

Debtors' Motion for Entry of an Order Pursuant to Sections 363 and 365 of the Bankruptcy Code Authorizing TOUSA Homes, Inc. to Amend and Assume Nonresidential Real Property Lease with ARI Central, LP and Danari Central, LP (the "Central Motion").

By the Central Motion, the Debtors seek entry of an order authorizing TOUSA Homes, Inc. ("TOUSA Homes") to (i) amend its nonresidential real property lease, dated March 10, 2005 (the "Original Lease") with ARI Central and Danari Central ("Central") pursuant to the terms of the Partial Lease Termination Agreement, dated August 12, 2008 (the "Agreement" and together with the Original Lease, the "Amended Lease"); (ii) assume the Amended Lease; and (iii) abandon certain furniture in the office space vacated by the Debtors for the benefit of the Central.

Central is the owner and landlord of an office building located in Phoenix, Arizona, (the "Property"). TOUSA Homes leases a portion of the Property (the "Rented Space") from Central to use in the Debtors' Arizona division. By its terms, the Original Lease terminates on March 3, 2016. The Debtors assert that their books and records reflect that there are no outstanding defaults under the Original Lease.

According to the Central Motion, the Debtors have been engaged in negotiations with Central to amend the Original Lease and permit TOUSA Homes to assume the Amended Lease. The salient terms of the Amended Lease are as follows:

- TOUSA Homes will vacate a portion of the Rented Space (approximately 17,654 rentable square feet) on or before September 30, 2008 after which TOUSA Homes and Central will release each other from their respective obligations under the Original Lease;
- TOUSA Homes will continue to lease approximately 32,722 rentable square feet (the "Remaining Space") of the Premises and will assume all terms of the Original Lease other than the rent schedule;
- TOUSA Homes will pay decreased rent per square foot rent through March 2013, which represents a savings of approximately \$100,000 when compared to the cost per square foot of the Remaining Space under the Original Contract;
- However, TOUSA Homes will pay increased rent per square foot for the period April 2013 – March 2016, which represents an increase of approximately \$120,000 when compared to the cost per square foot of the Remaining Space under the Original Contract;
- TOUSA Homes will surrender its right to have an identification sign on the top of the Property; and
- TOUSA Homes will abandon to Central certain furniture currently in the Give Back Space.

According to the Debtors, the benefits of assumption include the following: (i) the Amended Lease permits TOUSA Homes to vacate unneeded office space, thereby reducing total rental

cost; and (ii) assumption obviates the drain on resources and time that otherwise be spent searching for, and relocating to, comparable office space.

A hearing on the Central Motion has been scheduled for September 17, 2008, with an objection deadline of September 12, 2008 at 12:00 p.m. (ET