

LENNARSM

Quality. Value. Integrity.

CORPORATE RESPONSIBILITY REPORT



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INTRODUCTION

1954...2004... 50 Years. Yes, the year 2004 was Lennar's 50th year in business. 50 years ago, our founders were struggling to build a fledgling homebuilding venture into an ongoing business. Yet even in those earliest days, they focused on a very simple business philosophy, and a very simple operating standard. Both have remained constant and unwavering throughout our corporate life.

Our business philosophy is that Quality, Value and Integrity is the basis of all that we do. Our operating standard is equally simple... Always do the right thing, for the right reason.

These two guiding principles have not only been constant and unwavering, they have been at the forefront of the way we manage, the way we grow, and the way we achieve our results.

To assure that we convey these principles clearly and consistently to all those who work for, and with, Lennar, we have developed a very unique corporate Culture. It is this Culture that guides us, inspires us, enables us to communicate, and identifies who we are.

When you peel away all the layers of our Culture and look at its very essence, it is, very simply, A Culture of Responsibility. Ours is A Culture of Responsibility in which every one of our approximately 12,000 Associates is called upon each day to have Quality, Value, and Integrity serve as the basis of all that they do, and to always do the right thing, for the right reason.

In the Lennar Culture, we profoundly believe that developing a Community, providing financing for, and building a home is an enormous responsibility. In our Culture it is more than just a house and a homesite that builds a home. What builds a home is not only structural, not just bricks and shingles and concrete, but the entire package defining our Homebuyers' lives.

- *The quality of the Community in which they live,*
- *The quality of the Environment in which they reside,*
- *The attitudes of the Lennar Associates who take care of their needs,*
- *And the financial strength of their Homebuilder to be there, with a warm heart and a strong balance sheet, through thick or thin, if something goes wrong.*

Our Cultural Values are to deliver each and every home we build with all of these pieces in place. Our Culture and the nature of our business dictate, mandate, and call to us, to be more than just a profit center. They motivate us to elevate the "who we are" spirit, into a "what we do" spirit. They demand that we incorporate good Community and environmental practices into good business practices.

For many years we have believed that A Culture of Responsibility means that we are responsible to four very important constituents.

- *We are Responsible To Our Community*
- *We are Responsible To Our Customers*
- *We are Responsible To Our Associates*
- *We are Responsible To Our Shareholders*

And thus, we are a broader spirit, focused on all four constituents, imbuing, inspiring, and continually reinforcing that broader spirit into every Lennar Associate, altering ourselves culturally and expressing this spirit as the standard to which we hold ourselves accountable. This very spirit makes us continually ask ourselves, "How can we be even better, in all of our responsibilities, to all of our constituents?" This spirit defines us as uniquely Lennar.

Our goal, very simply, is to make the world a better place by our having been here, for our Community, for our Customers, for our Associates, and for our Shareholders. In this Corporate Responsibility Report, we share with you what we believe our responsibilities to our constituents are, and the ways that we believe we are meeting these very important issues. We humbly present our progress, knowing full well that we have much more yet to accomplish. With an ongoing pledge to raise the bar ever higher for ourselves, we accept this important responsibility.





WE ARE RESPONSIBLE TO OUR COMMUNITY ON A SOCIAL LEVEL

*Seth Strudler, long-time Associate and
inspirational Lennar Culture leader, observed that
“We care for a lot of people...
and they need us.”*



We consider our Community to be every city across America where we live and conduct business. Our Community has been very good to us during our 50 years. We believe that "doing the right thing for the right reason," means we are responsible to give back to our Community, quietly and without fanfare - to give not just by giving money, but to give of our time and of our hearts, on a continuing and connected basis, to help make our Community a better place because of our involvement. Our Culture reminds us that "We care for a lot of people and they need us." As a result, we focus our Community efforts on those who may not be able to help themselves - children, inner city neighborhoods, education, the handicapped, the ill, the homeless.

Our philosophy of giving back to our Community is based on an ancient proverb, "Give a person a fish and you feed him a meal. TEACH

ongoing needs of the communities in which we live and work. The primary mission of our Foundation is to find organizations that assist people who are less fortunate, and are providing those people an avenue to enter into the mainstream of society. We find organizations that "teach people how to fish." The Lennar Foundation also funds medical research, especially in the areas of cancer research and treatment.

Each year, Lennar donates one percent of our after tax net profit to the Lennar Foundation. In 2004, that amount (based on Lennar's 2003 net income) was \$7.5 million. The Lennar Foundation then contributes at least 50 percent of the funds it receives each year back to our Community. In 2004, the Lennar Foundation gave back over \$5.0 million dollars to our communities. Based on our net



him how to fish and you feed him for a lifetime." As a result, our Giving Back to Our Community programs are often focused on helping people learn better life skills, and ways to help them into mainstream society.

We believe that being responsible to our Community also means working to protect the quality of our environment, both during and after the construction of our homes. It means to look forward to meeting with the members of our Community, with the buyers of our homes, with our friends and neighbors, because we know we are meeting our Community social and environmental responsibilities, AND delivering a quality work product.

Please allow us to share with you some of the ways that we meet our responsibilities to our Community.

The Lennar Foundation - The Lennar Foundation is the umbrella under which much of our Giving Back to Our Community is accomplished. Our Foundation was created in 1989 as the vehicle for Lennar to address the

income of \$945 million in 2004, our contribution to the Lennar Foundation will be at least \$9.45 million in 2005.

Our Focused Acts of Caring - The giving back process is not just about giving money. It is about giving of ourselves and making our contributions really count through our individual involvement. It is a combination of being able to provide great financial support for organizations that are helping to change lives - and at the same time giving our time and energy to those organizations to help them achieve their goals.

As part of the Lennar Culture, each December, our 67 Homebuilding Divisions, 29 Land Development Divisions, and 35 Financial Services Divisions across the country replace the usual corporate Holiday Parties celebrating "us," with Random Acts of Caring events helping others, thus devoting time and dollars to giving back to their Community. In the most recent years, we have been transforming our Random Acts of Caring, a one-time Holiday

Season event, into Focused Acts of Caring, in which each Division adopts a local charity not just for the one Holiday Season event, but for the entire following year, maintaining a continuing and individually connected relationship, building futures for those who may be less fortunate.

This mission of our Focused Acts of Caring is to help people learn to help themselves by building bridges to a productive life. Examples of how we do this are many: helping the homeless to re-establish themselves with jobs and a place to live; aiding young people with a record of delinquency to rehabilitate themselves and establish productive lives; helping victims of abuse overcome the effects of that issue and recover their self-esteem; assisting the mentally or physically challenged to achieve productive lives through job

training and placement, and numerous other "learning how to fish" programs. Through our Focused Acts of Caring, we are finding, adopting, and working with, on a connected ongoing basis, organizations that are focused on accomplishing these same objectives.

In 2004, our Divisions across the country, often joining forces and working together on their Focused Acts of Caring, adopted over 50 organizations and touched many lives across America. Complementing the thousands of hours of individual Associates time invested, our Divisions also spent over \$700,000 in aggregate on their Focused Acts of Caring activities. This \$700,000 was in addition to the \$5,000,000 invested in our Giving Back to Community programs of the Lennar Foundation.

OUR 2004 FOCUSED ACTS OF CARING ADOPTED ORGANIZATIONS INCLUDE:

A Child's Place

Homeless Children's Advocate
Charlotte, NC

Alliance For Children

Abused Children's Advocate
Ft. Worth, TX

Alternatives for Domestic Violence

Helps Stop Domestic Violence
Riverside, CA

American Red Cross -

Upstate South Carolina Chapter
Humanitarian Service Organization
Greenville, SC

B.A.S.E. Camp

Supports Children (and their families) with Cancer
Winter Park, FL

Battered Women's Shelter of Bexar County

Helps Stop Domestic Violence
San Antonio, TX

Bay Point Schools

Boarding School for Moderate-Risk Adolescent Boys
Miami, FL

Bayview Hunters Point Multipurpose Senior Services

Assists Elders in Maintaining their Independence
San Francisco, CA

Big Brothers Big Sisters

Child Mentoring Program
Tampa, FL

Brevard School Foundation

Supports Public Education
Viera, FL

Bridgewood Farms

Develops Potential in Individuals with Mental Retardation
Conroe, TX

Candlelighters Childhood Cancer Foundation

Supports Children (and their families) with Cancer
Austin, TX

Children's Home Society

Multi-level Social Services for Children and Families
Tampa, FL

Children's Home Society

Multi-level Social Services for Children and Families
Ft. Lauderdale, FL

City of Hope

Cancer Center for Research, Prevention and Treatment
Los Angeles, CA

COC Foundation / Henry Mayo

Newhall Memorial Health Fund
Community Hospital and Trauma Center
Valencia, CA

Community Partnership for the Homeless

Helps Break the Cycle of Homelessness
Miami, FL

Council for Educational Change /

S. FL Annenberg Challenge
Works to Improve Education
Davie, FL

Families First

Strengthens Parent / Children Relationships
Denver, CO

Florida Hurricane Relief Fund

Provides Restoration Aid for Hurricane Victims
Tallahassee, FL

Founders Academy of Los Angeles

Helps Educate Children from Homes with Substance Abuse
Los Angeles, CA

The Gabriel House Inc.

Rescues and Rehabilitates Abandoned Children
Ft. Myers, FL

Guadalupe Center

Improves Quality of Life for People of all Ethnic Backgrounds
Cincinnati, OH

Habitat For Humanity

Provides Affordable Housing to Low-Income Households
Sacramento, CA

Habitat For Humanity

Provides Affordable Housing to Low-Income Households
Houston, TX

Happy Hill Farm Children's Home

Provides Care for Children who are in Crisis or Academically and Socially Disadvantaged
Granbury, TX

Hillview Acres

Treatment Center for Young Abuse Victims
Chino, CA

Hope Family Services

Helps Treat and Prevent Domestic Violence
Bradenton, FL

Interact

Works to Stop Violence and Supports Victims of Violence
Raleigh, NC

Jackson Memorial Foundation - Schiff Liver Institute

The Center for Liver Disease
Miami, FL

Kids In Distress

Abused Children's Advocate
Ft. Lauderdale, FL

Leap Learning Systems

Developing Literacy and Accelerate Academic and Social Success
Chicago, IL

Make-A-Wish Foundation of New Jersey-Wishing Place Facility

Grants Wishes to Children with Life-Threatening Illnesses
Union, NJ

Mankato State University-Construction Management Scholarship

Construction Management Scholarship
Mankato, MN

Mustard Seed School

Educates Homeless Children and Prepares them for Public School
Sacramento, CA

Nevada Cancer Institute

Cancer Research, Prevention, Detection and Treatment
Las Vegas, NV

Poverello House

Provides Shelter and Aid for the Hungry
Fresno, CA

Richmond Perrine Optimist Club

Provides Education and Aid for At-Risk Youth
Perrine, FL

Sacramento Children's Home

Works to Stop Abuse and Supports Victims of Abuse
Sacramento, CA

Safehouse

At-Risk Youth Advocate
Riverside, CA

San Diego Children's Center

Offers Education and Therapy to At-Risk Children and Youth
San Diego, CA

SCV Boys & Girls Club Foundation

Inspires and Enables Youth to Become Responsible, Productive, Healthy, Citizens
Santa Clarita, CA

SCV Chamber Education Foundation

Works to Improve Education
Santa Clarita, CA

Senior Helpline Services

Assists Seniors towards Independent Living
Lafayette, CA

Special Olympics

Works to Develop Skills in Special Olympic Athletes
Houston, TX

Street Teens

Supports Youth Living on the Street
Las Vegas, NV

Texas CASA

Abused Children's Advocate
Austin, TX

The Arizona Burn Center

Cares for and Treats Burn Victims
Phoenix, AZ

The Florida Center for Child & Family Development

Supports Children and Families who are Abuse Victims
Sarasota, FL

The Ivy Mount School

Helps Children with Disabilities Reach their Highest Level of Development
Rockville, MD

The Reach Fund

Provides Services to Youth, Seniors and Families
Roseville, CA

The Success Center

Works to Constantly Improve Education
Vallejo, CA

United Way of Miami-Dade County

Humanitarian Service Organization
Miami, FL

Village of Hope

Family-based Homeless Shelter
Santa Ana, CA

Volunteers of America

Provides Services to Those with Special Needs Throughout the Community
Sacramento, CA

Windwood Farm Home for Children

Works to Prevent Child Abuse
Awendaw, SC

Other Foundation Acts of Caring - In 2003 and 2004, our Foundation also committed significant assistance to the following organizations:

- \$500,000 to the *Founders' Academy*, a Los Angeles inner city youth mentoring program
- \$500,000 to the *Schiff Liver Cancer Institute*, University of Miami Medical School
- \$500,000 to the *City of Hope*, a cancer treatment center in California
- \$500,000 to the *Community Partnership for the Homeless*, South Florida
- \$500,000 to the *Council For Educational Change*, South Florida
- \$500,000 to the *Florida State Hurricane Emergency Relief Fund*
- \$500,000 to *The Bay Point School*, a juvenile rehabilitation school in South Florida
- \$250,000 to the *Nevada Cancer Institute*.

Our 2004 September 11th Memorial Grant - In memory of the tragic events of September 11, 2001, the Lennar Foundation established a special "September 11th Memorial" annual grant. Each year, our Foundation grants \$1,000,000 to that year's September 11th recipient organization.

- 2001 - Our inaugural grant was to the *Family and Victims of September 11th Fund*
- 2002 - Granted to the *University of Miami* to establish "The Leonard Miller Real Estate Chair of Management" at the *School of Business*, in memory of our Founder who passed away that year.
- 2003 - Granted to *The Overtown Youth Center*, an inner city educational, mentoring and recreation facility in one of Miami's most challenged communities.
- 2004 - Granted to *The Bay Point School* in South Dade, Florida.

Our 2004 September 11th Memorial Grant

The Bay Point School - is an alternative year-round boarding school that provides educational, vocational, and counseling services to troubled teenage boys whose behavior has led them into antisocial or criminal activities. The Bay Point School also operates a half-way house, as many of its graduates do not have families to return to upon graduation. The mission of the Bay Point School is to build a better and safer Community through positive peer pressure and education, one youth at a time. The typical Bay Point student is a young man between the ages of 13 and 18. Typically, they have grown up in non-functioning families, have performed poorly in school and had behavior problems. Many have been involved in using or selling drugs, stealing cars, or burglaries. Most of these boys have been arrested and been through the judicial system. In lieu of being sent to jail, Bay Point gives them a second chance and provides them with the tools they can use to turn their lives around.



One of the unique concepts at the Bay Point School is the way it approaches changing its students' behaviors. Bay Point develops a positive peer culture, where students who have accomplished attitude and behavioral change are encouraged to mentor, tutor and guide the newer students to take responsibility for their own lives. As a student proves himself to his peers, his teachers, and the supervisory staff, he moves up in status, earns privileges and becomes a member of the student government. Bay Point requires each student to participate in vocational programs that are taught at the school. Students receive an introduction to the basics of construction trades, culinary arts, computer skills and landscaping. A student may then choose to continue in advanced classes of the vocation that interests them. As a result of this environment of mentoring, education, and learning vocational skills to become a self-sufficient member of the Community, over 90 percent of The Bay Point School graduates have not committed another crime.

Our 2004 September 11th Memorial grant of \$1,000,000 to the Bay Point School is designated for the construction of a permanent vocational school to replace the portable classrooms used currently. Students will have expanded hands-on opportunities to learn the skills and become professionally certified in numerous trades in residential construction. In addition, our Miami Homebuilding Division has adopted the Bay Point School as their Focused Act of Caring for 2005, and established the following major goals. First,

Lennar

Family of Builders

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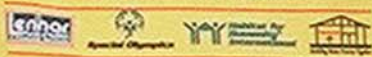


CARING ACROSS AMERICA

In the  of Texas

SEPTEMBER 6-13, 2003

ARING
Ithe
Lennar



Project Opportunity
Building Better Futures Together

Special Olympics
TEXAS
HABITAT

Project Opportunity
Building Better Futures Together

Lennar

Lennar

*Habitat For
Humanity and the
Special Olympics select
one of the cities in
which we have
homebuilding
operations and invite
our local building and
financial services
Divisions to host our
Annual Project
Opportunity Build.*

they are creating a program with other South Florida builders and suppliers to raise the balance of the funds needed to build and provide ongoing support for the Bay Point vocational school. Secondly, our Miami Division will team up with our Building Partners, our subcontractors and vendors, to provide the Bay Point students with internships and to provide graduates with job placement so that they, the graduates, can become self-sufficient members of society. We will be helping the Bay Point School teach challenged young men "how to fish", and thus see our efforts come full circle by helping to change lives and improve our Community.

Our Project Opportunity - is a partnership among Lennar, the Special Olympics, and Habitat For Humanity. The Special Olympics is an international organization dedicated to empowering individuals with intellectual disabilities to become physically fit, productive and respected members of society through sports training and competition. Habitat for Humanity is a nonprofit housing organization providing affordable homes for needy families.

Across America, the Special Olympics assists children and young adults with intellectual disabilities in finding ways to learn life skills. In addition, there are needy families, often of minority heritage, who are assisted by Habitat For Humanity in fulfilling their dream of home ownership. In 1998, we created Project Opportunity, a unique partnership among The Special Olympics, Habitat for Humanity, and Lennar.

Each year, Lennar, Habitat For Humanity and the Special Olympics select one of the cities in which we have homebuilding operations and invite our local building and financial services Divisions to host our Annual Project Opportunity Build. At each Project Opportunity, Lennar Associates from all the disciplines of corporate life, build from one to eight homes in a one-week period in a local Habitat for Humanity Community, assisted by local Special Olympics Athletes.

In advance of each Project Opportunity Build, the Special Olympics Athletes receive residential construction skills training from veteran Lennar construction Associates. The Special Olympians also participate in an OSHA 10-hour construction course as part of their orientation for the build. Our goal is to educate and prepare the athletes to work in an actual construction site environment. In addition, our Project Opportunity Builds give the Special Olympians the opportunity to participate in society in a way that is rarely available to them - an opportunity for them individually to give back to their Community.

In recent years, we have completed 21 homes

in Project Opportunity Builds in Houston, Dallas, Tampa, Miami, Tucson, Denver, Colorado Springs, Fort Collins, and Santa Ana. We will build a Project Opportunity home in Minneapolis in 2005.

Our Project Opportunity Internship and Employment Programs - In 2004, we expanded our Special Olympics involvement by offering internships, and ultimately hiring Special Olympians as potential career Lennar Associates in our Customer Care offices in Houston. We look forward to expanding this valuable program throughout our Lennar Divisions.



Lennar Charitable Housing Foundation - In California, we have created the Lennar Charitable Housing Foundation, a financial vehicle giving homebuilders the opportunity to expand and leverage their relationships with homebuyers to help meet our country's significant homeless problem. We have created an ongoing method for those fortunate enough to be able to buy a home, to have a simple way to assist those who are homeless. Upon the actual closing transaction of a home that is sold in a Lennar Charitable Housing Foundation Community, a fee totaling 1/20th of one percent of the gross sales price of the home is collected from the buyer on that sale, and then from each new buyer on every subsequent resale. Thus each time the home is sold, an ongoing, in perpetuity, fee is generated. These fees are limited for use to support organizations that provide assistance for the transitionally homeless or those living in substandard housing. By having the fee generated each time a home is resold, we have created an ongoing funding source for assistance to the homeless in the local Community. Lennar is pleased to have been a founder in this unique program of giving back to our Community, and looks forward to its expansion in other areas of Lennar Community development.



WE ARE RESPONSIBLE TO OUR COMMUNITY REGARDING OUR ENVIRONMENT

*We strive to be as proud of our communities
many years after they are completed,
as we were the day we delivered the first home.*



Protect, Reduce, and Conserve

We respect that while the process of building homes and developing communities is both an admirable and a necessary activity in the American economic picture, we must also protect the environment we are blessed to enjoy. We must work to reduce pollution. We must design to conserve natural resources, in not only the building process but also in the use and enjoyment of our homes and communities after completion. We strive to be as proud of our communities many years after they are completed as we were the day we delivered the first home. We want our children and grandchildren to enjoy a safe and clean environment. We invest significant efforts and dollars in our planning and development processes to reach these goals.

families, our friends, and ourselves, live.

This approach to building communities that protect, preserve and conserve our environment results in the following accomplishments.

The Preservation and Enhancement of Wetlands and Wildlife Habitat

Wetlands are environmentally sensitive areas that are critical to our country's ongoing fresh water supply and to the preservation of flora (plants) and fauna (animals), which live in the wetlands areas. Working with local, state, and federal entities, we strive to protect and enhance wetlands that could be affected by our development activities. In some instances, the wetlands in or adjacent to our development locations are already in stages of degradation



Our "Review – Do – Review" Planning Process

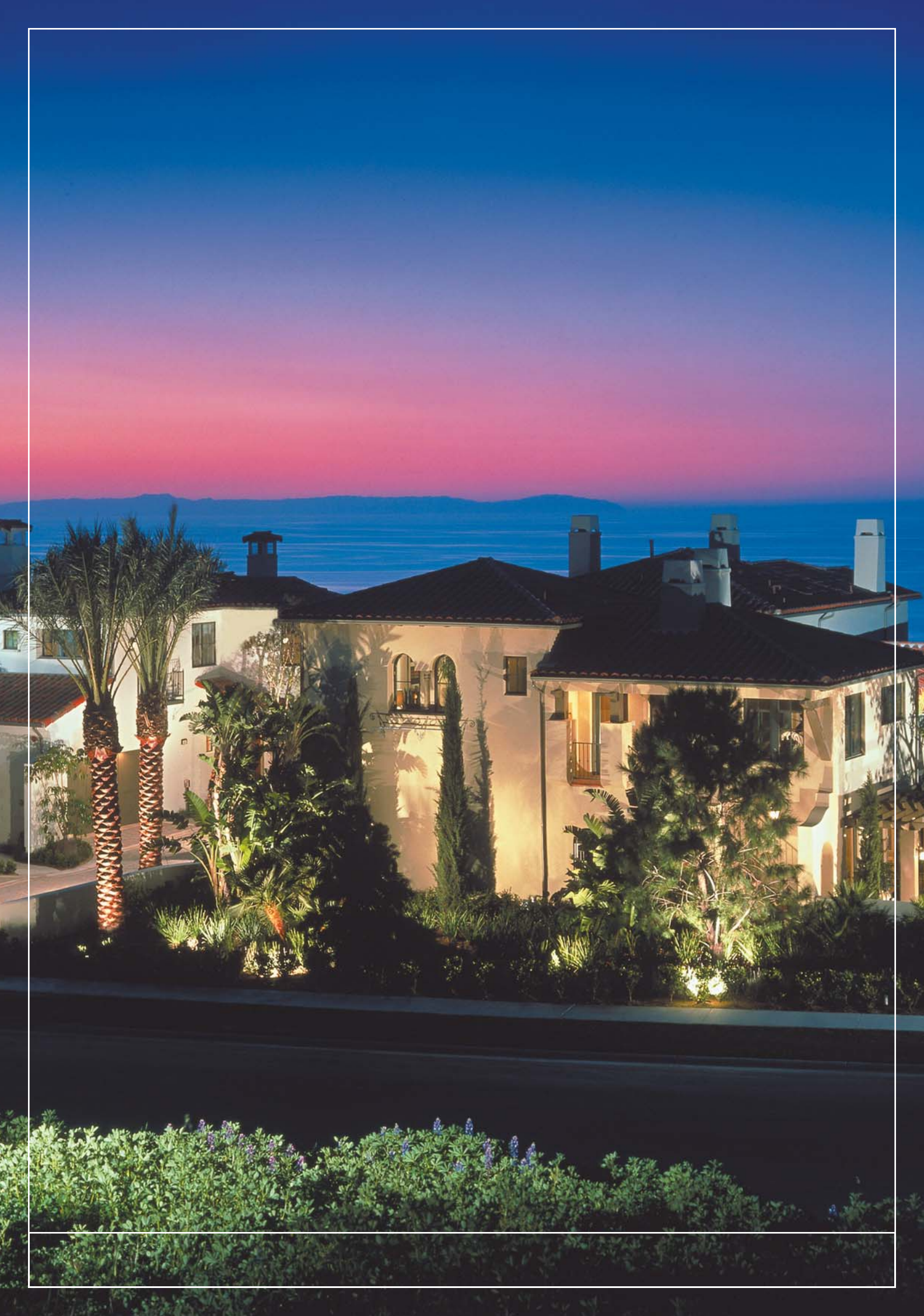
The development process starts with planning. And in the Lennar Culture, planning is accomplished by our "Review - Do - Review" process, a continuous cycle of reviewing our goals for the task at hand, executing the plan that is created, and then reviewing again after completion, to assure that we accomplished our goals and learn from the process so to be even better going forward.

Our goal in the planning process is the same whether we are developing a Community ourselves or purchasing finished homesites from an independent developer. We strive not just to have the Community plan meet the minimum requirements of regulatory agencies which guide the development process, but to have a Community we will be proud to have the world know as "A Lennar Family of Builders' Community, a Community in which we will be pleased to have our

completely unrelated to our planned development, and our activities will improve their quality. Our development activities have resulted in the preservation or enhancement of thousands of acres of wetlands and wildlife habitat across our country. We have invested millions of dollars in these preservation and enhancement activities.

The Mitigation of Wetlands

In occasional instances the guiding environmental entities and we agree that it is not practical to preserve a specific wetlands area and that the environment would be better served by recreating that wetlands area in another location. This is called mitigation, and may be desired if the wetlands in question are already degrading due to climatic changes in water levels, previous non-Lennar development, or for a host of other reasons. Often the mitigation process may result in a larger and higher quality wetlands area being



created. We have created thousands of acres of mitigated wetlands areas, and invested millions of dollars in these environmental efforts.



We have preserved, created and dedicated thousands of acres of parks and open space.

Creating Lakes, Littoral Shelves, and Drainage Collection Areas

In addition to preserving, enhancing, and mitigating existing wetlands areas, our development activities often create new lakes, drainage collection, and wetlands areas. We strive to build these in such a manner that they function and support flora and fauna as effectively as if they were created by nature rather than man-made. Often this means devoting special efforts to creating littoral shelves around the lakes. These areas of carefully designed shorelines are planted with specific plants that both protect the quality of the lakes and support the desired fauna. We have created thousands of acres of lakes, littoral shelves, and drainage collection areas and invested millions of dollars in these environmental efforts.

Removing Noxious and Invasive Plants

In many of the areas where we develop, non-indigenous plants have invaded the local environment. These are often referred to as noxious or invasive plant species, and are ecologically undesirable. Great efforts are often taken to prevent these noxious and invasive

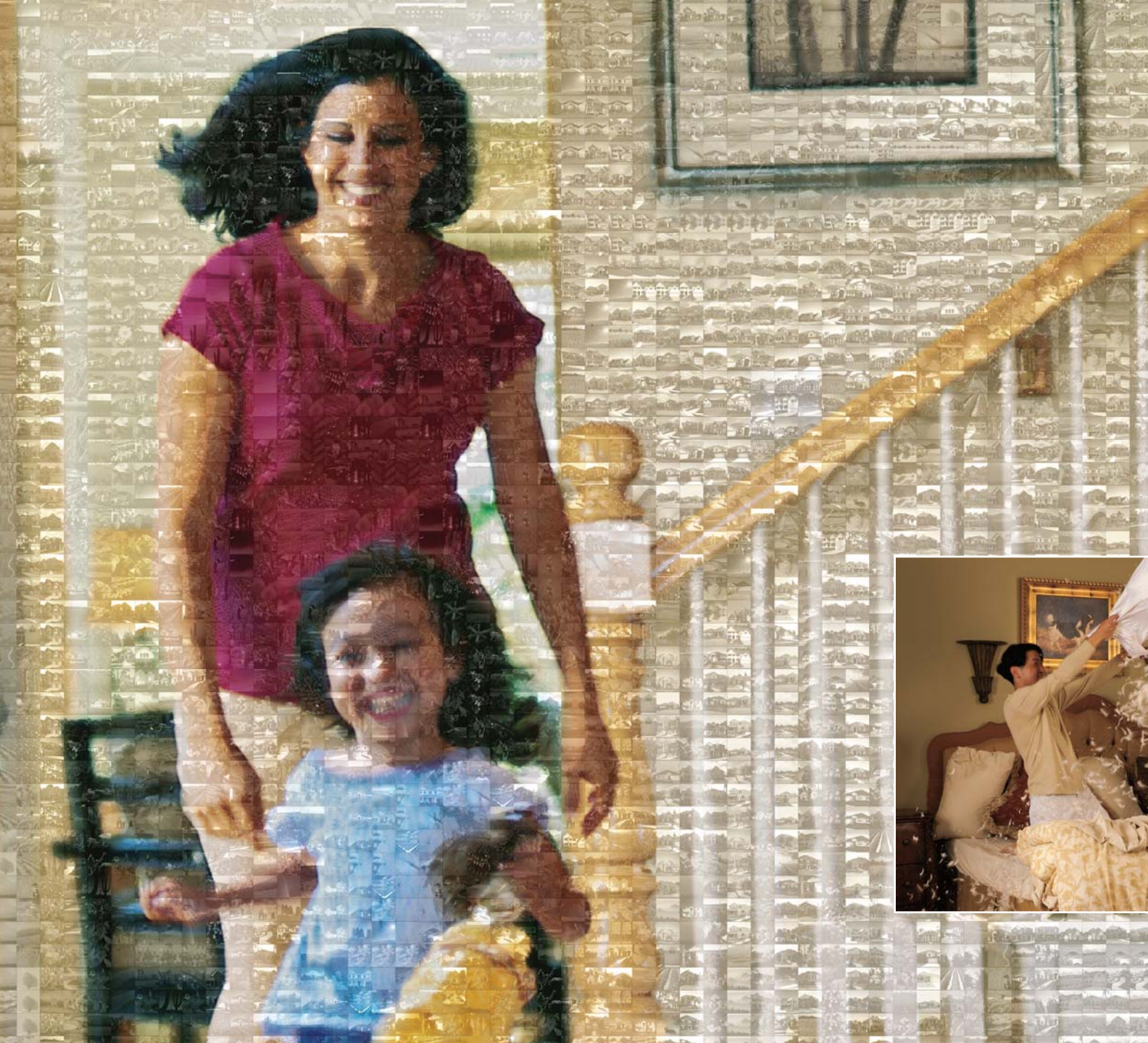
plants from spreading and further degrading the environment. Such plant species vary from area to area. Some of the more commonly recognized are Melaleuca trees in Florida and Kudzu vines in the Carolinas. As part of our development plans we often devote significant efforts to noxious and invasive plants removal. We have removed thousands of acres of such environmentally undesirable materials, and invested millions of dollars in these environmental efforts.

Creating and Dedicating Parks and Open Spaces

Planning and developing the Lennar way also means creating effective Community designs. We strive to deliver value driven homes while also maximizing open space Community areas. Careful consideration is devoted to minimizing the impacts of our homes, roads, and other development areas. We focus on the creation and preservation of open spaces and Community parks to both enhance and buffer the resulting Community. Careful steps are taken to place the ownership of open space and park areas in appropriate Community associations to assure their ongoing preservation and maintenance. We have preserved, created, and dedicated thousands of acres of parks and open space.

Planting Trees and Large Shrubs

Perhaps for many of us there are no more emotional words regarding the building and development of new communities than “cutting down trees.” It is unfortunate that since our first non-Native American ancestors we have been a nation clearing trees for farmland to feed ourselves and to create living space to house ourselves. Often the land on which Lennar builds today was previously farmland, and any native tree growth was removed long before we became involved with the site. Planning the Lennar way considers this issue in our process. We work with professional landscapers and planners to plant the appropriate species of trees and large shrubs in locations designed to beautify our communities, shelter our homes, and enhance our environment. Often our communities have many more trees after we complete them than were present before we started. We have planted hundreds of thousands of trees and large shrubs in our communities. We know that such trees and shrubs clean our air and protect our soils. We firmly believe that their growth will both enhance and protect the environment.



WE ARE RESPONSIBLE TO OUR CUSTOMERS

*We respect and cherish
that our workday revolves around building
and financing the homes and communities
in which our Customers will live.*



A common topic of discussion in the halls of Lennar is our appreciation that we are so fortunate to be homebuilders. We greatly value the professional opportunities we have to earn our living, to support our loved ones, and to make our world a better place. We respect and cherish that our workday revolves around building and financing the homes and communities in which our Customers will live. We profoundly understand that our homebuyers' purchase from us will likely be the largest purchase they will ever make.

Our definition of our responsibility to our Customers is not just to deliver a quality home, on time, and at a great value. It is also to provide an exceptional home buying, financing, and ownership experience. We call this the Customer experience. Our desire is to create a Customer experience that results in a relationship with our Customer for life.

*"I Care" for Customers,
Expectations I exceed,
I promise less and give them more,
Success is guaranteed.*

*"I Care" to be the best,
"I Care" that I have tried,
"I Care" to look at all we do,
And look at it with pride.*

Our "I Care" focus is reinforced in each of the numerous management training programs that we hold every year. It is an integral part of the ongoing inspiration and education of every discipline of our Community development, homebuilding, and financial services operations. It is at the very core of our code of conduct.



Our Responsibility is reflected in our goals relating to our Customers

We strive to deliver an exceptional Customer experience for each and every one of our Customers - every time. While we may be building thousands of homes each year, we continually remember that the only home of importance to our Customer... is their home.

Our goals relating to our Customers start with the "I Care" attitude that we constantly work to inspire in each of our Associates across the country. A profound attitude of "I Care" is woven into and consistently reinforced through our Lennar Culture. It is most simply expressed in the following selected verses of the "I Care" poem, which we use to inspire and educate our Associates.

The Customer Experience continues with independent surveys

We realize that in order to obtain true and unbiased feedback from our Customers, we must make sure that each Customer has the opportunity to share how he or she thinks we are doing. We employ J.D. Power and Associates to survey each Customer who purchases a home from us. Thus, every Customer who wishes to speak to an independent third party candidly and openly of their experiences has that opportunity.

From this independent feedback, we have learned that our Customers' satisfaction and perception of the homebuilding process is greatly based on our ability to communicate with them clearly and consistently.

TDH CUSTOMER TOUCH POINTS

- 1 "Make a Friend"
- 2 Purchase Agreement - "Sold" Celebration
- 3 In Our Design StudioSM Homes, Our Homebuyers Prepare For Their Design Studio Experience
- 4 "Welcome" Call From The Construction Department
- 5 Pre-Drywall Orientation - Celebration
- 6 TDH Party Neighborhood Get-Together
- 7 Home Orientation Tour - Celebration
- 8 Closing - Celebration
- 9 New Home Consultant Presents Homeowners' Keys - The Lennar Way!
- 10 New Home Consultant Sends Note & Pen To Remind Customers Of Upcoming Survey
- 11 TLC 1st Month Visit
- 12 Sales Associate Survey Reminder Card & Pen
- 13 TLC 3rd Month Visit
- 14 New Home Consultant Sends Referral Card
- 15 TLC 11th Month Visit

Our action in response to their feedback was the creation of our comprehensive LennarTDH Touchpoints program. TDH stands for Ticked, Delighted and Happy[®]. It is our goal for every Customer to be TDH when buying, building, financing, and living in a Lennar home. Our

TDH Touchpoints program is a minimum of fourteen-steps of communication skills that we follow to assure that all of our Associates understand and are fully educated to fulfill their role in learning, communicating, and taking care of, the needs of our Customers.

All of our 67 Homebuilding Divisions are implementing the TDH Touchpoints program to assist them in delivering the best possible Customer experiences - every time. Our Lennar Financial Services Divisions are implementing their specialized form of TDH Touchpoints throughout their Divisions this year. The combination of independent surveys and our TDH Touchpoints program has resulted in our achieving steadily higher J.D. Power Customer Satisfaction scores each year since our inception of the survey process.

Creating A Lifelong Customer Experience

Each day we strive to identify and develop new ways to make our relationship with our Customers not just a one-time experience - but instead, a lifelong experience. That is why our focus is not just on closing a mortgage and delivering a home - but is also on creating a TDH experience that results in our Customers' desire to be connected to Lennar for years to come.

Our Responsibility to Our Customers continues in the way we educate our Associates

Our "I Care" focus is the first of many responsibilities we use to constantly inspire our Associates.

Heightened Awareness - is a profound focus on some of the most important elements of developing communities and building homes. These elements are the quality of our construction, the materials we use, our jobsite cleanliness, and the safety of our construction sites through ongoing OSHA compliance. Our National Team of Heightened Awareness

Directors visits our operating Divisions on a regular basis and inspects our communities and homes under construction. Divisions are rated each quarter and ranked each year for the National Heightened Awareness Awards within our Company.

Additional Quality Assurance Programs - Complementing our National Heightened Awareness Team, we have Regional Quality Assurance Programs that focus on both regularly scheduled inspections of our homes during the construction process and the quality of each home at delivery. This team of Associates acts as a second set of eyes for our Customers, utilizing an extensively detailed checklist to assure that our homes are inspected and tested prior to delivery.



Using Our Size to Provide Quality and Value to Our Customers

Lennar's growth has given us the buying power to give our Customers great value. To maximize the effects of our volume buying power, we created our Net Plus National Purchasing Program in the Year 2000. There are great values to be found when one is buying for thousands of homes per year. By combining the buying power of all of our Divisions across the country, and then working with selected national and regional suppliers, we achieve two important objectives for our Customers. We are often able to increase the quality of the materials that we use in building our homes, while at the same time lowering costs.

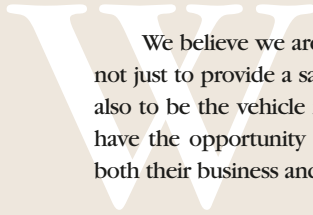




WE ARE RESPONSIBLE TO OUR ASSOCIATES

A fundamental tenet of our Lennar Culture is that we believe that every Associate is both a student and a teacher. It is our quest to learn from each other and to continually increase the knowledge of our Associates in all facets of our business.





We believe we are responsible to our Associates, not just to provide a safe and pleasant workplace, but also to be the vehicle for our individual Associates to have the opportunity to learn, grow, and prosper, in both their business and personal lives.

We Are Responsible to Inspire, Inform, and Educate Our Associates

A fundamental tenet of our Lennar Culture is that we believe that every Associate is both a student and a teacher. It is our quest to learn from each other and to continually increase the knowledge of our Associates in all facets of our business. To achieve these goals we have organized our numerous nationwide Associate training programs under the banner of Lennar Success University, which we affectionately call LSU. We continue to evolve and fine tune our Lennar

was originally developed a number of years ago and has been constantly fine-tuned through the years. Every New Home Consultant in our Company is invited to participate in this program. Our New Home Consultants learn our Lennar "Personalized Planned Presentation" which consists of 25 key questions asked to assist our Customers in identifying their specific home needs, and to help them find the home that best fills those needs. We created this program because our relationship with our Customer is not just about selling a home, it is also about making a friend.

Our Focus on Service Program - This one-week program educates our Construction and Customer Care Associates on how to better understand and communicate with our Customers. This program focuses on teaching our Associates the



Success University Training Programs to meet the ever changing evolution of the homebuilding industry, the ongoing needs of our Customers, and the professional goals of our Associates.

Our Lennar Success University Training Programs consist of a three-tiered approach to education. The first tier consists of very focused training related to each Associate's individual role in building and financing homes. The second tier is an educational program in which our Senior Management Team members interact with Associates to inspire and evaluate leadership candidates. The third tier focuses on a selected group of Associates, who are identified as future leaders, and are invited to participate in an ongoing LSU Leadership Development Training Program.

The first level of training that occurs is relative to the respective disciplines within our business. They include:

Our LSU Sales Training Program, It's About Making A Friend - This two-week training program

ability to recognize the different behavioral styles of our Customers, and thus the best way to communicate effectively and relate to each of those behavioral styles so that we can improve each Customer's overall home buying and ownership experience.

LSU Online - LSU Online has been developed to offer internet based online professional education modules that can be completed at an individual Associate's own pace, and gives us the ability to assist in and track our Associates' training as it is completed. The initial modules are in the areas of personal development, communication, and relationship training. Our LSU Online education program was developed and tested with more than 1,000 of our Associates in our Southern California Region. As we move into 2005, LSU Online is being expanded nationwide with additional curriculum added in the areas of purchasing, construction, sales, accounting, and leadership.

Lennar Success University for Construction - Available nationally and supplemented regionally, this



Our pro-active field inspection and training program is designed to heighten the awareness of our Associates and Business Partners in the areas of quality of products, quality of installation, and overall service to our Customers.

education program raises the level of our construction techniques and shares best construction practices. This program is taught at each Division for all levels of Construction Managers, from entry level to senior manager. The national program is currently being established for online use and tracking so that every field Associate will be able to log into the program and complete study courses for self improvement and advancement.

Heightened Awareness – A pro-active field inspection and training program designed to heighten the awareness of our Associates and Business Partners in the areas of quality of products, quality of installation, and overall service to our Customers. Our National and Regional Directors of Heightened Awareness accomplish this through actual field visits. They, together with our local team members, review current practices in the field and share our best practices learned from across the country.

“I Care” Training Program - Our Customer Care Associates meet annually for four days. They review best practices and techniques for satisfying our Customers’ needs, and the best use practices of our Customer Care tracking program to achieve quick and consistent follow-up of Customer Care requests.

Our Management Development Reading Program – The second tier of training is our Management Development Reading program. Management Team members across the country regularly host Book Reading Programs in which they interact with and evaluate individual Associates through the group discussion of specific reading materials that have been assigned prior to the meetings. Currently 1,100 Associates who are believed to have management potential or are now in mid-level management positions participate in this program. Four books are chosen each year, on topics such as management styles, motivation techniques, and business practices, which are then discussed in our Book Meetings. We study and discuss other successful business entities. The host management team members evaluate the participating Associates after each reading program.

We are Responsible to our Associates to help them become our Future Leaders.

Leadership Development Training - The third and perhaps most exciting tier of our LSU education program is our Leadership Development Training. This program is designed to identify some of our most valuable assets: our future



OSHA Training Program - An OSHA approved ten-hour construction safety course created for our field Associates is taught and sponsored by our National Risk Assessment Team. The course is taught in our individual Divisions. Approximately 1,000 Associates complete the course each year.

First Aid and CPR Training Program - A six-hour first aid and CPR course is taught by our National Risk Assessment Team. This course is taught in our Divisions on an ongoing basis. Associates from all disciplines are encouraged to attend.

After being exposed to specific training that is relevant to their business discipline, those Associates identified as having leadership potential are asked to participate in the second tier of our ongoing training program.

leaders. The “best of the best” junior and mid-level leaders within our Company are nominated by our Regional and Division management teams across the country. The nominees are invited to participate in three-day round table discussions with the senior most members of Lennar management, held on multiple occasions throughout a one-year period. In these forums, interactive discussions occur on a wide range of topics, including asset management, mergers and acquisitions, purchasing, compensation/benefit plans, land acquisition and development, Customer satisfaction, strategic planning, financial services for our Customers, and our Culture. Graduates of our Leadership Development Training fill the future management positions throughout our Company.



WE ARE RESPONSIBLE TO OUR SHAREHOLDERS

...and we believe that we are responsible to our Shareholders, not just to make a profit each year; but also to be as socially and environmentally responsible as we are fiscally responsible.





This Corporate Responsibility Report is not a part of any document that Lennar Corporation files with the Securities and Exchange Commission and should not be deemed incorporated into any document that Lennar Corporation files with the Securities and Exchange Commission.

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