

LandSource Communities Development LLC Lender Presentation

January 30, 2007

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Agenda

- **Introduction**

Stuart Miller

President, Chief Executive Officer
Lennar Corporation

- **Transaction Overview**

Haejin Baek

Managing Director, Co - Head of Real
Estate Capital Markets Barclays Capital

- **Key Investment Considerations**

Bruce Gross

Chief Financial Officer
Lennar Corporation

- **Company Overview**

Emile Haddad

Chief Investment Officer
Lennar Corporation

- **Summary of Credit Facilities**

Phil Capparisi

Director - Barclays Capital

- **Questions and Answers**

Introduction

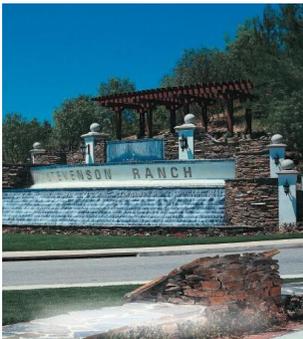
Stuart Miller

Lennar Corporation

Progression of LandSource

(Lennar Land Partners LLC)

- LLP is a 50/50 JV formed in 1997 during the spin-off of LNR from Lennar
- Longer term, strategic land assets benefiting from LNR's commercial development expertise and Lennar's residential master planning expertise
 - ▶ 31,500 homesites managed since inception
 - ▶ Implemented asset pare down strategy in early stages of venture
 - ▶ Track record of significant sales to numerous third parties including many of the nation's largest homebuilders



Stevenson Ranch



Natomas Park



Coto de Caza

Progression of LandSource

(Newhall Land and Farming)

- LandSource formed in November 2003 in anticipation of the acquisition of Newhall Land & Farming
 - ▶ Holding company for six jointly owned JV's between LNR and Lennar, including Lennar Land Partners (LLP)
 - ▶ Mature communities yielding positive cash flows
- LandSource acquired Newhall in January 2004 for approximately \$1 billion
- LandSource is one of the largest and most diversified land development companies in the United States.



NEWHALL LAND[®]
A LENNAR/LNR COMPANY

Progression of LandSource

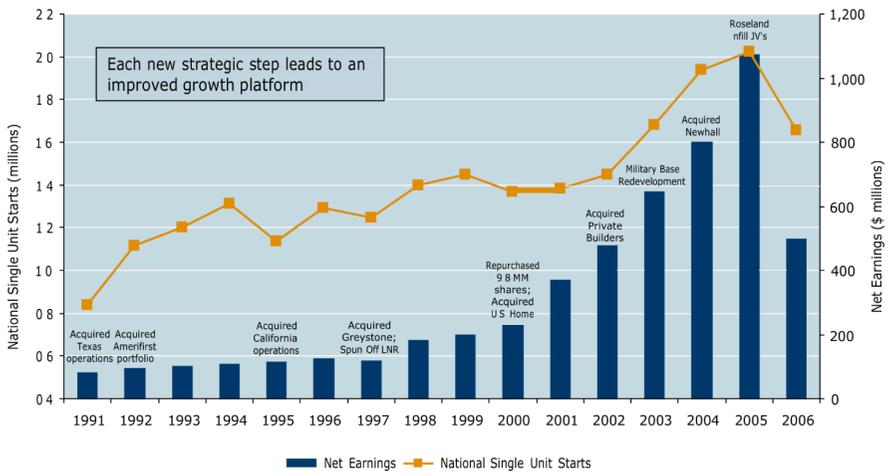
(Admission of MWHP)

- Today, LandSource is admitting MHP to this strategic joint venture
 - ▶ MWHP is an investment venture involving CalPERS, MacFarlane Partners and WRI
- Best in class sponsorship
 - ▶ Represents a unique and strong partnership amongst leading real estate development companies and investors
- LandSource gains further product diversity with the addition of 43 communities, supporting near term cash flow



Lennar Growth Strategy

Will The Cycle Be Our Ally?



Transaction Overview

Haejin Baek
Barclays Capital

Executive summary

- On December 28, 2006, Lennar Corporation and LNR Property Corporation entered into a definitive agreement to admit MW Housing Partners III L.P. ("MWHP") as a new member to their existing strategic joint venture, LandSource Communities Development LLC
 - ▶ MWHP will contribute its land assets appraised at \$605 million and \$306 million in cash, a total contribution of \$911 million
- Simultaneously, LandSource will make a one- time cash distribution of \$1.1 billion to its current members and refinance certain existing indebtedness
- Pro forma for the transaction, MWHP will own approximately 62% of the Company and Lennar and LNR will each own 19%
 - ▶ Voting control will be 50% M HP and 50% Lennar / LNR
- MWHP has entered into new option agreements with Lennar on the MWHP contributed portfolio
 - ▶ Options are based on current fair market value
 - ▶ Option price will float depending on market conditions
- Lennar and LNR have the ability to earn up to an additional \$660 million of LandSource preferred capital
 - ▶ Based on LandSource meeting certain performance metrics
 - ▶ Lennar and LNR will have the right to sell 62% of this additional preferred capital to MWHP
- The transaction will be financed with \$1.55 billion of Senior Credit Facilities

Transaction rationale

- Broadens LandSource's portfolio with a valuable pool of diverse land assets
- Further deepens and strengthens sponsorship with leading real estate investment partners with demonstrated industry experience
- Combines MWHP's near- term predictable cash flows with Newhall's long- term cash flows

MWHP Overview

- A long- term partnership in real estate investment dating back to 1995
- MWHP ownership in LandSource
 - ▶ 2.5% MacFarlane Housing
 - ▶ 2.5% Weyerhaeuser Realty Investors
 - ▶ 95% CalPERS
- Contributed portfolio of MWHP assets
 - ▶ Approximately 3,938 homesites located in California, New Jersey, Nevada and Arizona
 - ▶ 100% of homesites optioned to Lennar with a floating exercise price
 - ▶ Most homesites will be sold by 2009
 - ▶ Provides product diversity and near-term cash flow to LandSource
 - ▶ Fixed price development agreement in place with Lennar

The Transaction supports several of LandSource's strategic initiatives

Transaction overview

- The transaction will be supported by \$1.55 billion of senior secured credit facilities consisting of:
 - ▶ a 5- year \$200 million revolving credit facility (the "Revolving Credit Facility")
 - ▶ a 6- year \$1.05 billion senior term loan B facility (the "Term Loan B Term Facility")
 - ▶ a 7- year \$300 million second lien loan facility (the "Second Lien Term Facility")
- A FIRREA compliant asset appraisal of the combined pool of assets has been done as of December 1, 2006 on an "as-is" basis
 - ▶ Appraised asset value is approximately \$2.6 billion
 - ▶ Reflects current regional market values
- Loan - to - Appraised Value, pro forma for the transaction, will be approximately 51.7%
- Borrowing base advance rate provides for \$1.5 billion pro forma availability
 - ▶ Provides a cushion of \$182 million at close
- LandSource has obtained corporate and facility ratings for the transaction
 - ▶ Moody's: Ba3 family, Ba2 first lien, B2 second lien
 - ▶ S&P: BB corporate, BB+ first lien, BB second lien

Sources and uses

(\$'s in millions)

Sources		Uses	
Revolving Credit Facility ⁽¹⁾	\$15	Refinance Existing Debt ⁽²⁾⁽⁴⁾	\$246
Term Loan B Facility	1,050	Existing Investor Distribution ⁽³⁾	1,093
Second Lien Term Facility	300	Transaction Fees & Expenses ⁽⁴⁾	26
Total Sources	\$1,365	Total Uses	\$1,365

⁽¹⁾ Total Revolving Credit Facility commitment of \$200 million.

⁽²⁾ The MWHP cash contribution will be used to pay down a portion of the existing debt.

⁽³⁾ Existing investor distribution is funded from proceeds of the Credit Facilities. Amount reflected is estimated and subject to change.

⁽⁴⁾ Estimated amount subject to change based on final amount of existing investor distribution.

Pro forma capitalization

(\$'s in millions)

	Pro Forma 2/1/2007	Value ⁽¹⁾
Cash	\$59	
Revolving Credit Facility	15	0.6%
Term Loan B Facility	1,050	39.8%
Total First Lien Facilities	\$1,065	40.4%
Second Lien Term Facility	300	11.4%
Total Debt	\$1,365	51.7%
Market Equity Value ⁽²⁾	1,273	
Appraised Value of LandSource Assets	\$2,638	

⁽¹⁾ Excludes Valencia Water Company debt of \$11 million, which is not a part of the collateral pool or included under the borrowing base.

⁽²⁾ Based on Appraised Value of \$2.6 billion. Estimated book value at close will be \$181 million.

LandSource will be conservatively capitalized with a 51.7% loan-to-value

Borrowing base overview

(\$'s in millions)

Borrowing Base Category	Appraised Value	Advance Rate	Borrowing Base	% of Total
Land under Approved Mandatory Sales Contracts with				
Lennar or Investment Grade Homebuilders ⁽¹⁾	\$132	95%	\$145	9.4%
Land under Approved Option Contracts with Lennar ⁽¹⁾	597	75%	430	27.8%
Finished Lots	76	75%	57	3.7%
Washington Square	39	75%	29	1.9%
Land Under Development	195	60%	117	7.5%
Entitled Land (that is not Land Under Development)	1,292	50%	646	41.8%
TPC Golf Course	8	50%	4	0.3%
Unentitled Land ⁽²⁾	139	20%	28	1.8%
Agriculture and Energy	160	20%	32	2.1%
Cash	-	100%	59	3.8%
Total	\$2,638		\$1,547	100.0%
Funded Debt at Closing	1,365		1,365	
Cushion	\$1,273		\$182	

⁽¹⁾ In the case of Land under Approved Mandatory Sales Contracts with Lennar or Investment Grade Homebuilders, the advance rate is applied to Contract Value of \$153 million. In the case of Land under Approved Option Contracts with Lennar, the advance rate is applied on an individual basis to the lesser of Appraised Value and Option Contract Value of \$743 million.

⁽²⁾ Unentitled land advance rate category capped at no more than 5% of the borrowing base.

Key Investment Considerations

Bruce Gross
Lennar Corporation

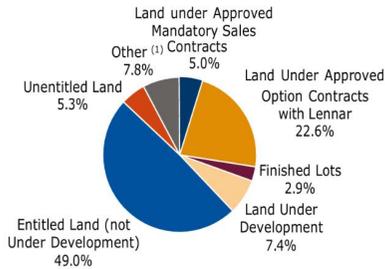
Key investment highlights

<p>Significant Asset Coverage</p>	<ul style="list-style-type: none"> ■ Loan-to-Appraised Value through the First Lien Facilities and Second Lien Term Facility of 40.4% and 51.7%, respectively ■ \$2.6 billion of Appraised Value on an "as is" basis ■ FIRREA compliant appraisal performed by CB Richard Ellis as of December 1, 2006 and pro forma for expected homesite takedowns through February 1, 2007
<p>Highly Strategic and Scarce Land Assets</p>	<ul style="list-style-type: none"> ■ Highly strategic and scarce land assets for Lennar and LNR, as well as third party homebuilders and commercial developers ■ Newhall is the only significant entitled, yet undeveloped, land asset in North L.A. County ■ Total portfolio with diversified sites across CA, AZ, NJ, NV, TX and FL
<p>Strong Cash Flow Generation</p>	<ul style="list-style-type: none"> ■ Near-term cash flow supports land development expenses at Newhall and near-term deleveraging of the Credit Facilities ■ Lennar's business plan includes the projected acquisition of approximately 75% of the planned homesite sales within the first three years ■ LNR's business plan contemplates the projected acquisition of 100% of the planned commercial land sales within the first three years
<p>Conservatively Structured Facilities</p>	<ul style="list-style-type: none"> ■ Conservative borrowing base encompassing both the First Lien Facilities and Second Lien Term Facility. ■ Sponsor distributions not permitted during 2007 and 2008 (except tax distributions) and conditional thereafter ■ Annual re-appraisal rights and triggers ■ Covenant step downs force deleveraging through the projected period ■ First Lien Facilities ratings of BB+/Ba2 and Second Lien Term Facility ratings of BB/B2
<p>Best-in-Class Sponsorship</p>	<ul style="list-style-type: none"> ■ Lennar and LNR have a successful track record of acquisitions and development of land and master planned communities through LandSource and other profitable joint ventures ■ MacFarlane/CalPERS/ WRI are highly respected real estate investment partners, thus further supporting LandSource's future long term goals
<p>Proven Management Team</p>	<ul style="list-style-type: none"> ■ Distinct management team comprised of experienced Newhall management, with each team members' years of experience averaging 25 years including 15 years at Newhall ■ Long track record of successful operations

Significant asset coverage

- The Credit Facilities benefit from substantial asset coverage
- Pro forma for the transaction, Loan to Appraised Value at 51.7%

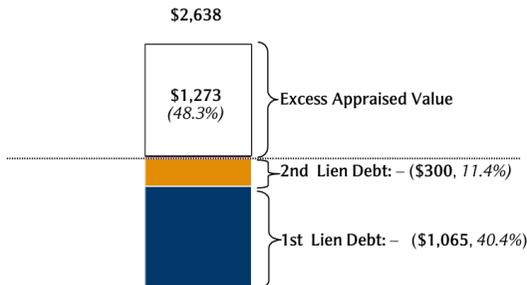
Appraised Value by Borrowing Base Category



Appraised Value: \$2.6 billion

Includes Washington Square, TPC Golf Course and Agriculture & Energy.

Pro Forma Loan-to-Appraised Value



Highly strategic and scarce land assets

- The assets in LandSource's portfolio have been acquired based on their strategic importance to Lennar and LNR's business plans with absorption supported by the attractiveness of assets to other third party homebuilders and commercial developers
- Sites are strategically selected, and characterized by locations:
 - ▶ Sites within regions with high population and economic growth,
 - ▶ where supply is limited, and
 - ▶ where development can be readily supported by LandSource's experienced development team
- The growth prospects of LandSource's primary MSA's are above the U.S. national average of 0.8% for projected period 2006E-2010P
- Newhall, with the largest share of homesites and commercial properties, is the only remaining significant entitled, yet undeveloped, land asset in the Northern L.A. area
 - ▶ The region's high population growth with limited supply of new homes has supported land values and home prices
- The acquisition of MWHP's assets further diversifies LandSource's portfolio with strategic assets that meet homebuilding demand

2006-2010P CAGRs and Growth Prospects for LandSource Primary MSAs



Source: Rosen Consulting and US Census Bureau
⁽¹⁾ Population growth divided by single family housing permits.

Strong Cash Flow Generation

Cash Flow Visibility

- Lennar has significant interest in LandSource land assets, with commitments for 70% of LandSource's revenues for the next 3 years

Regional Cash Flow Diversity

- The combination of MHP with the predecessor LandSource results in a regionally diverse asset base supporting revenues

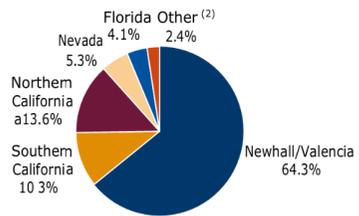
Diversified, Stable And Strong Cash Flow Generation

- Over the next five years, LandSource is expected to generate significant cumulative free cash flow
- Priority of cash flows will be repayment of debt

LandSource 2007⁽¹⁾ Projected Takedowns



Homesites by Geography



Total Homesites: 36,399

(1) 10 months ended November 30, 2007.

(2) includes Texas, New Jersey, Arizona and Central California.

Conservatively structured Credit Facilities

Borrowing Base	<ul style="list-style-type: none">■ Borrowings are strictly tied to availability under the borrowing base advance limitations■ Calculated quarterly and upon each draw of the Revolving Credit Facility
Limitation on Distributions	<ul style="list-style-type: none">■ No distributions to the sponsors are permitted during 2007 and 2008 (except for permitted tax distributions)■ Excess cash flow sweep provision will be satisfied prior to any permitted distribution■ Permitted distributions restricted by specific loan -to -appraised value limitations■ LandSource has the option to repay the Second Lien Term Facility in lieu of making a permitted distribution
Re-Appraisal Trigger	<ul style="list-style-type: none">■ Annually upon the request of the Agent■ Upon the first permitted distribution (not including permitted tax distributions) if no appraisal has been completed within the previous six months■ In the event Lennar declines to exercise options constituting in excess of 20% of Contracted Value any given year in 2007 and/or 2008
Financial Covenants	<ul style="list-style-type: none">■ Net debt to capitalization ratio■ Fixed charge coverage ratio with a liquidity cure

Best-in-class sponsorship



- One of the nation's largest homebuilders with an equity market value of approximately \$8 billion
- Significant experience in land and master planned community development



- Market leader in real estate specialty finance, management and development
- Manages real estate in excess of \$5 billion and is special servicer for over \$200 billion of real estate loans



- Nation's largest pension fund provides retirement and health benefit services to more than 14 million state and local public employees and more than 2,500 public employers
- Assets of over \$220 billion with \$17 billion allocated to real estate



- Experience encompassing the full range of real estate investments including residential, retail, office and mixed-use assets
- \$12 billion in real estate equity and debt assets



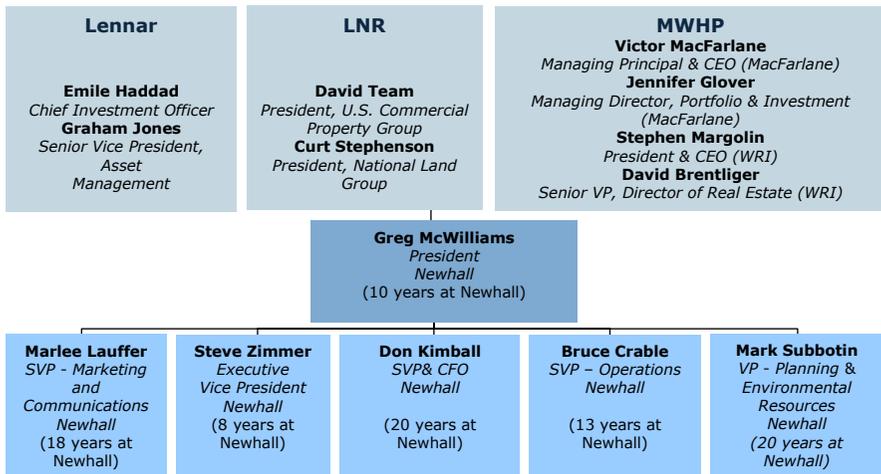
- Investing in residential real estate projects since its formation in 1970
- A subsidiary of Weyerhaeuser Real Estate Company (WRECO), a \$3 billion revenue subsidiary of Weyerhaeuser. Primarily focused on developing single-family housing and residential homesites for sale, including development of master-planned communities

LandSource's partners bring commercial, residential, urban development and due diligence expertise as well as strong financial backing

Proven management team and strict corporate governance

- LandSource is managed and governed by a seasoned team with clear operating goals
 - ▶ Average of 25 years experience including average of 15 years at Newhall
 - ▶ Lennar and LNR will act as managing member, making day-to-day business decisions
 - ▶ Independent board members from Lennar, LNR and MWHP will approve all transactions
 - ▶ LandSource will continue to operate under the conservative operating principles of Lennar, LNR and MWHP

Executive Committee



The Company's management team has extensive experience and expertise in land acquisition and development that cannot be easily replicated

Company Overview

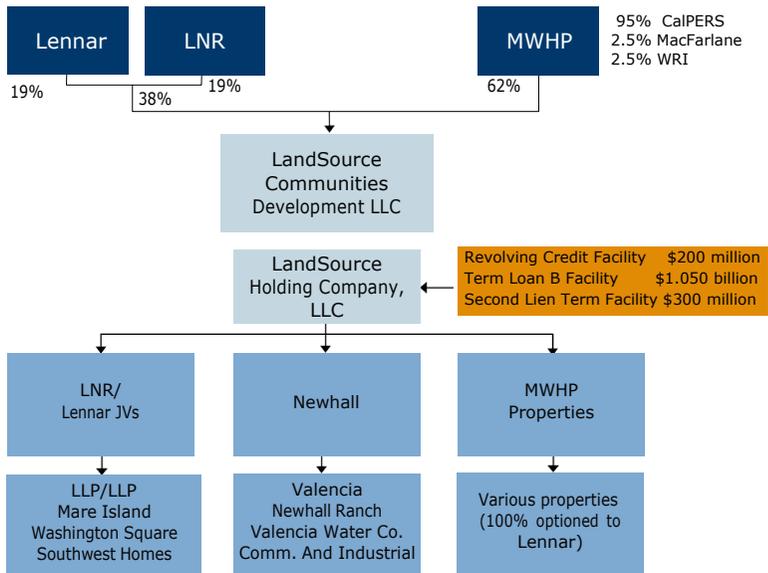
Emile Haddad
Lennar Corporation

LandSource background

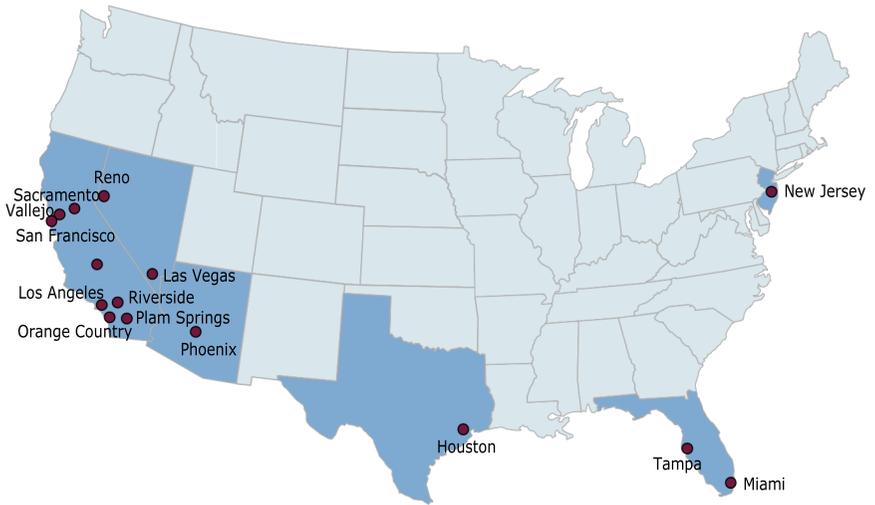
<p>LandSource</p>	<p>Formation of LandSource in November 2003 to act as a holding company for six jointly owned partnerships and limited liability companies dating back to 1997</p>	<ul style="list-style-type: none"> ■ 8 separate communities including Mare Island, Washington Square, Stevenson Ranch, Winncrest/Placer Vineyards, Sun City/Sunshine Village, Lakes by the Bay, Southwest Communities and Kingwood ■ Collectively there are over 9,000 remaining homesites, and 300 acres of commercial land and 4.7 million sq ft of commercial redevelopment located in attractive markets in California, Florida, Nevada and Texas ■ Established communities are already yielding positive cash flows
<p>Newhall Ranch & Valencia</p>	<p>In January 2004, LandSource acquired The Newhall Land and Farming Company (Newhall) for approximately \$1 billion</p>	<ul style="list-style-type: none"> ■ Approximately 48,000 acres of land assets located in Newhall Ranch and Valencia ■ Over 22,800 remaining homesites and approximately 700 acres of commercial land and other assets including agriculture and a utility company ■ These assets are some of the last remaining, undeveloped homesites in the greater Los Angeles area with Newhall Ranch/Valencia representing the majority of the approved homesites in Santa Clarita Valley
<p>MWHP</p>	<p>Today, LandSource will admit MWHP to the strategic joint venture, bringing in an additional \$605 million in land assets and \$306 million in cash</p>	<ul style="list-style-type: none"> ■ Contribution includes 1,016 acres and nearly 4,000 lots ■ Lots are at or near completion, supporting near term cash flow to LandSource ■ Diverse product, regional diversity with 43 communities

LandSource has a long track record of success in managing mixed use master-planned communities

Pro forma LandSource organizational structure



LandSource asset locations across the U.S.

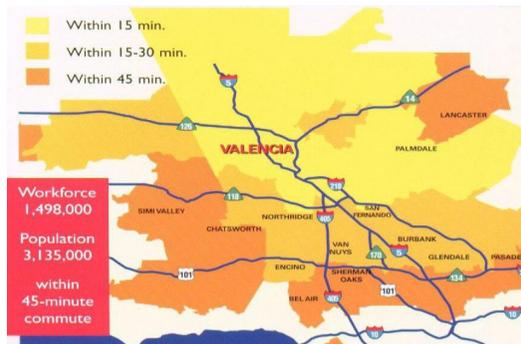


Update and overview of LandSource, Newhall and MWHP properties

Integration	<ul style="list-style-type: none">■ Management team with strong track record retained■ Corporate governance in place■ Systems integration completed
Entitlement	<ul style="list-style-type: none">■ Entitlement process significantly advanced at Newhall<ul style="list-style-type: none">▶ Valencia - Entitlements largely in place. Grading is almost complete in majority of communities▶ Newhall Ranch - Specific Plan Approved; Tentative Tract Maps have been submitted for approximately 11,000 homesites and will be approved over the next few years The Tentative Tract Map for approximately 8,000 homesites will be submitted in late 2007
Development Timelines	<ul style="list-style-type: none">■ Development currently underway in many communities including Valencia, and development timelines are well understood■ Development on all MWHP assets is at or near completion
Costs	<ul style="list-style-type: none">■ Costs have been largely contracted for near-term projects to third parties■ MWHP option agreements have a fixed price development agreement with Lennar
Absorptions	<ul style="list-style-type: none">■ Relevant sales and absorption information is more readily available■ Many LandSource properties, including the MWHP properties, are a part of active communities where homesites have already been purchased by Lennar and other third party homebuilders

Newhall Ranch/Valencia market overview

- The appraised values at Newhall and Valencia have held up while much of the U.S. market has experienced general softening
 - ▶ Since Newhall's acquisition, the region's housing prices have increased approximately 35%
- Valencia priced at a 10- 15% premium to neighboring Santa Clarita communities
- Newhall Ranch/Valencia is a unique and well positioned long- term asset in a region with attractive demographics:
 - ▶ Largest concentration of businesses/industries in North L.A. with over 55,000 jobs in Valencia
 - ▶ Northern gateway to metropolitan L.A. area and proximal to major highways
 - ▶ Well regarded school districts with new schools, parks and public amenities
 - ▶ Consistently voted within the top 10 safest cities with a population of over 100,000
 - ▶ Demand supported by 4 million jobs in Los Angeles MSA



Commute Time to Santa Clarita Valley	Population (000)	Workforce (000)	Local Jobs (000)
Within 15 min	282	132	89
Within 30 min	1,595	738	473
Within 45 min	3,135	1,498	985

Sources: CACI, Info USA, CA Dept of Finance.

Overview of the contributed MWHP land bank portfolio

- Lennar acts as land developer for all communities within MWHP pursuant to fixed price development contracts
- Lennar has very reliable and current information on pricing and absorption trends in each of these communities which is reflected in the timing and price of the homesite takedowns from MWHP
 - ▶ Approximately 2,300 homesites have been already purchased by Lennar and are a part of communities that are being actively developed and marketed
 - ▶ Acquisition of homesites by Lennar is consistent with Lennar's approved business plans

Region	# of Communities	Original Homesites	Remaining Homesites	% of Total Remaining Portfolio
Sacramento, CA	13	1,811	1,171	29.7%
Palm Springs, CA	5	917	563	14.3%
Orange County, CA	5	726	247	6.3%
Inland Empire, CA	3	544	316	8.0%
Various Locations, NJ	2	344	283	7.2%
Fresno, CA	1	265	265	6.7%
Reno, NV	8	1,024	815	20.7%
Phoenix, AZ	3	288	143	3.6%
Bay Area, CA	3	342	135	3.4%
Total	43	6,261	3,938	100%

- All of MWHP's remaining 3,938 homesites are contracted to Lennar

Lennar interest in LandSource assets

- The assets at LandSource are highly strategic to Lennar's business plan, with commitments representing over 70% of LandSource's planned revenues over the next three years

- Lennar secures its interests in LandSource through three forms of contracts
 - ▶ Option agreement ⁽¹⁾
 - ▶ Purchase Contract
 - ▶ Rights of first offer
 - ▶ Preferred Capital

- Lennar and LNR have the opportunity to receive up to an additional \$660 million of preferred capital
 - ▶ Based on LandSource exceeding predetermined revenue targets
 - ▶ Provides additional incentive for Lennar to continue to absorb LandSource's homesites

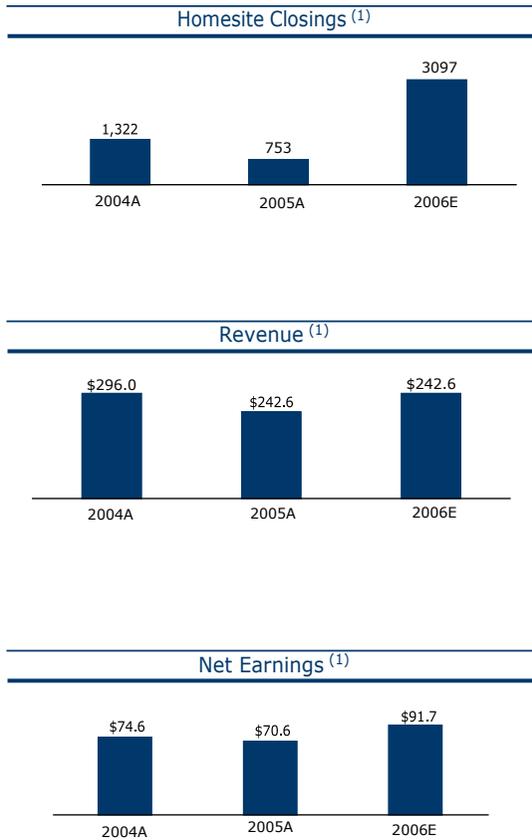
⁽¹⁾ Options on MWHP properties are struck based on fair market value and will float depending on market conditions. Should total fair market value on MWHP fall below \$450 million, a loss of 25%, Lennar has the option to receive a refund on its option deposit.

LandSource's third party revenues

- In addition to Lennar and LNR's interest in the LandSource assets, LandSource has established excellent relationships with the homebuilding community
- Historically, third party homebuilder revenue has been an important component of LandSource's business:
 - ▶ 65% of revenue contribution in 2004
 - ▶ 71% of revenue contribution in 2005
- LandSource continues to maintain a strong dialogue with the homebuilding community, providing the ability to time the development and sale of property and optimize pricing
 - ▶ There continues to be a strong interest in the Newhall assets throughout the region's homebuilders

Summary historical financial information

(\$'s in millions)



⁽¹⁾ 2006 data are unaudited and 2006 net earnings excludes \$50.5 million impairment charges for Southwest Communities.

Summary financial overview

Pro forma for year ended November 30, 2006

	LandSource Communities Development LLC ⁽¹⁾	MW Housing Partners III LP ⁽²⁾	Pro Forma Combined
Revenues			
Land Sales:			
Land sales to related parties	190.6	\$378.0	\$568.6
Land sales to third parties	78.8	-	78.8
Total land sales	269.4	378.0	647.4
Sale of homes	26.7	-	26.7
Total revenues	\$296.1	\$378.0	\$674.1
Costs and expenses			
Cost of land sales:			
Land sales to related parties	148.4	378.5	526.9
Land sales to third parties	33.0	-	33.0
Total cost of land sales	\$181.4	\$378.5	\$559.9
Cost of homes sold	23.5	-	23.5
SG&A	42.4	-	42.4
Management fees paid to related parties	7.5	0.3	7.8
Total costs and expenses	\$254.8	\$378.8	\$633.6
Equity in earnings from unconsolidated entities	5.0	-	5.0
Other income, net	4.7	-	4.7
Earnings from continuing operations	51.0	(0.8)	50.2
Earnings from discontinued operations	40.7	-	40.7
Net earnings	\$91.7	\$(0.8)	\$90.9

⁽¹⁾ Unaudited excludes \$50.5 million impairment charge for Southwest Communities.

⁽²⁾ Contains financial results associated with assets contributed to LandSource.

Summary of Credit Facilities

Phil Capparis
Barclays Capital

Credit facility key offering terms

\$1.55 billion senior secured credit facilities

Borrower	LandSource Holding Company LLC				
Lead Arranger/Administrative Agent	Barclays Capital/Barclays Bank PLC				
Facilities Overview	Credit Facility	Size	Tenor	Ratings	Pricing
	Revolving Credit Facility:	\$200	5 years	Ba2/BB+	TBD
	Term Loan B Facility:	1,050	6 years	Ba2/BB+	TBD
	Second Lien Term Facility:	300	7 years	B2/BB	TBD
Commitment Fee	Revolving Facility:	0.50% usage < 50%; 0.375% usage 50%;			
Term Loan Amortization	Term Loan B Facility:	1% in years 1-5, remainder in year 6			
	Second Lien Term Facility:	None			
Incremental Facility	The Borrower may increase the amount of the Term Loan B Facility by up to \$500 million, subject to no event of default, pro forma compliance and customary market provisions				
Call Premium	First Lien Facilities:	None			
	Second Lien Term Facility:	102 in year one, 101 in year two			
Security	First Lien Facilities:	100% of the capital stock and assets of the Borrower and those subsidiaries pledging assets constituting the borrowing base			
	Second Lien Term Facility:	Second lien on assets securing the First Lien Facilities			
Guarantee	Downstream guarantee from LandSource Communities Development LLC and upstream guarantees from the subsidiaries providing liens on the assets constituting the Borrowing Base				
Borrowing Base	Maximum debt based on borrowing base availability				

Credit facility key offering terms (cont'd)

\$1.55 billion senior secured credit facilities

Financial Covenants	<ul style="list-style-type: none">■ Maximum net debt to book capitalization■ Minimum fixed charge coverage ratio■ Liquidity: If the Borrower is not in compliance with the minimum fixed charge coverage ratio covenant, the Borrower will be subject to a minimum liquidity (unused portion of Revolving Credit Facility plus cash) test
Mandatory Prepayments	<ul style="list-style-type: none">■ 100% of asset sales, receipt of insurance proceeds and incurrence of debt■ 50% of equity offerings and excess cash flow (subject to TBD step downs)
Permitted Distributions	<ul style="list-style-type: none">■ No distributions during 2007 and 2008 (except for permitted tax distributions)■ Excess cash flow sweep provision will be satisfied prior to any permitted distribution■ Permitted distributions restricted by specific loan to appraised value limitations■ LandSource has the option to repay the Second Lien Term Facility in lieu of making permitted distributions
Appraisal Triggering Events	<ul style="list-style-type: none">■ Upon the request of the Administrative Agent, up to once per year■ Upon the first permitted Distribution unless an appraisal has been completed in the prior 6 months■ When more than 20% in total value of optioned homesites contracted for the year are not taken down and/or are renegotiated by Lennar during 2007 and 2008

Preliminary syndication timetable

Date	Event
January 30	Lenders' Meeting (New York)
February 8	Newhall site tour for lenders
February 15	Lender commitments due Legal documents distributed
February 20	Comments due on legal documents
February 21	Close and fund facilities

January 2007						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2007						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

 Holiday

Public Lender Q&A

