

Motion of Wachovia Bank, National Association (“Wachovia”) for Relief from Automatic Stay to Foreclose Second Mortgage of Debtor (the “Wachovia Motion”).

By the Wachovia Motion, Wachovia, as Administrative Agent for itself, Commercial Bank, and Franklin Bank, seeks entry of an order lifting the automatic stay in order to join Debtor TOUSA Homes, L.P. (“TOUSA Homes”) in a state court foreclosure proceeding.

TOUSA Homes holds a second mortgage (the “Second Mortgage”) on land in Miami-Dade County, Florida (the “Property”), which is currently owned by Promenade at Doral II, LLC (“Promenade”). The Second Mortgage secures Promenade’s guarantee of a \$4 million obligation owed by Haverhill Development, LLC (“Haverhill”) to TOUSA Homes in connection with Haverhill’s acquisition of the Property in 2004. Wachovia holds a first mortgage (the “First Mortgage”) on the same Property in the amount of approximately \$56 million. According to Wachovia, Promenade defaulted on its obligations secured by the First Mortgage and, as a result, Wachovia accelerated such obligations. In addition, Wachovia claims that it never consented to the Second Mortgage and that the granting of the Second Mortgage was a further default by Promenade under the First Mortgage.

Wachovia argues that the current value of the Property is less than the value of the First Mortgage and the taxes due on the Property and, therefore, TOUSA Homes has no interest in the Property. Further, Wachovia asserts that lifting the automatic stay to allow Wachovia to foreclose would not preclude TOUSA Homes from exercising its right to redeem the property by paying off the First Mortgage and the taxes at a foreclosure sale. By contrast, Wachovia believes that it is being harmed by the automatic stay because construction on the property has stopped, and while the construction site is idle, the buildings, and the value thereof, are likely to deteriorate. Currently, the Debtors are not making any form of adequate protection payment to Wachovia. Wachovia asks the Court to lift the automatic stay immediately so that it may continue its state court proceedings with respect to the Property.

An agreed order granting, in part, the Wachovia Motion, was entered on March 6, 2008.