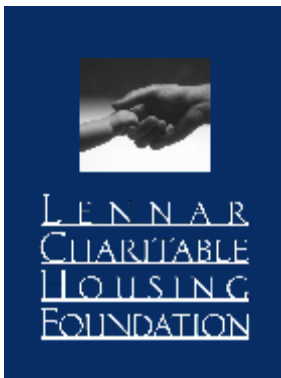




Toll Free: 866.858.HOPE • www.lchf.org



25 Enterprise
Aliso Viejo, CA 92656



FREQUENTLY ASKED QUESTIONS

What is Lennar Charitable Housing Foundation (LCHF)?

LCHF is a non-profit, tax exempt 501(c)(3) public benefit corporation created to help with the overwhelming need of housing assistance for the homeless and transitionally homeless, as well as to serve working, low-income families and individuals. The transitionally homeless encompass the hundreds of thousands of men, women and children forced out onto the streets due to a variety of causes including domestic violence, unemployment, crisis pregnancies or catastrophic illness. LCHF was founded to financially assist qualified non-profit, tax exempt organizations in the quest to abolish homelessness as well as to provide affordable housing.

Who benefits from LCHF and what does the future hold?

LCHF has been in place since August 2001 with very successful results. The program has been largely confined to California, and only recently introduced into the states of Nevada and Arizona. From May 2002 to January 2007, it is estimated that LCHF has helped to benefit thousands of people as follows:

*LCHF helped provide approximately **33,000** beds.*

*LCHF helped the funding of approximately **160** shelters and homes.*

*LCHF helped approximately **4,900** people receive shelter.*

*LCHF helped provide approximately **1,500,000** meals.*

*LCHF helped provide approximately **500** jobs.*

*LCHF helped assist, in one form or another, **approximately 53,000** people.*

Charities who have received funding from LCHF include Habitat for Humanity, HomeAid America, Girls & Boys Towns, Families Forward, and numerous others in more than 10 counties in California.



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Is LCHF's program a tax shelter or tax break for Lennar?

No, LCHF is not a tax shelter or tax break for Lennar.

Is LCHF controlled by Lennar?

While the word Lennar is in the name, LCHF is an independently directed, fully-qualified, tax-exempt, non-profit 501(c)(3) public benefit corporation under state and federal law. The LCHF Board of Directors is comprised of professionals with business, law, government, and non-profit backgrounds.

How is LCHF funded?

Every buyer and seller of a home in the LCHF program enters into a lien at the time of home purchase which subsequently results in an endowment fee due. This endowment fee is equal to a small percentage of the sales price of a home, 1/20th of 1%, and is paid to LCHF through escrow. Buyer and seller are both obligated to pay the fee at the time escrow closes, but typically the fee is paid by the buyer upon close of escrow. This fee is required to be contributed by the buyer, seller, or combination thereof to LCHF every time the home is sold or subsequently resold, thus creating a perpetual source of income. For example, a \$500,000 home sale would generate a \$250 endowment fee to LCHF. In addition to endowment fees, LCHF receives funding through home builders like Lennar as well as other sources. These funds will then be distributed to qualified nonprofit, tax exempt organizations which share consistent missions and objectives as LCHF.

Is the Charitable Housing Agreement's endowment fee required mitigation for development impacts?

No. The primary goal and intent of LCHF is to end homelessness. Endowment fees do not mitigate development impacts for affordable housing, environment, or other exactions typically required by local governments prior to project approval.

How often is the endowment fee collected and who is obligated to pay it?

The endowment fee is required to be paid at close of escrow upon the sale or subsequent resale of every home. The fee is permanently attached to the property as a lien. Buyer and seller are both jointly and severally obligated to pay the fee at the time escrow closes, but typically the fee is paid by the buyer upon close of escrow.

Where can I learn more?

Check out www.LCHF.org for more information or contact LCHF's Executive Director, Matt Coleman, at 866.858.HOPE (4673).