

**Motion of SCC Canyon II, LLC for Relief from the Automatic Stay to Allow Setoff of Funds and Memorandum in Support (the “SCC Motion”).**

By the SCC Motion, SCC Canyon II, LLC (“SCC”) seeks entry of an order granting relief from the automatic stay to permit SCC to set off funds currently held in escrow in connection with a purchase agreement between TOUSA Homes, Inc. (“TOUSA Homes”) and SCC.

In January 2008, TOUSA Homes entered into a purchase agreement (the “Agreement”) with SCC with respect to certain property in Prince William, Virginia (the “Property”). In connection with SCC’s purchase of the Property, TOUSA Homes and SCC established an escrow account to hold certain amounts related to the cancellation of contracts. Specifically, the Agreement provided that TOUSA Homes would endeavor to cancel certain contracts to sell homes. Under the Agreement, if TOUSA Homes was unable to cancel the contracts within 10 Business Days of the close of escrow, TOUSA Homes would forfeit \$175,000 held in the escrow account. SCC alleges that TOUSA Homes failed to cancel the contracts and therefore has no right to the funds in escrow.

SCC further argues that it should be permitted to set off the funds in the escrow account against its prepetition unsecured claims against TOUSA Homes. SCC does not specify the basis for its prepetition unsecured claims in excess of \$9 million.

***A hearing on the SCC Motion has been scheduled for May 28, 2009, with a corresponding objection deadline of May 22, 2009.***