

Mare Island Progress Update

Since Lennar Mare Island began work on the reuse of the former Mare Island Naval Shipyard, the company has invested more than \$120 million on development, cleanup and infrastructure. Mare Island business, residents and property owners have invested an additional \$100 million in the Island. The result of this investment has been progress on the reuse effort that continues each and every day.

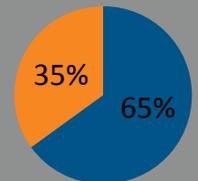
There are now approximately 100 Mare Island businesses with more than 2,000 full-time jobs. Approximately 3.4 million square feet of commercial space is occupied, including more than 50 historic buildings that have been improved and leased. The majority of Mare Island's industrial waterfront is occupied by businesses that have invested in their facilities and created jobs for the community. More than 1,400 students attend classes at Touro University.

Environmental cleanup is also a critical component of the Island's redevelopment. More than 65 percent of LMI's usable property has now been cleaned up and made available for reuse. In addition, working in conjunction with the City of Vallejo, LMI has overseen the construction of roads, streetlights, traffic signals, water/sewer lines and other infrastructure that is essential to the reuse effort. More than 270 private residences have been constructed and sold.

LMI continues to focus on business development and job creation on Mare Island, along with the cleanup and infrastructure work necessary to make these opportunities possible. What was once home to the oldest military base on the west coast is quickly becoming one of the North Bay's premier locations to work, live and play.

Environmental Cleanup Highlights

Environmental cleanup remains a primary component of the reuse and redevelopment of Mare Island. More than 65% of LMI's portion of Mare Island has been cleaned up and approved for reuse, including:



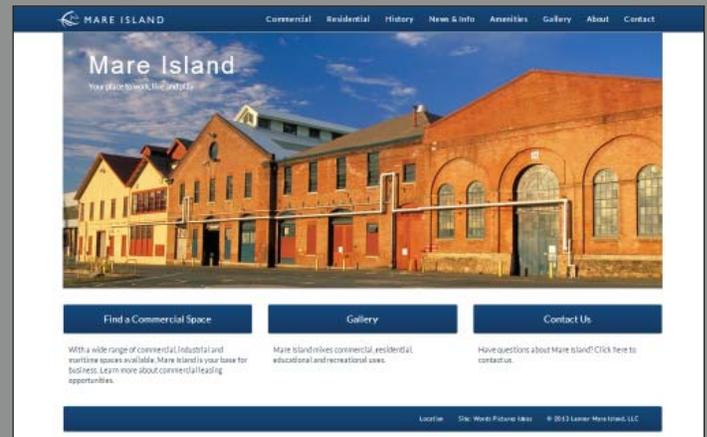
- 490 of 570 PCB sites closed
- 100 of 113 Underground Storage Tank sites closed
- 101 of 115 Fuel Oil Pipeline Segments closed



Environmental cleanup taking place in Nov 2013.

New Website

LMI recently launched a new version of its website, www.discovermareisland.com, with a new look and increased functionality. The new site includes a new and greatly expanded commercial marketing listings section, and enhanced compatibility with tablets and smart phones. We invite you to visit the site to learn more about LMI's progress on the Mare Island reuse.



Storm Drain Improvements Take Shape on Nimitz

As part of LMI's ongoing infrastructure improvement obligations to the City of Vallejo, work is taking place now to install a new storm drain line on Nimitz Avenue, near the Alstom Transportation building. This work will replace an aging pipe on Nimitz with a more modern one, improving drainage in the area and preventing future flooding. The Vallejo Sanitation and Flood Control District and Public Works Department are overseeing the work, which is expected to be completed in December 2013.



Storm drain improvement work on Nimitz Avenue on Mare Island