

LENNAR 1-2-10 WARRANTY

Dear Homebuyer(s):

Congratulations! You are purchasing a Home with warranty protection provided by a member of the Lennar Family of Builders ("Lennar"). As part of Lennar's commitment to quality, value and integrity, we give you, the Homeowner, a limited 1 year warranty on workmanship, a limited 2 year warranty on systems and a limited 10 year warranty on structural elements (the "Lennar Limited Warranty" or "Limited Warranty").

This Warranty Booklet constitutes a Limited Warranty from Lennar. The limited express warranties contained in these documents are specific and detailed as to the scope of your warranty coverage and, to the extent allowed by law; Lennar specifically disclaims all other implied warranties, including without limitation any general warranty of good workmanship or habitability. While we are confident that we can resolve any warranty items to your satisfaction, **YOU SHOULD BE AWARE THAT THIS LIMITED WARRANTY INCLUDES A REQUIREMENT THAT ALL DISPUTES BE SUBMITTED TO BINDING ARBITRATION.**

Please take the time to become familiar with this Warranty Booklet and read it in its entirety. It defines our responsibilities to you and your responsibilities to your Home. Your proper maintenance of your Home is vital, and if you do not perform the required maintenance on your Home, it will limit your warranty rights. While Lennar will be happy to answer any questions that you have about your Limited Warranty or specific construction standards and how they apply to your home, the content of this Warranty Booklet controls as to Lennar's obligations to you and your Home to the extent of any difference between the content of the document and your conversations with any Lennar representative.

Congratulations and enjoy your new Home!

Lennar

EXPRESS LIMITED WARRANTY- THE "LENNAR LIMITED WARRANTY"

Under the Lennar Limited Warranty, the seller of your home ("Lennar") commits that the components of your Home will perform to the standards listed in this Warranty Booklet. Specific components of your Home are covered for either one, two or ten years under the Lennar Limited Warranty, and Lennar's obligations are expressly limited to those standards and for only those time-periods as explained below. Please take the time to review the section titled "What Is Not Covered By The Lennar Limited Warranty" which lists those items excluded from the Lennar Limited Warranty. The Lennar Limited Warranty commences on the date of closing of the original purchase of the Home (the "Closing Date"). The protection periods provided below are referred to in the Lennar Limited Warranty as "Warranty Terms."

WORKMANSHIP PROTECTION FOR YEAR 1.

For one year from the Closing Date, Lennar warrants that the components of the Home set forth in the Workmanship Standards found on pages 15 to 55 of this Warranty Booklet will perform in accordance with those Workmanship Standards. If a component is not specifically listed in the Workmanship Standards, then it is not warranted under the Lennar Limited Warranty or otherwise. If a component is performing in accordance with the Workmanship Standards, then Lennar has no further obligations under the Lennar Limited Warranty. Lennar reserves the sole right to determine the repairs and or replacements necessary to meet the Workmanship Standards. Please note that a limited number of items in the Workmanship Standards are subject to a one time repair obligation.

SYSTEMS PROTECTION FOR YEARS 1-2.

For two years from the Closing Date, Lennar warrants that the components of the Home set forth in the Systems Standards found on pages 55 to 56 of this Warranty Booklet will perform in accordance with those Systems Standards. If a component is not specifically listed in the Systems Standards, then it is not warranted under the Lennar Limited Warranty or otherwise. If a component is performing in accordance with the Systems Standards, then Lennar has no further obligations under the Lennar Limited Warranty. Lennar reserves the sole right to determine the repairs and or replacements necessary to meet the Systems Standards.

STRUCTURAL PROTECTION FOR YEARS 1 THROUGH 10.

For ten years from the Closing Date, Lennar warrants that the structural components of the Home set forth in the Structural Components Standards found on pages 5 to 5 of this Warranty Booklet will perform in accordance with those Structural Standards. If a component is not specifically listed in the Structural Standards, then it is not warranted under the Lennar Limited Warranty or otherwise. If a structural component is performing in accordance with those Structural Standards, then Lennar has no further obligations under the Lennar Limited Warranty. Lennar reserves the sole right to determine the repairs and/or replacements necessary to meet the Structural Standards and may, at its sole election, implement repairs in phases to determine if structural components can be stabilized as part of meeting its obligations under the Structural Standards.

TRANSFERABILITY

All of your rights and obligations under the Lennar Limited Warranty shall, unless previously released by you, or your successor fully transfer to each successor owner of the Home, including any mortgagee in possession, for the remainder of the applicable Warranty Term and any transfer shall in no way affect, increase or reduce the coverage under the Lennar Limited Warranty for its unexpired term. If you sell your Home during the Warranty Term, you agree to give this Warranty Booklet to the successor owner, to inform the successor owner of warranty rights, and to otherwise make it possible for the successor owner to fulfill the successor owner's obligations under the terms of the Lennar Limited Warranty. **If you are an owner other than the original purchaser of the Home, you are bound by all the terms and conditions of the Lennar Limited Warranty including, but not limited to, claims procedures and the requirement to submit any disputes that may arise under the Lennar Limited Warranty to binding arbitration**

REQUESTING LENNAR LIMITED WARRANTY SERVICE

If you believe that a component of your Home is not performing to the Lennar Limited Warranty standards during the applicable Warranty Term, you must send the appropriate Notice of Workmanship/Systems Claim Form or Notice of Structural Claim Form (located at this back of this booklet)(“Notice”) to Lennar.

The Notice of Claim must list the specific warranty claim and the date that you first observed the condition that is the subject of the claim. You must notify Lennar of any observed component that you believe is not performing to Lennar Limited Warranty standards as soon as possible and in no event later than the date the applicable warranty expires, by sending the notice to the appropriate Customer Care office.

We must receive your Notice of Claim not later than thirty (30) days after the applicable Workmanship, Systems or Structural Warranty expires or we will have no further obligation to you under the Lennar Limited Warranty. Lennar is not responsible for repairs or any other costs or expenses (including, but not limited to, attorneys’ fees and engineers’ fees) incurred by you prior to the date you give Lennar a Notice of Claim. In the event that you fail to notify us and give us the opportunity to inspect and repair the conditions giving rise your claim, Lennar will not be responsible for any repairs or any other costs or expenses (including, but not limited to, attorneys’ and engineers’ fees) you incur to address the claim.

We will respond to a timely Notice of Workmanship or System Claim within thirty (30) days and complete any warranted repairs within sixty (60) days of receipt of your written Notice of Claim to us unless (i) you or other events beyond our reasonable control delay our completion (including a failure to allow prompt inspections of your home), or (ii) the condition reasonably requires more than sixty (60) days to properly repair. If we determine that any of the Workmanship or Systems items you report to us are not covered by the Lennar Limited Warranty, we will endeavor to advise you in writing within (30) thirty days of our determination of no coverage.

Additional time may be required for us to assess structural claims and evaluate our response. As such, we will respond to any Notice of Structural Claim within (60) days of receipt of your written Notice of Structural Claim unless you or other events beyond our control delay our response (including a failure to allow prompt inspections of your home). Additional time may be required to investigate, design, implement and/or complete structural repairs beyond the (60) days by which we commit to complete Workmanship/Systems repairs. If we determine that any of the Structural items you report to us are not covered by the Lennar Limited Warranty, we will endeavor to advise you in writing within (30) thirty days of our determination of no coverage.

Investigation of claims often requires inspection of the Home, and under certain circumstances, invasive testing might be needed. We may request additional documents or information from you, and you agree as part of the Lennar Limited Warranty to fully cooperate with the investigation of your claim. By submitting a Notice of Claim, you agree to grant Lennar and/or their representative’s prompt and complete access to your Home during normal business hours of 8 a.m. to 5 p.m. to inspect, repair and conduct tests in your Home as we may deem necessary. If you refuse to allow us access to your Home, such denial of access shall void the Lennar Limited Warranty with respect to your claim.

Lennar reserves the option to repair, replace or pay you the reasonable cost of repair or replacement for any warranted and covered claim. Prior to Lennar undertaking repairs, replacement or payment, you agree to assign to Lennar all claims you may have against any other person or entity who Lennar or you believe may have any responsibility associated with the warranted and covered claim.

If you believe that we have not met our obligations under the Lennar Limited Warranty, you may seek resolution of any claim you may have pursuant to the mediation/arbitration provisions set forth in the following section of the Warranty Booklet.

MEDIATION/ARBITRATION OF DISPUTES

The terms "Buyer" and "Seller" as used in this section of your warranty shall have the same meanings as set forth in your Purchase and Sale Agreement. By purchasing a Lennar home and receiving this warranty, Buyer specifically agrees that this transaction involves interstate commerce and that any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by or in a court of law or equity. "**Disputes**" (whether contract, warranty, tort, statutory or otherwise), shall include, but are not limited to, any and all controversies, disputes or claims (1) arising under, or related to your Purchase and Sale Agreement, the Property, the Community (as these terms are defined in Buyer's Purchase and Sale Agreement) or any dealings between Buyer and Seller (with the exception of "consumer products" as defined by the Magnuson-Moss Warranty-Federal Trade Commission Act, 15 U.S.C. §2301 et seq., and the regulations promulgated thereunder and with the exception of any dispute arising pursuant to Section 8); (2) arising by virtue of any representations, promises or warranties alleged to have been made by Seller or Seller's representative; and (3) relating to personal injury or property damage alleged to have been sustained by Buyer, Buyer's children or other occupants of the Property, or in the Community. Buyer acknowledges that it has executed the Purchase and Sales Agreement on behalf of his or her children and other occupants of the Property, with the intent that all such parties be bound by the Purchase and Sales Agreement and the Limited Warranty.

Any and all mediations commenced by Buyer or Seller shall be filed with and administered by the American Arbitration Association or any successor thereto ("**AAA**") in accordance with the AAA's Supplementary Mediation Procedures for Residential Construction Disputes in effect on the date of the request or any rules enacted to replace those Rules if in effect on the date of the request. If there are no Supplementary Mediation Procedures for Residential Construction Disputes currently in effect or any rules enacted to replace those rules in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of such request shall be utilized. Unless mutually waived in writing by the parties, submission to mediation is a condition precedent to either Buyer or Seller taking further action with regard to any matter covered hereunder.

If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration and administered by the AAA in accordance with the AAA's Supplementary Arbitration Procedures for Residential Construction Disputes in effect on the date of the request. If there are no Supplementary Arbitration Procedures for Residential Construction Disputes currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. Unless Buyer and Seller otherwise agree, claims in excess of \$10,000.00 but less than \$500,000.00 shall utilize the Regular Track Procedures of the Construction Industry Arbitration Rules, as modified by the Supplementary Arbitration Procedures for Residential Construction. If the claimed amount exceeds \$250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three arbitrators; however, if mutually agreed to by Buyer and Seller, then the Dispute shall be heard and determined by one arbitrator. Arbitrators shall have expertise in the area(s) of Dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of either Buyer or Seller, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Buyer and Seller.

The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Buyer and Seller further agree (1) that any Dispute involving Seller's

affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in a court of law or equity; (2) that Seller may, at its sole election, include Seller's contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) that the mediation and arbitration will be limited to the parties specified herein.

Unless otherwise recoverable by law or statute, each of Buyer and Seller shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if Buyer or Seller unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if Buyer or Seller fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

To the fullest extent permitted by applicable law, Buyer and Seller agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of the parties. In addition, Buyer and Seller further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of the parties.

Buyer may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.

Seller supports the principals set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:

Notwithstanding the requirements of arbitration stated in this section, Buyer shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.

Seller agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the parties.

The fees for any claim pursued via arbitration in an amount of \$10,000.00 or less shall be apportioned as provided in the Supplementary Rules for Residential Construction Disputes of the AAA or other applicable rules. Unless provided otherwise by the Supplementary Rules for Residential Construction Disputes of the AAA or other applicable rules, for claims that exceed \$10,000.00, the filing party shall pay up to the first \$750.00 of any initial filing fee to initiate arbitration. Under the following conditions, Seller agrees to pay up to the next \$2,000.00 of any initial filing fee: (1) Buyer has participated in mediation prior to initiating the arbitration; (2) the parties have mutually agreed to waive mediation; or (3) Seller is the filing party. The portion of any filing fee not covered above, and any case service fee, management fee or fees of arbitrator(s), shall be shared equally by the parties.

Notwithstanding the foregoing, if either Seller or Buyer seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that

either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.

Other Dispute Resolutions. Notwithstanding the Buyer's and Seller's obligation to submit any Dispute to mediation and arbitration, in the event that a particular dispute is not subject to the mediation or the arbitration provisions of this section, then Buyer and Seller agree to the following provisions: **BUYER ACKNOWLEDGES THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS AGREEMENT ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. BUYER AND SELLER AGREE THAT ANY DISPUTE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY. BUYER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL. SELLER HEREBY SUGGESTS THAT BUYER CONTACT AN ATTORNEY OF BUYER'S CHOICE IF BUYER DOES NOT UNDERSTAND THE LEGAL CONSEQUENCES OF EXECUTING THE PURCHASE AND SALE AGREEMENT.**

