

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION**
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In re:
TOUSA, INC., *et al.*,¹

Debtors.

Chapter 11 Cases

Case No. 08-10928-JKO

Jointly Administered

**SUPPLEMENTAL DECLARATION OF LAWRENCE S. ROBBINS
IN CONNECTION WITH THE RETENTION OF
ROBBINS RUSSELL ENGLERT ORSECK UNDEREINER & SAUBER LLP
BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

LAWRENCE S. ROBBINS hereby declares:

1. I am an attorney at law admitted to practice before the District of Columbia and New York courts, and before the following federal courts: U.S. Supreme Court, U.S. Court of Appeals for the Federal Circuit, U.S. Court of Appeals for the 1st Circuit, U.S. Court of Appeals for the 2nd Circuit, U.S. Court of Appeals for the 3rd Circuit, U.S. Court of Appeals for the 4th Circuit, U.S. Court of Appeals for the 5th Circuit, U.S. Court of Appeals for the 8th Circuit, U.S. Court of Appeals for the 9th Circuit, U.S. Court of Appeals for the 10th Circuit, U.S. Court of Appeals for the 11th Circuit, U.S. Court of Appeals for the D.C. Circuit, U.S. District Court for the District of Columbia, U.S. District Court for the Eastern District of New York, U.S. District

¹ The Debtors in the cases are: TOUSA, Inc.; Engle Homes Commercial Construction, LLC; Engle Homes Delaware, Inc.; Engle Homes Residential Construction, L.L.C.; Engle Sierra Verde P4, LLC; Engle Sierra Verde P5, LLC; Engle/Gilligan LLC; Engle/James LLC; LB/TE #1, LLC; Lorton South Condominium, LLC; McKay Landing LLC; Newmark Homes Business Trust; Newmark Homes Purchasing, L.P.; Newmark Homes, L.L.C.; Newmark Homes, L.P.; Preferred Builders Realty, Inc.; Reflection Key, LLC; Silverlake Interests, L.L.C.; TOI, LLC; TOUSA Associates Services Company; TOUSA Delaware, Inc.; TOUSA Funding, LLC; TOUSA Homes Arizona, LLC; TOUSA Homes Colorado, LLC; TOUSA Homes Florida, L.P.; TOUSA Homes Investment #1, Inc.; TOUSA Homes Investment #2, Inc.; TOUSA Homes Investment #2, LLC; TOUSA Homes Mid-Atlantic Holding, LLC; TOUSA Homes Mid-Atlantic, LLC; TOUSA Homes Nevada, LLC; TOUSA Homes, Inc.; TOUSA Homes, L.P.; TOUSA Investment #2, Inc.; TOUSA Mid-Atlantic Investment, LLC; TOUSA Realty, Inc.; TOUSA, LLC; and TOUSA/West Holdings, Inc.

Court for the Southern District of New York, U.S. District Court for the Northern District of Florida. I am a partner of the firm of Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP (“Robbins Russell”), which firm maintains offices at 1801 K Street, N.W., Suite 411-L, Washington, DC 20006.

2. I am familiar with the matters set forth herein and make this supplemental declaration (the “Declaration”) in connection with Robbins Russell’s role as co-counsel to the Official Committee of Unsecured Creditors (the “Committee”) of TOUSA, Inc. (“TOUSA”) and certain of its direct and indirect subsidiaries (collectively with TOUSA, the “Debtors”). The purpose of the Declaration is to fulfill Robbins Russell’s continuing obligation to update its disclosures as set forth in the Application (the “Application”) of the Official Committee of Unsecured Creditors (the “Committee”) of TOUSA, Inc., *et al.*, to Retain and Employ Robbins Russell Englert Orseck Untereiner & Sauber LLP as Co-Counsel, *nunc pro tunc* to June 19, 2008 [D.E. #1350].

3. On February 13, 2008, pursuant to Bankruptcy Code section 1102, the United States Trustee appointed the Committee. The Committee currently consists of seven members.² On February 14, 2008, the Committee selected Akin Gump to serve as co-counsel to the Committee pursuant to section 1103(a) of the Bankruptcy Code. Following disclosure by Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”) of a conflict of interest, on June 19, 2008, the Committee selected Robbins Russell to serve as special litigation counsel to the Committee to prosecute the fraudulent conveyance litigation (Case No. 08-01435-JKO which was filed on July 14, 2008) and matters related thereto.

² The Committee is comprised of the following entities: Wilmington Trust Co., as indenture trustee; HSBC Bank USA, N.A., as indenture trustee; Trapeza CDOX, Ltd.; Capital Research and Management Company; SMH Capital Advisors, Inc.; Geotek, Inc./Geotek Insite, Inc.; and SelectBuild Arizona.

4. On July 9, 2008, the Committee filed the Application seeking this Court's approval to retain and employ Robbins Russell as fraudulent conveyance litigation counsel to the Committee. In connection with the application, the Committee submitted the Declaration of Lawrence S. Robbins (the "Initial Declaration").

5. On August 12, 2008, this Court approved the Application on a final basis by its entry of the Order Authorizing The Official Committee of Unsecured Creditors of Tousa, Inc., *et al.*, to Retain And Employ Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP as Special Litigation Counsel, *nunc pro tunc* to June 19, 2008 [D.E. #1595].

6. In the course of the fraudulent conveyance litigation, on October 23, 2008 Robbins Russell filed a First Amended Adversary Complaint [scrivener's error corrected, D.E. #133]. The First Amended Adversary Complaint added a number of new defendants.

7. In preparing the Initial Declaration, through my colleagues, I submitted to Robbins Russell's computerized client and conflict database (the "Conflict Database") an extensive list of parties (the "Searched Parties" in the Initial Declaration), which did not contain the parties on Schedule 1 hereto (the "Supplemental Searched Parties"), those being parties added as defendants in the First Amended Adversary Complaint.

8. The Conflict Database maintained by Robbins Russell is designed to include every matter on which the firm is now and has been engaged, by which entity the firm is now or has been engaged and, in each instance, the identity of related parties and adverse parties and certain of the attorneys in the firm that are knowledgeable about the matter. It is the policy of Robbins Russell that no new matter may be accepted or opened within the firm without completing and submitting to those charged with maintaining the computer Conflict Database the information necessary to check each such matter for conflicts, including the identity of the

prospective client, the matter, and related and adverse parties. Accordingly, Robbins Russell maintains and systematically updates this system in the regular course of business of the firm, and it is the regular practice of the firm to make and maintain these records.

Representation of Parties in Interest³

9. Set forth on Schedule 2 annexed hereto is a listing of those parties from Schedule 1 (Supplemental Searched Parties) that (i) Robbins Russell currently represents (the “Supplemental Current Clients”) in matters wholly unrelated to the Debtors’ chapter 11 cases, (ii) Robbins Russell has in the past represented in matters wholly unrelated to the Debtors’ chapter 11 cases, or (iii) are affiliates of Supplemental Current Clients. As noted in the Initial Declaration, in connection with the services to be rendered to the Committee, Robbins Russell will not commence a cause of action against any Current Client (as defined and identified in the Initial Declaration) or Supplemental Current Client with respect to the Debtors’ chapter 11 cases, unless Robbins Russell receives a waiver from the Current Client or Supplemental Current Client allowing Robbins Russell to commence such an action. In connection with these chapter 11 cases, to the extent any causes of action are commenced by or against any Current Client or Supplemental Current Client, and a waiver letter is not obtained permitting Robbins Russell to participate in such action, the Committee will use Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., its local counsel, or other conflicts counsel to represent the interests of the Debtors’ unsecured creditors.

Connections with Parties Representing 1% or More of Robbins Russell’s Revenues for 2005, 2006 or 2007

10. Robbins Russell reviews the information relating to the parties bankruptcy case to determine whether any such party, together with its known related entities, were clients of

³ Robbins Russell does not act as general counsel to any of the parties in interest or related entities described here.

Russell and as a result made payments to Robbins Russell for services rendered in the calendar year prior to the date of review that in the aggregate for each such party exceeds 1% of Robbins Russell's total revenues for such calendar year. In connection with this Declaration, Robbins Russell has reviewed similar information for the years 2005, 2006 and 2007 with respect to those parties listed on Schedule 1 (Supplemental Searched Parties).

11. Robbins Russell's revenues for services rendered on behalf of the parties in interest identified in Schedule 2 aggregate, with respect to each such party in interest, less than 1% of Robbins Russell's annual revenues in each of calendar years 2005, 2006 and 2007.

Searched Parties and/or Related Parties Who Are Currently or Formerly Adverse to Clients of Robbins Russell

12. Set for in Schedule 3 annexed hereto is a listing of those parties from Schedule 1 (Supplemental Searched Parties) that are currently or have in the past been adverse to clients of Robbins Russell in matters wholly unrelated to these chapter 11 cases.

Searched Parties Which Currently Serve or Have Served on Informal and/or Official Creditors' Committees Represented by Robbins Russell During the Period January 1, 2005 Through the Present

13. During the period January 1, 2005 through the present, Robbins Russell has not represented any informal and/or official creditors' committees on which any of the Supplemental Searched Parties may currently or previously have served.

Other Connections and General Disclosures

14. Set forth on the attached Schedules 1 and 2 described above is Robbins Russell's representation of Supplemental Searched Party Wachovia Bank NA. Robbins Russell was recently asked by Wachovia Corporation (the parent company of Wachovia Bank NA) to assist it in its litigation against Citigroup, Inc. ("Citigroup") over Wachovia's decision to sell itself to Wells Fargo & Company rather than to Citigroup. Citigroup has filed a lawsuit seeking \$60

billion in damages in the U.S. District Court for the Southern District of New York. Robbins Russell has received a written waiver from Wachovia, Wells Fargo and the Committee permitting it to undertake this representation on behalf of Wachovia.

15. Robbins Russell may have represented in the past and/or may currently represent or in the future represent entities (other than parties in the attached schedules) not currently known to Robbins Russell in matters wholly unrelated to the Debtors' chapter 11 cases who may be parties in interest in these cases. To the extent that Robbins Russell discovers any such information or needs to update the information disclosed herein, Robbins Russell will disclose such information by filing a supplemental declaration pursuant to Bankruptcy Rule 2014.

I hereby declare under the penalty of perjury that the foregoing is true and correct.

Executed on October 31, 2008

/s/ Lawrence S. Robbins
Lawrence S. Robbins

Schedule 1
(Supplemental Searched Parties)

First Lien Lenders

Bank of America NA
 JPMorgan Chase Bank NA
 Morgan Stanley Senior Funding Inc
 Castlerigg Master Investments Ltd
 Chicago Fundamental Investment Partners
 LLC
 CGDO LLC
 Citibank NA
 Covalent Partners LLC
 Esperance c/o Scotiabank (Ireland) Limited
 REOPICYM
 The Foothill Group Inc
 Fortress Credit Investments I Ltd
 Fortress Credit Investments II Ltd
 Goldman Sachs Credit Partners LP
 Grand Central Asset Trust Gaia Series
 Grand Central Asset Trust SIL Series
 Hbk Master Fund LP
 Helios Funding LLC
 Investment CBNA Loan Funding LLC
 JPMorgan Whitefriars Inc.
 Lehman Commercial Paper Inc
 Marathon Financing I BV
 Mcdonnell Loan Opportunity Ltd
 Perry Principals LLC
 Promethean I Master Ltd
 Royal Bank of Canada
 SOF Investments LP
 STRLRRE
 Taconic Capital Partners 1.5 LP
 Taconic Opportunity Fund LP
 Tennenbaum Multi-Strategy Master Fund
 Trilogy Portfolio Company LLC
 Van Kampen Dynamic Credit
 Opportunities Fund
 Van Kampen Senior Income Trust
 Van Kampen Senior Loan Fund
 WCP Real Estate Strategies Fund
 Westport Capital Partners LLC

Second Lien Lenders

AIG Annuity Insurance Company
 Alexandra Global Master Fund Ltd
 American General Life Insurance Company
 American International Group Inc
 Avenue Investments LP
 Deutsche Bank AG New York Branch
 Longacre Capital Partners QP LP
 Longacre Master Fund Ltd
 M.D. Sass Re/Enterprise Portfolio
 Company LP
 Merrill Lynch Pierce Fenner & Smith Inc.
 Monarch Master Funding Ltd
 Q Funding III LP
 Quadrangle Master Funding Ltd
 Stonehill Institutional Partners LP
 SunAmerica Income Funds – SunAmerica
 High Yield Bond Fund
 SunAmerica Series Trust – High Yield
 Bond Portfolio
 The Master Trust Bank of Japan Ltd
 The Variable Annuity Life Insurance
 Company
 Third Point Loan LLC
 Valic Company II High Yield Bond Fund

Schedule 1, cont'd

Revolver Lenders

Bank of The West
Bank United
Branch Banking and Trust Co
Comerica Bank Db Services New Jersey
Inc
Compass Bank
DK Acquisition Partners LP
Guaranty Group
Jeffries Buckeye Master Fund Ltd
Lispenard
NATIXIS
PNC Bank NA
Quattro Global Capital LLC
Grand Central Asset Trust SAN Series
Grand Central Asset Trust VCM Series
National City
Raymond James
Sovereign Bank
TRS Venor LLC
UBS
US Bank
Venor Capital Master Fund Ltd
Wachovia Bank NA
Washington Mutual

New Subordinated Noteholders

Deutsche Bank Trust Company Americas
Highland CDO Opportunity Fund Ltd
Highland Floating Rate Advantage Fund
Highland Floating Rate Limited Liability
Company
Highland Legacy Limited
Highland Offshore Partners LP
Jasper CLO Ltd
Loan FundingVII LLC
Quadrangle Master Funding Ltd

Schedule 2

(Supplemental Current [and past] Clients & Their Affiliates)

(Robbins Russell representation on matters wholly unrelated to TOUSA Ch. 11 cases)

Robbins Russell has in the past represented and currently represents the following companies and/or certain affiliates of such companies on matters wholly unrelated to the Debtors' chapter 11 cases. Unless otherwise noted in a footnote below, the Supplemental Current Client is the entity listed.

First Lien Lenders

Bank of America NA (Current client; Robbins Russell has obtained a waiver from this client expressly consenting to this engagement)

Revolver Lenders

Wachovia Bank NA⁴ (Current client; Robbins Russell has obtained a waiver from Wachovia, Wells Fargo and the Committee expressly consenting to this engagement)

Robbins Russell has in the past represented the following companies and/or certain affiliates of such companies on matters wholly unrelated to the Debtors' chapter 11 cases:

First Lien Lenders

Goldman Sachs Credit Partners LP⁵

Lehman Commercial Paper Inc.⁶

Second Lien Lenders

AIG Annuity Insurance Company⁷

Revolver Lenders

Wachovia Bank NA

⁴ Robbins Russell currently represents Wachovia Corporation, the parent of the Supplemental Searched Party. Robbins Russell has obtained a waiver expressly consenting to this engagement. *See* Paragraph 14 of this Supplemental Declaration.

⁵ Robbins Russell's past representation is of Goldman Sachs & Company.

⁶ Robbins Russell's past representation is of Lehman Brothers, Inc.

⁷ Robbins Russell's past representation is of American International Group, Inc. (AIG).

Schedule 3
(Supplemental Searched Parties currently or previously
adverse to clients of Robbins Russell, but on unrelated matters)

Unless otherwise noted in a footnote below, the Supplemental Current Client is adverse to the entity listed.

Deutsche Bank AG New York Branch; and
Deutsche Bank Trust Company Americas⁸

JPMorgan Chase Bank NA

Citibank NA

Marathon Financing I BV⁹

SunAmerica Income Funds – SunAmerica High Yield Bond Fund; and
SunAmerica Series Trust – High Yield Bond Portfolio¹⁰

US Bank

⁸ Robbins Russell's current representation is of clients adverse to Deutsche Bank Trust Company, N.A., and Deutsche Bank National Trust Company.

⁹ Robbins Russell's current representation is of a client adverse to Marathon Structured Finance Fund L.P.

¹⁰ Robbins Russell's current representation is of a client adverse to SunAmerica Affordable Housing Partners III, SunAmerica Affordable Housing Partners IV, SunAmerica Affordable Housing Partners VI, SunAmerica Affordable Housing Partners XXIV.