

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE: LNR PROPERTY CORP. X
SHAREHOLDERS LITIGATION : C.A. No. 674-VCL
: Consolidated

X

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED CLASS ACTION
DETERMINATION, PROPOSED SETTLEMENT OF CLASS ACTION,
SETTLEMENT HEARING AND RIGHT TO APPEAR**

TO: ALL HOLDERS OF THE COMMON STOCK OF LNR PROPERTY CORP. (“LNR”) BETWEEN AUGUST 29, 2004 THROUGH FEBRUARY 3, 2005 INCLUDING ANY AND ALL OF THEIR RESPECTIVE AFFILIATES, SUBSIDIARIES, PARENT CORPORATIONS, SHAREHOLDERS, PARTNERS, DIRECTORS, EMPLOYEES, OFFICERS, AGENTS, ATTORNEYS, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING BY, UNDER, AND/OR THROUGH ANY OF THEM, INCLUDING THE SUCCESSORS-IN-INTEREST, ASSIGNS, PREDECESSORS, HEIRS, PERSONAL REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS OR TRANSFEREES, AND EACH OF THEM, BUT EXCLUDING THE DEFENDANTS, MEMBERS OF THE IMMEDIATE FAMILY OF EACH OF THE INDIVIDUAL DEFENDANTS, ANY PARENT, SUBSIDIARY, AFFILIATE, OFFICER OR DIRECTOR OF LNR, ANY ENTITY IN WHICH ANY EXCLUDED PERSON HAS A CONTROLLING INTEREST, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS OF ANY EXCLUDED PERSON (THE “CLASS”).

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT, OR PURSUING THE SETTLED CLAIMS (AS DEFINED BELOW).

IF YOU HELD THE COMMON STOCK OF LNR PROPERTY CORPORATION FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.

I. PURPOSE OF NOTICE

The purpose of this Notice is to inform you of the proposed settlement (the “Settlement”) of the Class Action (as defined below) pending in the Court of Chancery of the State of Delaware (the “Court”). The Court has determined that, for purposes of the Settlement only, the Action shall be temporarily maintained as a class action under Court of Chancery Rule 23(b)(1) and/or (b)(2) by Plaintiffs as Class Representatives. This Notice informs you of your right to participate in a hearing to be held on July 16, 2008 at 11:00 a.m. before the Court in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware (the “Settlement Hearing”) at which the Court will, among other things: (i) determine whether certification of the Class (as defined above) should be made final, (ii) determine whether the Court should approve the Settlement as fair, reasonable, adequate and in the best interests of the named plaintiffs (the “Plaintiffs”) and the Class, (iii) determine whether the Court should enter an Order and Final Judgment pursuant to the Stipulation of Settlement (the “Stipulation”), (iv) consider the application for an award of attorneys’ fees and expenses for Plaintiffs’ counsel, (v) consider the application for an award to Class Representative George Caton, (vi) hear and rule upon any objections to the Settlement or the application for any award; and (vii) hear such other matters as the Court may deem appropriate.

If you are a member of the Class, this Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement. If the Court approves the Settlement, the parties will ask the Court at the Settlement Hearing to enter an Order and Final Judgment dismissing the Action with prejudice on the merits.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND OF THE ACTION

On August 29, 2004, LNR entered into a Plan and Agreement of Merger with Riley Property Holdings LLC and its wholly owned subsidiary, Riley Acquisition Sub Corp. (“Merger Agreement”), which provided for the merger of Riley Acquisition Sub Corp. into LNR in a transaction (the “Transaction”) that resulted in LNR’s stockholders receiving

\$63.10 per share in cash and LNR being indirectly wholly owned by Riley Property Holdings LLC, an affiliate of Cerberus Capital Management, L.P. (which, together with its affiliates, including but not limited to Blackacre Capital Management LLC, and their successors are referred to herein as “Cerberus”), and LNR thereby becoming an affiliate of Cerberus.

On August 30, 2004, two shareholders of LNR, Mr. Aaron Brody and Eastside Investors, LLP, filed separate, class action lawsuits in the Court against Defendants alleging various breaches of their fiduciary duties that resulted in alleged inadequate merger consideration of \$63.10 per share. Plaintiffs Brody and Eastside Investors sought preliminary and permanent injunctive relief, as well as damages and other relief.

On September 1, 2004, Mr. George Caton, another shareholder of LNR, also filed a similar lawsuit in the Court against Defendants based on the same legal theories and seeking similar relief.

On September 28, 2004, the Court consolidated the three Delaware actions into a single action captioned, *In re LNR Property Corp. S'holders Litig.*, C.A. No. 674-VCL (“Consolidated Complaint”).

On October 10, 2004, LNR filed a Rule 14A Preliminary Proxy Statement with the United States Securities and Exchange Commission (“SEC”), and on January 3, 2005 LNR filed its Rule 14A Definitive Proxy Statement (“Proxy”) with the SEC.

On January 31, 2005, LNR’s stockholders voted to approve the Transaction and on February 3, 2005, LNR and Cerberus completed the Transaction.

On April 19, 2005, the Defendants filed their motion to dismiss the Consolidated Complaint. On June 8, 2005, Plaintiffs filed a motion for leave to file an amended consolidated complaint in lieu of answering the pending motion to dismiss and, thereafter, on June 23, 2005, Plaintiffs filed their Consolidated Amended Complaint (“Consolidated Amended Complaint”). Collectively, the Consolidated Complaint and the Consolidated Amended Complaint are referred to herein as the “Class Action.”

On July 15, 2005, the Defendants filed a new motion to dismiss the Consolidated Amended Complaint. By order dated November 4, 2005, the Court granted the motion to dismiss as to LNR and denied it as to the other Defendants.

The Parties since have engaged in substantial document, deposition, and other discovery, including the production by Defendants of hundreds of thousands of pages of material and the depositions of eight of the nine individual Defendants, two of the three named Plaintiffs, Greenhill & Co. LLC (the financial advisor to LNR), and Cerberus.

III. THE SETTLEMENT AND PARTICIPATION IN THE SETTLEMENT

The Parties engaged in initial settlement discussions in September 2005, which continued, intermittently, until September 2007, when the Parties began engaging in weekly settlement negotiations. On November 16, 2007, the Parties reached an agreement in principle to settle the Class Action (the “Settlement”). The terms of the Settlement were set forth in a Memorandum of Understanding dated January 25, 2008 (the “MOU”). All of the terms and understandings embodied in the MOU are reflected in the Stipulation, which supersedes the MOU.

In consideration for the Settlement and dismissal with prejudice of the Class Action and the releases as set forth in Paragraphs 6, 7, 8 and 9 of the Stipulation, LNR shall pay a total amount of \$4,900,000 (Four Million Nine Hundred Thousand and 00/100 US Dollars) (“Settlement Amount”). The Settlement Amount shall be paid in two separate installments: (a) \$200,000 (Two Hundred Thousand and 00/100 US Dollars) has been paid into an interest bearing escrow account established by Plaintiffs’ counsel as provided in Paragraph 2 of the Stipulation (“Notice Escrow”); and (b) \$4,700,000 (Four Million Seven Hundred Thousand and 00/100 US Dollars), plus interest, shall be paid as provided in Paragraph 3 of the Stipulation. The Settlement Amount and any interest earned thereon as provided in Paragraphs 2 and 3 of the Stipulation shall be the “Gross Settlement Fund.” Upon final Court approval of the Stipulation and the completion of this Notice, all remaining moneys, including all interest earned, in the Notice Escrow account shall be credited to and included in the Gross Settlement Fund.

Should the Court not give final approval to the Settlement, then LNR will not be obligated to pay any additional monies into the Gross Settlement Fund and all proceeds advanced for Notice costs and placed in the Notice Escrow account, and all interest earned on said proceeds, will be returned to LNR, except those proceeds which have been paid or are owed to third parties for such Notice costs incurred or accrued prior to the Court’s notification to the parties that the Settlement has not been approved.

The Parties to the Stipulation agreed that its provisions shall not be deemed a presumption, concession or any admission by any of the parties of any fault, liability or wrongdoing as to any facts or claims alleged or asserted in the Class Action, or any other actions or proceedings. The Stipulation also provides that it shall not be interpreted,

construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the Action, or in any other action or proceeding, whether civil, criminal or administrative, except in a proceeding to enforce the terms or conditions of this Stipulation. In the event the Stipulation is not approved or the Settlement does not become final for any reason, Defendants reserve the right to oppose certification of the Class in any future proceedings.

If you are a Class member, and the Stipulation and Settlement receive final approval by the Court, you will be bound by any judgment entered in the Class Action whether or not you actually receive this Notice. You may not opt out of the Class.

IV. DISMISSAL OF ACTION AND RELEASES

The Stipulation provides that, subject to the Court approval of the Settlement, and in consideration for the benefits provided by the Settlement, the Class Action shall be dismissed, with prejudice, without fees or costs except as expressly provided in the Stipulation.

The Stipulation includes releases for the benefit of the Defendants and related and affiliated persons and entities. Specifically, it provides that all “Settled Claims” by members of the Class, whether individual, class, derivative, representative, legal, equitable or any other type or any other capacity against “Released Persons” will be fully and completely discharged, dismissed with prejudice, settled, released, and enjoined pursuant to the terms and conditions set forth in the Stipulation.

The Stipulation also includes releases for the benefit of Class members. Specifically, it provides that all Settled Claims by or on behalf of any Released Person, whether individual, class, derivative, representative, legal, equitable or any other type or any other capacity, against any member of the Class or their counsel, advisors and agents, shall be fully and completely discharged, dismissed with prejudice, settled, released and enjoined pursuant to the terms and conditions set forth in the Stipulation.

The Stipulation defines “Settled Claims” as “all claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, matured or unmatured, that have been, could have been, or in the future can or might be asserted in the Class Action or in any court, tribunal or proceeding (including, but not limited to, any claims arising under federal or state law relating to alleged fraud, breach of any duty, negligence, violations of the federal securities laws or otherwise) which have arisen, could have arisen, or may arise out of, or relate in any manner to, the allegations, facts, events, transactions, acts, occurrences, statements, representations, misrepresentations, omissions or any other matter, thing or cause whatsoever, or any series thereof, embraced or set forth in any complaint filed in the Class Action or otherwise related, directly or indirectly, to the Transaction, to any provisions of the Merger Agreement or to any offering or proxy material, public filings or statements in connection with the Transaction or Merger Agreement (including, but not limited to, public statements) by any of the Defendants or their representatives in the Class Action or by any other Released Persons.” The term “Settled Claims,” however, does not include any claims that might be asserted to enforce the Settlement.

The Stipulation defines “Released Persons” as “Defendants or their affiliates” and “the Defendants’ or their affiliates’ respective past, present or future officers, directors, stockholders, representatives, families, parent entities, associates, affiliates, subsidiaries, employees, financial or investment advisors, consultants, accountants, attorneys, law firms, investment bankers, commercial bankers, engineers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, principals, personal representatives, estates, administrators, predecessors, successors, and assigns.”

The Stipulation also provides that the Parties granting releases waive any rights that may have the effect of limiting such releases, including a waiver of any rights all members of the Class may have pursuant to Section 1542 of the California Civil Code and any similar, comparable or equivalent provision.

V. REASONS FOR THE SETTLEMENT

Based on a thorough investigation of the events, negotiations and agreements described above, and an analysis of applicable law, Plaintiffs and their counsel concluded that the Stipulation on the terms and conditions described therein is fair, reasonable, adequate, and in the best interests of Plaintiffs and the Class.

Plaintiffs entered the Stipulation after taking into account (i) the substantial benefits to the Class from the consideration to be received in the Settlement; (ii) the risks of continued litigation (including, *inter alia*, the risks that the Court or an appellate court may conclude that Defendants discharged their fiduciary duties in considering and approving the Transaction in the proper exercise of their business judgment and/or that the Transaction was fair to

all LNR shareholders); (iii) the desirability of permitting the Settlement to be consummated as provided by the terms and conditions of this Stipulation; and (iv) the conclusion of Plaintiffs that the terms of the Settlement are fair, reasonable, adequate and in the best interests of the Class because, among other things, the Settlement achieves the principal objective of maximizing shareholder value derived from the Transaction.

Defendants have denied, and continue to deny, that they have violated any law or breached any fiduciary duty and are entering this Stipulation solely to avoid the costs, disruption, and distraction of further litigation without admitting the validity of any allegations made in the Class Action, or any liability with respect thereto. Defendants have, on that basis, concluded that it is desirable that the claims against them be settled on the terms set forth in the Stipulation.

VI. APPLICATION FOR FEES AND EXPENSES

Before the Settlement Hearing, lead counsel on behalf of all Plaintiffs' counsel in this action will apply to the Court for an award of fees in the amount of \$1,421,000 which represents 29% of the Gross Settlement Fund, plus reimbursement of reasonable out-of-pocket expenses incurred and disbursed by Plaintiffs' counsel in an amount not to exceed \$200,000. As part of the request for the award for fees, Plaintiffs' counsel will seek Court approval to pay out of any Court approved attorneys' fees, an award of up to \$10,000 to one of the Class Representatives, George Caton. Plaintiffs' counsel will seek such an award based on what they believe to be the unique efforts made by this Class Representative, a retired attorney, in investigating the claims pre-litigation to the benefit of the Class. Defendants reserve all rights regarding the applications for any award of fees to Plaintiffs' counsel or the Class Representative, including the right to object to such applications. Final resolution by the Court of any such application shall not be a precondition to the dismissal of the Action. The Court may consider and rule upon the fairness, reasonableness and adequacy of the Settlement independently of any award of fees and expenses. Any fees and expenses awarded by the Court in the Action shall be paid exclusively from the Gross Settlement Fund.

VII. YOUR RIGHT TO SHARE IN THE SETTLEMENT PROCEEDS/PLAN OF ALLOCATION

The Gross Settlement Fund, net of any Taxes (as defined in the Stipulation) on the income thereof, shall be used to pay (i) the Notice costs referred to in the Stipulation, (ii) the attorneys' fee and expense award as approved by the Court and referred to above, (iii) any award to Class Representative George Caton, and (iv) the remaining administration expenses referred to in the Stipulation. The balance of the Gross Settlement Fund after the above payments shall be the "Net Settlement Fund."

An "Authorized Claimant" is a member of the Class who held LNR common stock as of February 3, 2005. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund as described below. No other compensation shall be paid to members of the Class or their counsel for settlement of the Class Action other than from the Settlement Funds as set forth herein. The Plan of Allocation proposed in this Notice is not a necessary term of this Stipulation and it is not a condition of this Stipulation that the Plan of Allocation be approved.

For purposes of determining the extent, if any, to which a Class member shall be entitled to be treated as an "Authorized Claimant," the following conditions shall apply:

a. Class members shall be required to submit a "Proof of Claim" (attached to this Notice), supported by such documents as are designated therein, including proof of the Claimant's holdings, or such other documents or proof as the Claims Administrator in its discretion, may deem acceptable;

b. All Proofs of Claim must be submitted by the date specified in the Proof of Claim unless such period is extended by Order of the Court. Any Class member who fails to submit a Proof of Claim by such date, shall be forever barred from receiving any payment pursuant to this Settlement (unless, by Order of the Court, a later submitted Proof of Claim by such Class member is approved), but shall in all other respects be bound by all of the terms of the Stipulation and the Settlement including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Persons concerning the Settled Claims. Provided that it is received before the motion for the Distribution Order is filed, a Proof of Claim shall be deemed to have been submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

c. Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under the supervision of Plaintiffs' lead counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

d. Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the Claimant in order to remedy the curable deficiencies in the Proofs of Claim submitted. The Claims Administrator, under supervision of Plaintiffs' lead counsel, shall notify, in a timely fashion and in writing, all Claimants whose Proofs of Claim they propose to reject in whole or in part, setting forth the reasons therefore, and shall indicate in such notice that the Claimant whose claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below;

e. If any Claimant whose claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Proof of Claim cannot be otherwise resolved, Plaintiffs' lead counsel shall thereafter present the request for review to the Court;

f. Claimants whose Proofs of Claim are accepted by the Claims Administrator shall be Authorized Claimants entitled to a *pro rata* share of the Net Settlement Fund; and

g. The administrative determinations of the Claims Administrator accepting and rejecting Proofs of Claim shall be presented to the Court, on notice to Defendants' counsel, for approval by the Court in the Distribution Order.

Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's Proof of Claim, and the Proof of Claim will be subject to investigation and discovery under the Rules of the Delaware Court of Chancery, provided that such investigation and discovery shall be limited to that Claimant's status as a Class member and the validity and amount of the Claimant's Proof of Claim. No discovery shall be allowed on the merits of the Class Action or Settlement in connection with processing of the Proof of Claim.

Payment pursuant to the Stipulation shall be deemed final and conclusive against all Class members. All Class members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Persons concerning the Settled Claims.

All proceedings with respect to the administration, processing and determination of claims described above and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

The Net Settlement Fund shall be finally distributed to Authorized Claimants by the Claims Administrator only after: (a) all Proofs of Claim have been processed, and all Claimants whose Proofs of Claim have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (b) all objections with respect to all rejected or disallowed Proofs of Claim have been resolved by the Court, and all appeals therefrom have been resolved or the time therefore has expired; (c) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefore have expired; and (d) all costs of administration have been paid.

VIII. ADMINISTRATION OF THE SETTLEMENT

Plaintiffs' lead counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Plaintiffs' lead counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proof of Claim submitted in the interests of achieving substantial justice.

Except to the extent provided in the Stipulation, Defendants and their counsel shall have no liability, obligation or responsibility for the provision of Notice to the Class, the administration of the Settlement, or the disbursement of the Net Settlement Fund. Defendants shall not be entitled to any return of Settlement Funds (or interest thereon) once the Settlement is finally approved by the Court. Defendants shall have no responsibility for or involvement in reviewing or challenging any Proofs of Claim, and no liability therefor.

Any member of the Class who does not submit a valid Proof of Claim will not be entitled to receive any of the proceeds from the Net Settlement Fund. All members of the Class will be bound by all of the terms of the Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Persons concerning the Settled Claims, whether or not they submit a Proof of Claim and whether or not they held LNR common stock on February 3, 2005.

IX. CLASS ACTION DETERMINATION

The Court has ordered that, for purposes of the Settlement only, the Class Action is preliminarily certified as a class action, pursuant to Court of Chancery Rules 23(a), 23(b)(1) and (b)(2), with the Plaintiffs serving as Class Representatives and the law firm of Berger & Montague, P.C. certified as Lead Class Counsel. Inquiries or comments about the Settlement may be directed to the attention of Lead Class Counsel as follows:

BERGER & MONTAGUE, P.C.
Attn: Merrill G. Davidoff
Robin Switzenbaum
Lawrence J. Lederer
1622 Locust Street
Philadelphia, PA 19103

Pending final determination of whether the Settlement should be approved, Plaintiffs and all members of the Class, or any of them, are barred and enjoined from commencing any action or prosecuting any pending action in any court asserting against any of the Defendants or any other persons or entities any claims, either directly, representatively or derivatively or in any other capacity, which have been or could have been asserted, or which arise out of or relate in any way to the Settled Claims.

X. SETTLEMENT HEARING

The Court has scheduled a Settlement Hearing, which will be held in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801, on July 16, 2008 at 11:00 a.m., to: (i) determine whether the preliminary certification of the Class Action should be made final, (ii) determine whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interest of the Plaintiffs and the Class, (iii) determine whether an Order and Final Judgment should be entered pursuant to the Stipulation, (iv) consider the application for an award of attorneys' fees and expenses; (v) consider the application for an award to Class Representative George Caton; (vi) hear and rule upon any objections to the Settlement or the application for any award; and (vii) hear such other matters as the Court may deem appropriate.

The Court has reserved the right to adjourn the Settlement Hearing from time to time by oral announcement to such Settlement Hearing or at any adjournment thereof, without further notice of any kind. The Court has also reserved the right to approve the Settlement with or without modification, to enter an Order and Final Judgment, and to order the payment of any fees and expenses without further notice of any kind.

XI. YOUR RIGHT TO APPEAR AND OBJECT AT THE SETTLEMENT HEARING

Any member of the Class who (a) objects to the: (i) Settlement, (ii) class action determination, (iii) adequacy of representation of Plaintiffs and their counsel, (iv) dismissal of the Class Action, (v) judgment to be entered with respect thereto; and/or (vi) the request for fees and reimbursement of costs and expenses in the Class Action by counsel for the Plaintiffs; or (b) otherwise wishes to be heard, may appear in person or through counsel at the Settlement Hearing. If you want to appear at the hearing, however, you must, not later than ten (10) calendar days prior to the Settlement Hearing (unless the Court in its discretion shall otherwise direct for good cause shown), file with the Register in Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801: (i) a written notice of intention to appear, (ii) proof of membership in the Class, (iii) a statement of your objections to any matters before the Court, and (iv) the grounds thereof or the reasons for your desiring to appear and be heard, as well as documents or writings you desire the Court to consider. Also, on or before the date you file such papers, you must serve them by hand or overnight courier upon each of the following attorneys of record:

Merrill G. Davidoff, Esq.
BERGER & MONTAGUE, P.C.
1622 Locust Street
Philadelphia, PA 19103

Kenneth J. Nachbar, Esq.
MORRIS NICHOLS ARSHT & TUNNELL LLP
1201 N. Market Street
P.O. Box 1347
Wilmington, DE 19899

Stephen C. Norman, Esq.
POTTER ANDERSON & CORROON LLP
1313 N. Market Street
Hercules Plaza, 6th Floor
P.O. Box 951
Wilmington, DE 19899

Jon R. Roellke, Esq.
CLIFFORD CHANCE US LLP
2001 K Street, NW
Washington, DC 20006

Any Class member who does not object to the Settlement, the class action determination, or the request by counsel for the Plaintiffs for an award of attorneys' fees or expenses need not do anything at this time.

Unless the Court otherwise directs, no person will be entitled to object to the approval of the Settlement, the class action determination or the judgment to be entered in the Action, or otherwise to be heard, except by serving and filing written objections as described above.

Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including the right to appeal) and will be forever barred from raising such objection in this or any other action or proceeding.

XII. ORDER AND FINAL JUDGMENT OF THE COURT

If the Court determines that the Settlement, as provided for in the Stipulation is fair, reasonable, adequate and in the best interest of the Class, then the parties will ask the Court to enter an Order and Final Judgment, which will determine and rule upon, among other things:

- a. whether certification of the Class should be made final;
- b. whether the Court should approve the Settlement as fair, reasonable, adequate and in the best interest of the Class;
- c. whether the Court should enter an Order and Final Judgment pursuant to the Stipulation;
- d. the application for an award of attorneys' fees and expenses for Plaintiffs' counsel;
- e. the application for an award to Class Representative George Caton;
- f. any objections to the Settlement or the application of Plaintiffs' counsel for an award of attorneys' fees and expenses; and
- g. any other matters as the Court may deem appropriate.

XIII. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokers, dealers, banks, voting trustees and other nominees for members of the Class of holders of LNR common stock between August 29, 2004 through February 3, 2005 who are record owners but not beneficial owners. Such nominee purchasers are directed within ten (10) days of their receipt of the Notice to forward copies of the Notice and Proof of Claim to their beneficiaries who are members of the Class. The Claims Administrator will make available additional copies of the Notice and Proof of Claim forms to any record holder requesting copies for purposes of distribution to beneficial owners. If additional copies of the Notice or Proof of Claim are needed for forwarding to such beneficial owners, any requests for such additional copies may be made to:

In re LNR Property Corp. Shareholders Litigation
Heffler, Radetich & Saitta LLP
P.O. Box 380
Philadelphia, PA 19105-0380

In the alternative, such nominee purchasers within ten (10) days of their receipt of the Notice and Proof of Claim may provide the Claims Administrator with lists of the names and addresses of the beneficial owners, in which case the Claims Administrator shall cause the Notice and Proof of Claim to be mailed promptly to the beneficial owners identified by such nominees. Upon receipt of a timely request for reimbursement, Plaintiffs' Lead Counsel shall promptly reimburse the nominee purchaser from the Notice Escrow account for all costs reasonably incurred in gathering and forwarding the names and addresses of beneficial owners to the Claims Administrator, or forwarding the Notice and the Proof of Claim to beneficial owners, as the case may be.

XIV. SCOPE OF THE NOTICE

This Notice is not all-inclusive. The references in this Notice to the pleadings in the Class Action, the Stipulation and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Class Action, the claims that have been asserted by the parties, and the terms and conditions of the Settlement, including a complete copy of the Stipulation, members of the Class are referred to the Court's file in the Class Action. You or your attorney may examine the Court's files during regular business hours of each business day at the office of the Register in Chancery, in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801. Questions or comments should be directed to the Claims Administrator. DO NOT WRITE OR TELEPHONE THE COURT.

Dated: May 8, 2008

BY ORDER OF THE COURT

Register in Chancery

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE: LNR PROPERTY CORP. X
SHAREHOLDERS LITIGATION : C.A. No. 674-VCL
: Consolidated

X

PROOF OF CLAIM

DEADLINE FOR SUBMISSION: AUGUST 15, 2008.

IF YOU HELD COMMON STOCK OF LNR PROPERTY CORP. (“LNR”) BETWEEN AUGUST 29, 2004 AND FEBRUARY 3, 2005, INCLUSIVE, (“CLASS PERIOD”), YOU MAY BE A MEMBER OF THE “CLASS” (AS DEFINED IN THE ABOVE “NOTICE”) WHO IS ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS. (EXCLUDED FROM THE CLASS ARE: (1) THE DEFENDANTS, MEMBERS OF THE IMMEDIATE FAMILY OF EACH OF THE INDIVIDUAL DEFENDANTS, ANY PARENT, SUBSIDIARY, AFFILIATE, OFFICER OR DIRECTOR OF LNR, ANY ENTITY IN WHICH ANY EXCLUDED PERSON HAS A CONTROLLING INTEREST, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS OF ANY EXCLUDED PERSON.)

IF YOU ARE A MEMBER OF THE CLASS AND HELD LNR COMMON STOCK AS OF FEBRUARY 3, 2005, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST-CLASS MAIL, POSTMARKED NO LATER THAN AUGUST 15, 2008 TO THE FOLLOWING ADDRESS:

In re LNR Property Corp. Shareholders Litigation
Heffler, Radetich & Saitta LLP
P.O. Box 380
Philadelphia, PA 19105-0380

YOUR FAILURE TO SUBMIT YOUR CLAIM BY AUGUST 15, 2008 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

PART I: CLAIMANT’S STATEMENT

1. I affirm that I held common stock of LNR as of February 3, 2005, as listed herein. (Do not submit this Proof of Claim if you did not hold LNR common stock as of February 3, 2005).

2. By submitting this Proof of Claim, I state that I believe in good faith that I am a member of the Class as defined above and in the Notice of Pendency of Class Action, Proposed Class Action Determination, Proposed Settlement of Class Action, Settlement Hearing and Right to Appear (the “Notice”), or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Class; that I have read and understand the Notice; and that I believe that I am entitled to receive a share of the Net Settlement Fund; that I elect to participate in the proposed Settlement described in the Notice. (If you are acting in a representative capacity on behalf of a Member of the Class (e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Class member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

3. I consent to the jurisdiction of the Court of Chancery of the State of Delaware (the “Court”) with respect to all questions concerning the validity of this Proof of Claim. I understand and agree that my claim may be subject to investigation and discovery under the Court of Chancery Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my status as a Class member and the validity and amount of my claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proofs of Claim.

4. I have set forth where requested below all relevant information with respect to all LNR common stock I held as of February 3, 2005. I agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.

I/We declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____, in _____, _____.
(City) (State / Country)

(Sign your name here)

Date

(Type or print your name here)

(Sign your name here)

Date

(Type or print your name here)

Capacity of persons signing (e.g., Beneficial Owner, Executor, Administrator or Corporate Title)

**ACCURATE CLAIM PROCESSING TAKES TIME.
THANK YOU FOR YOUR PATIENCE.**

REMINDER CHECKLIST

1. Please be sure to sign this Proof of Claim. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
2. Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
3. Do NOT use highlighter on the Proof of Claim or any supporting documents.
4. If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.
5. This process takes time. Please be patient.

THIS PROOF OF CLAIM AND RELEASE MUST BE POSTMARKED NO LATER THAN AUGUST 15, 2008 AND MUST BE MAILED TO:

In re LNR Property Corp. Shareholders Litigation
Heffler, Radetich & Saitta LLP
P.O. Box 380
Philadelphia, PA 19105-0380

FIRST-CLASS MAIL
U.S. POSTAGE
PAID
PEARL PRESSMAN LIBERTY
COMMUNICATIONS GROUP

In re LNR Property Corp. Shareholders Litigation
Heffler Radetich & Saitta L.P.
P.O. Box 380
Philadelphia, PA 19105-0380
PLEASE FORWARD

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE