or local tax returns) of the Company for any taxable period including that ending on December 31, 2009. Should such election no longer be in effect, the Manager may cause the Company to elect, in accordance with Code §§ 734, 743, and 754 and applicable Regulations, to adjust the federal income tax basis of Company Assets in the event any Units are Transferred in accordance with this Agreement or any Company Asset is distributed to any Member in accordance with this Agreement.

Section 4.04 Information. Subject to such standards and procedures as may be set by the Manager from time to time, and unless the Manager in good faith determines that providing information to a Member is not in the best interest of the Company, could damage the Company or its business or is inconsistent with any law or agreement applicable to the Company, each Member shall have the right at all reasonable times during usual business hours to obtain the documents and other information described in Section 18-305(a) of the Act, at the principal place of business of the Company or such other place or places as determined by the Manager. Such right may be exercised through any agent or employee of such Member designated by such Member or by an independent certified public accountant designated by such Member. Each Member shall bear all expenses incurred in any examination made on behalf of such Member. A Member wishing to exercise such right shall provide the Manager with a written request setting forth the date, time and purpose of such request. The Manager may then approve such request, approve such request in part or deny such request, all in accordance with this Agreement and the Act.

Section 4.05 Bank Accounts. Funds of the Company shall be deposited in one or more Company accounts in the bank or banks as selected by the Manager and all withdrawals therefrom shall be subject to the approval of the Manager.

Section 4.06 Distributions.

(a) Distributions. The Manager shall cause the Company to distribute (a "**Distribution**") as promptly as is reasonably practicable following receipt of a Newhall Opco Distribution pursuant to Section 4.06 of the Newhall Opco LLC Agreement:

(i) to each Non-Newhall Member an amount (a "**Non-Newhall Member Distribution Amount**") equal to the product of (x) such Non-Newhall Member's Percentage Interest multiplied by (y) the aggregate amount distributed by Newhall Opco pursuant to Section 4.06 (including Section 4.06(i)) of the Newhall Opco LLC Agreement in such Newhall Opco Distribution; and

(ii) to Newhall an amount (a "**Newhall Distribution Amount**") equal to the difference of (x) the amount distributed by Newhall Opco to the Company in such Newhall Opco Distribution minus (y) the Non-Newhall Member Distribution Amount.

(b) Tax Withholding. The Company is authorized to withhold from payments or other distributions to the Members, and to pay over to any U.S. federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any other applicable law. All amounts withheld with respect to any payment or other distribution by the Company to the Members shall be treated as amounts paid to the Members with respect to which such amounts were withheld pursuant to this Section 4.06(b) for all purposes under this Agreement. If any such withholding requirement with respect to any Member exceeds the amount distributable to such Member under the applicable provision of this Agreement, or if any such withholding requirement was not satisfied with respect to any amount previously allocated or distributed to such Member, such Member and any successor or assignee with respect to such Member's Units hereby indemnifies and agrees to hold harmless the Company for such excess amount or such withholding requirement, as the case may be.

(c) Distributions in Cash. Unless otherwise determined by the Manager, all Distributions shall be in cash. Any Distributions in-kind or other than in cash shall be distributed based on their fair market value (as determined in good faith by the Manager) in the same proportions as if cash were distributed. If cash and property are to be distributed simultaneously, the Company shall distribute such cash and property in the same proportion to each Member, unless otherwise agreed by the Members.

Section 4.07 Tax Distributions. Notwithstanding Section 4.06, for each fiscal year, to the extent that Newhall Opco makes a Newhall Opco Tax Distribution to the Company, the Company shall make distributions in cash, with respect to any Unit, as of any Tax Distribution Date, in an amount equal to the excess, if any, of (A) the product of (x) the sum of (i) the cumulative taxable income allocated to such Unit pursuant to this Agreement for all prior fiscal years plus (ii) the taxable net income allocated (or estimated to be allocated) to such Unit pursuant to this Agreement for the current fiscal year through the end of the period to which the Tax Distribution relates minus (iii) the cumulative taxable loss allocated to such Unit for prior fiscal years minus (iv) the net taxable loss allocated (or estimated to be allocated) to such Unit pursuant to this Agreement for the current fiscal year multiplied by (y) the Tax Rate, over (B) the sum of all (i) Non-Newhall Member Distribution Amounts and Newhall Distribution Amounts plus (ii) all prior Tax Distributions (to the extent such Tax Distributions were not used to reduce or offset subsequent Distributions), in the case of each of subsections (B)(i) and (ii) of this Section 4.07, with respect to such Unit prior to such Tax Distribution Date pursuant to this Section 4.07 (each, a "**Tax Distribution**"). For the avoidance of doubt, the amount of any Tax Distribution pursuant to this Section 4.07 shall be determined without regard to any income attributable to events occurring on or before the Effective Date, including any income arising as a result of cancellation of indebtedness of the Company deferred pursuant to section 108(i), and by only taking into account income for periods beginning on or after the day following the Effective Date. Such Tax Distributions shall be made at least five (5) Business Days prior to the date any such payment of

income tax (including, on an estimated basis for the payment of estimated income tax) is due and payable (a "**Tax Distribution Date**"). For purposes of the foregoing, (i) the total amount of taxable net income or net loss allocated to a Unit for each fiscal year shall equal the quotient of (x) the amount of taxable net income or net loss allocated to the holder of such Unit for such fiscal year divided by (y) the number of Units held by such holder during such fiscal year and (ii) the Company shall make the Tax Distributions *pro rata* to the Members (in accordance with their respective Adjusted Percentage Interests) based on the assumption that each Member would be entitled to an amount per Unit equal to the quotient of (i) the greatest Tax Distribution to which any Member would be entitled and (ii) the number of Units held by such Member. A Tax Distribution to a Member shall be treated as an advance against any subsequent Distributions, liquidating distributions pursuant to Section 6.02 (without duplication) made with respect to such Member but not, for the avoidance of doubt, as an advance against any subsequent Tax Distribution.

Section 4.08 Special Distributions. Notwithstanding anything else in this Agreement to the contrary, including Section 4.06, the Manager shall cause, each amount distributed to the Company pursuant to Section 4.09 of the Newhall Opco LLC Agreement (the "**Special Distribution Amount**"), to be distributed as promptly as reasonably practicable:

(a) to each Newhall IH First Lien Member an amount equal to the product of (A) the Special Distribution Amount multiplied by (B) a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the number of Units such Newhall IH First Lien Member owns and (y) the denominator of which equals the aggregate number of Newhall Units that all Newhall First Lien Members own; and

(b) to Newhall an amount equal to the difference of (x) the Special Distribution Amount minus (y) the aggregate amounts distributed to Members that are Newhall IH First Lien Members pursuant to Section 4.08(a).

(c) The Company shall treat amounts contributed by any Member pursuant to ~~the~~any Newhall ~~Washington Square and SoCal Resolved Claims~~ Capital Call, any Newhall Final ~~Washington Square and SoCal Resolved Claims~~ Capital Call or distributed to any Member pursuant to this Section 4.08 as adjustments to the Capital Contribution made by such Member on the Effective Date and to retroactively adjust the Gross Asset Values of the relevant Company Assets as of the Effective Date accordingly. The Company shall treat any amounts to which any Member (or any Newhall Member) is entitled pursuant to Section 2.2(d) of the Backstop Agreement as a reduction in the amount contributed by such Member (or Newhall, respectively) to the Company on the Effective Date unless otherwise required by applicable law.

Section 4.09 Other Distributions. Notwithstanding anything else in this Agreement to the contrary, the Manager may cause the Company to distribute funds to Newhall without distributing any portion of such funds to the Non-Newhall Members in order to cover expenses or other liabilities of Newhall, or to cover any other responsibility of Newhall (other than to effect a distribution of such funds to the Newhall Members); provided, however, that Newhall may not distribute any amount it receives under this Section 4.09 to any Newhall Member.

Section 4.10 Changes in Percentage Interests or Adjusted Percentage Interests. If a Member's Adjusted Percentage Interest or Percentage Interest changes during any fiscal year, the allocations to be made pursuant to this Agreement shall be made in accordance with Section 706 of the Code, using any convention permitted by Section 706 of the Code and the Regulations promulgated thereunder and selected by the Manager in its discretion so as to equitably effectuate the allocations and distributions in this Article IV.

Section 4.11 Allocations for Tax Purposes.

(a) Except as otherwise provided in this Section 4.11, for federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Members in the same manner as its correlative item of Profits or Losses is allocated pursuant to Section 4.01 and Section 4.02.

(b) In accordance with Code § 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of such property to the Company for federal income tax purposes and the initial Gross Asset Value of such property using the "traditional method" described in Regulation Section 1.704-3(b) with respect to any property subject to § 704(c) prior to the Effective Date; and using the method determined by the Manager with respect to any other property. If the Gross Asset Value of any Company property is adjusted as described in the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and the Gross Asset Value of such asset in the manner prescribed under Code § 704(c) and the Regulations thereunder. Any elections or other decisions relating to such allocations or any other tax and accounting matters will be made reasonably and in good faith by the Manager, provided that any items of loss or deduction attributable to property contributed by a Member shall, to the extent of an amount equal to the excess of (A) the federal income tax basis of such property at the time of its contribution over (B) the Gross Asset Value of such property at such time, be allocated in its entirety to such contributing Member and the tax basis of such property for purposes of computing the amounts of all items allocated to the Members other than such contributing Member (including a transferee of the contributing Member) shall be equal to its Gross Asset Value upon its contribution to the Company.

ARTICLE V

TRANSFERS

Section 5.01 General Restrictions. Any Transfer of Units by any Member that does not comply or that violates the provisions of this Article V shall be null and void *ab initio*. Other than Permitted Transfers and except as provided in Section 5.02, no Member shall be permitted to, directly or indirectly, Transfer any Units without the prior written consent of the Manager, in its sole discretion.

Section 5.02 Exchange Transactions.

(a) Each Non-Newhall Member may, at any time or from time to time, require the Company to redeem such number of its Units in an Exchange Transaction that is equal to or greater than a Minimum Block or, if less, all of such Non-Newhall Member's Units, without the prior written consent of the Manager. The Company shall redeem the Units surrendered pursuant to an Exchange Transaction for, and such Non-Newhall Member shall be issued, a number of Newhall Class A Units (or, in the case of a Cash Exchange, the Aggregate Value thereof) equal to the product of such number of Units surrendered multiplied by the Exchange Rate.

(b) Notwithstanding any other provision of this Agreement, including Section 5.02(a), Newhall shall have the right (the "**Call Right**"), but not the obligation, to assume the Company's obligations to effect an Exchange Transaction. Newhall may exercise the Call Right by giving written notice to such effect to the Company prior to the Exchange Date.

(c) The following provisions shall apply with respect to any Exchange Transaction:

(i) A Non-Newhall Member shall exercise the right to require the Company to exchange Units pursuant to this Section 5.02 by providing a written notice of exchange to the Manager, which written notice of exchange shall be in the form of **Exhibit A** hereto (the "**Exchange Notice**") and shall be duly executed by such Exchanging Non-Newhall Member or its duly authorized attorney (with duly executed documentation evidencing such attorney's power and authority accompanying such written notice).

(ii) Except as provided in subclauses (iii), (vi) and (vii) of this Section 5.02(c), on the fifth (5th) Business Day after a valid Exchange Notice is delivered to the Manager (the "**Exchange Date**"): (A) all rights of the Exchanging Non-Newhall Member as owner of the Units surrendered as set forth in the Exchange Notice shall cease, and unless a Cash Exchange is effected and such Exchanging Non-Newhall Member receives the Aggregate Value for such Units, such Exchanging Non-Newhall Member shall be treated for all purposes as having become the record owner of the number of Newhall Class A Units for which such Exchanging Non-Newhall Member's surrendered Units were exchanged pursuant to this Section 5.02; and (B) Newhall shall cause the Designated Newhall Class B Units to be cancelled on the books and records of Newhall and such Designated Newhall Class B Units shall have no further rights or privileges and shall no longer be deemed to be outstanding limited liability company interests of Newhall for any purpose from and after the Exchange Date; provided, however, that, in the event there is any injunction, restraining order or decree of any nature by any Governmental Entity that is then in effect that restrains or prohibits the Exchange Transaction or in the event that the Exchange Transaction is prohibited by applicable law or regulations, then such Exchange Transaction shall be prohibited (and, if attempted, shall be null and void *ab initio*). The surrender and exchange of Units for Newhall Class A Units pursuant to this Section 5.02(c)

shall be effected by book-entry transfer, subject to the provisions of Section 3.08 of this Agreement and Section 3.09 of the Newhall LLC Agreement.

(iii) An Exchanging Non-Newhall Member may revoke an Exchange Notice with respect to all or any of the Units set forth in such Exchanging Non-Newhall Member's Exchange Notice by providing written notice of such revocation to the Company at any time prior to the Exchange Date.

(iv) The issuance of Newhall Class A Units pursuant to an Exchange Transaction shall be made without charge to the Exchanging Non-Newhall Members for any stamp or other similar tax in respect of such issuance.

(v) For the avoidance of doubt, any exchange of Units pursuant to an Exchange Transaction shall be subject to all other (i.e., in addition to this Section 5.02(c)) applicable provisions of this Agreement, as well as all applicable provisions of the Newhall LLC Agreement, including any transfer restrictions on Newhall Class A Units pursuant to the Newhall LLC Agreement.

(vi) No Exchange Transaction shall be permitted (and, if attempted, shall be null and void *ab initio*) if, on the one hand, the Manager or counsel to the Company, or, on the other hand, Newhall or counsel to Newhall, determines that such Exchange Transaction cannot be effected without registration under the Securities Act or that the Exchange Transaction would cause the Company or Newhall to be required to register under the Exchange Act.

(vii) No Exchange Transaction shall be permitted (and, if attempted, shall be null and void *ab initio*) if the Manager or counsel or qualified tax advisor to the Company determines that such Exchange Transaction (A) would pose a material risk that the Company or Newhall Opco would be a "publicly traded partnership" as defined in Section 7704 of the Code subject to tax as a corporation or (B) except with respect to an Exchange Transaction in connection with the consummation of a Newhall Drag-Along Proposal, would result in a technical termination of the Company under Section 708(b)(1)(B) of the Code; provided, that at the Manager's sole discretion exercised pursuant to Section 2.14 of the Newhall LLC Agreement, this Section 5.02(c)(vii) may be waived. The Manager, in its sole and absolute discretion, shall be permitted to establish revised procedures from those contained in this Section 5.02(c) which it determines are necessary or appropriate to ensure that each of the Company and Newhall Opco will not be treated as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes.

(viii) Notwithstanding any provision in this Agreement to the contrary, including Section 5.02(a), in the event that a Newhall Drag-Along Election is made, all

Non-Newhall Members shall be required to Transfer in an Exchange Transaction all Units owned by such Non-Newhall Members, in which event: (A) the Exchange Date, as such term is used in subclause (ii) of this Section 5.02(c), shall be deemed to be the date immediately prior to the consummation of the Newhall Drag-Along Proposal; (B) all of the Exchanging Non-Newhall Members shall be required to sell their Newhall Class A Units (including those received in their Exchange Transactions) to the Newhall Drag-Along Purchaser on the same terms and conditions as applicable to the Newhall Dragging Members and the Newhall Dragged Members in accordance with Section 5.02 of the Newhall LLC Agreement; and (C) for all purposes of Section 5.02 of the Newhall LLC Agreement, the Exchanging Non-Newhall Members shall be deemed to be Newhall Dragged Members. Notwithstanding anything to the contrary contained in this Agreement and irrespective of whether any Newhall Drag-Along Notice shall have been given, the Newhall Dragging Members shall have no obligation to the Non-Newhall Members pursuant to this subclause (ix) as a result of any decision by the Newhall Dragging Members not to agree to or consummate the transfer contemplated by the Newhall Drag-Along Proposal (it being understood that the decision to accept a Newhall Drag-Along Proposal or consummate such transfer shall be made by the Newhall Dragging Members in their sole discretion).

(ix) Notwithstanding any provision in this Agreement to the contrary, including Section 5.02(a), in the event any Non-Newhall Member elects to be a Newhall Tagging Member and thereby participate in a Newhall Tag-Along Proposal in accordance with Section 5.08 of the Newhall LLC Agreement, such Non-Newhall Member shall be deemed to have exercised its right to require the Company to redeem in an Exchange Transaction all Units owned by such Non-Newhall Member (or such other portion of the Units owned by such Non-Newhall Member as are equal to the number of Newhall Class A Units to be owned by such Non-Newhall Member which are being acquired by the Newhall Tag-Along Purchaser pursuant to such Newhall Tag-Along Proposal in accordance with Section 5.08 of the Newhall LLC Agreement), in which event the Exchange Date, as such term is used in subclause (ii) of this Section 5.02(c), shall be deemed to be the date immediately prior to the consummation of such Newhall Tag-Along Proposal;

(x) Notwithstanding any provision in this Agreement to the contrary, pursuant to Section 2.14 of the Newhall LLC Agreement, the Manager may in its sole discretion at any time and from time to time, without the consent of any Non-Newhall Member (except pursuant to Section 2.14 of the Newhall LLC Agreement), require any Non-Newhall Member to surrender for redemption in an Exchange Transaction any or all Units owned by such Non-Newhall Member, in which event the Exchange Date, as such term is used in subclause (ii) of this Section 5.02(c), shall be any date determined by the Manager which is not more than ten (10) days after the date on which the Manager notifies such Non-Newhall Member that such Exchange Transaction will occur. Any such determinations by the Manager shall be made pursuant to Section 2.14 of the Newhall LLC Agreement and need not be uniform and may be made selectively among Non-Newhall Members, whether or not such Non-Newhall Members are similarly

situated. In connection with the consummation of Exchange Transactions pursuant to this subclause (x), unless the Company satisfies such Exchange Transaction in a Cash Exchange, each Exchanging Non-Newhall Member: (A) hereby agrees to be bound by all of the terms and provisions of the Newhall LLC Agreement from and after the Exchange Date; and (B) hereby irrevocably constitutes and appoints the Newhall Lead Director and/or any other Person as may be approved by Newhall pursuant to the Newhall LLC Agreement, as its attorney-in-fact with full power to execute, swear to, acknowledge and file all certificates, instruments and other documents necessary to exchange said Units on the books and records of the Company for Newhall Class A Units on the books and records of Newhall and to carry out the admission of the undersigned as a Newhall Member, with full power of substitution in the premises.

(d) Notwithstanding the foregoing, the Manager may, in its sole and absolute discretion (exercised pursuant to Section 2.12 of the Newhall LLC Agreement), cause the Company to acquire some or all of the Units surrendered in an Exchange Transaction for cash (the "**Cash Exchange**," and the number of such Units to be so acquired for cash, expressed as a percentage of the total number of such Units surrendered in an Exchange Transaction, the "**Applicable Percentage**"). The amount of cash to be paid for the Cash Exchange shall be equal to the product of (x) the Aggregate Value of such surrendered Units multiplied by (y) the Applicable Percentage. If the Manager chooses to cause the Company to acquire some or all of the surrendered Units for cash pursuant to this Section 5.02(d), the Company shall give written notice thereof to each Exchanging Non-Newhall Member on or before the close of business three (3) days prior to closing of the Exchange Transaction, and the number of Newhall Class A Units to be delivered pursuant to Section 5.02(c) hereof shall be correspondingly reduced.

Section 5.03 Further Restrictions on Transfer.

(a) Any Units Transferred shall remain subject to all terms and provisions of this Agreement. Any transferee or assignee of Units (other than an existing Member) shall not be entitled to the benefits hereunder relating to the Units so Transferred, including any distributions hereunder, with respect to such Units until such transferee or assignee has been admitted by the Manager as a Substituted Member with respect to the Units Transferred to such assignee or transferee. Until such transferee or assignee (other than an existing Member) is admitted to the Company as a Substituted Member, the Member Transferring all or any portion of such Member's Units to such assignee or transferee shall remain primarily and directly liable for the performance of all of such Member's obligations under this Agreement in respect of such Transferred Units. Subject to the other provisions of this Section 5.03, after the admission of such assignee or transferee as a Substituted Member, such Substituted Member shall be subject to all provisions of this Agreement in the place and stead of such Substituted Member's assignor or transferee Member with respect to the Units Transferred to such Substituted Member as if the Substituted Member originally was a party to this Agreement, except that the transferor or assignor Member shall be primarily and directly liable under this Agreement or otherwise for any obligations or liabilities related to the Transferred Units accruing prior to the effective time of the admission of such Substituted Member, unless such transferor or assignor Member is released in writing from such

obligations or liabilities by the Manager and such release is approved by the Manager pursuant to the Newhall LLC Agreement.

(b) Any Member making or offering to make a Transfer of all or any part of such Member's Units in the Company shall indemnify and hold harmless the Company, its Subsidiaries and all other Members from and against any costs, damages, claims, suits, or fees of any kind whatsoever suffered or incurred by the Company, its Subsidiaries or any such other Member directly or indirectly arising out of or resulting from any claims by the transferee of such Units or any offerees of such Units in connection with such Transfer or offer.

Section 5.04 Legal Opinion Prior to Transfer. Prior to admitting any Substituted Member, the Manager may request at its sole discretion, unless there is in effect a registration statement under the Securities Act covering the Transfer, from the Transferring Member and/or the Substituted Member to describe the manner and circumstances of the Transfer in sufficient detail and either (i) provide a written opinion of legal counsel (who may be internal counsel, but in all cases shall be reasonably satisfactory to the Manager), which opinion shall be reasonably satisfactory in form and substance to the Company's counsel, to the effect that the proposed Transfer may be effected without registration under the Securities Act and would not cause the Company to be required to register under the Exchange Act or (ii) provide such other showing that may be reasonably satisfactory to legal counsel to the Company that the proposed Transfer may be effected without registration under the Securities Act, will not cause the Company to be required to register under the Exchange Act and will not require the Company to register under the Investment Company Act of 1940, whereupon such Member shall be entitled to Transfer its Units in compliance with the requirements of this Agreement and in accordance with the terms of the notice delivered by such Member to the Manager. Notwithstanding the foregoing, the requirements of clause (i) above need not be satisfied with respect to the following transactions: (A) transactions in compliance with Rule 144 or Rule 144A under the Securities Act, so long as the Company is furnished with evidence of compliance with such Rule reasonably satisfactory in form and substance to the Company's counsel; (B) Transfers by a Member which is a partnership or limited liability company to a general partner, limited partner or member of such partnership or limited liability company; or (C) Permitted Transfers.

Section 5.05 Admission of Substituted or New Member.

(a) Any Substituted Member or New Member, as applicable, shall prior to such admission, execute an appropriate supplement to this Agreement pursuant to which such Substituted Member or New Member agrees to be bound by all the terms and provisions of this Agreement and an irrevocable power of attorney in form satisfactory to the Manager appointing the Manager, or such other Person as may be approved by the Manager, as such Substituted Member's or New Member's, as applicable, attorney-in-fact with full power to execute, swear to, acknowledge and file all certificates and other instruments necessary to carry out the admission of such Substituted Member or New Member, as applicable, as a Member and such undertakings as the Manager may require for the payment of all fees and costs necessary to effect any such admission, and, if required by the Manager, any other documents reasonably requested by the Manager. A Person may become a Member without the approval or consent of any of the

Members. A Person may not become or remain a Member without acquiring or owning one or more Units.

(b) After the admission of a Substituted Member or New Member, as applicable, the Manager shall reflect the admission of such Substituted Member or New Member, as applicable, as a Member and, if applicable, the withdrawal of the Transferring Member by updating Schedule I, dated as of the date of such admission and, if applicable, withdrawal, and reflecting the applicable number of Units held by such Substituted Member or New Member, as applicable, and by filing it with the records of the Company. The Manager shall add the name and mailing address of the Substituted Member or New Member, as applicable, and remove the name and mailing address of the Transferring Member, if applicable, from the books and records of the Company. The books and records of the Company may be updated, from time to time, to reflect current and accurate information with respect to the Members.

(c) The Substituted Member or New Member, as applicable, by accepting any Units, shall be deemed to have (i) given the authorization and power of attorney pursuant to Section 7.03 and (ii) assumed all the obligations and agreed to be bound by all the terms and provisions of this Agreement.

Section 5.06 Other Restricted Transfers.

(a) Notwithstanding any other provision herein to the contrary, unless the prior written consent is given by the Manager, no Transfer of any Units in the Company may be made to any Person who is related (within the meaning of Regulations Section 1.752-4(b)) to any lender of the Company whose loan constitutes a nonrecourse liability of the Company.

(b) Notwithstanding any other provision herein to the contrary, no Member shall Transfer one or more of its Units (or any interest therein) if such Transfer (i) shall require registration under the Securities Act, (ii) would cause the Company to be required to register under the Exchange Act, (iii) require the Company to register under the Investment Company Act of 1940, (iv) except with respect to a transfer of Newhall IH Units or Newhall Opco Units in connection with the consummation of a Newhall Drag-Along Proposal or unless otherwise approved by Manager (in accordance with the Section 2.14 of the Newhall LLC Agreement), would result in a technical termination of the Company under Section 708(b)(1)(B) of the Code or (v) would, as determined by the Manager, pose a material risk that the Company would be subject to tax as a corporation.

Section 5.07 Specific Performance. The Members and the Company agree that irreparable damage would occur in the event that any provision of this Article V is not performed in accordance with the terms hereof and that the Members and the Company shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity, without the necessity of demonstrating the inadequacy of money damages.

ARTICLE VI

DISSOLUTION AND TERMINATION

Section 6.01 Dissolution of the Company.

(a) The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

(i) the entry of a decree of judicial dissolution under Section 18-802 of the Act;

(ii) at any time there are no Members; provided, however, that the Company shall not be dissolved and shall not be required to be wound up if, within ninety (90) days after the occurrence of the event that terminated the continued membership of the last remaining Member, the personal representative of the last remaining Member agrees in writing to continue the Company and to the admission of the personal representative of such last remaining Member or its nominee or designee to the Company as a Member effective as of the occurrence of the event that terminated the last remaining Member;

(iii) at any time upon the election to dissolve the Company when approved by the Manager; or

(iv) in the case of a Public Offering in which the listed Entity will be a successor-in-interest of the Company, subject to any tax, regulatory, lock-up, registration restrictions or other restrictions or limitations (as reasonably determined by the Manager), as soon as possible (as is reasonable in the judgment of the Manager) after a Public Offering occurs (with the intention of distributing, to the extent possible, the stock issued by the successor corporation to the Company in such Public Offering on an in-kind basis to the Members based upon and consistent with their distribution rights and priorities under Section 4.06).

(b) Nothing contained in this Section 6.01 is intended to grant to any Member or Members the right to dissolve the Company upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event specified in §18-304 of the Act that terminates the continued membership of any Member. Dissolution of the Company shall be effective as of the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until there has been a winding up of the Company's business and affairs and the Company Assets have been distributed as provided in Section 6.02.

Section 6.02 Termination and Liquidation of the Company.

(a) Upon dissolution of the Company, unless continued pursuant to Section 6.01(a)(ii), the Company shall be terminated as rapidly as business circumstances will permit. At the direction of the Manager or such Person approved by the Manager (the Manager or such other Person being herein called the "**Terminating Person**"), a full accounting of the assets and liabilities of the Company shall be taken and a statement of the Company Assets and a statement of each Member's Capital Account shall be furnished to all Members as soon as is reasonably practicable. The Terminating Person shall take such action as is necessary so that the Company's business shall be terminated, its liabilities discharged, and its assets distributed as hereinafter described. The Terminating Person may sell all of the Company Assets or distribute the Company Assets in kind; provided, however, that the Terminating Person shall ascertain the fair market value by appraisal or other reasonable means of all Company Assets remaining unsold and each Member's Capital Account shall be charged or credited, as the case may be, as if such Company Assets had been sold at such fair market value and the Profits and Losses realized thereby had been allocated to the Members in accordance with Article IV. A reasonable period of time shall be allowed for the orderly termination of the Company to minimize the normal losses of a liquidation process.

(b) After the payment of all expenses of liquidation and of all debts and liabilities of the Company and its Subsidiaries in such order or priority as provided by law (including any debts or liabilities to Members, who shall be treated as secured or unsecured creditors, as may be the case, to the extent permitted by law, for sums loaned to the Company, if any, as distinguished from Capital Contributions) and after all resulting items of Company Profits and Losses are credited or debited to the Capital Accounts of the Members in accordance with Article IV, all remaining Company Assets shall then be distributed among the Members in accordance with Section 4.06 and Section 4.08. Upon termination, a Member may not demand and receive cash in return for such Member's Capital Contributions and no Member shall have any obligation to restore any deficit that may then exist in that Member's Capital Account. Distribution on termination may be made by the distribution to each Member of an undivided interest in any Company Asset that has not been sold at the time of termination of the Company.

(c) If, upon the final dissolution and termination of the Company and after taking into account all allocations under this Agreement, the distributions to be made under Section 6.02(b) would result in distributions that would be different from distributions in accordance with positive Capital Account balances, then notwithstanding any provision to the contrary, gross items of income, gain, loss, deduction and credit under this Agreement for such taxable year (and, to the extent permitted by Section 761(c) of the Code, gross items of income, gain, loss, deduction and credit under this Agreement for the immediately preceding taxable year) shall be allocated to the Members to increase or decrease Capital Account balances, as the case may be, so that the final distributions under Section 6.02(b) will occur in the same manner as distributions in accordance with positive Capital Account balances. This Agreement, including this Section 6.02(c), is intended to be consistent with Regulation Section 1.701-1(b)(2)(i)(b)(2).

Section 6.03 Members Not Personally Liable. Neither any Member nor any Affiliate of any Member shall be personally liable for the return of the Capital Contributions of any Member, and such return shall be made solely as provided in Section 6.02 or from available Company

Assets, if any, and each Member hereby waives any and all claims it may have against any Member or any such Affiliate in this regard.

Section 6.04 Provisions Cumulative. All provisions of this Agreement relating to the dissolution, liquidation and termination of the Company shall be cumulative to the extent not inconsistent with other provisions herein; that is, the exercise or use of one of the provisions hereof shall not preclude the exercise or use of any other provision of this Agreement to the extent not inconsistent therewith.

Section 6.05 Certificate of Cancellation. When all liabilities and obligations of the Company have been paid or discharged, or adequate provision has been made therefor, and all of the remaining Company Assets have been distributed to the Members according to their respective rights and interests as provided in Section 6.02, the Company is terminated and a Certificate of Cancellation shall be executed on behalf of the Company by the Terminating Person (or such other Person or Persons as the Act may require or permit) and shall be filed with the Office of the Secretary of State, and the Terminating Person or such other Person or Persons shall take such other actions, and shall execute, acknowledge, and file any and all other instruments, as may be necessary or appropriate to reflect the dissolution and termination of the Company.

ARTICLE VII

GENERAL

Section 7.01 Notice.

(a) All notices, demands, requests or other communications provided for or permitted to be given pursuant to this Agreement must be in writing. Legal counsel for any Member or the Company may provide notice on behalf of such Member or the Company (as the case may be).

(b) All notices, demands, requests or other communications to be sent to a Member or the Company shall be deemed to have been properly given or served if: (i) personally delivered, (ii) deposited prepaid for next day delivery by Federal Express or other similar overnight courier services, addressed in the case of a Member, to such Member at the address for such Member in the records of the Company or if to the Company at its address set forth in Section 1.06, (iii) deposited in the United States mail, addressed to such Member or the Company as above, prepaid and registered or certified with return receipt requested, (iv) transmitted via telecopier or other similar device to the attention of such Member or the Company at the fax number for such Member in the records of the Company, or (v) transmitted via Electronic Transmission to the attention of such Member at the e-mail address for such Member in the records of the Company; provided that for fax or other Electronic Transmission, a copy of such notices, demands, requests or other communications shall also be delivered by one of the methods set forth clauses (i), (ii) or (iii) of this Section 7.01(b) .

(c) All notices, demands, and requests so given shall be deemed received: (i) when personally delivered, (ii) twenty-four (24) hours after being deposited for next day delivery with an overnight courier, (iii) three (3) Business Days after being deposited in the United States mail or (iv) twelve (12) hours after being telecopied, transmitted via Electronic Transmission or otherwise transmitted and receipt has been confirmed.

(d) Any Member or the Company shall have the right from time to time, and at any time during the term of this Agreement, to change its address, fax number or e-mail address and each shall have the right to specify as his, her or its address any other address within the United States of America by giving to the Company or the Members, as the case may be, at least thirty (30) days written notice thereof, in the manner prescribed in Section 7.01(b); provided, however, that to be effective, any such notice must be actually received (as evidenced by a return receipt).

(e) All distributions to any Member shall be made at the address at which notices are sent unless otherwise specified in writing by any such Member.

Section 7.02 Amendments.

(a) This Agreement may be modified, amended, restated or repealed (x) by the Manager without the consent of any Member to the extent such modification, amendment, restatement or repeal was approved in accordance with Section 7.02 of the Newhall LLC Agreement or (y) by a written modification, amendment, restatement or other document signed by all of the Members.

(b) The Members agree that (i) the issuance of additional Units contemplated by this Agreement or approved by the Manager, (ii) the admission of a New Member pursuant to Section 3.05 or the admission of a Substituted Member pursuant to Section 5.03 or (iii) the amendment of Schedule I to reflect any Transfers of Units, admissions of New Members or Substituted Members or otherwise to properly reflect the Members, their respective number of Units and Percentage Interests, in each case, is not an impairment of any Member's rights or obligations hereunder and that any amendment to reflect such an event is not the type of amendment for which the consent of any particular Member is necessary pursuant to Section 7.02(a).

Section 7.03 Authorization; Powers of Attorney.

(a) Each Member hereby authorizes the Manager or such other Person as may be approved by the Manager from time to time to make, execute, sign, swear to, acknowledge and file in all necessary or appropriate places all documents (and all amendments or supplements to or restatements of such documents necessitated by valid amendments to or actions permitted under this Agreement) on behalf of the Company and its Subsidiaries and to do all necessary things relating to the Company and its Subsidiaries and its and their respective activities, including

(provided, however, that in no event will any liability or obligation be created or accrue to a Member pursuant to the authorizations made by the Members under this Section 7.03):

(i) this Agreement and any amendments thereto approved as provided in this Agreement;

(ii) the Certificate of Formation and any amendments thereto, under the laws of the State of Delaware or in any other state or jurisdiction in which such filing is deemed advisable by the Manager;

(iii) any applications, forms, certificates, reports, or other documents, or amendments thereto which may be requested or required by any federal, state or local governmental agency, securities exchange, securities association, self-regulatory organization or similar institution and which are deemed necessary or advisable by the Manager;

(iv) any other instrument which may be required to be filed or recorded in any state or county or by any governmental agency, or which the Manager deems advisable to file or record, including certificates of assumed name and documents to qualify foreign limited liability companies in other jurisdictions;

(v) any documents which may be required to effect the continuation of the Company or any of its Subsidiaries, the admission of Substituted Members or New Members, as applicable, the withdrawal of any Member, or the dissolution and termination of the Company;

(vi) making certain elections contained in the Code or state law governing taxation of limited liability companies taxed as partnerships; and

(vii) performing any and all other ministerial duties or functions necessary for the conduct of the business of the Company and its Subsidiaries.

(b) Each Member acknowledges that this Agreement permits certain amendments to be made and certain other actions to be taken or omitted to be taken without the consent of the Members.

(c) By accepting a Unit, each Member grants the Manager, or such other Person as may be approved by the Manager, a power of attorney to execute any and all documents necessary to reflect any action that is approved in accordance with the provisions hereof.

(d) The power of attorney granted under this Section 7.03 is coupled with an interest and shall continue notwithstanding the subsequent incapacity or death of the Member.

(e) Each Member shall execute and deliver to the Manager an executed and appropriately notarized irrevocable power of attorney in such form consistent with the provisions of this Section 7.03 as the Manager may request; provided, however, that the provisions of this Section 7.03 shall be effective regardless of whether any such additional documents are executed.

Section 7.04 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE MEMBERS HEREUNDER SHALL BE INTERPRETED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES.

Section 7.05 Rule of Construction. The general rule of construction for interpreting a contract, which provides that the provisions of a contract should be construed against the party preparing the contract, is waived by the Members and the Company.

Section 7.06 Entire Agreement. This Agreement, the Newhall Opco LLC Agreement, the Newhall LLC Agreement and the Management Agreement, including all exhibits and schedules to such agreements and, if any, exhibits and schedules to such exhibits and schedules, contain the entire agreement among the parties relative to the matters contained in this Agreement, the Newhall Opco LLC Agreement, the Newhall LLC Agreement and the Management Agreement.

Section 7.07 Waiver. No consent or waiver, express or implied, by any Member or the Company to or of any breach or default by any other Member or the Company in the performance by such Member or the Company of his, her or its obligations under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member or the Company of the same or any other obligations of such other Member or the Company under this Agreement. Failure on the part of any Member or the Company to complain of any act or failure to act of any other Member or the Company or to declare any other Member or the Company in default, regardless of how long such failure continues, shall not constitute a waiver by such Member or the Company of his, her or its rights hereunder. Any waiver by a Member of any of its rights or remedies under this Agreement or of any breach or default by any other Member of the Company in the performance by such Member or the Company of his, her or its obligations under this Agreement shall be in writing and signed by the party to be charged thereunder.

Section 7.08 Severability. If any provision of this Agreement or the application thereof to any party to this Agreement or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other parties or circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

Section 7.09 Binding Agreement. Subject to the restrictions on Transfers and Encumbrances set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Company and each of the Members and their respective legal representatives,

successors, and permitted assigns. Whenever in this Agreement a reference to any Member is made, such reference shall be deemed to include a reference to the legal representatives, successors and permitted assigns of such Member.

Section 7.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument. Executed signature pages to any counterpart instrument may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto constitutes the original counterpart instrument. All of these counterpart pages shall be read as though one and they shall have the same force and effect as if all of the parties had executed a single signature page. Signatures to this Agreement, any amendment hereof and any notice given hereunder by Electronic Transmission shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an executed original of this Agreement (and any amendment hereto) with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement (or any amendment hereto); it being expressly agreed that each party to this Agreement shall be bound by its own Electronically Transmitted signature and shall accept the Electronically Transmitted signature of the other party.

Section 7.11 Further Assurances. The Members agree from time to time to execute and deliver such further and other documents, certificates, instruments and amendments and to do all matters and things which may be convenient or necessary to more effectively and completely to carry out the intentions and purposes of this Agreement.

Section 7.12 Venue. The Company and each of the Members consent to the jurisdiction of any court in Wilmington, Delaware for any action arising out of matters related to this Agreement. The Company and each of the Members waive the right to commence an action in connection with this Agreement in any court outside of Wilmington, Delaware, other than to enforce a judgment of a proper court against a Member or its Affiliates.

Section 7.13 Jury Trial Waiver. TO THE FULLEST EXTENT NOT PROHIBITED BY APPLICABLE LAW, WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, REMEDY OR DEFENSE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE, OR WITH RESPECT TO ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING TO THIS AGREEMENT; AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE AND NOT BEFORE A JURY. EACH OF THE PARTIES HERETO FURTHER WAIVES ANY RIGHT TO SEEK TO CONSOLIDATE ANY SUCH LITIGATION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. FURTHER, EACH OF THE PARTIES HERETO HEREBY CERTIFIES THAT NONE OF ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL

PROVISION. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL INDUCEMENT TO THE ACCEPTANCE OF THIS AGREEMENT BY THE OTHER PARTIES HERETO.

Section 7.14 Fees and Costs. In any suit, arbitration or other proceeding by any Member or the Company to enforce the terms and provisions of this Agreement, the prevailing party shall be entitled to all reasonable costs and expenses incurred by it or him in connection therewith (including reasonable attorneys' and paralegals' fees and costs incurred before and at any trial or arbitration and at all appellate levels), as well as all other relief granted or awarded in such suit, arbitration or other proceeding.

ARTICLE VIII

DISCLOSURES

Section 8.01 Disclosures. Each of the Members hereby acknowledges, represents, warrants and/or agrees as follows:

(a) THAT SUCH MEMBER UNDERSTANDS THAT, TO THE EXTENT THAT IT IS LEGALLY DETERMINED THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDED SUCH HEREUNDER), THE UNITS BEING ACQUIRED BY SUCH MEMBER HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS, IN RELIANCE ON EXEMPTIONS THEREFROM FOR NON PUBLIC OFFERINGS OR OTHER EXCEPTIONS AND FURTHER UNDERSTANDS THAT SUCH UNITS HAVE NOT BEEN FILED WITH OR REVIEWED OR APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES ADMINISTRATOR, AND NO SUCH AGENCY, ADMINISTRATOR OR AUTHORITY HAS PASSED ON OR ENDORSED THE MERITS OF ACQUIRING THE UNITS OR THE ACCURACY OR ADEQUACY OF ANY INFORMATION PROVIDED BY THE COMPANY TO SUCH MEMBER. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

(b) THAT, TO THE EXTENT THAT IT IS LEGALLY DETERMINED THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDED SUCH HEREUNDER), THE UNITS OF SUCH MEMBER HAVE NOT BEEN (NOR WILL BE) REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS BY REASON OF AND IN RELIANCE UPON SPECIFIC EXEMPTIONS THEREUNDER (IN ADDITION TO THE OTHER SUBSTANTIAL LIMITATIONS, RESTRICTIONS AND REQUIREMENTS SET FORTH IN THIS AGREEMENT).

(c) THAT SUCH MEMBER, OR THE SIGNATORY FOR SUCH MEMBER, IF THIS AGREEMENT IS BEING EXECUTED BY THE SIGNATORY IN A REPRESENTATIVE OR FIDUCIARY CAPACITY, HAS FULL POWER AND AUTHORITY TO EXECUTE AND DELIVER THIS AGREEMENT FOR HIMSELF OR IN SUCH

CAPACITY AND ON BEHALF OF SUCH MEMBER FOR WHOM SUCH SIGNATORY IS EXECUTING THIS AGREEMENT, AS THE CASE MAY BE, AND SUCH MEMBER HAS FULL RIGHT, POWER AND AUTHORITY TO PERFORM ALL OBLIGATIONS UNDER THIS AGREEMENT. IF THE SIGNATORY HERETO IS EXECUTING THIS AGREEMENT IN A REPRESENTATIVE OR FIDUCIARY CAPACITY, THE REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THIS ARTICLE VIII SHALL BE DEEMED TO HAVE BEEN MADE ON BEHALF OF THE PERSON WHOM SUCH SIGNATORY REPRESENTS.

(d) THAT, TO THE EXTENT THAT A COURT OF COMPETENT JURISDICTION DETERMINES THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDED SUCH HEREUNDER), SUCH MEMBER IS ACQUIRING THE UNITS IN THE COMPANY FOR ITS OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY, AND NOT WITH A VIEW TO THE SALE OR OTHER DISTRIBUTION THEREOF, IN WHOLE OR IN PART OR DIRECTLY OR INDIRECTLY, AND SUCH MEMBER IS NOT AN UNDERWRITER, BROKER OR DEALER WITH RESPECT TO SECURITIES OF ANY KIND, AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT.

(e) THAT SUCH MEMBER IS FULLY FAMILIAR WITH ALL FACTS AND CIRCUMSTANCES ATTENDANT TO ITS INVESTMENT IN THE COMPANY, HAS BEEN OFFERED ACCESS TO AND AN OPPORTUNITY TO REVIEW ALL BOOKS, RECORDS, DOCUMENTS AND OTHER INFORMATION RELATED TO THE COMPANY AND ITS BUSINESS, OPERATIONS, AFFAIRS AND PLANS, AND HAS HAD AN OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, REPRESENTATIVES OF THE COMPANY, AND THAT ALL INVESTIGATIONS, DUE DILIGENCE AND QUESTIONS HAVE BEEN COMPLETED OR ANSWERED TO SUCH MEMBER'S SATISFACTION.

(f) THAT SUCH MEMBER (AND ITS OFFICERS, PARTNERS, MEMBERS, MANAGERS, SHAREHOLDERS, PRINCIPALS AND/OR TRUSTEES AND ATTORNEYS IN FACT, IF ANY, WHO ARE ACTING ON ITS BEHALF) HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SO AS TO BE CAPABLE OF EVALUATING, ALONE OR TOGETHER, THE MERITS AND RISKS OF A POTENTIAL INVESTMENT IN THE COMPANY.

/SIGNATURES BEGIN ON THE FOLLOWING PAGE/

IN WITNESS WHEREOF, each of the undersigned has executed and delivered this Agreement to be effective as of the Effective Date.

COMPANY:

NEWHALL INTERMEDIARY HOLDING COMPANY, LLC

By: Newhall Holding Company, LLC, its Manager

By: _____

Name: _____

Title: _____

MANAGER:

NEWHALL HOLDING COMPANY, LLC

By: _____

Name: _____

Title: _____

[Signature page to the Limited Liability Company Agreement of Newhall Intermediary Holding Company, LLC]

MEMBERS:

By: _____

Name: _____

Title: _____

*[Signature page to the Limited Liability Company Agreement of
Newhall Intermediary Holding Company, LLC]*

Schedule I

Unit Ownership of the Company¹

¹ Note: Schedule I will reflect any discount in purchase price received as a result of the backstop commitment.

¹ DeltaView comparison of pcdocs://nycsr06a/719161/1 and pcdocs://nycsr06a/719161/4.
Performed on 7/19/2009.

Exhibit A

Form of Exchange Notice

Exhibit B

Gross Asset Value

Document comparison done by DeltaView on Sunday, July 19, 2009 3:20:10 PM

Input:	
Document 1	pcdocs://nycsr06a/719161/1
Document 2	pcdocs://nycsr06a/719161/4
Rendering set	Option 3b with lines

Legend:	
<u>Insertion</u>	
Deletion	
<Moved from>	
>Moved to <	
Style change	
Format change	
Moved-deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	37
Deletions	26
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	63

Exhibit 30

Amended Reorganized LandSource Communities LLC Agreement¹

¹ For ease of reference, the Plan Proponent has attached the Amended Reorganized LandSource Communities LLC Agreement in blackline format to reflect the modifications that were made since its filing with the Plan Supplement on June 12, 2009.

THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
NEWHALL LAND DEVELOPMENT, LLC

[____], 2009

THE UNITS ACQUIRED HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED BY SALE, ASSIGNMENT, PLEDGE OR OTHERWISE WITHOUT COMPLIANCE WITH APPLICABLE FEDERAL, STATE AND/OR FOREIGN SECURITIES LAWS. IN ADDITION, THE TRANSFER OR OTHER DISPOSITION OF THE UNITS SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

TABLE OF CONTENTS

	Page
ARTICLE I ORGANIZATION AND PURPOSE.....	2
Section 1.01 Certain Definitions.....	2
Section 1.02 Continuation of Company.....	<u>2625</u>
Section 1.03 Name.....	<u>2625</u>
Section 1.04 Term.....	26
Section 1.05 Purposes and Scope of Business.....	26
Section 1.06 Documents.....	26
Section 1.07 Principal Place of Business.....	<u>2726</u>
Section 1.08 Registered Agent and Office.....	<u>2726</u>
Section 1.09 No Partnership Status.....	<u>2726</u>
Section 1.10 Ownership of Property.....	27
ARTICLE II MANAGEMENT AND OPERATIONS.....	27
Section 2.01 Management of the Company.....	27
Section 2.02 Officers.....	<u>2827</u>
Section 2.03 Remuneration.....	28
Section 2.04 Exculpations; Indemnities.....	28
Section 2.05 Tax Matters Member.....	<u>3029</u>
ARTICLE III CAPITALIZATION.....	30
Section 3.01 Authorized Units; Capital Contributions.....	30
Section 3.02 Vesting of Management Co. Units.....	<u>3130</u>
Section 3.03 Limited Liability of Members.....	31
Section 3.04 Capital Contributions.....	31
Section 3.05 Benefits of Agreement.....	<u>3231</u>
Section 3.06 New Members.....	32
Section 3.07 No Withdrawal of Members.....	32
Section 3.08 No Rights of Partition.....	32
Section 3.09 Non-Certification of Units; Legend; Units are Securities.....	<u>3332</u>
Section 3.10 Special Capital Contributions; Preemptive Rights.....	33
ARTICLE IV ACCOUNTING; ALLOCATIONS AND DISTRIBUTIONS.....	<u>3433</u>
Section 4.01 Tax Status, Reports and Allocations.....	<u>3433</u>
Section 4.02 Mandatory Allocations.....	<u>3534</u>
Section 4.03 Accounting.....	<u>3837</u>
Section 4.04 Information.....	<u>3837</u>
Section 4.05 Bank Accounts.....	38
Section 4.06 Distributions.....	39
Section 4.07 Releases from Management Reserved Funds.....	46
Section 4.08 Tax Distributions.....	47
Section 4.09 Special Distributions.....	48
Section 4.10 Other Distributions.....	49
Section 4.11 Changes in Percentage Interests.....	49
Section 4.12 Allocations for Tax Purposes.....	49
Section 4.13 Certain Elections.....	50

ARTICLE V TRANSFERS	50
Section 5.01 General Restrictions.....	50
Section 5.02 Restrictions on Management Co.....	<u>5150</u>
Section 5.03 Exchange Transactions	<u>5251</u>
Section 5.04 Further Restrictions on Transfer	<u>5655</u>
Section 5.05 Legal Opinion Prior to Transfer.....	56
Section 5.06 Admission of Substituted or New Member	<u>5756</u>
Section 5.07 Other Restricted Transfers	57
Section 5.08 Specific Performance	58
ARTICLE VI DISSOLUTION AND TERMINATION.....	58
Section 6.01 Dissolution of the Company	58
Section 6.02 Termination and Liquidation of the Company.....	59
Section 6.03 Members Not Personally Liable	60
Section 6.04 Provisions Cumulative.....	60
Section 6.05 Certificate of Cancellation	60
ARTICLE VII GENERAL	60
Section 7.01 Notice.....	60
Section 7.02 Amendments	61
Section 7.03 Authorization; Powers of Attorney.....	62
Section 7.04 Governing Law	63
Section 7.05 Rule of Construction	63
Section 7.06 Entire Agreement.....	63
Section 7.07 Waiver.....	63
Section 7.08 Severability	64
Section 7.09 Binding Agreement.....	64
Section 7.10 Counterparts.....	64
Section 7.11 Further Assurances.....	64
Section 7.12 Venue	64
Section 7.13 Jury Trial Waiver	64
Section 7.14 Fees and Costs.....	65
ARTICLE VIII DISCLOSURES.....	65
Section 8.01 Disclosures.....	65

Schedules

- Schedule I Unit Ownership of the Company
- Schedule II Company Assets for Special Distributions

Exhibits

- Exhibit A Form of Exchange Notice
- Exhibit B Gross Asset Value

THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
NEWHALL LAND DEVELOPMENT, LLC

This Third Amended and Restated Limited Liability Company Agreement (this "**Agreement**") of Newhall Land Development, LLC (the "**Company**") is made and entered into as of the [] day of [], 2009, by and among the Company and such Persons as may be listed from time to time on **Schedule I** as the Members. Capitalized terms shall have the respective meanings set forth in Section 1.01.

RECITALS:

A. The Company was originally formed under the name NWHL Investment LLC as a Delaware limited liability company by the filing of its Certificate of Formation with the Secretary of State of the State of Delaware (the "**Secretary of State**") on July 17, 2003 (as amended, restated or supplemented, the "**Certificate of Formation**"), which remains in full force and effect. The name of the Company was changed to LandSource Communities Development LLC (the "**Original Name**") by the filing of a certificate of merger with the Secretary of State on November 30, 2004. The Company entered into an Amended and Restated Limited Liability Company Agreement of the Company effective as of November 30, 2004, amending the original Limited Liability Company Agreement of the Company dated July 21, 2003. The Company entered into the Second Amended and Restated Limited Liability Company Agreement of the Company effective as of February 27, 2007 (the "**Original Agreement**"). The name of the Company was or will be further changed to Newhall Land Development, LLC by the filing of a certificate of amendment to the Certificate of Formation with the Secretary of State on or prior to the Effective Date.

B. On June 8, 2008, the Company commenced a case under Chapter 11 of Title 11 of the United States Code currently pending before the United States Bankruptcy Court for the District of Delaware as Case No. 08-11111(KJC) (the "**Chapter 11 Case**").

C. This Agreement is being entered into in connection with the consummation of the Second Amended Joint Chapter 11 Plan of Reorganization for the Company and its Affiliated Debtors Proposed by Barclays Bank PLC, as Administrative Agent, under the Super-Priority Debtor-in-Possession First Lien Credit Agreement, dated March 20, ~~2009~~2009, as modified (the "**Plan of Reorganization**") and the final order or orders of the United States District Court for the District of Delaware having jurisdiction over the Chapter 11 Case, among other things, confirming

the Plan of Reorganization pursuant to Section 1129 of the Bankruptcy Code, dated [_____] , 2009 (collectively, the "**Final Orders**").

D. In connection with the Chapter 11 Case and the Plan of Reorganization, as of the effective date of the Plan of Reorganization (the "**Effective Date**"), (i) the Rights Offering (as defined in the Plan of Reorganization) will have been completed; (ii) Newhall and the Newhall IH Non-Newhall Members will have acquired equity interests in Newhall IH pursuant to capital contributions to Newhall IH of cash and certain claims or debt interests in the Company or its Subsidiaries; (iii) the Company will have become a Subsidiary of Newhall IH pursuant to a subsequent capital contribution by Newhall IH to the Company of such cash and claims or debt interests in exchange for equity interests in the Company; (iv) all membership interests in the Company at the time of filing the Chapter 11 Case will have been extinguished and cancelled in connection with the Chapter 11 Case (provided, however, that each of Lennar and the LNR Investors will continue to be a member of the Company for tax purposes); (v) the Non-Newhall IH Members (other than Management Co.) will have contributed cash and/or claims or debt interests in exchange for new Units; (vi) Management Co. will contribute future services in accordance with the Management Agreement in exchange for Management Co. Units and Distributions; and (vii) Newhall will have become the sole manager of the Company and Newhall IH.

E. The undersigned desire to continue the Company and amend and restate, in its entirety, the Original Agreement.

WITNESSETH:

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

ORGANIZATION AND PURPOSE

Section 1.01 Certain Definitions.

(a) Certain Definitions. The following terms shall have the meaning ascribed to them as set forth below:

"Acceleration Event" shall mean a (i) Change of Control, (ii) dissolution of the Company (unless the Company is continued pursuant to Section 6.01(a)(ii)), (iii) Qualifying IPO or (iv) termination of the Management Agreement pursuant to Section 6.4 or Section 6.5 of the Management Agreement.

"Accountant" shall mean an accountant selected by the Manager.

"Act" shall mean Del. Code Ann., tit. 6, ch. 18, known as the Delaware Limited Liability Company Act, as amended from time to time.

"Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is obligated to restore to the Company pursuant to Section 1.704-1(b)(2)(ii)(c) of the Regulations or is deemed to be obligated to restore pursuant to Section 1.704-2(g)(1) of the Regulations or Section 1.704-2(i)(5) of the Regulations; and

(b) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (d)(5), and (d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Adjusted Percentage Interest" shall mean, with respect to a Member at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the aggregate number of Units held by such Member as of such date and time (excluding, in the case of Management Co., the Management Co. Units) and (y) the denominator of which equals the difference of (i) the aggregate number of all Units held by all Members as of such date and time minus (ii) the number of Management Co. Units, if any, held by Management Co. as of such date and time.

"Affiliate" shall mean, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person, as well as, in the case of an individual, any immediate family member or any Entity that directly or indirectly is Controlled by an immediate family member of such individual. For the avoidance of doubt, Lennar shall not be deemed an Affiliate of Management Co., and no Member shall be deemed to be an Affiliate of the Company, Newhall, Newhall IH or another Member solely as a result of the terms of this Agreement, the Newhall IH LLC Agreement or the Newhall LLC Agreement.

"Aggregate Value" shall mean, with respect to any Units surrendered in an Exchange Transaction, an amount equal to the product of (a) the number of Units so surrendered multiplied by (b) the Exchange Rate multiplied by (c) the Value of a Newhall Class A Unit.

"Agreement" shall have the meaning set forth in the Preamble, as this Agreement may be amended, restated or supplemented from time to time in accordance with the provisions of Section 7.02.

"Applicable Percentage" shall have the meaning set forth in Section 5.03(d).

"Approved Budget" shall have the meaning set forth in the Management Agreement, for so long as the Management Agreement is in effect, and otherwise, shall mean a budget for Newhall approved by the Manager in accordance with Section 2.12 of the Newhall LLC Agreement.

"Authorized Units" shall have the meaning set forth in Section 3.01(a).

"Beneficial Ownership" (including the terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned") shall mean beneficial ownership within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act.

"Business Day" shall mean any day that is not a Saturday, Sunday or a day on which the Federal Reserve Bank in New York is closed for business.

"Call Right" shall have the meaning set forth in Section 5.03(b).

"Capital Account" shall mean a book account which shall be maintained by the Company for each Member in accordance with the provisions of Treas. Reg. § 1.704-1(b)(2)(iv) and, to the extent consistent with those provisions, in accordance with the following provisions for each Member (and any other Person who acquires Units):

(a) To each Member's Capital Account there shall be credited the amount of cash contributed by such Member, the initial Gross Asset Value of any other asset contributed by such Member to the capital of the Company (net of liabilities secured by such contributed property that the Company assumes or takes subject to), such Member's distributive share of Profits, the amount of any of the liabilities of the Company assumed by the Member, and any other items in the nature of income or gain that are allocated to such Member; and

(b) To each Member's Capital Account there shall be debited the amount of cash distributed to the Member, the Gross Asset Value of any of the Company Assets distributed to such Member pursuant to any provision of this Agreement (net of liabilities secured by such distributed property that such Member assumes or takes subject to), and such Member's distributive share of Losses and any other items in the nature of expenses or losses that are allocated to such Member.

In the event that a Member's Units or portion thereof is Transferred within the meaning of Regulations § 1.704-1(b)(2)(iv)(I), the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the Units or portion thereof so Transferred.

The Capital Account of each Member as of the Effective Date shall be as set forth on **Schedule I** under the heading "Capital Account."

"Capital Contributions" shall mean, for any Member at any particular time, all capital contributed (or deemed contributed) by such Member to the Company through such time in accordance with the terms of this Agreement, as set forth on **Schedule I** under the heading "Capital Amount" to be deemed effective as of the dates set forth on **Schedule I** under the heading "Contribution Effective Dates."

"Cash Exchange" shall have the meaning set forth in Section 5.03(d).

"Certificate of Formation" shall have the meaning set forth in the Recitals.

"Change of Control" shall mean (a) any Person or Group, in each case, excluding any Newhall Principal Member and its Affiliates as of the Effective Date, and any Affiliate thereof, shall have acquired Beneficial Ownership of a number of Newhall Units corresponding to a Newhall Percentage Interest equal to or greater than ninety-five percent (95%), whether by merger, consolidation, reorganization, other business combination, Newhall Transfer or otherwise or (b) any Person or Group shall have acquired all or substantially all of the Newhall Company Assets, taken as a whole, in a transaction or series of related transactions; provided that Newhall Members as of the Effective Date and Newhall New Members and Newhall Substituted Members admitted in accordance with the terms of the Newhall LLC Agreement shall not be considered a Group solely as a result of the terms of this Agreement, the Newhall LLC Agreement or the Newhall IH LLC Agreement.

"Chapter 11 Case" shall have the meaning set forth in the Recitals.

"CIM Litigation" shall mean that certain adversary proceeding pending before the Bankruptcy Court and captioned LNR-Lennar Washington Square, LLC v. Dolce View (Los Angeles), LLC (f/k/a Dulce View (Los Angeles), LLC) and CIM Fund III, L.P., Adversary Proceeding No. 09-50885 (KJC), including all potential and asserted claims, counterclaims, third-party claims, cross-claims, choses in action, affirmative defenses or rights of setoff of any kind.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"Company" shall have the meaning set forth in the Preamble.

"Company Assets" shall mean collectively the assets of the Company and its Subsidiaries, whether now owned or hereafter acquired.

"Company Incentive Compensation Amount" shall have the meaning set forth in Section 4.06(i).

"Control" (including the terms "Controlled by" and "under common Control with"), with respect to the relationship between or among two or more Persons, shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities of the general partner of a limited partnership or securities having the power to manage an Entity or elect a majority of the board of directors or similar body governing the affairs of such Person.

"Covered Persons" shall have the meaning set forth in Section 2.04(b).

"Depreciation" shall mean, for each fiscal year, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year bears to such beginning adjusted tax basis, except as otherwise required by Regulation § 1.704-3(d)(2); provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deductions for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Tax Matters Member.

"Designated Newhall Class B Units" shall mean the number of Newhall Class B Units owned by an Exchanging Non-Newhall IH Member which is equal to the product of (i) the Exchange Rate multiplied by (ii) the number of Units being surrendered by such Exchanging Non-Newhall IH Member pursuant to an Exchange Transaction.

"Distribution" shall have the meaning set forth in Section 4.06(a).

"Distribution Amount" shall have the meaning set forth in Section 4.06(a).

"Distribution Date" shall have the meaning set forth in Section 4.06(a).

"Effective Date" shall have the meaning set forth in the Recitals.

"Electronic Transmission" (including the term "Electronically Transmitted") shall mean any form of communication not directly involving the physical delivery of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process, including, a facsimile or email.

"Encumbrance" shall mean any security interest, pledge, mortgage, lien (including environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement, lease, letter of credit or restriction of any kind, including any restriction on the use, voting, transfer (other than restrictions under applicable securities laws), receipt of income or other exercise of any attributes of ownership, except in all events for any Encumbrance imposed or created pursuant to the Pledge Agreement or Haddad Pledge Agreement.

"Entity" shall mean any corporation, partnership, joint stock company, limited liability company, trust, unincorporated association or any other entity.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exchange Date" shall have the meaning set forth in Section 5.03(c)(ii).

"Exchange Notice" shall have the meaning set forth in Section 5.03(c)(i).

"Exchange Rate" shall mean the number of Newhall Class A Units for which a Unit is entitled to be exchanged pursuant to an Exchange Transaction. On the date of this Agreement, the Exchange Rate shall be one-for-one (1:1), which Exchange Rate shall be subject to adjustment as provided below. The Exchange Rate shall be adjusted accordingly if there is: (1) any subdivision (by split, distribution, reclassification, recapitalization or otherwise) or combination (by reverse split, reclassification, recapitalization or otherwise) of the Units that is not accompanied by an identical subdivision or combination of the Newhall Class A Units; or (2) any subdivision (by split, distribution, reclassification, recapitalization or otherwise) or combination (by reverse split, reclassification, recapitalization or otherwise) of the Newhall Class A Units that is not accompanied by an identical subdivision or combination of the Units. In the event of a reclassification or other similar transaction as a result of which the Newhall Class A Units are converted into another security, then each Non-Newhall IH Member shall be entitled to receive pursuant to an Exchange Transaction the amount of such other security that such Non-Newhall IH Member would have received if such Exchange Transaction had occurred immediately prior to the effective date of such reclassification or other similar transaction. No other adjustments shall be made in respect of the Exchange Rate.

"Exchange Transaction" shall mean an exchange of Units for Newhall Class A Units (or, in the case of a Cash Exchange, the Aggregate Value thereof) pursuant to, and in accordance with, Section 5.03.

"Exchanging Non-Newhall IH Member" shall mean any Non-Newhall IH Member effecting an Exchange Transaction.

"Family Members" shall mean one or more spouses, parents, grandparents, children (natural or adopted), spouses of any such children, grandchildren and/or lineal descendants of any of the foregoing.

"Final Orders" shall have the meaning set forth in the Recitals.

"First Hurdle" shall mean an IRR equal to five percent (5%).

"Fourth Hurdle" shall mean an IRR equal to twenty-five percent (25%).

"Funds Available for Distribution" shall have the meaning set forth in Section 4.06(a).

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such accounting profession, in effect from time to time, consistently applied.

"Governmental Entity" shall mean any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof.

"Gross Asset Value" shall mean, with respect to any asset of the Company, such asset's adjusted basis for federal income tax purposes, except as follows:

- (a) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset at the time of contribution, as determined by the Manager using such reasonable method of valuation as it may adopt;

(b) in the discretion of the Manager, the Gross Asset Values of the Company Assets shall be adjusted to equal their respective gross fair market values, as reasonably determined by the Manager, immediately prior to the following events:

- (i) a Capital Contribution (other than a *de minimis* Capital Contribution) or a contribution of services to the Company by a new or existing Member as consideration for Units;
- (ii) the distribution by the Company to a Member of more than a *de minimis* amount of the Company Assets as consideration for the redemption of Units; and
- (iii) the liquidation of the Company within the meaning of Regulations §1.704-1(b)(2)(ii)(g), except as provided in Regulations §1.704-1(b)(2)(iv)(l); and

(c) the Gross Asset Values of the Company Assets distributed to any Member shall be the gross fair market values of such assets as reasonably determined by the Manager as of the date of distribution.

At all times, Gross Asset Values shall be adjusted by any Depreciation taken into account with respect to the Company Assets for purposes of computing Profits and Losses. Gross Asset Values shall be further adjusted to reflect adjustments to Capital Accounts pursuant to Regulations § 1.704-1(b)(2)(iv)(m) to the extent not otherwise reflected in adjustments to Gross Asset Values. The Gross Asset Value of each of the Company Assets as of the Effective Date shall be as set forth on **Exhibit B**.

"Group" shall mean a group of Persons within the meaning of Section 13(d) or 14 of the Exchange Act.

"Haddad" shall mean Emile Haddad, an individual, and/or any direct or indirect Person that is owned by or for the exclusive benefit of Emile Haddad and/or one or more of Emile Haddad's Family Members, or upon the death of Emile Haddad, the estate of Emile Haddad and/or one or more of Emile Haddad's Family Members (including as a result of transfers by testamentary or trust disposition upon the death of Emile Haddad).

"Haddad Agreements" shall mean, collectively, the Haddad Award Agreement and the Haddad Investment Agreement.

"Haddad Award Agreement" shall mean the Award Agreement, effective as of the Effective Date, by and among Emile Haddad, Newhall and the Company.

"Haddad Award Units" shall mean "Haddad Units" as defined in the Haddad Award Agreement.

"Haddad Investment Agreement" shall mean the Investment Agreement, effective as of the Effective Date, by and among Emile Haddad, Newhall and the Company.

"Haddad Permitted Transfers" shall mean, (i) with respect to Haddad Award Units, "Permitted Transfers" as defined in the Haddad Award Agreement and, (ii) with respect to Haddad Purchased Units, "Permitted Transfers" as defined in the Haddad Investment Agreement, as applicable.

"Haddad Pledge Agreement" shall mean that certain Pledge and Security Agreement dated as of [], 2009, by and between Haddad and Fidelity Guaranty and Acceptance Corp., a Delaware corporation and an Affiliate of Lennar, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Haddad Purchased Units" shall mean "Purchased Units" as defined in the Haddad Investment Agreement.

"Haddad Reserve" shall have the meaning set forth in the Haddad Award Agreement.

"Hurdle" shall mean each of the First Hurdle, the Second Hurdle, the Third Hurdle and the Fourth Hurdle, as applicable.

"Internal Rate of Return" or "IRR" shall mean the annual percentage rate, compounded quarterly, which, when utilized to calculate the present value of IRR Distributions, causes such present value of IRR Distributions to equal the present value of all IRR Contributions. The present value of an IRR Contribution shall be equal to the nominal amount of each IRR Contribution discounted from the date each such IRR Contribution was, or was deemed to have been, made to the Effective Date. The present value of an IRR Distribution shall be equal to the nominal amount of each IRR Distribution discounted from the date each such IRR Distribution was made (or, in the case of Management Unvested Distributions, as of the date such Management Unvested Distribution was reserved) to the Effective Date.

"IRR Contributions" shall mean, as of any date, (i) \$550 million deemed contributed to the Company as of the Effective Date, excluding (x) any Capital Contribution pursuant to the Haddad Agreements, (y) any capital contributions made in connection with the Newhall ~~Washington Square and SoCal~~Resolved Claims Capital Call and (z) any capital contributions made in connection with the Newhall Final ~~Washington Square and SoCal~~Resolved Claims Capital Call, and (ii) all capital contributed (or deemed contributed) by any Member to the Company or its Subsidiaries following the Effective Date through such date.

"IRR Distributions" shall mean (a) Distributions (or, if applicable, portions thereof) other than proceeds distributed as a result of a financing by the Company or its Subsidiaries

consummated prior to the eighteenth (18th) month anniversary of the Effective Date and (b) any redemption or purchase of Units, Newhall IH Units or Newhall Units by the Company, Newhall IH or Newhall, as applicable, for cash, through a Cash Exchange or Newhall IH Cash Exchange or otherwise.

"Lennar" shall mean Lennar Homes of California, Inc., a California corporation.

"Lennar Investment Agreement" shall mean that certain Agreement between Administrative Agent, Lennar Corporation, Management Co. and Emile Haddad dated as of May 11, 2009.

"LNR Investment Agreement" shall mean that certain agreement among Newhall, the Company, Barclays Bank PLC and the LNR Investors, dated as of July ____, 2009.

"LNR Investors" shall mean the investors listed on the signature pages to the LNR Investment Agreement.

"Management Aggregate Base Pre-First Hurdle Amount" shall have the meaning set forth in Section 4.06(b).

"Management Aggregate Base Pre-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(e).

"Management Aggregate Base Pre-Second Hurdle Amount" shall have the meaning set forth in Section 4.06(c).

"Management Aggregate Base Pre-Third Hurdle Amount" shall have the meaning set forth in Section 4.06(d).

"Management Aggregate Catch-Up Post-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(f).

"Management Aggregate Catch-Up Pre-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(e).

"Management Aggregate Catch-Up Pre-Third Hurdle Amount" shall have the meaning set forth in Section 4.06(d).

"Management Agreement" shall mean the management services agreement, effective as of the Effective Date, between the Company and Management Co.

"Management Co." shall mean Five Point Communities Management, Inc., a Delaware corporation and the general partner of Management Co. LP.

"Management Co. Certificate" shall have the meaning set forth in Section 4.08(b).

"Management Co. Economic Interest" shall have the meaning set forth in Section 4.08(b).

"Management Co. LP" shall mean Five Point Communities, LP, a Delaware limited partnership.

"Management Co. Percentage Interest" shall mean a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the number of vested and unvested Management Co. Units and (y) the denominator of which equals the aggregate number of all vested and unvested Units held by all Members as of such date and time.

"Management Co. Permitted Transfers" shall mean (a) Transfers made pursuant to Section 5.03(c)(viii) and Section 5.03(c)(ix) in connection with a Newhall Drag-Along Election and a Newhall Tag-Along Proposal, respectively, (b) payments pursuant to Section 4.06(i), (c) sales, assignments, transfers, distributions or other dispositions of equity interests in Management Co. and/or Management Co. LP that are permitted pursuant to Section 3.9 of the Management Agreement (excluding, for the avoidance of doubt, any direct Transfers of Units by Management Co., which are prohibited by Section 5.02) and (d) (A) Transfers (or "Transfers" as defined in the Newhall LLC Agreement) of the Management Co. Restricted Units to, or for the benefit of, Management Co. LP, (B) Encumbrances created, incurred, solicited or assumed with respect to the Management Co. Restricted Units for the benefit of Management Co. LP and (C) swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Management Co. Restricted Units to, or for the benefit of, Management Co. LP, whether any such aforementioned transaction is to be settled by delivery of Units, Newhall Units, or other securities, in cash or otherwise; provided that in the case of any such Management Co. Permitted Transfer, each transferee that holds any Units agrees to be bound by the terms and provisions of this Agreement applicable to each transferor.

"Management Co. Restricted Units" shall mean (i) the Management Co. Units and (ii) any Newhall Units acquired by Management Co. pursuant to Section 3.03 or Section 3.10 of the Newhall LLC Agreement, excluding, in each case, (A) any Units acquired by Management Co. in accordance with Section 3.04 of the Newhall LLC Agreement, (B) any Units or Newhall Units that are Third Party Acquired Units, (C) Units acquired by Management Co. pursuant to Section 3.04 or Section 3.10 as a result of owning any Third Party Acquired Units, and (D) any Newhall Units

acquired by Management Co. pursuant to Section 3.03 or Section 3.10 of the Newhall LLC Agreement as a result of owning any Third Party Acquired Units.

"Management Co. Restrictive Period" shall mean a period of time beginning on the Effective Date and ending upon either (i) the expiration or termination of the Management Agreement (other than pursuant to Section 6.2 of the Management Agreement) or (ii) a period of twelve (12) months following the termination of the Management Agreement if the Management Agreement were terminated pursuant to Section 6.2 of the Management Agreement.

"Management Co. Units" shall have the meaning set forth in Section 3.02 and any additional Units acquired pursuant to Section 3.04 and Section 3.10 (and pursuant to the provisions of Section 3.04 of the Newhall LLC Agreement).

"Management Fourth Hurdle Catch-Up Amount" shall have the meaning set forth in Section 4.06(f).

"Management Promote Distributions" shall mean any Distribution pursuant to Section 4.06(c)(iii), Section 4.06(d)(i), Section 4.06(d)(v), Section 4.06(e)(i), Section 4.06(e)(v), Section 4.06(f)(i), and/or Section 4.06(f)(v).

"Management Promote Post-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(f)(v).

"Management Promote Pre-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(e)(v).

"Management Promote Pre-Second Hurdle Amount" shall have the meaning set forth in Section 4.06(c)(iii).

"Management Promote Pre-Third Hurdle Amount" shall have the meaning set forth in Section 4.06(d)(v).

"Management Release Percentage" shall mean: (a) in the case of a release pursuant to Section 4.07 with respect to the vesting of Management Co. Units on the first (1st) anniversary of the Effective Date, twenty-five percent (25%); (b) in the case of a release pursuant to Section 4.07 with respect to the vesting of Management Co. Units on the second (2nd) anniversary of the Effective Date, thirty-three percent and one-third of one percent (33⅓%); (c) in the case of a release pursuant to Section 4.07 with respect to the vesting of Management Co. Units on the third (3rd) anniversary of the Effective Date, fifty percent (50%); (d) in the case of a release pursuant to Section 4.07 with respect to the vesting of Management Co. Units on the fourth (4th) anniversary

of the Effective Date, one hundred percent (100%); (e) in the case of a release pursuant to Section 4.07 with respect to the occurrence of an Acceleration Event, one hundred percent (100%); (f) in the case of a release pursuant to Section 4.07 with respect to a Newhall Tag-Along Acceleration Event, a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the applicable Newhall Tag-Along Accelerated Units and (y) the denominator of which equals the total number of unvested Management Co. Units immediately prior to such Newhall Tag-Along Acceleration Event; and (g) following a termination of the Management Agreement (for the avoidance of doubt, after having taken into account the effect of an applicable Acceleration Event, if any, occurring immediately prior to such termination), zero percent (0%); provided that any Management Reserved Funds that became payable on or prior to the termination of the Management Agreement (including as a result of the termination of the Management Agreement) but have not yet been distributed shall remain payable and shall be distributed in accordance with this Agreement.

"Management Reserved Funds" shall mean an amount of funds (initially to be zero) reserved pursuant to Section 4.06 for purposes of distribution to Management Co. pursuant to Section 4.07 upon the vesting of Management Co. Units; provided, however, that, notwithstanding anything to the contrary in this Agreement, including Section 4.06, the Management Reserved Funds shall reset to zero and forever remain zero on and after the termination of the Management Agreement; provided, further, that any Management Reserved Funds that became payable on or prior to the termination of the Management Agreement (including as a result of the termination of the Management Agreement) but have not yet been distributed shall remain payable and shall be distributed in accordance with this Agreement.

"Management Second Hurdle Catch-Up Amount" shall have the meaning set forth in Section 4.06(d).

"Management Third Hurdle Catch-Up Amount" shall have the meaning set forth in Section 4.06(e).

"Management Unvested Base Post-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(f)(iv).

"Management Unvested Base Pre-First Hurdle Amount" shall have the meaning set forth in Section 4.06(b)(ii).

"Management Unvested Base Pre-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(e)(iv).

"Management Unvested Base Pre-Second Hurdle Amount" shall have the meaning set forth in Section 4.06(c)(ii).

"Management Unvested Base Pre-Third Hurdle Amount" shall have the meaning set forth in Section 4.06(d)(iv).

"Management Unvested Distributions" shall mean the following amounts reserved under the Management Reserved Funds, pursuant to Section 4.06: the Management Unvested Base Pre-First Hurdle Amount, the Management Unvested Base Pre-Second Hurdle Amount, the Management Unvested Base Pre-Third Hurdle Amount, the Management Unvested Base Pre-Fourth Hurdle Amount and/or the Management Unvested Base Post-Fourth Hurdle Amount, as applicable.

"Management Unvested Percentage" shall mean a fraction, expressed as a percentage rounded to two decimal points, determined as of any particular date and time, (x) the numerator of which is the number of unvested Management Co. Units as of such date and time (taking into account the effect of any Acceleration Event on unvested Units) and (y) the denominator of which is the number of vested and unvested Management Co. Units as of such date and time; provided, however, that upon the termination of the Management Agreement, the Management Unvested Percentage shall be equal to, and shall thereafter remain equal to, zero (for the avoidance of doubt, without affecting any acceleration of vesting occurring immediately prior to such termination pursuant to Section 3.02); provided, further, that if the number of vested and unvested Management Co. Units equals zero, the Management Unvested Percentage shall equal zero (for the avoidance of doubt, without affecting any acceleration of vesting pursuant to Section 3.02).

"Management Vested Base Post-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(f)(iii).

"Management Vested Base Pre-First Hurdle Amount" shall have the meaning set forth in Section 4.06(b)(i).

"Management Vested Base Pre-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(e)(iii).

"Management Vested Base Pre-Second Hurdle Amount" shall have the meaning set forth in Section 4.06(c)(i).

"Management Vested Base Pre-Third Hurdle Amount" shall have the meaning set forth in Section 4.06(d)(iii).

"Management Vested Percentage" shall mean the difference of (x) one hundred percent (100%) minus (y) the Management Unvested Percentage.

"Manager" shall have the meaning set forth in Section 2.01(a), and unless and until changed pursuant to Section 2.01, shall mean Newhall.

"Member" shall mean each of, and "Members" shall mean collectively, Newhall IH and the Non-Newhall IH Members and each other Person hereafter admitted as a Member in accordance with the terms of this Agreement and the Act. The Members shall constitute the "members" (as such term is defined in the Act) of the Company. Except as otherwise set forth herein or in the Act, the Members shall constitute a single class or group of members of the Company for all purposes of the Act and this Agreement. For the avoidance of doubt, each holder of any Units shall be a Member and shall be bound as a Member by all the terms and provisions of this Agreement.

"Member Minimum Gain" shall mean an amount, with respect to each Member Nonrecourse Debt, equal to Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations § 1.704-2(i)(3).

"Member Nonrecourse Debt" shall mean a liability defined in Regulations § 1.704-2(b)(4).

"Member Nonrecourse Deductions" shall mean the partner nonrecourse deductions as defined in Regulations § 1.704-2(i)(2).

"Member Post-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(f)(vi).

"Member Pre-First Hurdle Amount" shall have the meaning set forth in Section 4.06(b)(iii).

"Member Pre-Fourth Hurdle Amount" shall have the meaning set forth in Section 4.06(e)(vi).

"Member Pre-Second Hurdle Amount" shall have the meaning set forth in Section 4.06(c)(iv).

"Member Pre-Third Hurdle Amount" shall have the meaning set forth in Section 4.06(d)(vi).

"Minimum Block" shall mean [] Units, adjusted to reflect any changes to the number of Units issued and outstanding from time to time as a result of an issuance, reclassification, split (including a reverse split), recapitalization, merger or otherwise.

"Minimum Gain" shall mean the aggregate gain, if any, that would be realized by the Company for purposes of computing Profits and Losses with respect to each asset of the Company if each asset of the Company subject to a Nonrecourse Liability were disposed of for the amount outstanding on the Nonrecourse Liability by the Company in a taxable transaction for no consideration (other than debt relief). Minimum Gain with respect to each asset of the Company shall be further determined in accordance with Regulations § 1.704-2(d) and any subsequent rule or regulation governing the determination of minimum gain.

~~"Net Proceeds" shall mean the amount of purchase price cash proceeds or other proceeds actually received by the Company from any Washington Square/SoCal Sale; provided, however, that up to an aggregate of eight million dollars (\$8,000,000) from dispositions of both Washington Square and Southern California Properties of (x) direct expenses and closing costs of any such Washington Square/SoCal Sale that are not reflected in the Approved Budget and (y) any federal and state income tax obligations that, if such Washington Square/SoCal Sale had occurred on the Effective Date, would have been imposed on and payable by the Company or its direct or indirect owners on the taxable gain, if any, recognized as a direct result of such Washington Square/SoCal Sale, may be deducted therefrom.~~

"New Member" shall have the meaning set forth in Section 3.06.

"Newhall" shall mean Newhall Holding Company, LLC, a Delaware limited liability company, or any successor by acquisition, merger or recapitalization of Newhall Holding Company, LLC with or into any other Person.

"Newhall Class A Units" shall mean "Class A Units" as defined in the Newhall LLC Agreement.

"Newhall Class B Units" shall mean "Class B Units" as defined in the Newhall LLC Agreement.

"Newhall Company Assets" shall mean "Company Assets" as defined in the Newhall LLC Agreement.

"Newhall Drag-Along Election" shall mean "Drag-Along Election" as defined in the Newhall LLC Agreement.

"Newhall Drag-Along Notice" shall mean "Drag-Along Notice" as defined in the Newhall LLC Agreement.

"Newhall Drag-Along Proposal" shall mean "Drag-Along Proposal" as defined in the Newhall LLC Agreement.

"Newhall Drag-Along Purchaser" shall mean "Drag-Along Purchaser" as defined in the Newhall LLC Agreement.

"Newhall Dragged Members" shall mean "Dragged Members" as defined in the Newhall LLC Agreement.

"Newhall Dragging Members" shall mean "Dragging Members" as defined in the Newhall LLC Agreement.

"Newhall Final Washington Square and SoCal Resolved Claims Capital Call" shall mean "~~Final Washington Square and SoCal~~Resolved Claims Capital Call" as defined in the Newhall LLC Agreement.

"Newhall IH" shall mean Newhall Intermediary Holding Company, LLC, a Delaware limited liability company, or any successor by acquisition, merger or recapitalization of Newhall Intermediary Holding Company, LLC with or into any other Person.

"Newhall IH Authorized Units" shall mean "Authorized Units" as defined in the Newhall IH LLC Agreement.

"Newhall IH Cash Exchange" shall mean "Cash Exchange" as defined in the Newhall IH LLC Agreement.

"Newhall IH Exchange Transaction" shall mean "Exchange Transaction" as defined in the Newhall IH LLC Agreement.

"Newhall IH LLC Agreement" shall mean that certain Limited Liability Company Agreement of Newhall IH, effective as of the Effective Date, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Newhall IH Member" shall mean "Member" as defined in the Newhall IH LLC Agreement.

"Newhall IH Non-Newhall Members" shall mean "Non-Newhall Members" as defined in the Newhall IH LLC Agreement.

"Newhall IH Unit" shall mean "Unit" as defined in the Newhall IH LLC Agreement.

"Newhall Lead Director" shall mean "Lead Director" as defined in the Newhall LLC Agreement.

"Newhall LLC Agreement" shall mean that certain Limited Liability Company Agreement of Newhall, effective as of the Effective Date, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Newhall Member" shall mean "Member" as defined in the Newhall LLC Agreement.

"Newhall New Member" shall mean "New Member" as defined in the Newhall LLC Agreement.

"Newhall Percentage Interest" shall mean "Percentage Interest" as defined in the Newhall LLC Agreement.

"Newhall Principal Members" shall mean "Principal Members" as defined in the Newhall LLC Agreement.

"Newhall Substituted Member" shall mean "Substituted Member" as defined in the Newhall LLC Agreement.

"Newhall Tag-Along Accelerated Units" shall mean, in connection with a Newhall Tag-Along Acceleration Event, such unvested Management Co. Units actually being transferred by Management Co. in an Exchange Transaction and subsequent Newhall Transfer pursuant to a Newhall Tag-Along Proposal in the case that Management Co. permissibly made a Newhall Tag-Along Election and provided a Newhall Tag-Along Acceptance, in each case, pursuant to Section 5.08 of the Newhall LLC Agreement, with respect to such transfer.

"Newhall Tag-Along Acceleration Event" shall mean the completion of the transfer of unvested Management Co. Units in an Exchange Transaction and subsequent Newhall Transfer contemplated by a Newhall Tag-Along Proposal to the extent Management Co. permissibly makes a Newhall Tag-Along Election and provides a Newhall Tag-Along Acceptance, in each case, pursuant to Section 5.08 of the Newhall LLC Agreement, with respect to such transfer.

"Newhall Tag-Along Acceptance" shall mean "Tag-Along Acceptance" as defined in the Newhall LLC Agreement.

"Newhall Tag-Along Election" shall mean "Tag-Along Election" as defined in the Newhall LLC Agreement.

"Newhall Tag-Along Proposal" shall mean "Tag-Along Proposal" as defined in the Newhall LLC Agreement.

"Newhall Tag-Along Purchaser" shall mean "Tag-Along Purchaser" as defined in the Newhall LLC Agreement.

"Newhall Tagging Member" shall mean "Tagging Member" as defined in the Newhall LLC Agreement.

"Newhall Transfer" shall mean "Transfer" as defined in the Newhall LLC Agreement.

"Newhall Unit" shall mean "Unit" as defined in the Newhall LLC Agreement.

~~"Newhall Washington Square and SoCal Resolved Claims Capital Call" shall mean "Washington Square and SoCal Capital Call" as defined in the Newhall LLC Agreement. "Newhall Washington Square and SoCal Shortfall" shall mean "Washington Square and SoCal Shortfall Resolved Claims Capital Call" as defined in the Newhall LLC Agreement.~~

"Non-Newhall IH Member" shall mean each Person listed on Schedule I, other than Newhall IH, and each other Person hereafter admitted as a Member in accordance with the terms of this Agreement and the Act.

"Nonrecourse Deductions" shall mean nonrecourse deductions as defined in Regulations § 1.704-2(b)(1).

"Nonrecourse Liability" shall mean a liability defined in Regulations § 1.704-2(b)(3).

"Original Agreement" shall have the meaning set forth in the Recitals.

"Original Name" shall have the meaning set forth in the Recitals.

"Parent" shall mean, with respect to any specified Person, any other Person that, directly or indirectly through one or more intermediaries, owns one hundred percent (100%) of the voting and equity economic interests of such specified Person.

"Percentage Interest" shall mean, with respect to a Member at a particular date and time, a fraction, expressed as a percentage rounded to two decimal points, (x) the numerator of which equals the aggregate number of vested and unvested Units held by such Member as of such date and time and (y) the denominator of which equals the aggregate number of all vested and unvested Units held by all Members as of such date and time.

"Permitted Transfers" shall mean each and any of the following transfers: (a) any direct or indirect transfer of all or any portion of any direct or indirect equity or other ownership interests owned or held by any Person in the ultimate Parent of a Non-Newhall IH Member (for the avoidance of doubt, as of the Effective Date, the ultimate Parent of Lennar is Lennar Corporation, a Delaware corporation); (b) any direct or indirect Transfer of all or any portion of a Non-Newhall IH Member's Units to any Parent of such Non-Newhall IH Member; (c) any direct or indirect Transfer of all or any portion of a Non-Newhall IH Member's Units to any wholly-owned Subsidiary of (x) such Non-Newhall IH Member or (y) any Parent of such Non-Newhall IH Member, in each case, Controlled by such Non-Newhall IH Member or such Non-Newhall IH Member's Parent; (d) any Transfer made pursuant to the Pledge Agreement; and (e) any Haddad

Permitted Transfer; provided, however, that any such Transfer of Units to such Parent or wholly-owned Subsidiary shall also require the transfer of all or such portion of such Non-Newhall IH Member's Newhall Class B Units to such Parent, or wholly-owned Subsidiary, as the case may be; provided, further, that in the case of any such Permitted Transfer, each transferee that holds any Units agrees to be bound by the terms and provisions of this Agreement applicable to each transferor.

"Person" shall mean any individual, Entity or Governmental Entity.

"Plan of Reorganization" shall have the meaning set forth in the Recitals.

"Pledge Agreement" shall mean that certain Pledge Agreement effective as of the Effective Date, by and between Lennar and Newhall IH, as the same may be amended and/or restated from time to time in accordance with the terms thereof.

"Prime Rate" shall mean the Prime Rate as announced by JPMorgan Chase or its successors in interest from time to time. If JPMorgan Chase ceases to exist or no longer publishes its prime rate, another comparable prime or other rate acceptable to the Company and Management Co. shall be substituted for the purposes hereof.

"Proceeding" shall have the meaning set forth in Section 2.04(c).

"Profits" and "Losses" shall mean, respectively, for each fiscal year or other period, the Company's taxable income or loss for such fiscal year or other period, determined in accordance with Code § 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code § 703(a)(1) shall be included in taxable income or loss), adjusted as follows:

- (a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss;
- (b) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period;
- (c) any items that are specially allocated pursuant to Section 4.02 shall not be taken into account in computing Profits or Losses;

(d) any expenditures of the Company described in Code § 705(a)(2)(B) (or treated as such under Regulations § 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profits or Losses shall be deducted from such taxable income or loss;

(e) in the event the Gross Asset Value of any of the Company Assets is adjusted in accordance with paragraph (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(f) gain or loss resulting from any disposition of any of the Company Assets with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding the fact that the adjusted tax basis of such asset differs from its Gross Asset Value; and

(g) an allocation of the Company Profits or Losses to a Member shall be treated as an allocation to such Member of the same share of each item of income, gain, loss and deduction that has been taken into account in computing such Profits or Losses, except as otherwise required by law.

"Promote Percentage" shall mean: (i) in the event that the Management Agreement has been terminated pursuant to Section 6.2 of the Management Agreement, zero percent (0%); (ii) in the event that the Management Agreement has been terminated pursuant to Section 6.3 of the Management Agreement, a percentage equal to the Management Vested Percentage immediately prior to such termination; and (iii) otherwise, one hundred percent (100%).

"Property" shall mean an interest of any kind in any real or personal (or mixed) property, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"Public Offering" shall mean the sale of the equity securities of the Company, Newhall IH or Newhall, as applicable, in an underwritten public offering registered under the Securities Act.

"Qualifying IPO" shall mean the initial Public Offering on a U.S. national securities exchange, with proceeds to the Company, Newhall IH or Newhall (after deducting applicable underwriting discounts and commissions) of not less than one hundred million dollars (\$100,000,000), with an implied equity valuation of the Company of no less than eight hundred fifty million dollars (\$850,000,000).

"Regulations" shall mean the temporary and final Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).

"Regulatory Allocations" shall have the meaning set forth in Section 4.02(h).

"Release Event" shall have the meaning set forth in Section 4.07.

"Released Amount" shall have the meaning set forth in Section 4.07.

"Reliance Amount" shall have the meaning set forth in Section 4.08(b).

"Retained Excess G&A Amount" shall have the meaning set forth in the Lennar Investment Agreement.

"Safe Harbor" shall have the meaning set forth in Section 4.01(c).

"Second Hurdle" shall mean an IRR equal to twelve percent (12%).

"Secretary of State" shall have the meaning set forth in the Recitals.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations thereunder.

~~"Southern California Properties" shall mean the real property located in the State of California, commonly known as Harveston 1 - Barrington, Harveston 2 - Consolidated, McSweeney, Palm Spring Classic, The Bridges at Jefferson, Indian Palms (4500s and 5000s), and Vista Escondida - Coachella.~~

"Subsidiary" shall mean, with respect to any Person, (i) a corporation, more than fifty percent (50%) of the voting or capital stock of which is, as of the time in question, directly or indirectly owned by such Person and (ii) any Entity in which such Person, directly or indirectly, owns more than fifty percent (50%) of the equity economic interest thereof or has the power to elect or direct the election of fifty percent (50%) or more of the members of the governing body of such Entity or otherwise has Control over such Entity; provided, however, that each of Newhall IH and the Company shall be deemed a Subsidiary of Newhall and the Company shall be deemed a Subsidiary of Newhall IH.

"Substituted Member" shall mean a Person that has been admitted to the Company as a Member pursuant to Section 5.06 by virtue of such Person receiving Units from a Member and not from the Company.

"Tax Distribution" shall have the meaning set forth in Section 4.08(a).

"Tax Distribution Date" shall have the meaning set forth in Section 4.08(a).

"Tax Distribution Shortfall" shall have the meaning set forth in Section 4.08(a).

"Tax Matters Member" shall have the meaning set forth in Section 2.05.

"Tax Rate" shall mean forty-two percent (42%), as such rate may be increased or decreased by the Manager as a result of an increase or decrease in the highest applicable marginal federal and state income tax rates.

"Terminating Person" shall have the meaning set forth in Section 6.02(a).

"Third Hurdle" shall mean an IRR equal to seventeen and one-half percent (17.5%).

"Third Party" shall mean, with respect to any Member, any other Person (other than the Company or any Affiliate of such Member).

"Third Party Acquired Unit" shall mean any Unit, Newhall IH Unit or Newhall Unit acquired by Management Co. from any Person (other than the Company, Newhall IH or Newhall).

"Transfer," "Transferred," or "Transferring" shall mean any sale, assignment, transfer, distribution or other disposition of legal or Beneficial Ownership of any Units or of a participation therein (including through any swap, structured note or any derivative transaction), whether voluntarily or by operation of law, including any redemption or issuance of Units by the Company.

"Unit" or "Units" shall mean the entire ownership interest of a Member in the Company at any particular time expressed in units, or fraction thereof, in accordance with this Agreement, including the right of such Member to any and all benefits, allocations of Profits and Losses and Distributions to which a Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all of the terms and conditions of this Agreement and of the Act. The Units of the Members as of the Effective Date shall be as set forth on Schedule I subject to adjustment as a result of a Transfer permitted hereunder.

"Value" shall mean, on any Exchange Date with respect to a Newhall Class A Unit, the fair market value of a Newhall Class A Unit, as determined in good faith by the Manager; provided, however, that if the Newhall Class A Units are listed on a national securities exchange, the "Value" of a Newhall Class A Unit as of a particular Exchange Date shall be the last quoted closing price of Newhall Class A Units on the date immediately prior to the date of the Exchange Notice; provided, further, that if Newhall Class A Units are not listed on a national securities exchange but are quoted on an automated quotation system, the "Value" of a Newhall Class A Unit as of a particular Exchange Date shall be the average of the high bid and low ask price on the principal automated quotation system on which the Newhall Class A Units are quoted on the date immediately prior to the date of the Exchange Notice; provided, further, that if Newhall Class A Units are not listed on a national securities exchange and are not quoted on an automated quotation system but are traded through one or more trading desks at nationally recognized securities firms, then the "Value" of a Newhall Class A Unit as of a particular Exchange Date shall be the average of the bid and ask prices as furnished by the trading desks of such nationally recognized securities firms on the date immediately prior to the date of the Exchange Notice.

~~"Washington Square" shall mean LNR Lennar Washington Square, LLC, a California limited liability company.~~

~~"Washington Square/SoCal Sale" shall mean the sale, transfer, assignment, distribution, dividend, divestiture, separation of holding or other disposition of all or any portion of Washington Square (or the real property it owns) or the Southern California Properties (or the real property it owns), in one transaction or a series of related transactions, including by way of a merger (forward or reverse) of the Entity or Entities owning Washington Square and the Southern California Properties or similar transaction or by operation of law or otherwise, either voluntarily or involuntarily (which shall include any forward sale, deferred delivery transaction, hedging arrangement or other transaction pursuant to which substantially comparable economic benefits are derived).~~

~~"Washington Square and SoCal Amount" shall mean thirty million dollars (\$30,000,000).~~

(b) Interpretation.

(i) Unless the context clearly indicates otherwise, references to Recitals, Articles, Sections and paragraphs refer to Recitals, Articles, Sections and paragraphs of this Agreement. Unless the context clearly indicates otherwise, words in the singular shall include the plural and vice versa. Whenever the masculine, feminine or neuter gender is used inappropriately in this Agreement, this Agreement shall be read as if the appropriate gender was used. The terms "hereof," "herein," "hereby" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. The terms "includes" and the word "including" and words of similar import shall be deemed to be followed by the words "without limitation." The term "dollars" or "\$" means United States

Dollars. Accounting terms used but not otherwise defined in this Agreement shall have the meaning given them by GAAP. The Article and Section captions set forth herein have been included solely for the convenience of the parties and shall not be used or referred to in the interpretation or construction of this Agreement or any provision hereof. "Days" means calendar days and "year" means a calendar year.

(ii) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

(iii) The Exhibits and Schedules to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

Section 1.02 Continuation of Company. The Members agree to continue the Company pursuant to and be governed by the Act and the provisions of this Agreement.

Section 1.03 Name. As reflected in the Recitals, the name of the Company previously was the Original Name and the Manager hereby approves or ratifies changing the name of the Company to Newhall Land Development, LLC and approves or ratifies the filing a certificate of amendment to the Certificate of Formation changing the name of the Company to Newhall Land Development, LLC. All business and affairs of the Company shall be conducted solely under, and all of the Company Assets shall be held solely in, Newhall Land Development, LLC, Newhall Holding Company, LLC, Newhall Intermediary Holding, LLC and/or any of their Subsidiaries, unless otherwise determined by the Manager.

Section 1.04 Term. The Company shall be in effect for a term beginning on July 17, 2003, and subject to the provisions of Article VI, the Company shall have a perpetual life.

Section 1.05 Purposes and Scope of Business. The businesses and purposes of the Company are to, directly or indirectly through one or more entities, carry out such businesses and investments as may be permitted under the Act, including the acquisition, development, operation, leasing and disposition of real estate and the ownership and operation of a public utility, and all activities associated therewith, to form and/or own other Entities to carry out the foregoing, to carry out a Public Offering if deemed appropriate by the Manager, and to do all other things as may be determined by the Manager as provided herein. Subject to the terms and conditions of this Agreement, the Company shall have the power and authority to do all such acts and things as may be necessary, desirable, expedient, convenient for, or incidental to, the furtherance and accomplishment of the foregoing objectives and purposes and for the protection and benefit of the Company, including acquiring financing.

Section 1.06 Documents. The Manager or a Person properly authorized by the Manager shall promptly execute and duly file with the proper offices in each state in which the Company may conduct the activities hereinafter authorized, one or more certificates as required by the laws of each such state in order that the Company may lawfully conduct the businesses, purposes and activities herein authorized in each such state, and the Company shall take any other action or measures necessary in such state or states for the Company to conduct such activities.

Section 1.07 Principal Place of Business. The principal place of business of the Company shall be 23823 Valencia Boulevard, Valencia, CA 91355 or at such other place or places as may be approved by the Manager. The Manager or a Person properly authorized by the Manager shall be responsible for maintaining at the Company's principal place of business those records required by the Act to be maintained there.

Section 1.08 Registered Agent and Office. The Company's registered office in the State of Delaware shall be at 1209 Orange Street, Wilmington, Delaware 19801. The name of the registered agent at the above address is The Corporation Trust Company. The Manager may change the Company's registered office in Delaware to any other place or places as the Manager may from time to time designate. The Manager may change the Company's registered agent to any other Person as the Manager may from time to time designate.

Section 1.09 No Partnership Status. The Members intend that the Company shall not be a partnership other than for tax purposes (including a general partnership or a limited partnership) or a joint venture, and that no Member shall be a partner or a joint venturer of any other Member with respect to the business of the Company, for any purposes other than federal, state or local income tax purposes, and this Agreement shall not be construed to suggest otherwise. Additionally, the Members agree that the Company, as reorganized, is a continuation of the Company for income tax purposes.

Section 1.10 Ownership of Property. Legal title to all Property conveyed to or held by the Company or its Subsidiaries shall reside in the Company or its Subsidiaries, as applicable, and shall be conveyed only in the name of the Company or its Subsidiaries, as applicable, and no Member or any other Person, individually, shall have any ownership of such Property.

ARTICLE II

MANAGEMENT AND OPERATIONS

Section 2.01 Management of the Company.

(a) Except as otherwise expressly provided herein: (i) all powers and management of the Company shall be solely vested in, be solely exercised by or under the authority of, and the business and affairs of the Company shall be solely managed under the direction of, the manager of the Company (the "**Manager**"); (ii) the Manager shall be a "manager" as defined in the Act and shall have all rights and authority under the Act and this Agreement, including to make all decisions and take all actions for and on behalf of the Company not otherwise provided in this Agreement; and (iii) the Company may take any action without the vote

or approval of any Member. Except as otherwise expressly provided in this Agreement, no Member (in its, his or her capacity as such) shall have the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company, or to incur any expenditures, debts, liabilities or obligations on behalf of the Company, unless such authority or power has been properly delegated to such Member in accordance with this Agreement. The initial Manager shall be Newhall, which shall remain as Manager unless and until it is removed and/or replaced by Newhall pursuant to Section 2.14 of the Newhall LLC Agreement.

(b) In order to protect the economic, management and legal rights of the Members set forth in this Agreement, the Newhall IH LLC Agreement and the Newhall LLC Agreement, the Manager shall not take any action under this Agreement that is in violation of the Newhall LLC Agreement.

Section 2.02 Officers. The Manager may appoint individuals as officers of the Company to act on behalf of the Company with such titles as the Manager may elect, including the titles of Chief Executive Officer, President, Vice President, Chief Financial Officer, Treasurer and Secretary, with authority and duties that are specified by this Agreement and the Manager; provided, however, that, notwithstanding anything to the contrary herein, no officer shall have the authority to take any action that (i) violates this Agreement, the Newhall IH LLC Agreement or the Newhall LLC Agreement or (ii) requires Manager or other approval under this Agreement, the Newhall IH LLC Agreement or the Newhall LLC Agreement without first obtaining such approval. Officers may report directly to the Manager, to a Person designated by the Manager or to a committee designated by the Manager, at the Manager's sole discretion. The Manager may, at its sole discretion, delegate authority to the officers, may modify or revoke any such authority and may remove or replace any of the officers at any time.

Section 2.03 Remuneration. The Manager shall not receive any remuneration for its services in such capacity.

Section 2.04 Exculpations; Indemnities.

(a) No Member or the Manager, solely in the capacity as a Member or the Manager, as applicable, shall owe the Company or any other Member or Person any duty of loyalty or due care or any other fiduciary duty. To the extent that, at law or in equity, the Manager or any other Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to another Member or the Manager (if applicable), (i) the Manager or other Person acting under this Agreement shall not be liable to the Company or to any such other Member or the Manager (if applicable) for such Manager's or other Person's good faith reliance on the provisions of this Agreement and (ii) the Manager's or other Person's duties and liabilities are hereby restricted by and subject in all respects to the provisions of this Agreement (including the other provisions of this Section 2.04).

(b) Subject to Section 2.04(e), no officer of the Company, Manager, Member, Tax Matters Member, any of the respective Affiliates of the foregoing, any of the respective shareholders, officers, directors, partners, members, managers, employees and agents of the

foregoing, in each case, in their capacities as such (collectively, the "**Covered Persons**"), shall be liable to the Company, any Member or any other Person for any act or omission taken or suffered by such Covered Person in good faith and in the belief that such act or omission was in or was not opposed to the best interests of the Company; provided, however, that such act or omission was not fraud, willful misconduct or a knowing, material violation of this Agreement, the Newhall IH LLC Agreement or the Newhall LLC Agreement by such Covered Person. No Covered Person shall be liable to the Company, any Member or any other Person for any action taken by any other Member, nor shall any Covered Person be liable to the Company, any other Member or any other Person for any action of any employee or agent of the Covered Person that does not meet the requirements for exculpation set forth in the preceding sentence, so long as the Covered Person seeking exculpation meets such requirements.

(c) Subject to Section 2.04(e), to the fullest extent allowed or permitted under or not prohibited by any provision of applicable law, including the Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the Company to provide prior to such amendment), the Company shall indemnify, defend and hold harmless each Covered Person (including, for purposes of this Section 2.04(c), all Persons who were Covered Persons at the time the act(s) as to which a claim arises occurred, whether or not such Person is a Covered Person at the time such Person seeks indemnification hereunder) to the extent of the Company Assets, from and against any losses, expenses (including reasonable costs, expenses and attorneys' and paralegals' fees), judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and damages incurred by the Company or such Covered Person arising out of any threatened, pending or completed claim, action, suit or proceeding (a "**Proceeding**"), whether civil, criminal, administrative or arbitral, including any appeal of any such Proceeding, or any inquiry or investigation that could lead to such a Proceeding, based upon acts (including negligent acts, whether or not under a theory of strict liability) performed or omitted to be performed by the Company or such Covered Person in good faith and in the belief that such act or omission was in or was not opposed to the best interests of the Company; provided that such act or omission was not fraud, willful misconduct or a knowing, material violation of this Agreement, the Newhall IH LLC Agreement or the Newhall LLC Agreement by such Covered Person. Subject to the Company's compliance with its obligations pursuant to this Section 2.04, any decision of the Company required by this Section 2.04(c) or applicable law concerning the indemnity of any Person by the Company shall be approved by the Manager; provided, however, that nothing in this Agreement shall prevent a Covered Person from challenging such decision of the Manager.

(d) Reasonable expenses incurred by a Covered Person of the type entitled to be indemnified under Section 2.04(c) who was, is or is threatened to be made a named defendant or respondent in a Proceeding, appeal, investigation or inquiry shall be paid by the Company in advance of the final disposition of the Proceeding, appeal, investigation or inquiry upon receipt of an undertaking by or on behalf of such Covered Person to repay such amount if it shall ultimately be determined that it, he or she is not entitled to be indemnified by the Company.

(e) Except as provided above or otherwise approved by the Manager, no employees or agents of the Company or its Subsidiaries, acting in their capacity as an employee or agent of the Company or its Subsidiaries, shall be a "Covered Person" under this Section 2.04 or otherwise released from liability to the Company or its Subsidiaries or provided indemnification by the Company for their acts or omissions in such capacities.

(f) Newhall, Newhall IH and/or the Company shall purchase and maintain insurance on behalf of any Person who is or was a Covered Person of the Company against any reasonably insurable liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Covered Person, whether or not the Company would have the power to indemnify such Person against such liability under the provisions of this Section 2.04.

Section 2.05 Tax Matters Member. The Manager shall designate a Member to act as the tax matters partner for federal income tax purposes (the "**Tax Matters Member**"). The Tax Matters Member shall mean the Member (a) designated as the "tax matters partner" within the meaning of Section 6231(a)(7) of the Code and (b) whose responsibilities as Tax Matters Member include, where appropriate, commencing on behalf of the Company certain judicial proceedings regarding Company federal income tax items and informing all Members of any administrative or judicial proceeding involving federal income taxes. The initial Tax Matters Member shall be Newhall IH. In exercising its responsibilities as Tax Matters Member, the Tax Matters Member shall submit all federal income tax matters involving the Company or any Subsidiary of the Company for the approval of the Manager. Any direct out-of-pocket expense incurred by the Tax Matters Member in carrying out its responsibilities and duties under this Agreement shall be allocated to and charged to the Company as an expense of the Company for which the Tax Matters Member shall be reimbursed.

ARTICLE III

CAPITALIZATION

Section 3.01 Authorized Units; Capital Contributions.

(a) As of the Effective Date, the Company hereby issues Units to the Persons listed on Schedule I in the amounts set forth on Schedule I and admits such persons as Members. As of the Effective Date, [] Units are authorized for issuance under this Agreement (the "**Authorized Units**"). Subject to compliance with the provisions of this Agreement, the Newhall IH LLC Agreement and the Newhall LLC Agreement, the Company may, at any time upon approval of the Manager, increase or decrease the number of Authorized Units for future issuance under this Agreement. Issuance of fractional Units is authorized.

(b) In connection with the admission of a New Member to the Company pursuant to Section 3.06 or an additional Capital Contribution by an existing Member, the amount of cash and/or the cumulative fair market value (as determined by the Manager) of all non-cash

assets (less the amount of any liabilities assumed by the Company or its Subsidiaries with respect to such assets or to which such assets are subject) contributed to the capital of the Company by a New Member or an existing Member in exchange for Units shall constitute a Capital Contribution for purposes of this Agreement.

Section 3.02 Vesting of Management Co. Units. As of the Effective Date, Management Co. has been issued [] Units (the "**Management Co. Units**"), all of which shall be unvested. Twenty-five percent (25%) of the Management Co. Units shall vest on each of the first four (4) anniversaries of the Effective Date, such that all of the Management Co. Units shall be fully vested following the fourth (4th) anniversary of the Effective Date; provided, however, that immediately prior to the occurrence of an Acceleration Event, any remaining unvested Management Co. Units shall become fully vested immediately, automatically and without any further action by the Manager or any other Person; provided, further, that immediately prior to the occurrence of a Newhall Tag-Along Acceleration Event, the applicable Newhall Tag-Along Accelerated Units shall become fully vested immediately, automatically and without any further action by the Manager or any other Person; provided, further, that upon the termination of the Management Agreement, any remaining unvested Management Co. Units (for the avoidance of doubt, other than those that vest as a result of such termination) shall be forfeited and cancelled immediately, automatically and without any further action by the Manager or any other Person; provided, further, that any Management Co. Units acquired or issued under Section 3.10 (and in accordance with Section 3.04 or Section 3.10 of the Newhall LLC Agreement) shall be fully vested when so acquired.

Section 3.03 Limited Liability of Members. Notwithstanding anything contained in this Agreement to the contrary and except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company. No Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person, and the liability of each Member for any of the debts, losses or obligations of the Company shall be limited to the amount of the sum of such Member's Capital Contributions. Accordingly, no Covered Person shall be obligated to provide additional capital to the Company or its creditors by way of Capital Contribution, loan, guaranty or otherwise. Except as provided in the Act or as may be agreed by a Member, no Member shall have any personal liability whatsoever, whether to the Company or any third party, for the debts of the Company or any of its losses beyond the amount of such Member's Capital Contributions.

Section 3.04 Capital Contributions.

(a) The Manager may authorize one or more capital calls requesting additional Capital Contributions from each of the Members in accordance with Section 3.03 of the Newhall LLC Agreement. The Members are not required to but may, in their sole respective discretion, make any additional Capital Contributions to the Company. Except as provided in this Agreement to the contrary, no Member shall be entitled to interest on such Member's Capital Contributions nor shall any Member be entitled to demand the return of all or any part of such Capital Contributions.

(b) Notwithstanding Section 3.04(a), Newhall IH shall make a Capital Contribution equal to one hundred percent (100%) of any capital contributions, cash proceeds, assets or other consideration received from Newhall or the Newhall IH Non-Newhall Members or from the issuance of any securities of Newhall IH.

(c) The Manager shall cause the Authorized Units at all times and from time to time to be equal to the Newhall IH Authorized Units. The Manager agrees at all times to maintain a sufficient number of authorized, but unissued, Newhall Class A Units reserved for the purpose of effecting all Exchange Transactions and all Newhall IH Exchange Transactions.

(d) At all times, the Manager shall comply, and cause the Company, Newhall IH and Newhall to comply, with Sections 3.01(d) through (j) of the Newhall LLC Agreement.

Section 3.05 Benefits of Agreement. Nothing in this Agreement and, without limiting the generality of the foregoing, in this Article III, expressed or implied, is intended or shall be construed to give to any creditor of the Company or to any creditor of any Member or any other Person whatsoever, other than the Members and the Company, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition, or provision herein contained, and such provisions are and shall be held to be for the sole and exclusive benefit of the Members and the Company.

Section 3.06 New Members. A new Member (each, a "**New Member**") may be admitted to the Company if such New Member has acquired Units and also has acquired the same number of Newhall Class B Units (or if otherwise approved by the Manager). In connection therewith, such New Member shall contribute the amount determined as fair value for the Units to be issued to such New Member, all as approved by the Manager. The Haddad Agreements shall be deemed to be approved by the Manager.

Section 3.07 No Withdrawal of Members. No Member shall be entitled to withdraw any part of such Member's Capital Contributions or Capital Account or to receive any distribution from the Company, except as expressly provided in this Agreement.

Section 3.08 No Rights of Partition. No Member shall have the right to seek or obtain partition by court decree or operation of law of any Company Assets or the right to own or use particular or individual Company Assets or, except as expressly contemplated by this Agreement, be entitled to distributions of specific Company Assets.

Section 3.09 Non-Certification of Units; Legend; Units are Securities.

(a) Units shall be issued in non-certificated form and no Member shall have the right to require the Company to issue physical certificates representing Units for any reason, except as may be required by applicable law; provided that the Manager, at its sole discretion, may cause the Company to issue one or more certificates to all of the Members representing the Units held by such Members in a form approved by the Manager (which need not bear the seal of the Company), including any legends or other notations the Manager determines to be appropriate.

(b) In connection with and pursuant to the Final Orders and the Plan of Reorganization and without any action by the Company, the Manager or any Member, all certificates evidencing equity interests in the Company issued prior to the Effective Date shall be deemed to have been automatically cancelled as of the Effective Date (provided, however, that Lennar will continue to be a member of the Company for tax purposes).

(c) If the Manager determines to issue certificates to all of the Members, each certificate shall be signed by any two Persons so authorized by the Manager, certifying the number of Units represented by such certificate. In the event any such authorized Person who shall have signed, or whose facsimile signature or signatures shall have been placed upon, any such certificate or certificates shall have ceased to be authorized by the Manager before such certificate is issued by the Company, such certificate or certificates may nevertheless be issued by the Company with the same effect as if such Person were authorized by the Manager at the date of issue. To the extent any certificates are issued, they shall be consecutively numbered and shall be entered in the books of the Company as they are issued and shall exhibit the holder's name, number and class of Units. The Manager shall keep a record of the Members, giving the names and addresses of all Members, the number of Units held by each Member and the certificates, if any, issued to each Member.

(d) The Manager may determine the conditions upon which a new certificate may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed and may, in its discretion, require the owner of such certificate or its legal representative to give bond, with sufficient surety, to indemnify the Company against any and all loss or claims which may arise by reason of the issuance of a new certificate in the place of the one so lost, stolen or destroyed.

(e) The Company hereby irrevocably elects that all Units shall be "securities" governed by Article 8 of the Uniform Commercial Code as in effect from time to time in the State of Delaware or analogous provisions in the Uniform Commercial Code as in effect in any other jurisdiction.

Section 3.10 Special Capital Contributions; Preemptive Rights. To the extent the Company, Newhall IH or Newhall issues certain equity securities in a transaction contemplated by Section 3.04 or Section 3.10 of the Newhall LLC Agreement, then the Members shall have the

right to contribute capital in exchange for additional Units to the extent such issuance is provided for by Section 3.04 or Section 3.10 of the Newhall LLC Agreement.

ARTICLE IV

ACCOUNTING; ALLOCATIONS AND DISTRIBUTIONS

Section 4.01 Tax Status, Reports and Allocations.

(a) Notwithstanding any provision contained in this Agreement to the contrary, solely for federal income tax purposes, each of the Members hereby recognizes that the Company shall continue to be treated as a partnership for U.S. federal, state and local tax purposes and to be subject to all provisions of Subchapter K of the Code. Unless otherwise determined by the Manager pursuant to Section 2.14 of the Newhall LLC Agreement, the Company and the Manager shall take any action that the Manager determines to be necessary to ensure that the Company continues at all times to be subject to tax as a partnership and not as a "publicly traded partnership" subject to tax as a corporation under Section 7704(a) of the Code. Unless otherwise determined by the Manager pursuant to Section 2.14 of the Newhall LLC Agreement, the Company shall take any action necessary to structure its operations to ensure that the Company satisfies the requirements of Section 7704(c) of the Code for each taxable year beginning on or after January 1, 2010.

(b) Management Co. (or such other Person authorized by the Manager) shall use commercially reasonable efforts to cause the Accountants to furnish, within seventy-five (75) days of the close of each taxable year of the Company, the tax information reasonably required by Members, including Form K-1s, for federal and state income tax reporting purposes. Management Co. (or such other Person authorized by the Manager) shall use commercially reasonable efforts to cause the Accountants to arrange for the preparation and timely filing of all tax and information returns of Company income, gains, deductions, losses and other items required to be filed by the Company for federal and state income tax purposes. Management Co. (or such other Person authorized by the Manager) shall cause such tax and information returns to be timely filed with the appropriate authorities.

(c) The Manager, at its discretion, may elect to cause the Company to take such action necessary to elect the application of the safe harbor described in IRS Notice 2005-43 (or any substantially similar safe harbor provided for in other Internal Revenue Service guidance), if and when such guidance is finalized (the "**Safe Harbor**"). The Members agree to comply with all requirements of the Safe Harbor while such election remains in effect, including making tax filings (if any) consistent with the applicable requirements of such Safe Harbor and any relevant Regulations. In addition, the Members agree to amend this Agreement as and if required by the finalized guidance in order to ensure that the transfer of any Units in connection with the provision of services to, or on behalf of, the Company is eligible for the benefits of the Safe Harbor. The Manager and all of the Members agree and authorize the Company, and the Manager shall cause the Company, to elect under Section 108(i) of the Code to defer for tax purposes, to the maximum

extent allowable under the Code, the cancellation of debt income realized in connection with the Plan of Reorganization for tax purposes.

(d) Subject to Section 4.02 below (and, solely for federal and state (if any) income tax purposes, subject to Section 4.12 below), for accounting and federal and (if any) state income tax purposes, Profits and Losses (including items thereof) of the Company shall be allocated among the Members in a manner such that if the Company were dissolved, its affairs wound up and its assets distributed to the Members in accordance with their respective Capital Account balances immediately after making such allocations, such distributions would, as nearly as possible, be equal to the distributions that would be made pursuant to Section 4.06, Section 4.08 and Section 4.09. For purposes of making allocations pursuant to this Section 4.01(d) prior to the liquidation of the Company, (i) the assets held by the Company shall be deemed to have a fair market value equal to their Gross Asset Value (without any further adjustment thereto on account of the hypothetical dissolution and distribution) and, (ii) amounts distributed to employees of the Company pursuant to Section 4.06(i) shall not be treated as amounts distributed to Management Co and (iii) each Member shall be treated as having an initial Capital Account that corresponds to its relative Percentage Interest. This Section 4.01(d) is intended to comply with applicable law and items of income, gain, loss or deduction shall be allocated in a manner required to comply with Section 704(b) of the Code and the Regulations thereunder.

Section 4.02 Mandatory Allocations.

(a) No Excess Deficit. To the extent that any Member has or would have, as a result of an allocation of Loss (or item thereof), an Adjusted Capital Account Deficit, such amount of Loss (or item thereof) shall be allocated on a Member-by-Member basis so as to allocate the maximum permissible deduction or loss to each Member under Regulations § 1.704-1(b)(2)(ii)(d). For the avoidance of doubt and without duplication, in the event any Loss (or item thereof) shall be specially allocated to a Member pursuant to the preceding sentence, an equal amount of items of Company income and gain shall be specially allocated to such Member in accordance with Section 4.02(h) prior to any allocation of Profits pursuant to Section 4.01 above, provided that an allocation pursuant to this Section 4.02(a) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IV have been tentatively made as if Section 4.02(d) and this Section 4.02(a) were not in the Agreement.

(b) Minimum Gain Chargeback. Notwithstanding any other provision of this Article IV, if there is a net decrease in Minimum Gain during any fiscal year, then, subject to the exceptions set forth in Regulations § 1.704-2(f)(2), (3), (4) and (5), each Member shall be specially allocated items of the Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Minimum Gain, as determined under Regulations § 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations § 1.704-2(f). This

Section 4.02(b) is intended to comply with the minimum gain chargeback requirements in Regulations § 1.704-2(f) and shall be interpreted consistently therewith.

(c) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Article IV except Section 4.02(b), if there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any fiscal year, then, subject to the exceptions set forth in Regulations § 1.704-2(i)(4), each Member who has a share of the Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations § 1.704-2(i)(5), shall be specially allocated items of the Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations § 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations § 1.704-2(i)(4). This Section 4.02(c) is intended to comply with the minimum gain chargeback requirement in such Section of the Regulations and shall be interpreted consistently therewith.

(d) Qualified Income Offset. Notwithstanding any other provision of this Article IV, except Section 4.02(b) and Section 4.02(c), in the event any Member receives any adjustments, allocations or distributions described in Regulations § 1.704-1(b)(2)(ii)(d)(4), (5), or (6), that cause or increase an Adjusted Capital Account Deficit of such Member, items of the Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 4.02(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IV have been tentatively made as if this Section 4.02(d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year shall be allocated to the Members in accordance with their respective Percentage Interests as of the end of such fiscal year.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations § 1.704-2(i)(1).

(g) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company Asset pursuant to Code §§ 734(b) or 743(b) is required, pursuant to Regulations § 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Members in a manner consistent with

the manner in which their Capital Accounts are required to be adjusted pursuant to Regulations § 1.704-1(b)(2)(iv)(m). Each Member hereby agrees to provide the Company with all information necessary to give effect to an election made under Code § 754 if the Company has made or if the Manager determines to make, pursuant to Section 4.03(c), such an election; provided, however, that the cost associated with such an election shall be borne by the Company as a whole. With respect to such election:

(i) Any change in the amount of the depreciation deducted by the Company and any change in the gain or loss of the Company, for federal income tax purposes, resulting from an adjustment pursuant to Code §743(b) shall be allocated entirely to the transferee of the Units or portion thereof so Transferred. Neither the contribution obligations of, nor the Company interest of, nor the amount of any cash distributions to, the Members shall be affected as a result of such election, and except as provided in Regulations §1.704-1(b)(2)(iv)(m), the making of such election shall have no effect except for federal and (if applicable) state and local income tax purposes.

(ii) Solely for federal and (if applicable) state and local income tax purposes and not for the purpose of maintaining the Members' Capital Accounts (except as provided in Regulations §1.704-1(b)(2)(iv)(m)), the Company shall keep a written record for those assets, the bases of which are adjusted as a result of such election, and the amount at which such assets are carried on such record shall be debited (in the case of an increase in basis) or credited (in the case of a decrease in basis) by the amount of such basis adjustment. Any change in the amount of the depreciation deducted by the Company and any change in the gain or loss of the Company, for federal and (if applicable) state and local income tax purposes, attributable to the basis adjustment made as a result of such election shall be debited or credited, as the case may be, on such record.

(h) Curative Allocations. The allocations set forth in Section 4.02(a) through Section 4.02(g) (the "**Regulatory Allocations**") are intended to comply with certain requirements of Regulations §§ 1.704-1(b) and 1.704-2. The Regulatory Allocations (and any other Regulatory Allocation that is anticipated to be made that would have the effect of offsetting, in whole or in part, any such Regulatory Allocations) shall be taken into account for the purpose of equitably adjusting subsequent allocations of Profits and Losses, and items of income, gain, loss, and deduction among the Members so that, to the extent possible, the net amount of such allocations of Profits and Losses and other items to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

(i) Nonrecourse Debt Distribution. To the extent permitted by Regulations §§ 1.704-2(h)(3) and 1.704-2(i)(6), the Company shall endeavor to treat distributions as having been made from the proceeds of Nonrecourse Liabilities or Member Nonrecourse Debt only to the extent that such distributions would not cause or increase a deficit balance in any Member's Capital Account that exceeds the amount such Member is otherwise obligated to restore (within the meaning of Regulations § 1.704-1(b)(2)(ii)(c)) as of the end of the Company's taxable year in which the distribution occurs.

Section 4.03 Accounting.

(a) Fiscal Year. The fiscal year of the Company shall end on the last day of December of each year.

(b) Books. The books of account of the Company shall be kept and maintained at all times at the principal place of business of the Company or at such other place or places approved by the Manager. The books of account shall be maintained according to GAAP.

(c) Tax Election. The Company may elect, at the discretion of the Manager, in accordance with Code §§ 734, 743 and 754 and applicable Regulations, to adjust the income tax basis of the Company Assets on the federal income tax return (and any applicable state or local tax returns) of the Company for any taxable period including that ending on December 31, 2009. Should such election no longer be in effect, the Manager may cause the Company to elect, in accordance with Code §§ 734, 743, and 754 and applicable Regulations, to adjust the federal income tax basis of Company Assets in the event any Units are Transferred in accordance with this Agreement or any Company Asset is distributed to any Member in accordance with this Agreement.

Section 4.04 Information. Subject to such standards and procedures as may be set by the Manager from time to time, and unless the Manager in good faith determines that providing information to a Member is not in the best interest of the Company, could damage the Company or its business or is inconsistent with any law or agreement applicable to the Company, each Member shall have the right at all reasonable times during usual business hours to obtain the documents and other information described in Section 18-305(a) of the Act, at the principal place of business of the Company or such other place or places as determined by the Manager. Such right may be exercised through any agent or employee of such Member designated by such Member or by an independent certified public accountant designated by such Member. Each Member shall bear all expenses incurred in any examination made on behalf of such Member. A Member wishing to exercise such right shall provide the Manager with a written request setting forth the date, time and purpose of such request. The Manager may then approve such request, approve such request in part or deny such request, all in accordance with this Agreement and the Act.

Section 4.05 Bank Accounts. Funds of the Company shall be deposited in one or more Company accounts in the bank or banks as selected by the Manager and all withdrawals therefrom shall be subject to the approval of the Manager.

Section 4.06 Distributions.

(a) Except as otherwise provided in this Section 4.06, in Section 4.07, Section 4.08 and Section 4.09, the Manager shall cause the Company to distribute funds (each such distribution, a "**Distribution**") on such dates and at such times (each such date and time, a "**Distribution Date**") as the Manager may determine, in its sole discretion; provided, however, that no Distribution pursuant to this Section 4.06 shall be made for so long as the Company is in

breach of its obligations to distribute any amounts to Management Co. from the Management Reserved Funds pursuant to Section 4.07. Each Distribution shall be in an amount (a "**Distribution Amount**") determined by the Manager, in its sole discretion, to be available for distribution ("**Funds Available for Distribution**"); provided, however, that the following funds and amounts shall be deemed not to be Funds Available for Distribution: (i) amounts reserved for Company contingencies or any other Company purposes, as set forth in the applicable Approved Budget for the fiscal year or as the Manager reasonably deems in good faith to be necessary, appropriate or desirable; (ii) amounts reserved as Management Reserved Funds and Haddad Reserve, as computed before taking such Distribution into account; and (iii) amounts which the Company is prohibited from distributing under an agreement to which the Company is a party. For the avoidance of doubt, each Distribution shall include amounts that are to be reserved to the Management Reserved Funds and Haddad Reserve from such Distribution even though such amounts will not actually be paid to Management Co. and Haddad on the applicable Distribution Date. Any Distribution in accordance with this Section 4.06 shall be made in accordance with Section 4.06(b), Section 4.06(c), Section 4.06(d), Section 4.06(e) and/or Section 4.06(f). For the avoidance of doubt, if a Distribution Amount achieves and surpasses any Hurdle, such Distribution Amount shall be split into two or more portions, each portion to be used in the calculations under Section 4.06(b), Section 4.06(c), Section 4.06(d), Section 4.06(e) and/or Section 4.06(f), but each such portion not to be used in a calculation of more than one such section. For example, if a Distribution Amount achieves and surpasses both the First Hurdle and the Second Hurdle, (x) the portion of the Distribution Amount required to achieve the First Hurdle shall be used in the calculation under Section 4.06(b), (y) the portion of the Distribution Amount in excess of the amount in (x) required to achieve the Second Hurdle shall be used in the calculation under Section 4.06(c) and (z) the portion of the Distribution Amount in excess of the amount in (x) and (y) required to achieve the Third Hurdle shall be used in the calculation under Section 4.06(d).

(b) Pre-First Hurdle. Until the First Hurdle is achieved, on, and as of, any Distribution Date:

(i) Management Co. shall be entitled to receive an amount equal to the product of (x) the Management Vested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the applicable Distribution Amount (or, if applicable, only the portion thereof required to achieve the First Hurdle) (such amount, the "**Management Vested Base Pre-First Hurdle Amount**");

(ii) the Management Reserved Funds shall be increased by an amount equal to the product of (x) the Management Unvested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the applicable Distribution Amount (or, if applicable, only the portion thereof required to achieve the First Hurdle) (such amount, the "**Management Unvested Base Pre-First Hurdle Amount**"); and

(iii) each Member shall be entitled to receive an amount equal to the product of (x) the difference of (A) the applicable Distribution Amount (or, if applicable, only the portion thereof required to achieve the First Hurdle) minus (B) the Management Vested Base Pre-First Hurdle Amount on such Distribution pursuant to subclause (b)(i) above minus (C) the Management Unvested Base Pre-First Hurdle Amount on such Distribution pursuant to subclause (b)(ii) above (the "**Member Pre-First Hurdle Amount**") multiplied by (y) such Member's Adjusted Percentage Interest.

The sum of all Management Vested Base Pre-First Hurdle Amounts and Management Unvested Base Pre-First Hurdle Amounts on all Distributions (until the First Hurdle is achieved) shall be referred to as the "**Management Aggregate Base Pre-First Hurdle Amount.**"

(c) Pre-Second Hurdle. After the First Hurdle has been achieved and until the Second Hurdle is achieved, on, and as of, any Distribution Date:

(i) Management Co. shall be entitled to receive an amount equal to the product of (x) the Management Vested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Second Hurdle and not required to achieve any other Hurdle) (such amount, the "**Management Vested Base Pre-Second Hurdle Amount**");

(ii) the Management Reserved Funds shall be increased by an amount equal to the product of (x) the Management Unvested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Second Hurdle and not required to achieve any other Hurdle) (such amount, the "**Management Unvested Base Pre-Second Hurdle Amount**");

(iii) Management Co. shall be entitled to receive an amount equal to the product of (x) two and one-half percent (2.5%) multiplied by (y) the Promote Percentage multiplied by (z) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Second Hurdle and not required to achieve any other Hurdle) (such amount, the "**Management Promote Pre-Second Hurdle Amount**"); and

(iv) each Member shall be entitled to receive an amount equal to the product of (x) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Second Hurdle and not required to achieve any other Hurdle) minus (B) the Management Vested Base Pre-Second Hurdle Amount on such Distribution pursuant to subclause (c)(i) above minus (C) the Management Unvested Base Pre-Second Hurdle Amount on such Distribution

pursuant to subclause (c)(ii) above minus (D) the Management Promote Pre-Second Hurdle Amount on such Distribution pursuant to subclause (c)(iii) above (the "**Member Pre-Second Hurdle Amount**") multiplied by (y) such Member's Adjusted Percentage Interest.

The sum of all Management Vested Base Pre-Second Hurdle Amounts and Management Unvested Base Pre-Second Hurdle Amounts on all Distributions (after the First Hurdle has been achieved and until the Second Hurdle is achieved) shall be referred to as the "**Management Aggregate Base Pre-Second Hurdle Amount**."

(d) Pre-Third Hurdle. After the Second Hurdle has been achieved and until the Third Hurdle is achieved, on, and as of, any Distribution Date:

(i) Management Co. shall be entitled to receive an amount equal to the product of (x) the Management Second Hurdle Catch-Up Amount (as defined below) multiplied by (y) the Management Vested Percentage;

(ii) the Management Reserved Funds shall be increased by an amount equal to the product of (x) the Management Second Hurdle Catch-Up Amount multiplied by (y) the Management Unvested Percentage;

(iii) Management Co. shall be entitled to receive an amount equal to the product of (x) the Management Vested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Third Hurdle and not required to achieve any other Hurdle) minus (B) the Management Second Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Vested Base Pre-Third Hurdle Amount**");

(iv) the Management Reserved Funds shall be increased by an amount equal to the product of (x) the Management Unvested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Third Hurdle and not required to achieve any other Hurdle) minus (B) the Management Second Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Unvested Base Pre-Third Hurdle Amount**");

(v) Management Co. shall be entitled to receive an amount equal to the product of (x) five percent (5%) multiplied by (y) the Promote Percentage multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Third Hurdle and not

required to achieve any other Hurdle) minus (B) the Management Second Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Promote Pre-Third Hurdle Amount**"); and

(vi) each Member shall be entitled to receive an amount equal to the product of (x) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Third Hurdle and not required to achieve any other Hurdle) minus (B) the Management Second Hurdle Catch-Up Amount on such Distribution minus (C) the Management Vested Base Pre-Third Hurdle Amount on such Distribution pursuant to subclause (d)(iii) above minus (D) the Management Unvested Base Pre-Third Hurdle Amount on such Distribution pursuant to subclause (d)(iv) above minus (E) the Management Promote Pre-Third Hurdle Amount on such Distribution pursuant to subclause (d)(v) above (the "**Member Pre-Third Hurdle Amount**") multiplied by (y) such Member's Adjusted Percentage Interest.

"Management Aggregate Catch-Up Pre-Third Hurdle Amount" shall mean (x) zero, on the first Distribution pursuant to clause (d)(i) and/or (d)(ii) above and (y) the sum of the Management Second Hurdle Catch-Up Amounts on all prior Distributions for any other Distribution pursuant to clause (d)(i) and (d)(ii). **"Management Second Hurdle Catch-Up Amount"** shall mean, as of any Distribution Date (after the Second Hurdle has been achieved and until the Third Hurdle is achieved), the lesser of (x) the product of (A) fifty percent (50%) multiplied by (B) the applicable Distribution Amount or portion thereof and (y) the difference (which shall not be a negative number) of (I) the product of (X) the sum of (A) the Management Aggregate Base Pre-First Hurdle Amount plus (B) the Management Aggregate Base Pre-Second Hurdle Amount multiplied by (Y) the Promote Percentage, minus (II) the Management Aggregate Catch-Up Pre-Third Hurdle Amount (as of the applicable Distribution Date). The sum of all Management Vested Base Pre-Third Hurdle Amounts and Management Unvested Base Pre-Third Hurdle Amounts on all Distributions (after the Second Hurdle has been achieved and until the Third Hurdle is achieved) shall be referred to as the "**Management Aggregate Base Pre-Third Hurdle Amount.**"

(e) **Pre-Fourth Hurdle.** After the Third Hurdle has been achieved and until the Fourth Hurdle is achieved, on, and as of, any Distribution Date:

(i) Management Co. shall be entitled to receive an amount equal to the product of (x) the Management Third Hurdle Catch-Up Amount (as defined below) multiplied by (y) the Management Vested Percentage;

(ii) the Management Reserved Funds shall be increased by an amount equal to the product of (x) the Management Third Hurdle Catch-Up Amount multiplied by (y) the Management Unvested Percentage;

(iii) Management Co. shall be entitled to receive an amount equal to the product of (x) the Management Vested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Fourth Hurdle and not required to achieve any other Hurdle) minus (B) the Management Third Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Vested Base Pre-Fourth Hurdle Amount**");

(iv) the Management Reserved Funds shall be increased by an amount equal to the product of (x) the Management Unvested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Fourth Hurdle and not required to achieve any other Hurdle) minus (B) the Management Third Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Unvested Base Pre-Fourth Hurdle Amount**");

(v) Management Co. shall be entitled to receive an amount equal to the product of (x) seven and one-half percent (7.5%) multiplied by (y) the Promote Percentage multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Fourth Hurdle and not required to achieve any other Hurdle) minus (B) the Management Third Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Promote Pre-Fourth Hurdle Amount**"); and

(vi) each Member shall be entitled to receive an amount equal to the product of (x) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof required to achieve the Fourth Hurdle and not required to achieve any other Hurdle) minus (B) the Management Third Hurdle Catch-Up Amount on such Distribution minus (C) the Management Vested Base Pre-Fourth Hurdle Amount on such Distribution pursuant to subclause (e)(iii) above minus (D) the Management Unvested Base Pre-Fourth Hurdle Amount on such Distribution pursuant to subclause (e)(iv) above minus (E) the Management Promote Pre-Fourth Hurdle Amount on such Distribution pursuant to subclause (e)(v) above (the "**Member Pre-Fourth Hurdle Amount**") multiplied by (y) such Member's Adjusted Percentage Interest.

"**Management Aggregate Catch-Up Pre-Fourth Hurdle Amount**" shall mean (x) zero, on the first Distribution pursuant to clause (e)(i) and/or (e)(ii) above and (y) the sum of the Management Third Hurdle Catch-Up Amounts on all prior Distributions for any other Distribution pursuant to clause (e)(i) and (e)(ii). "**Management Third Hurdle Catch-Up Amount**" shall mean, as of any Distribution Date (after the Third Hurdle has been achieved and until the Fourth Hurdle is achieved), the lesser of (x) the product of (A) fifty percent (50%) multiplied by (B) the applicable Distribution Amount or portion thereof and (y) the difference (which shall not be a

negative number) of (I) the product of (X) the sum of (A) the Management Aggregate Base Pre-First Hurdle Amount plus (B) the Management Aggregate Base Pre-Second Hurdle Amount plus (C) the Management Aggregate Base Pre-Third Hurdle Amount multiplied by (Y) the Promote Percentage, minus (II) the Management Aggregate Catch-Up Pre-Fourth Hurdle Amount (as of the applicable Distribution Date). The sum of all Management Vested Base Pre-Fourth Hurdle Amounts and Management Unvested Base Pre-Fourth Hurdle Amounts on all Distributions (after the Third Hurdle has been achieved and until the Fourth Hurdle is achieved) shall be referred to as the "**Management Aggregate Base Pre-Fourth Hurdle Amount**."

(f) Post-Fourth Hurdle. After the Fourth Hurdle has been achieved, on, and as of, any Distribution Date:

(i) Management Co. shall be entitled to receive an amount equal to the product of (x) the Management Fourth Hurdle Catch-Up Amount (as defined below) multiplied by (y) the Management Vested Percentage;

(ii) the Management Reserved Funds shall be increased by an amount equal to the product of (x) the Management Fourth Hurdle Catch-Up Amount multiplied by (y) the Management Unvested Percentage;

(iii) Management Co. shall be entitled to receive an amount equal to the product of (x) the Management Vested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof in excess of the amount required to achieve the Fourth Hurdle and not required to achieve any other Hurdle) minus (B) the Management Fourth Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Vested Base Post-Fourth Hurdle Amount**");

(iv) the Management Reserved Funds shall be increased by an amount equal to the product of (x) the Management Unvested Percentage multiplied by (y) the Management Co. Percentage Interest multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof in excess of the amount required to achieve the Fourth Hurdle and not required to achieve any other Hurdle) minus (B) the Management Fourth Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Unvested Base Post-Fourth Hurdle Amount**");

(v) Management Co. shall be entitled to receive an amount equal to the product of (x) ten percent (10%) multiplied by (y) the Promote Percentage multiplied by (z) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof in excess of the amount required to achieve the

Fourth Hurdle and not required to achieve any other Hurdle) minus (B) the Management Fourth Hurdle Catch-Up Amount on such Distribution (such amount, the "**Management Promote Post-Fourth Hurdle Amount**"); and

(vi) each Member shall be entitled to receive an amount equal to the product of (x) the difference of (A) the Distribution Amount (or, if applicable, only the portion thereof in excess of the amount required to achieve the Fourth Hurdle and not required to achieve any other Hurdle) minus (B) the Management Fourth Hurdle Catch-Up Amount on such Distribution minus (C) the Management Vested Base Post-Fourth Hurdle Amount on such Distribution pursuant to subclause (f)(iii) above minus (D) the Management Unvested Base Post-Fourth Hurdle Amount on such Distribution pursuant to subclause (f)(iv) minus (E) the Management Promote Post-Fourth Hurdle Amount on such Distribution pursuant to subclause (f)(v) above (the "**Member Post-Fourth Hurdle Amount**") multiplied by (y) such Member's Adjusted Percentage Interest.

"Management Aggregate Catch-Up Post-Fourth Hurdle Amount" shall mean (x) zero, on the first Distribution pursuant to clause (f)(i) and/or (f)(ii) above and (y) the sum of the Management Second Hurdle Catch-Up Amounts on all prior Distributions for any other Distribution pursuant to clause (f)(i) and (f)(ii). **"Management Fourth Hurdle Catch-Up Amount"** shall mean, as of any Distribution Date (after the Fourth Hurdle has been achieved), the lesser of (x) the product of (A) fifty percent (50%) multiplied by (B) the applicable Distribution Amount or portion thereof and (y) the difference (which shall not be a negative number) of (I) the product of (X) the sum of (A) the Management Aggregate Base Pre-First Hurdle Amount plus (B) the Management Aggregate Base Pre-Second Hurdle Amount plus (C) the Management Aggregate Base Pre-Third Hurdle Amount plus (D) the Management Aggregate Base Pre-Fourth Hurdle Amount multiplied by (Y) the Promote Percentage, minus (II) the Management Aggregate Catch-Up Post-Fourth Hurdle Amount (as of the applicable Distribution Date).

(g) Tax Withholding. The Company is authorized to withhold from payments or other distributions to the Members, and to pay over to any U.S. federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any other applicable law. All amounts withheld with respect to any payment or other distribution by the Company to the Members shall be treated as amounts paid to the Members with respect to which such amounts were withheld pursuant to this Section 4.06(g) for all purposes under this Agreement. If any such withholding requirement with respect to any Member exceeds the amount distributable to such Member under the applicable provision of this Agreement, or if any such withholding requirement was not satisfied with respect to any amount previously allocated or distributed to such Member, such Member and any successor or assignee with respect to such Member's Units hereby indemnifies and agrees to hold harmless the Company for such excess amount or such withholding requirement, as the case may be.

(h) Distributions in Cash. Unless otherwise determined by the Manager, all Distributions shall be in cash. Any Distributions in-kind or other than in cash shall be distributed

based on their fair market value (as determined in good faith by the Manager) in the same proportions as if cash were distributed. If cash and property are to be distributed simultaneously, the Company shall distribute such cash and property in the same proportion to each Member, unless otherwise agreed by the Members. Any amounts reserved pursuant to this Section 4.06 in the Management Reserved Funds shall be in cash, property or both cash and property, in the same proportion as distributed to any other Member.

(i) Incentive Compensation. Except as otherwise may be agreed in writing by the Manager and Management Co., for so long as the Management Agreement is in effect, Management Co. shall designate from time to time an amount equal to, subject to any applicable vesting, at least (i) one and one-half percent (1.5%), after the First Hurdle has been achieved and until the Second Hurdle is achieved, (ii) two and one-quarter percent (2.25%), after the Second Hurdle is achieved and until the Third Hurdle is achieved and (iii) three percent (3%), after the Third Hurdle is achieved, in each case, amounts that would otherwise constitute Management Promote Distributions (the "**Company Incentive Compensation Amount**") to be paid to the employees of the Company or its Subsidiaries designated by the Manager pursuant to Section 2.09(c)(iii) of the Newhall LLC Agreement; provided, however, that the Company Incentive Compensation Amount shall not be less than thirty percent (30%) of the aggregate amount to be paid as incentive compensation (including by way of equity ownership of Management Co. or Management Co. LP) to employees of Management Co., Management Co. LP, any Management Co. LP's limited or general partners, Management Co.'s stockholders and/or the Company. Any Company Incentive Compensation Amount that is derived from any amounts reserved to the Management Reserve Funds pursuant to Section 4.06(d)(ii), Section 4.06(e)(ii) and/or Section 4.06(f)(ii) shall only be paid to the employees of Newhall or its Subsidiaries based on their applicable pro rata share of any Released Amounts paid upon a Release Event. Subject to any applicable vesting, the amount that would otherwise constitute each Management Promote Distribution and each Released Amount shall be reduced by the Company Incentive Compensation Amount (and consequently reduce Management Co.'s entitlement thereto) and the Company shall pay, subject to any applicable vesting, the Company Incentive Compensation Amount to the employees of the Company and in the proportions designated by the Manager pursuant to Section 2.09(c)(iii) of the Newhall LLC Agreement; provided, however, that such reductions to the Management Promote Distribution and/or Released Amount shall not affect in any way any other Distribution pursuant to this Section 4.06 or any calculation of IRR. No Person shall become a Member solely as a result of the operation of this Section 4.06(i), and this Section 4.06(i) is not intended to confer upon any Person other than the Members any rights or remedies hereunder.

Section 4.07 Releases from Management Reserved Funds. Promptly (and, in any event, within three (3) Business Days) after (a) each of the first four (4) anniversaries of the Effective Date, (b) the occurrence of an Acceleration Event and (c) the occurrence of a Newhall Tag-Along Acceleration Event (each, a "**Release Event**"), the Company shall distribute to Management Co., and immediately after such distribution deduct from the Management Reserved Funds, an amount equal to the product of (x) the Management Reserved Funds multiplied by (y) the applicable Management Release Percentage (the "**Released Amount**"); provided, however, that if any portion of the Released Amount is not distributed within three (3) Business Days following a Release Event, then interest on such portion of the Released Amount shall accrue at an annual rate

equal to the Prime Rate plus two percent (2%) per annum (provided that in no event shall the interest rate payable hereunder exceed the maximum legal interest rate), from (and including) the fourth (4th) Business Day following the Release Event until (and excluding) the date on which the Released Amount and all interest accrued thereon have been distributed in full to Management Co. Any amount to be distributed to Management Co. pursuant to this Section 4.07 shall not require any further authorization by the Manager or any other Person.

Section 4.08 Tax Distributions.

(a) Notwithstanding Section 4.06, for each fiscal year, to the extent that the Manager reasonably determines that there are sufficient Funds Available for Distribution, the Company shall make distributions in cash, with respect to any vested or unvested Unit (for the avoidance of doubt, for purposes of this Section 4.08(a), including all defined terms used herein, all Management Co. Units and Haddad Units shall be treated as if they were fully vested, unless the context requires otherwise), as of any Tax Distribution Date, in an amount equal to the excess, if any, of (A) the product of (x) the sum of (i) the cumulative taxable income allocated to such Unit pursuant to this Agreement for all prior fiscal years plus (ii) the taxable net income allocated (or estimated to be allocated) to such Unit pursuant to this Agreement for the current fiscal year through the end of the period to which the Tax Distribution relates minus (iii) the cumulative taxable loss allocated to such Unit for prior fiscal years minus (iv) the net taxable loss allocated (or estimated to be allocated) to such Unit pursuant to this Agreement for the current fiscal year multiplied by (y) the Tax Rate, over (B) the sum of all (i) Distributions (less the portion of such Distributions added to the Management Reserved Funds) plus (ii) amounts released under Section 4.07 plus (iii) all prior Tax Distributions (to the extent such Tax Distributions were not used to reduce or offset subsequent Distributions or amounts released under Section 4.07), in the case of each of subsections (B)(i), (ii) and (iii) of this Section 4.08, with respect to such Unit prior to such Tax Distribution Date pursuant to this Section 4.08 (each, a "**Tax Distribution**"). For the avoidance of doubt, the amount of any Tax Distribution pursuant to this Section 4.08 shall be determined without regard to any income attributable to events occurring on or before the Effective Date, including any income arising as a result of cancellation of indebtedness of the Company deferred pursuant to section 108(i), and by only taking into account income for periods beginning on or after the day following the Effective Date. Such Tax Distributions shall be made at least five (5) Business Days prior to the date any such payment of income tax (including, on an estimated basis for the payment of estimated income tax) is due and payable (a "**Tax Distribution Date**"). For purposes of the foregoing, (i) the total amount of taxable net income or net loss allocated to a Unit for each fiscal year shall equal the quotient of (x) the amount of taxable net income or net loss allocated to the holder of such Unit for such fiscal year divided by (y) the number of Units held by such holder during such fiscal year and (ii) the Company shall make the Tax Distributions *pro rata* to the Members (in accordance with their respective Percentage Interests) based on the assumption that each Member would be entitled to an amount per Unit equal to the quotient of (i) the greatest Tax Distribution to which any Member would be entitled and (ii) the number of Units held by such Member, *provided that*, in the event that the Tax Distribution made to Management Co. is less than an amount equal to the product of (i) the full Tax Distribution that otherwise would have been required under this Section 4.08 solely with respect to allocations to Management Co. Units that are unvested at the time of such Tax Distribution multiplied by (ii) the Management Co. Economic Interest (such shortfall, a "**Tax**

Distribution Shortfall"), the Company shall, promptly after receipt of the Management Co. Certificate, distribute to Management Co. as an additional Tax Distribution, and immediately after such distribution, deduct from the Management Reserved Funds, an amount equal to the lesser of (i) the amount of any Tax Distribution Shortfall and (ii) the full amount of the Management Reserved Funds on the applicable Tax Distribution Date. A Tax Distribution to a Member shall be treated as an advance against any subsequent Distributions, liquidating distributions pursuant to Section 6.02 and amounts released under Section 4.07 (without duplication) made with respect to such Member but not, for the avoidance of doubt, as an advance against any subsequent Tax Distribution.

(b) Promptly after recognizing that there is or will be a Tax Distribution Shortfall with respect to any Tax Distribution, the Manager shall notify Management Co. that a Tax Distribution Shortfall exists or will exist with respect to such Tax Distribution. Promptly after receipt of such notice, Management Co. shall prepare a certificate, executed by both the chief executive officer of Management Co. and the president or a vice president of Lennar, detailing the relevant amount of Company net income allocated to the chief executive officer of Management Co. with respect to currently unvested Management Co. Units (the "**Management Co. Economic Interest**" and such certificate, the "**Management Co. Certificate**"). In the event that the Management Co. Certificate shall materially misstate the Management Co. Economic Interest, Management Co. shall owe to the Company an amount equal to the amount erroneously distributed to Management Co. from the Management Reserved Funds in reliance on such Management Co. Certificate in excess of the amount that should have been distributed had the Management Co. Certificate not contained such a material misstatement, if any (the "**Reliance Amount**") plus interest accrued at an annual rate equal to the Prime Rate plus two percent (2%) per annum (provided that in no event shall the interest rate payable hereunder exceed the maximum legal interest rate), from (and including) the date the Management Co. Certificate was issued until (and excluding) such date as the Reliance Amount and all interest accrued thereon have been paid in full. For the avoidance of doubt, nothing in this Section 4.08(b) shall be interpreted or construed in a way such that the Company or any other Person would owe any amounts or any interest thereon to Management Co.

Section 4.09 Special Distributions.

(a) Notwithstanding anything else in this Agreement to the contrary, including Section 4.06, subject to Section 3.04(f) of the Newhall LLC Agreement, all cash proceeds or other proceeds actually received by the Company in connection with the matters listed on Schedule II, including any portions thereof, shall be distributed to Newhall IH. For the avoidance of doubt, any amounts distributed pursuant to this Section 4.09(a) shall not be distributed pursuant to Section 4.06 and shall not be taken into account for purposes of calculating IRR.

~~(b) Notwithstanding anything else in this Agreement to the contrary, including Section 4.06, the following Net Proceeds received from any Washington Square/SoCal Sale shall be distributed to Newhall IH: (i) at any time prior to the Newhall Washington Square and SoCal Capital Call, all Net Proceeds in excess of the Washington Square and SoCal Amount, (ii) at any time following the Washington Square and SoCal Capital Call, the difference of (x) all Net~~

Proceeds to the extent received following the Newhall Washington Square and SoCal Capital Call ~~minus (y) any portion of the Newhall Washington Square and SoCal Shortfall not funded by the Newhall Washington Square and SoCal Capital Call or the Newhall Final Washington Square and SoCal Capital Call. For the avoidance of doubt, any amounts distributed pursuant to this Section 4.09(b) shall not be distributed pursuant to Section 4.06 and shall not be taken into account for purposes of calculating IRR.~~

(b) ~~(e)~~ The Company shall treat amounts contributed by any Member pursuant to ~~the any Newhall Washington Square and SoCal~~ Resolved Claims Capital Call, ~~any Newhall Final Washington Square and SoCal~~ Resolved Claims Capital Call or distributed to any Member pursuant to Section 4.09(a) or Section 4.09(b) as adjustments to the Capital Contribution made by Newhall IH on the Effective Date and to retroactively adjust the Gross Asset Values of the relevant Company Assets as of the Effective Date accordingly unless otherwise required by applicable law.

Section 4.10 Other Distributions. Notwithstanding anything else in this Agreement to the contrary, the Manager may cause the Company to distribute funds to Newhall IH without distributing any portion of such funds to the Non-Newhall IH Members in order to cover expenses or other liabilities of Newhall IH or Newhall, or to cover any other responsibility of Newhall IH or Newhall (other than to effect a distribution of such funds to the Newhall IH Members or the Newhall Members); provided, however, that Newhall IH may distribute any amount it receives under this Section 4.10 to Newhall (but not to any Newhall IH Non-Newhall Member and provided Newhall may not distribute all or any portion thereof to the Newhall Members) pursuant to Section 4.09 of the Newhall IH LLC Agreement.

Section 4.11 Changes in Percentage Interests. If a Member's Percentage Interest changes during any fiscal year, the allocations to be made pursuant to this Agreement shall be made in accordance with Section 706 of the Code, using any convention permitted by Section 706 of the Code and the Regulations promulgated thereunder and selected by the Manager in its discretion so as to equitably effectuate the allocations and distributions in this Article IV.

Section 4.12 Allocations for Tax Purposes.

(a) Except as otherwise provided in this Section 4.12, for federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Members in the same manner as its correlative item of Profits or Losses is allocated pursuant to Section 4.01 and Section 4.02. Notwithstanding anything to the contrary contained in this Agreement or in the Original Agreement, any income arising as a result of the cancellation of indebtedness of the Company or any of its Subsidiaries in connection with the Plan of Reorganization and any income or gain recognized in connection with other transactions occurring on or prior to the Effective Date (including receipt of consideration for the Allocated Assets (as defined in the Lennar Investment Agreement)) shall be allocated solely to those Members who were treated as partners of the Company prior to the Effective Date, unless otherwise required by applicable law.

(b) In accordance with Code § 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company

shall, solely for federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of such property to the Company for federal income tax purposes and the initial Gross Asset Value of such property using the "traditional method" described in Regulation Section 1.704-3(b) with respect to any property subject to § 704(c) prior to the Effective Date; and using such method determined by the Manager with respect to any other property. If the Gross Asset Value of any Company property is adjusted as described in the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and the Gross Asset Value of such asset in the manner prescribed under Code §704(c) and the Regulations thereunder. Any elections or other decisions relating to such allocations or any other tax and accounting matters will be made reasonably and in good faith by the Manager; provided that any items of loss or deduction attributable to property contributed by a Member shall, to the extent of an amount equal to the excess of (A) the federal income tax basis of such property at the time of its contribution over (B) the Gross Asset Value of such property at such time, be allocated in its entirety to such contributing Member and the tax basis of such property for purposes of computing the amounts of all items allocated to the Members other than such contributing Member (including a transferee of the contributing Member) shall be equal to its Gross Asset Value upon its contribution to the Company.

Section 4.13 Certain Elections. Each of Management Co. and Haddad shall make a timely election under Section 83(b) of the Code with respect to the Management Co. Units and the Haddad Award Units. Solely for purposes of making allocations pursuant to Section 4.01 and Section 4.02 and Tax Distributions under Section 4.08 (unless otherwise specified therein), all Management Co. Units and Haddad Award Units shall be treated as vested.

ARTICLE V

TRANSFERS

Section 5.01 General Restrictions. Any Transfer of Units by any Member that does not comply or that violates the provisions of this Article V shall be null and void *ab initio*. Other than Permitted Transfers and except as provided in Section 5.02 and Section 5.03, no Member shall be permitted to, directly or indirectly, Transfer any Units without the prior written consent of the Manager, in its sole discretion.

Section 5.02 Restrictions on Management Co.

(a) During the Management Co. Restricted Period, other than Management Co. Permitted Transfers, Management Co. agrees that it will not, directly or indirectly (including by way of sale, assignment, transfer, distribution or other disposition of any equity securities of Management Co.) (i) make or solicit any Transfer (or "Transfer" as defined in the Newhall LLC Agreement) of the Management Co. Restricted Units, (ii) create, incur, solicit or assume an Encumbrance with respect to the Management Co. Restricted Units or (iii) enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Management Co. Restricted Units, whether any such aforementioned

transaction is to be settled by delivery of Units, Newhall Units or other securities, in cash or otherwise, without the prior written consent of the Manager, in its sole discretion (exercised in accordance with Section 2.13 of the Newhall LLC Agreement). For the avoidance of doubt, Management Co. is permitted to acquire, sell, transfer, distribute or dispose of Units (other than Management Co. Restricted Units during the Management Co. Restrictive Period), Third Party Acquired Units and any Newhall IH Units acquired pursuant to Section 3.03 or Section 3.09 of the Newhall IH LLC Agreement as a result of owning any Third Party Acquired Units and any Newhall Units acquired pursuant to Section 3.03 or Section 3.10 of the Newhall LLC Agreement as a result of owning any Third Party Acquired Units, subject to the provisions of this Agreement, the Newhall LLC Agreement and the Newhall IH LLC Agreement, respectively, applicable to all Members (or members), including provisions with respect to New Members and Substituted Members.

(b) Other than Management Co. Permitted Transfers, without the prior written consent of the Manager, in its sole discretion (exercised in accordance with Section 2.13 of the Newhall LLC Agreement), during the Management Co. Restrictive Period, Management Co. shall not, directly or indirectly: (i) sell, assign, transfer, distribute or otherwise dispose of any of its rights to any future distribution under this Agreement (other than to, or for the benefit of, Management Co. LP); (ii) create, incur, solicit or assume an Encumbrance with respect to any of its rights to any future distribution under this Agreement (other than to, or for the benefit of, Management Co. LP); or (iii) enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of any of its rights to any future distribution under this Agreement (other than to, or for the benefit of, Management Co. LP), whether any such aforementioned transaction is to be settled by delivery of securities, in cash or otherwise, including with respect to any Distributions, Tax Distributions, Management Promote Distributions or distributions from the Management Reserved Funds, excluding, however, any Distributions that Management Co. may be entitled to under this Agreement solely in its capacity as a Member and not with respect to Management Co. Restricted Units.

(c) For the avoidance of doubt, after the Management Co. Restrictive Period, Management Co. may (i) sell, assign, transfer, distribute or otherwise dispose of any of its rights to Management Promote Distributions; (ii) create, incur, solicit or assume an Encumbrance with respect to any of its rights to Management Promote Distributions; or (iii) enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of any of its rights to Management Promote Distributions, whether any such aforementioned transaction is to be settled by delivery of securities, in cash or otherwise, without the consent of the Manager.

Section 5.03 Exchange Transactions.

(a) Each Non-Newhall IH Member may, at any time or from time to time, require the Company to redeem such number of its Units in an Exchange Transaction (excluding, in the case of Management Co. during the Management Co. Restrictive Period, any Management Co. Restricted Units) that is equal to or greater than a Minimum Block or, if less, all of such

Non-Newhall IH Member's Units, without the prior written consent of the Manager. The Company shall redeem the Units surrendered pursuant to an Exchange Transaction, and such Non-Newhall IH Member shall be issued a number of Newhall Class A Units (or, in the case of a Cash Exchange, the Aggregate Value thereof) equal to the product of such number of Units surrendered multiplied by the Exchange Rate.

(b) Notwithstanding any other provision of this Agreement, including Section 5.03(a), Newhall shall have the right (the "**Call Right**"), but not the obligation, to assume the Company's obligations to effect an Exchange Transaction. Newhall may exercise the Call Right by giving written notice to such effect to the Company prior to the Exchange Date.

(c) The following provisions shall apply with respect to any Exchange Transaction:

(i) A Non-Newhall IH Member shall exercise the right to require the Company to exchange Units pursuant to this Section 5.03 by providing a written notice of exchange to the Manager, which written notice of exchange shall be in the form of Exhibit A hereto (the "**Exchange Notice**") and shall be duly executed by such Exchanging Non-Newhall IH Member or its duly authorized attorney (with duly executed documentation evidencing such attorney's power and authority accompanying such written notice).

(ii) Except as provided in subclauses (iii), (vi) and (vii) of this Section 5.03(c), on the fifth (5th) Business Day after a valid Exchange Notice is delivered to the Manager (the "**Exchange Date**"): (A) all rights of the Exchanging Non-Newhall IH Member as owner of the Units surrendered as set forth in the Exchange Notice shall cease, and unless a Cash Exchange is effected and such Exchanging Non-Newhall IH Member receives the Aggregate Value for such Units, such Exchanging Non-Newhall IH Member shall be treated for all purposes as having become the record owner of the number of Newhall Class A Units for which such Exchanging Non-Newhall IH Member's surrendered Units were exchanged pursuant to this Section 5.03; and (B) Newhall shall cause the Designated Newhall Class B Units to be cancelled on the books and records of Newhall and such Designated Newhall Class B Units shall have no further rights or privileges and shall no longer be deemed to be outstanding limited liability company interests of Newhall for any purpose from and after the Exchange Date; provided, however, that, in the event there is any injunction, restraining order or decree of any nature by any Governmental Entity that is then in effect that restrains or prohibits the Exchange Transaction or in the event that the Exchange Transaction is prohibited by applicable law or regulations, then such Exchange Transaction shall be prohibited (and, if attempted, shall be null and void *ab initio*). The surrender and exchange of Units for Newhall Class A Units pursuant to this Section 5.03(c) shall be effected by book-entry transfer, subject to the provisions of Section 3.09 of this Agreement and Section 3.09 of the Newhall LLC Agreement.

(iii) An Exchanging Non-Newhall IH Member may revoke an Exchange Notice with respect to all or any of the Units set forth in such Exchanging Non-Newhall IH Member's Exchange Notice by providing written notice of such revocation to the Company at any time prior to the Exchange Date.

(iv) The issuance of Newhall Class A Units pursuant to an Exchange Transaction shall be made without charge to the Exchanging Non-Newhall IH Members for any stamp or other similar tax in respect of such issuance.

(v) For the avoidance of doubt, any exchange of Units pursuant to an Exchange Transaction shall be subject to all other (i.e., in addition to this Section 5.03) applicable provisions of this Agreement, as well as all applicable provisions of the Newhall LLC Agreement, including any transfer restrictions on Newhall Class A Units pursuant to the Newhall LLC Agreement.

(vi) No Exchange Transaction shall be permitted (and, if attempted, shall be null and void *ab initio*) if, on the one hand, the Manager or counsel to the Company, or, on the other hand, Newhall or counsel to Newhall, determines that such Exchange Transaction cannot be effected without registration under the Securities Act or that the Exchange Transaction would cause the Company or Newhall to be required to register under the Exchange Act.

(vii) No Exchange Transaction shall be permitted (and, if attempted, shall be null and void *ab initio*) if the Manager or counsel or qualified tax advisor to the Company determines that such Exchange Transaction (A) would pose a material risk that the Company would be a "publicly traded partnership" as defined in Section 7704 of the Code subject to tax as a corporation or (B) except with respect to an Exchange Transaction in connection with the consummation of a Newhall Drag-Along Proposal, would result in a technical termination of the Company under Section 708(b)(1)(B) of the Code; provided, that at the Manager's sole discretion exercised pursuant to Section 2.14 of the Newhall LLC Agreement, this Section 5.03(c)(vii) may be waived. The Manager, in its sole and absolute discretion, shall be permitted to establish revised procedures from those contained in this Section 5.03(c) which it determines are necessary or appropriate to ensure that the Company will not be treated as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes.

(viii) Notwithstanding any provision in this Agreement to the contrary, including Section 5.03(a), in the event that a Newhall Drag-Along Election is made, all Non-Newhall IH Members (including Management Co.) shall be required to Transfer in an Exchange Transaction all Units (including any Management Co. Restricted Units) owned by such Non-Newhall IH Members, in which event: (A) the Exchange Date, as such term is used in subclause (ii) of this Section 5.03(c), shall be deemed to be the date immediately prior to the consummation of the Newhall Drag-Along Proposal; (B) all of the Exchanging

Non-Newhall IH Members shall be required to sell their Newhall Class A Units (including those received in their Exchange Transactions) to the Newhall Drag-Along Purchaser on the same terms and conditions as applicable to the Newhall Dragging Members and the Newhall Dragged Members in accordance with Section 5.02 of the Newhall LLC Agreement; and (C) for all purposes of Section 5.02 of the Newhall LLC Agreement, the Exchanging Non-Newhall IH Members shall be deemed to be Newhall Dragged Members. Notwithstanding anything to the contrary contained in this Agreement and irrespective of whether any Newhall Drag-Along Notice shall have been given, the Newhall Dragging Members shall have no obligation to the Non-Newhall IH Members pursuant to this subclause (ix) as a result of any decision by the Newhall Dragging Members not to agree to or consummate the transfer contemplated by the Newhall Drag-Along Proposal (it being understood that the decision to accept a Newhall Drag-Along Proposal or consummate such transfer shall be made by the Newhall Dragging Members in their sole discretion).

(ix) Notwithstanding any provision in this Agreement to the contrary, including Section 5.03(a), in the event any Non-Newhall IH Member (including Management Co.) elects to be a Newhall Tagging Member and thereby participate in a Newhall Tag-Along Proposal in accordance with Section 5.08 of the Newhall LLC Agreement, such Non-Newhall IH Member shall be deemed to have exercised its right to require the Company to redeem in an Exchange Transaction all Units (including any Management Co. Restricted Units) owned by such Non-Newhall IH Member (or such other portion of the Units owned by such Non-Newhall IH Member as are equal to the number of Newhall Class A Units to be owned by such Non-Newhall IH Member which are being acquired by the Newhall Tag-Along Purchaser pursuant to such Newhall Tag-Along Proposal in accordance with Section 5.08 of the Newhall LLC Agreement), in which event the Exchange Date, as such term is used in subclause (ii) of this Section 5.03(c), shall be deemed to be the date immediately prior to the consummation of such Newhall Tag-Along Proposal; provided, however, that the Transfer of Management Co. Units in connection with an Exchange Transaction pursuant to this Section 5.03(c)(ix) shall not include the right of Management Co. to receive Management Promote Distributions pursuant to Section 4.06 or the release of any Management Reserved Funds pursuant to Section 4.07; provided, further, that in the event that Management Co. Transfers all of its Management Co. Units (but not its right to Promoted Distributions) in connection with an Exchange Transaction pursuant to this Section 5.03(c)(ix), Management Co. shall remain a Member and a party to this Agreement for so long as Management Co. is entitled to receive any Management Promote Distributions pursuant to Section 4.06.

(x) Notwithstanding any provision in this Agreement to the contrary, pursuant to Section 2.14 of the Newhall LLC Agreement, the Manager may in its sole discretion at any time and from time to time, without the consent of any Non-Newhall IH Member (except pursuant to Section 2.14 of the Newhall LLC Agreement), require any Non-Newhall IH Member to surrender for redemption in an Exchange Transaction any or all Units owned by such Non-Newhall IH Member, in which event the Exchange Date, as such term is used in subclause (ii) of this Section 5.3(c), shall be any date determined by the Manager which is not more than ten (10) days after the date on which the Manager

notifies such Non-Newhall IH Member that such Exchange Transaction will occur. Any such determinations by the Manager shall be made pursuant to Section 2.14 of the Newhall LLC Agreement and need not be uniform and may be made selectively among Non-Newhall IH Members, whether or not such Non-Newhall IH Members are similarly situated. In connection with the consummation of Exchange Transactions pursuant to this subclause (x), unless the Company satisfies such Exchange Transaction in a Cash Exchange, each Exchanging Non-Newhall IH Member: (A) hereby agrees to be bound by all of the terms and provisions of the Newhall LLC Agreement from and after the Exchange Date; and (B) hereby irrevocably constitutes and appoints the Newhall Lead Director and/or any other Person as may be approved by Newhall pursuant to the Newhall LLC Agreement, as its attorney-in-fact with full power to execute, swear to, acknowledge and file all certificates, instruments and other documents necessary to exchange said Units on the books and records of the Company for Newhall Class A Units on the books and records of Newhall and to carry out the admission of the undersigned as a Newhall Member, with full power of substitution in the premises.

(d) Notwithstanding the foregoing, the Manager may, in its sole and absolute discretion (exercised pursuant to Section 2.12 of the Newhall LLC Agreement), cause the Company to acquire some or all of the Units surrendered in an Exchange Transaction for cash (the "**Cash Exchange**," and the number of such Units to be so acquired for cash, expressed as a percentage of the total number of such Units surrendered in an Exchange Transaction, the "**Applicable Percentage**"). The amount of cash to be paid for the Cash Exchange shall be equal to the product of (x) the Aggregate Value of such surrendered Units multiplied by (y) the Applicable Percentage. If the Manager chooses to cause the Company to acquire some or all of the surrendered Units for cash pursuant to this Section 5.03(d), the Company shall give written notice thereof to each Exchanging Non-Newhall IH Member on or before the close of business three (3) days prior to closing of the Exchange Transaction, and the number of Newhall Class A Units to be delivered pursuant to Section 5.03(c) hereof shall be correspondingly reduced.

Section 5.04 Further Restrictions on Transfer.

(a) Any Units Transferred shall remain subject to all terms and provisions of this Agreement. Any transferee or assignee of Units (other than an existing Member) shall not be entitled to the benefits hereunder relating to the Units so Transferred, including any distributions hereunder, with respect to such Units until such transferee or assignee has been admitted by the Manager as a Substituted Member with respect to the Units Transferred to such assignee or transferee. Until such transferee or assignee (other than an existing Member) is admitted to the Company as a Substituted Member, the Member Transferring all or any portion of such Member's Units to such assignee or transferee shall remain primarily and directly liable for the performance of all of such Member's obligations under this Agreement in respect of such Transferred Units. Subject to the other provisions of this Section 5.04, after the admission of such assignee or transferee as a Substituted Member, such Substituted Member shall be subject to all provisions of this Agreement in the place and stead of such Substituted Member's assignor or transferee Member with respect to the Units Transferred to such Substituted Member as if the Substituted Member originally was a party to this Agreement, except that the transferor or assignor Member shall be

primarily and directly liable under this Agreement or otherwise for any obligations or liabilities related to the Transferred Units accruing prior to the effective time of the admission of such Substituted Member, unless such transferor or assignor Member is released in writing from such obligations or liabilities by the Manager and such release is approved by the Manager pursuant to the Newhall LLC Agreement.

(b) Any Member making or offering to make a Transfer of all or any part of such Member's Units in the Company shall indemnify and hold harmless the Company, its Subsidiaries and all other Members from and against any costs, damages, claims, suits, or fees of any kind whatsoever suffered or incurred by the Company, its Subsidiaries or any such other Member directly or indirectly arising out of or resulting from any claims by the transferee of such Units or any offerees of such Units in connection with such Transfer or offer.

Section 5.05 Legal Opinion Prior to Transfer. Prior to admitting any Substituted Member, the Manager may request at its sole discretion, unless there is in effect a registration statement under the Securities Act covering the Transfer, from the Transferring Member and/or the Substituted Member to describe the manner and circumstances of the Transfer in sufficient detail and either (i) provide a written opinion of legal counsel (who may be internal counsel, but in all cases shall be reasonably satisfactory to the Manager), which opinion shall be reasonably satisfactory in form and substance to the Company's counsel, to the effect that the proposed Transfer may be effected without registration under the Securities Act and would not cause the Company to be required to register under the Exchange Act or (ii) provide such other showing that may be reasonably satisfactory to legal counsel to the Company that the proposed Transfer may be effected without registration under the Securities Act, will not cause the Company to be required to register under the Exchange Act and will not require the Company to register under the Investment Company Act of 1940, whereupon such Member shall be entitled to Transfer its Units in compliance with the requirements of this Agreement and in accordance with the terms of the notice delivered by such Member to the Manager. Notwithstanding the foregoing, the requirements of clause (i) above need not be satisfied with respect to the following transactions: (A) transactions in compliance with Rule 144 or Rule 144A under the Securities Act, so long as the Company is furnished with evidence of compliance with such Rule reasonably satisfactory in form and substance to the Company's counsel; (B) Transfers by a Member which is a partnership or limited liability company to a general partner, limited partner or member of such partnership or limited liability company; or (C) Permitted Transfers.

Section 5.06 Admission of Substituted or New Member.

(a) Any Substituted Member or New Member, as applicable, shall prior to such admission, execute an appropriate supplement to this Agreement pursuant to which such Substituted Member or New Member agrees to be bound by all the terms and provisions of this Agreement and an irrevocable power of attorney in form satisfactory to the Manager appointing the Manager, or such other Person as may be approved by the Manager, as such Substituted Member's or New Member's, as applicable, attorney-in-fact with full power to execute, swear to, acknowledge and file all certificates and other instruments necessary to carry out the admission of such Substituted Member or New Member, as applicable, as a Member and such undertakings as

the Manager may require for the payment of all fees and costs necessary to effect any such admission, and, if required by the Manager, any other documents reasonably requested by the Manager. A Person may become a Member without the approval or consent of any of the Members. Except as provided in the last proviso of Section 5.03(c)(ix) with respect to Management Co., a Person may not become or remain a Member without acquiring or owning one or more Units.

(b) After the admission of a Substituted Member or New Member, as applicable, the Manager shall reflect the admission of such Substituted Member or New Member, as applicable, as a Member and, if applicable, the withdrawal of the Transferring Member by updating Schedule I, dated as of the date of such admission and, if applicable, withdrawal, and reflecting the applicable number of Units held by such Substituted Member or New Member, as applicable, and by filing it with the records of the Company. The Manager shall add the name and mailing address of the Substituted Member or New Member, as applicable, and remove the name and mailing address of the Transferring Member, if applicable, from the books and records of the Company. The books and records of the Company may be updated, from time to time, to reflect current and accurate information with respect to the Members.

(c) The Substituted Member or New Member, as applicable, by accepting any Units, shall be deemed to have (i) given the authorization and power of attorney pursuant to Section 7.03 and (ii) assumed all the obligations and agreed to be bound by all the terms and provisions of this Agreement.

Section 5.07 Other Restricted Transfers.

(a) Notwithstanding any other provision herein to the contrary, unless the prior written consent is given by the Manager, no Transfer of any Units in the Company may be made to any Person who is related (within the meaning of Regulations Section 1.752-4(b)) to any lender of the Company whose loan constitutes a nonrecourse liability of the Company.

(b) Notwithstanding any other provision herein to the contrary, no Member shall Transfer one or more of its Units (or any interest therein) if such Transfer (i) shall require registration under the Securities Act, (ii) would cause the Company to be required to register under the Exchange Act, (iii) require the Company to register under the Investment Company Act of 1940, (iv) except with respect to a transfer of Newhall IH Units or Newhall Opco Units in connection with the consummation of a Newhall Drag-Along Proposal or unless otherwise approved by Manager (in accordance with the Section 2.14 of the Newhall LLC Agreement) would result in a technical termination of the Company under Section 708(b)(1)(B) of the Code or (v) would, as determined by the Manager, pose a material risk that the Company would be subject to taxation as a corporation.

Section 5.08 Specific Performance. The Members and the Company agree that irreparable damage would occur in the event that any provision of this Article V is not performed in accordance with the terms hereof and that the Members and the Company shall be entitled to

specific performance of the terms hereof, in addition to any other remedy at law or equity, without the necessity of demonstrating the inadequacy of money damages.

ARTICLE VI

DISSOLUTION AND TERMINATION

Section 6.01 Dissolution of the Company.

(a) The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

(i) the entry of a decree of judicial dissolution under Section 18-802 of the Act;

(ii) at any time there are no Members; provided, however, that the Company shall not be dissolved and shall not be required to be wound up if, within ninety (90) days after the occurrence of the event that terminated the continued membership of the last remaining Member, the personal representative of the last remaining Member agrees in writing to continue the Company and to the admission of the personal representative of such last remaining Member or its nominee or designee to the Company as a Member effective as of the occurrence of the event that terminated the last remaining Member;

(iii) at any time upon the election to dissolve the Company when approved by the Manager; or

(iv) in the case of a Public Offering in which the listed Entity will be a successor-in-interest of the Company, subject to any tax, regulatory, lock-up, registration restrictions or other restrictions or limitations (as reasonably determined by the Manager), as soon as possible (as is reasonable in the judgment of the Manager) after a Public Offering occurs (with the intention of distributing, to the extent possible, the stock issued by the successor corporation to the Company in such Public Offering on an in-kind basis to the Members based upon and consistent with their distribution rights and priorities under Section 4.06).

(b) Nothing contained in this Section 6.01 is intended to grant to any Member or Members the right to dissolve the Company upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event specified in §18-304 of the Act that terminates the continued membership of any Member. Dissolution of the Company shall be effective as of the day on which the event occurs giving rise to the dissolution,

but the Company shall not terminate until there has been a winding up of the Company's business and affairs and the Company Assets have been distributed as provided in Section 6.02.

Section 6.02 Termination and Liquidation of the Company.

(a) Upon dissolution of the Company, unless continued pursuant to Section 6.01(a)(ii), the Company shall be terminated as rapidly as business circumstances will permit. At the direction of the Manager or such Person approved by the Manager (the Manager or such other Person being herein called the "**Terminating Person**"), a full accounting of the assets and liabilities of the Company shall be taken and a statement of the Company Assets and a statement of each Member's Capital Account shall be furnished to all Members as soon as is reasonably practicable. The Terminating Person shall take such action as is necessary so that the Company's business shall be terminated, its liabilities discharged, and its assets distributed as hereinafter described. The Terminating Person may sell all of the Company Assets or distribute the Company Assets in kind; provided, however, that the Terminating Person shall ascertain the fair market value by appraisal or other reasonable means of all Company Assets remaining unsold and each Member's Capital Account shall be charged or credited, as the case may be, as if such Company Assets had been sold at such fair market value and the Profits and Losses realized thereby had been allocated to the Members in accordance with Article IV. A reasonable period of time shall be allowed for the orderly termination of the Company to minimize the normal losses of a liquidation process.

(b) After the payment of all expenses of liquidation and of all debts and liabilities of the Company and its Subsidiaries in such order or priority as provided by law (including any debts or liabilities to Members, who shall be treated as secured or unsecured creditors, as may be the case, to the extent permitted by law, for sums loaned to the Company, if any, as distinguished from Capital Contributions) and after all resulting items of Company Profits and Losses are credited or debited to the Capital Accounts of the Members in accordance with Article IV, all remaining Company Assets shall then be distributed among the Members in accordance with Section 4.06, Section 4.07 and Section 4.09. Upon termination, a Member may not demand and receive cash in return for such Member's Capital Contributions and no Member shall have any obligation to restore any deficit that may then exist in that Member's Capital Account. Distribution on termination may be made by the distribution to each Member of an undivided interest in any Company Asset that has not been sold at the time of termination of the Company.

(c) If, upon the final dissolution and termination of the Company and after taking into account all allocations under this Agreement, the distributions to be made under Section 6.02(b) would result in distributions that would be different from distributions in accordance with positive Capital Account balances, then notwithstanding any provision to the contrary, gross items of income, gain, loss, deduction and credit under this Agreement for such taxable year (and, to the extent permitted by Section 761(c) of the Code, gross items of income, gain, loss, deduction and credit under this Agreement for the immediately preceding taxable year) shall be allocated to the Members to increase or decrease Capital Account balances, as the case

may be, so that the final distributions under Section 6.02(b) will occur in the same manner as distributions in accordance with positive Capital Account balances. This Agreement, including this Section 6.02(c), is intended to be consistent with Regulation Section 1.701-1(b)(2)(ii)(b)(2).

Section 6.03 Members Not Personally Liable. Neither any Member nor any Affiliate of any Member shall be personally liable for the return of the Capital Contributions of any Member, and such return shall be made solely as provided in Section 6.02 or from available Company Assets, if any, and each Member hereby waives any and all claims it may have against any Member or any such Affiliate in this regard.

Section 6.04 Provisions Cumulative. All provisions of this Agreement relating to the dissolution, liquidation and termination of the Company shall be cumulative to the extent not inconsistent with other provisions herein; that is, the exercise or use of one of the provisions hereof shall not preclude the exercise or use of any other provision of this Agreement to the extent not inconsistent therewith.

Section 6.05 Certificate of Cancellation. When all liabilities and obligations of the Company have been paid or discharged, or adequate provision has been made therefor, and all of the remaining Company Assets have been distributed to the Members according to their respective rights and interests as provided in Section 6.02, the Company is terminated and a Certificate of Cancellation shall be executed on behalf of the Company by the Terminating Person (or such other Person or Persons as the Act may require or permit) and shall be filed with the Office of the Secretary of State, and the Terminating Person or such other Person or Persons shall take such other actions, and shall execute, acknowledge, and file any and all other instruments, as may be necessary or appropriate to reflect the dissolution and termination of the Company.

ARTICLE VII

GENERAL

Section 7.01 Notice.

(a) All notices, demands, requests or other communications provided for or permitted to be given pursuant to this Agreement must be in writing. Legal counsel for any Member or the Company may provide notice on behalf of such Member or the Company (as the case may be).

(b) All notices, demands, requests or other communications to be sent to a Member or the Company shall be deemed to have been properly given or served if: (i) personally delivered, (ii) deposited prepaid for next day delivery by Federal Express or other similar overnight courier services, addressed in the case of a Member, to such Member at the address for such Member in the records of the Company or if to the Company at its address set forth in Section 1.07, (iii) deposited in the United States mail, addressed to such Member or the Company as above, prepaid and registered or certified with return receipt requested, (iv) transmitted via telecopier or other similar device to the attention of such Member or the Company at the fax number for such

Member in the records of the Company, or (v) transmitted via Electronic Transmission to the attention of such Member at the e-mail address for such Member in the records of the Company; provided that for fax or other Electronic Transmission, a copy of such notices, demands, requests or other communications shall also be delivered by one of the methods set forth clauses (i), (ii) or (iii) of this Section 7.01(b) .

(c) All notices, demands, and requests so given shall be deemed received: (i) when personally delivered, (ii) twenty-four (24) hours after being deposited for next day delivery with an overnight courier, (iii) three (3) Business Days after being deposited in the United States mail or (iv) twelve (12) hours after being telecopied, transmitted via Electronic Transmission or otherwise transmitted and receipt has been confirmed.

(d) Any Member or the Company shall have the right from time to time, and at any time during the term of this Agreement, to change its address, fax number or e-mail address and each shall have the right to specify as his, her or its address any other address within the United States of America by giving to the Company or the Members, as the case may be, at least thirty (30) days written notice thereof, in the manner prescribed in Section 7.01(b); provided, however, that to be effective, any such notice must be actually received (as evidenced by a return receipt).

(e) All distributions to any Member shall be made at the address at which notices are sent unless otherwise specified in writing by any such Member.

Section 7.02 Amendments.

(a) This Agreement may be modified, amended, restated or repealed (x) by the Manager without the consent of any Member to the extent such modification, amendment, restatement or repeal was approved in accordance with Section 7.02 of the Newhall LLC Agreement or (y) by a written modification, amendment, restatement or other document signed by all of the Members.

(b) The Members agree that (i) the issuance of additional Units contemplated by this Agreement or approved by the Manager, (ii) the admission of a New Member pursuant to Section 3.06 or the admission of a Substituted Member pursuant to Section 5.06 or (iii) the amendment of Schedule I to reflect any Transfers of Units, admissions of New Members or Substituted Members or otherwise to properly reflect the Members, their respective number of Units and Percentage Interests, in each case, is not an impairment of any Member's rights or obligations hereunder and that any amendment to reflect such an event is not the type of amendment for which the consent of any particular Member is necessary pursuant to Section 7.02(a).

Section 7.03 Authorization; Powers of Attorney.

(a) Each Member hereby authorizes the Manager or such other Person as may be approved by the Manager from time to time to make, execute, sign, swear to, acknowledge and

file in all necessary or appropriate places all documents (and all amendments or supplements to or restatements of such documents necessitated by valid amendments to or actions permitted under this Agreement) on behalf of the Company and its Subsidiaries and to do all necessary things relating to the Company and its Subsidiaries and its and their respective activities, including (provided, however, that in no event will any liability or obligation be created or accrue to a Member pursuant to the authorizations made by the Members under this Section 7.03):

(i) this Agreement and any amendments thereto approved as provided in this Agreement;

(ii) the Certificate of Formation and any amendments thereto, under the laws of the State of Delaware or in any other state or jurisdiction in which such filing is deemed advisable by the Manager;

(iii) any applications, forms, certificates, reports, or other documents, or amendments thereto which may be requested or required by any federal, state or local governmental agency, securities exchange, securities association, self-regulatory organization or similar institution and which are deemed necessary or advisable by the Manager;

(iv) any other instrument which may be required to be filed or recorded in any state or county or by any governmental agency, or which the Manager deems advisable to file or record, including certificates of assumed name and documents to qualify foreign limited liability companies in other jurisdictions;

(v) any documents which may be required to effect the continuation of the Company or any of its Subsidiaries, the admission of Substituted Members or New Members, as applicable, the withdrawal of any Member, or the dissolution and termination of the Company;

(vi) making certain elections contained in the Code or state law governing taxation of limited liability companies taxed as partnerships; and

(vii) performing any and all other ministerial duties or functions necessary for the conduct of the business of the Company and its Subsidiaries.

(b) Each Member acknowledges that this Agreement permits certain amendments to be made and certain other actions to be taken or omitted to be taken without the consent of the Members.

(c) By accepting a Unit, each Member grants the Manager, or such other Person as may be approved by the Manager, a power of attorney to execute any and all documents necessary to reflect any action that is approved in accordance with the provisions hereof.

(d) The power of attorney granted under this Section 7.03 is coupled with an interest and shall continue notwithstanding the subsequent incapacity or death of the Member.

(e) Each Member shall execute and deliver to the Manager an executed and appropriately notarized irrevocable power of attorney in such form consistent with the provisions of this Section 7.03 as the Manager may request; provided, however, that the provisions of this Section 7.03 shall be effective regardless of whether any such additional documents are executed.

Section 7.04 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE MEMBERS HEREUNDER SHALL BE INTERPRETED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES.

Section 7.05 Rule of Construction. The general rule of construction for interpreting a contract, which provides that the provisions of a contract should be construed against the party preparing the contract, is waived by the Members and the Company.

Section 7.06 Entire Agreement. This Agreement, the Newhall IH LLC Agreement, the Newhall LLC Agreement, the Haddad Agreements and the Management Agreement, including all exhibits and schedules to such agreements and, if any, exhibits and schedules to such exhibits and schedules, contain the entire agreement among the parties relative to the matters contained in this Agreement, the Newhall IH LLC Agreement, the Newhall LLC Agreement, the Haddad Agreements and the Management Agreement.

Section 7.07 Waiver. No consent or waiver, express or implied, by any Member or the Company to or of any breach or default by any other Member or the Company in the performance by such Member or the Company of his, her or its obligations under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member or the Company of the same or any other obligations of such other Member or the Company under this Agreement. Failure on the part of any Member or the Company to complain of any act or failure to act of any other Member or the Company or to declare any other Member or the Company in default, regardless of how long such failure continues, shall not constitute a waiver by such Member or the Company of his, her or its rights hereunder. Any waiver by a Member of any of its rights or remedies under this Agreement or of any breach or default by any other Member of the Company in the performance by such Member or the Company of his, her or its obligations under this Agreement shall be in writing and signed by the party to be charged thereunder.

Section 7.08 Severability. If any provision of this Agreement or the application thereof to any party to this Agreement or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other parties or

circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

Section 7.09 Binding Agreement. Subject to the restrictions on Transfers and Encumbrances set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Company and each of the Members and their respective legal representatives, successors, and permitted assigns. Whenever in this Agreement a reference to any Member is made, such reference shall be deemed to include a reference to the legal representatives, successors and permitted assigns of such Member.

Section 7.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument. Executed signature pages to any counterpart instrument may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto constitutes the original counterpart instrument. All of these counterpart pages shall be read as though one and they shall have the same force and effect as if all of the parties had executed a single signature page. Signatures to this Agreement, any amendment hereof and any notice given hereunder by Electronic Transmission shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an executed original of this Agreement (and any amendment hereto) with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement (or any amendment hereto); it being expressly agreed that each party to this Agreement shall be bound by its own Electronically Transmitted signature and shall accept the Electronically Transmitted signature of the other party.

Section 7.11 Further Assurances. The Members agree from time to time to execute and deliver such further and other documents, certificates, instruments and amendments and to do all matters and things which may be convenient or necessary to more effectively and completely to carry out the intentions and purposes of this Agreement.

Section 7.12 Venue. The Company and each of the Members consent to the jurisdiction of any court in Wilmington, Delaware for any action arising out of matters related to this Agreement. The Company and each of the Members waive the right to commence an action in connection with this Agreement in any court outside of Wilmington, Delaware, other than to enforce a judgment of a proper court against a Member or its Affiliates.

Section 7.13 Jury Trial Waiver. TO THE FULLEST EXTENT NOT PROHIBITED BY APPLICABLE LAW, WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, REMEDY OR DEFENSE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE, OR WITH RESPECT TO ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING TO THIS AGREEMENT; AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE AND NOT BEFORE A JURY. EACH OF THE PARTIES HERETO FURTHER WAIVES ANY RIGHT TO SEEK TO

CONSOLIDATE ANY SUCH LITIGATION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. FURTHER, EACH OF THE PARTIES HERETO HEREBY CERTIFIES THAT NONE OF ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL INDUCEMENT TO THE ACCEPTANCE OF THIS AGREEMENT BY THE OTHER PARTIES HERETO.

Section 7.14 Fees and Costs. In any suit, arbitration or other proceeding by any Member or the Company to enforce the terms and provisions of this Agreement, the prevailing party shall be entitled to all reasonable costs and expenses incurred by it or him in connection therewith (including reasonable attorneys' and paralegals' fees and costs incurred before and at any trial or arbitration and at all appellate levels), as well as all other relief granted or awarded in such suit, arbitration or other proceeding.

ARTICLE VIII

DISCLOSURES

Section 8.01 Disclosures. Each of the Members hereby acknowledges, represents, warrants and/or agrees as follows:

(a) THAT SUCH MEMBER UNDERSTANDS THAT, TO THE EXTENT THAT IT IS LEGALLY DETERMINED THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDED SUCH HEREUNDER), THE UNITS BEING ACQUIRED BY SUCH MEMBER HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS, IN RELIANCE ON EXEMPTIONS THEREFROM FOR NON PUBLIC OFFERINGS OR OTHER EXCEPTIONS AND FURTHER UNDERSTANDS THAT SUCH UNITS HAVE NOT BEEN FILED WITH OR REVIEWED OR APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES ADMINISTRATOR, AND NO SUCH AGENCY, ADMINISTRATOR OR AUTHORITY HAS PASSED ON OR ENDORSED THE MERITS OF ACQUIRING THE UNITS OR THE ACCURACY OR ADEQUACY OF ANY INFORMATION PROVIDED BY THE COMPANY TO SUCH MEMBER. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

(b) THAT, TO THE EXTENT THAT IT IS LEGALLY DETERMINED THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDED SUCH HEREUNDER), THE UNITS OF SUCH MEMBER HAVE NOT BEEN (NOR WILL BE) REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS BY REASON OF AND IN RELIANCE UPON SPECIFIC EXEMPTIONS THEREUNDER (IN ADDITION TO THE OTHER SUBSTANTIAL LIMITATIONS, RESTRICTIONS AND REQUIREMENTS SET FORTH IN THIS AGREEMENT).

(c) THAT SUCH MEMBER, OR THE SIGNATORY FOR SUCH MEMBER, IF THIS AGREEMENT IS BEING EXECUTED BY THE SIGNATORY IN A REPRESENTATIVE OR FIDUCIARY CAPACITY, HAS FULL POWER AND AUTHORITY TO EXECUTE AND DELIVER THIS AGREEMENT FOR HIMSELF OR IN SUCH CAPACITY AND ON BEHALF OF SUCH MEMBER FOR WHOM SUCH SIGNATORY IS EXECUTING THIS AGREEMENT, AS THE CASE MAY BE, AND SUCH MEMBER HAS FULL RIGHT, POWER AND AUTHORITY TO PERFORM ALL OBLIGATIONS UNDER THIS AGREEMENT. IF THE SIGNATORY HERETO IS EXECUTING THIS AGREEMENT IN A REPRESENTATIVE OR FIDUCIARY CAPACITY, THE REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THIS ARTICLE VIII SHALL BE DEEMED TO HAVE BEEN MADE ON BEHALF OF THE PERSON WHOM SUCH SIGNATORY REPRESENTS.

(d) THAT, TO THE EXTENT THAT A COURT OF COMPETENT JURISDICTION DETERMINES THAT THERE IS AN ACQUISITION OF A SECURITY (WITHOUT CONCEDING SUCH HEREUNDER), SUCH MEMBER IS ACQUIRING THE UNITS IN THE COMPANY FOR ITS OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY, AND NOT WITH A VIEW TO THE SALE OR OTHER DISTRIBUTION THEREOF, IN WHOLE OR IN PART OR DIRECTLY OR INDIRECTLY, AND SUCH MEMBER IS NOT AN UNDERWRITER, BROKER OR DEALER WITH RESPECT TO SECURITIES OF ANY KIND, AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT.

(e) THAT SUCH MEMBER IS FULLY FAMILIAR WITH ALL FACTS AND CIRCUMSTANCES ATTENDANT TO ITS INVESTMENT IN THE COMPANY, HAS BEEN OFFERED ACCESS TO AND AN OPPORTUNITY TO REVIEW ALL BOOKS, RECORDS, DOCUMENTS AND OTHER INFORMATION RELATED TO THE COMPANY AND ITS BUSINESS, OPERATIONS, AFFAIRS AND PLANS, AND HAS HAD AN OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, REPRESENTATIVES OF THE COMPANY, AND THAT ALL INVESTIGATIONS, DUE DILIGENCE AND QUESTIONS HAVE BEEN COMPLETED OR ANSWERED TO SUCH MEMBER'S SATISFACTION.

(f) THAT SUCH MEMBER (AND ITS OFFICERS, PARTNERS, MEMBERS, MANAGERS, SHAREHOLDERS, PRINCIPALS AND/OR TRUSTEES AND ATTORNEYS IN FACT, IF ANY, WHO ARE ACTING ON ITS BEHALF) HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SO AS TO BE CAPABLE OF EVALUATING, ALONE OR TOGETHER, THE MERITS AND RISKS OF A POTENTIAL INVESTMENT IN THE COMPANY.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned has executed and delivered this Agreement to be effective as of the Effective Date.

COMPANY:

NEWHALL LAND DEVELOPMENT, LLC

By: Newhall Holding Company, LLC, its Manager

By: _____

Name: _____

Title: _____

MANAGER:

NEWHALL HOLDING COMPANY, LLC

By: _____

Name: _____

Title: _____

MEMBERS:

NEWHALL INTERMEDIARY HOLDING
COMPANY, LLC

By: _____

Name: _____

Title: _____

LENNAR HOMES OF CALIFORNIA, INC.

By: _____

Name: _____

Title: _____

FIVE POINT COMMUNITIES MANAGEMENT,
INC.

By: _____

Name: _____

Title: _____

EMILE HADDAD

Emile Haddad

Schedule I

Unit Ownership of the Company

Schedule II

Company Assets for Special Distributions

Each capitalized term used herein but not otherwise defined in the Agreement shall have the meaning ascribed thereto in the Lennar Investment Agreement.

1. Twenty-five percent (25%) of all proceeds received from the DLA Piper Litigation, regardless of which of the plaintiffs is awarded such proceeds and whether or not such plaintiff is a Debtor, net of any fees or costs incurred by the Debtors (not previously reimbursed by Lennar), the Reorganized Debtors or any Lennar Entity in connection with the DLA Piper Litigation and the Bridges Litigation.
2. Distributions made on account of the Lennar Claims that are to be turned over to the Company pursuant to the Lennar Investment Agreement.
3. Any proceeds from the CIM Litigation.
4. The Retained Excess G&A Amount.

Exhibit A

Form of Exchange Notice

Exhibit B

Gross Asset Value

Document comparison done by DeltaView on Sunday, July 19, 2009 3:37:19 PM

Input:	
Document 1	pcdocs://nycsr06a/719163/1
Document 2	pcdocs://nycsr06a/719163/4
Rendering set	Option 3b with lines

Legend:	
<u>Insertion</u>	
Deletion	
<Moved from>	
>Moved to <	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	41
Deletions	39
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	80