

Debtors' First Omnibus Objection to Claims (the "First Omnibus Objection").

By the First Omnibus Objection, the Debtors seek entry of an order denying, disallowing, expunging, reducing and/or reclassifying certain claims as further discussed below.

By order dated March 17, 2008 (the "Original Bar Date Order"), the Court established May 19, 2008 (the "Original Bar Date")¹ as the deadline to assert a claim against the Debtors (other than Beacon Hill at Mountain's Edge, LLC ("Beacon Hill")). Further, on September 22, 2008 and September 23, 2008, respectively, the Court entered orders establishing October 22, 2008 (together with the Original Bar Date, the "Bar Dates") as the deadline (i) to assert a claim against Beacon Hill and (ii) for homeowners' associations and community development districts (parties exempted from the Original Bar Date) to assert a claim against the Debtors. On February 18, 2009, the Court entered an order approving procedures for the Debtors to object and respond to claims (the "Claims Procedures Order").

Pursuant to the Claims Procedures Order and as more fully described in the First Omnibus Objection, the Debtors have asserted objections to thirty-five categories of proofs of claim, including, but not limited to:

- Proofs of claim filed after the applicable Bar Date had passed;
- Proofs of claim that are duplicative;
- Proofs of claim that have been amended, replaced or superseded by a subsequently filed proof of claim;
- Proofs of claim that have been withdrawn;
- Proofs of claim that are facially defective² or fail to provide sufficient documentation to support the asserted claim;
- Proofs of claim for which a non-Debtor entity owes the amount asserted;
- Proofs of claim asserted by holders of the Debtors' stock or holders of the Debtors' public debt securities;
- Proofs of claim erroneously filed or docketed in the Debtors' cases;
- Proofs of claim asserted against the wrong Debtor, asserted against more than one of the Debtors, or that fail to specify the Debtor against which the claim is asserted;
- Proofs of claim asserting claims already paid in full or in part or that are payable in the ordinary course of the Debtors' business pursuant to Court order;
- Proofs of claim asserting an amount exceeding or otherwise inconsistent with that stated in the Debtors' books and records;

¹ The Original Bar Date Order also established July 28, 2008 as the deadline for all governmental units to file a written proof of claim against the Debtors.

² The Debtors assert an objection to proofs of claim that are facially defective because they are (i) not signed, (ii) signed by an attorney without written proof of power of attorney, (iii) illegible, (iv) incomplete, or (v) otherwise nonconforming or facially defective.

- Proofs of claim failing to assert an amount due;
- Proofs of claim that are subject to setoff or recoupment;
- Proofs of claim asserting administrative, priority, secured or unknown status inconsistent with that reflected in the Debtors' books and records;
- Proofs of claim that are the subject of litigation;
- Proofs of claim that are subordinated to all general unsecured claims pursuant to Bankruptcy Code section 510(b);³
- Proofs of claim relating to the Debtors' rejection or assumption of an executory contract or unexpired lease to the extent the Debtors disagree with the amounts asserted therein;
- Proofs of claim that are barred under applicable nonbankruptcy law, including applicable statutes of limitation;
- Proofs of claim that are subject to an avoidance action;⁴
- Proofs of claim asserting a contingent right to payment;⁵ and
- Proofs of claim asserting an unliquidated amount.

A hearing on the First Omnibus Objection has been scheduled for April 15, 2010, with a corresponding objection deadline of March 24, 2010.

³ Pursuant to Bankruptcy Code section 510(b):

[A] claim arising from rescission of a purchase or sale of a security of the debtor or of an affiliate of the debtor, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under section 502 on account of such a claim, shall be subordinated to all claims or interests that are senior to or equal the claim or interest represented by such security

11 U.S.C. § 510(b).

⁴ Pursuant to Bankruptcy Code section 502(d), claims that are the subject of an avoidance action are disallowed unless the holder of such claim has paid the amount or turned over any such property for which it is liable.

⁵ Pursuant to Bankruptcy Code section 502(e)(1)(B):

The court shall disallow any claim for reimbursement or contribution of an entity that is liable with the debtor on or has secured the claim of a debtor, to the extent that . . . such claim for reimbursement or contribution is contingent as of the time of allowance or disallowance of such claim for reimbursement or contribution

11 U.S.C. § 502(e)(1)(B).