



#42607

DATE: FEBRUARY 12, 2018

SUBJECT: CALATLANTIC GROUP, INC. (ELECTION MERGER) - CONTRACT
ADJUSTMENT
OPTION SYMBOL: CAA
NEW SYMBOL: LEN2
FUTURES SYMBOLS: CAA1D/CAA2T/ CAA2W/CAA3H/CAA3F
NEW SYMBOLS: CAA2D/CAA6T/CAA6W/CAA6H/CAA6F
DATE: 2/13/18
*** REPOST ***

On February 12, 2018, Shareholders of CalAtlantic Group, Inc. (CAA) voted concerning the proposed merger with Lennar Corporation (LEN). The merger was approved and subsequently consummated on February 12, 2018.

The Merger: Aggregate Terms

Shareholders who elect to receive the cash consideration will receive, in the aggregate, no more than \$1,162,250,000 in cash. If cash elections exceed this maximum, then the cash paid to shareholders making the cash election will be prorated with the remainder paid in shares, as described in the CAA/LEN Joint Proxy Statement/Prospectus dated January 4, 2018 ("Proxy").

CONTRACT ADJUSTMENT

DATE: February 13, 2018

OPTION SYMBOL: CAA changes to LEN2

STRIKE DIVISOR: 1

CONTRACT MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., for premium or strike price extensions, 1.00 equals \$100)

NEW DELIVERABLE PER CONTRACT: The deliverable for adjusted CAA options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING CAA SHAREHOLDERS (stated in terms of a current 100-Share deliverable):

- 1) 88 Lennar Corporation (LEN) Class A Common Shares
- 2) Cash in lieu of 0.5 fractional LEN share
- 3) 1 Lennar Corporation (LENB) Class B Common Shares
- 4) Cash in lieu of 0.77 fractional LENB share

**SETTLEMENT
ALLOCATION:**

LEN: 95%
LENB: 5%

CUSIPS:

LEN: 526057104
LENB: 526057302

THE SETTLEMENT ALLOCATION IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

PRICING

Until the cash in lieu amount is determined, the underlying price for LEN2 will be determined as follows:

$$\text{LEN2} = 0.885 (\text{LEN}) + 0.0177 (\text{LENB})$$

DELAYED SETTLEMENT

The LEN and LENB components of the LEN2 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the LEN2 deliverable until the cash in lieu amounts are determined. Upon determination of the cash in lieu amounts, OCC will require Put Exercisers and Call assignees to deliver the appropriate cash amount.

Futures Contract Adjustment

DATE:

February 13, 2018

FUTURES SYMBOLS:

CAA1D changes to CAA2D
CAA2T changes to CAA6T
CAA2W changes to CAA6W
CAA3H changes to CAA6H
CAA3F changes to CAA6F

NUMBER OF
CONTRACTS:

No Change

MULTIPLIER

100 (e.g., a premium of 1.50 yields \$150)

NEW DELIVERABLE
PER CONTRACT:

The deliverable for adjusted CAA futures will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING CAA SHAREHOLDERS (stated in terms of a current 100-Share deliverable):

- 1) 88 Lennar Corporation (LEN) Class A Common Shares
- 2) Cash in lieu of 0.5 fractional LEN share
- 3) 1 Lennar Corporation (LENB) Class B Common Share
- 4) Cash in lieu of 0.77 fractional LENB share

**SETTLEMENT
ALLOCATION:**

LEN: 95%
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