

**Debtors' Motion for an Order, Pursuant to Section 1121(d) of the Bankruptcy Code, Further Extending the Exclusive Periods During Which Only the Debtors May File a Chapter 11 Plan and Solicit Acceptances Thereof (the "Exclusivity Motion").**

By the Exclusivity Motion, the Debtors seek entry of an order extending their exclusive periods to file (the "Filing Period") and solicit acceptances (the "Solicitation Period" and, together with the Filing Period, the "Exclusive Periods") of a plan of reorganization through and including July 29, 2009 and September 27, 2009, respectively. Pursuant to section 1121(b) of the Bankruptcy Code, a debtor has the exclusive right to file and solicit a plan of reorganization during the first 120 days and 180 days, respectively, following the commencement of a chapter 11 case. The Bankruptcy Code provides, however, that on request of a party in interest, the Bankruptcy Court may, for cause, extend the Exclusive Periods.

The Debtors assert that after fourteen months of negotiations, the Debtors and their major creditor constituencies have agreed that it is in the estates' best interests to revise the Debtors' operational plan. Specifically, the Debtors have shifted their focus away from build-to-order new sales and construction starts and will now emphasize monetizing their current assets over time.

In connection with the revised go forward plan, the Debtors expect to implement measures similar to those put in place early in these chapter 11 cases. For example, the Debtors have or will (i) seek to implement a communications strategy to all of their key constituents; (ii) enter into a home warranty program to provide purchasers with confidence in the Debtors' homes; (iii) reduce their workforce over time; (iv) implement an associate and management incentive plan to retain the necessary staff; and (v) develop a chapter 11 plan in the near future to minimize the continuing accrual of administrative expenses.

The Debtors assert that it is common for courts to grant extensions of exclusivity where the Debtors' cases are large and complex. The Debtors maintain that they have been paying their postpetition bills as they come due and, therefore, are not jeopardizing creditors doing business with the Debtors. Lastly, the Debtors argue that they are not using exclusivity to pressure creditors to accede to their reorganization demands.

***A hearing on the Exclusivity Motion is scheduled for April 23, 2009, with a corresponding objection deadline of April 17, 2009.***