

Motion for an Order Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure Approving Settlement Agreement Among TOUSA Homes Inc., Lennar Communities Development, Inc., Lake Pleasant 241 Limited Partnership, City of Peoria, Arizona, and North American Title Company (the “CVC Development Motion”).

By the CVC Development Motion, the Debtors seek approval of a settlement agreement pursuant to Bankruptcy Rule 9019 between TOUSA Homes, Inc. (“TOUSA Homes”), Lennar Communities Development, Inc. (“Lennar”), Lake Pleasant 241 Limited Partnership (“LP241”), City of Peoria, Arizona, and North American Title Company. TOUSA Homes and Lennar, through certain of its affiliates, are the sole members of Cibola Vista Community Development, L.L.C. (“CVC Development”).

On July 19, 2002, CVC Development entered into an agreement (the “Purchase Agreement”) to purchase certain property (the “Property”) in a planned project, known as Cibola Vista, from LP241. Before the closing, certain disputes arose with respect to the Purchase Agreement. To resolve these issues, the Purchase Agreement was amended (the “Amendment”) to include a specific schedule for improvements.

After the Amendment was signed, an additional dispute arose related to installation of a traffic signal (the “Traffic Signal”) near the Property. CVC Development believes that under the Amendment, LP241 is required to pay for the construction of the Traffic Signal, while LP241 believes CVC Development must pay for the Traffic Signal out of a now depleted escrow account established under the Amendment. Until the Traffic Signal is built, the City of Peoria has refused to issue building permits or certificates of occupancy for any improvements on the Property. The Debtors argue that unless the dispute is resolved, none of the parties can realize any profits from the Property.

Consequently, the parties have signed an agreement (the “Escrow Agreement”) to resolve the Traffic Signal dispute. Under the Escrow Agreement, the parties will share the \$350,000 cost of the Traffic Signal through contributions to an escrow account as follows: (i) Lennar will contribute \$160,000; (ii) TOUSA Homes will contribute \$90,000; and (iii) LP241 will contribute \$100,000. If the actual costs of the Traffic Signal are higher, Lennar will pay the increased cost. Alternatively, if the costs are lower, Lennar will be entitled to the savings. In addition, Lennar will be responsible for the preparation and oversight of the project. Lennar will seek disbursements from an escrow agent which will control the escrow account. TOUSA Homes and LP241 may object to disbursements within 10 days after receipt of a draw request. If no objection is received, the escrow agent will fund the disbursement. If an objection is received, after an attempt to negotiate, the parties will enter binding arbitration.

The Debtors represent that unless the Court approves the CVC Development Motion, they will not be able to realize any profits on the Property. Moreover, the Debtors believe that while they would ultimately be successful in any litigation, it is in the best interests of the estate to avoid a costly, protracted dispute.

A hearing on the CVC Development Motion is scheduled for May 22, with a corresponding objection deadline of May 16, 2008.