

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION

www.flsb.uscourts.gov

In re:

Chapter 11 Cases

LEVITT AND SONS, LLC, a Florida
limited liability company, et al.,¹

Case No. 07-19845-BKC-RBR
Jointly Administered

Debtors.

**PROPONENTS' SECOND AMENDED DISCLOSURE STATEMENT IN CONNECTION
WITH
SECOND AMENDED JOINT LIQUIDATING CHAPTER 11 PLAN FOR DEBTORS**

Dated: December 5, 2008

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¹ The last four digits of the taxpayer identification number for each of the Debtors follows in parentheses: (i) Levitt and Sons, LLC (3500); (ii) BankAtlantic Venture Partners 5, LLC (7328); (iii) Bellaggio by Levitt and Sons, LLC (8507); (iv) Levitt GP, LLC (9466); (v) Levitt Construction Corp.-East (6292); (vi) Levitt Construction-East, LLC (2487); (vii) Levitt Industries, LLC (6273); (viii) Levitt Homes Bellaggio Partners, LLC (9490); (ix) Levitt Homes, LLC (1650); (x) Avalon Park by Levitt and Sons, LLC (2188); (xi) Levitt and Sons of Lake County, LLC (8547); (xii) Levitt and Sons of Manatee County, LLC (3563); (xiii) Levitt and Sons of Hernando County, LLC (1563); (xiv) Regency Hills by Levitt and Sons, LLC (9482); (xv) Levitt and Sons at Hunter's Creek, LLC (5870); (xvi) Levitt and Sons of Seminole County, LLC (1888); (xvii) Levitt and Sons of Osceola County, LLC (4596); (xviii) Levitt and Sons of Lee County, LLC (1561); (xix) Cascades by Levitt and Sons, LLC (2022); (xx) Levitt and Sons at Hawks Haven, LLC (4963); (xxi) Magnolia Lakes by Levitt and Sons, LLC (5370); (xxii) Levitt and Sons at Tradition, LLC (9053); (xxiii) Levitt and Sons at World Golf Village, LLC (4959); (xxiv) Levitt and Sons of Flagler County, LLC (0685); (xxv) Lev-Brn, LLC (3445); (xxvi) Summerport by Levitt and Sons, LLC (3494); (xxvii) Levitt and Sons of Georgia, LLC (9568); (xxviii) Levitt and Sons of Cherokee County, LLC (2322); (xxix) Levitt and Sons of Hall County, LLC (4416); (xxx) Levitt and Sons of Paulding County, LLC (1632); (xxxi) Levitt Construction Georgia, LLC (3043); (xxii) Levitt and Sons Realty Georgia, LLC (3990); (xxxiii) Levitt and Sons of South Carolina, LLC (8109); (xxxiv) Levitt and Sons of Horry County, LLC (3186); (xxxv) Levitt Construction – South Carolina, LLC (3234); (xxxvi) Levitt and Sons of Tennessee, LLC (4793); (xxxvii) Bowden Building Corporation (6090); (xxxviii) Levitt and Sons of Nashville, LLC (0295); and (xxxix) Levitt and Sons of Shelby County, LLC (1345). The mailing address for the Debtors is 2200 West Cypress Creek Road, Fort Lauderdale, FL 33309.



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GENERAL INFORMATION AND DISCLAIMERS

Important Dates

- Date by which Ballots to accept or reject the Plan must be received: _____, 200__ at ____:____ p.m.
- Date by which objections to Confirmation of the Plan must be filed and served: _____, 200__ at ____:____ p.m.
- Hearing on Confirmation of the Plan: _____, 200__ at ____:____.m.

Why You Are Receiving This Document

Chapter 11 of the Bankruptcy Code allows a debtor to propose a plan that provides for the continued use or disposition of its assets and treats claims against and equity interests in the debtor. A chapter 11 plan may provide for a debtor in possession to reorganize by continuing to operate, to liquidate by selling its assets or to implement a combination of both.

The Bankruptcy Code requires that the party proposing a chapter 11 plan prepare and file with the Bankruptcy Court a document called a “disclosure statement.” **THIS DOCUMENT IS THE DISCLOSURE STATEMENT (as hereinafter defined) FOR THE SECOND AMENDED JOINT LIQUIDATING CHAPTER 11 PLAN PROPOSED BY THE DEBTORS AND THE JOINT COMMITTEE OF UNSECURED CREDITORS DATED December 5, 2008 (the “Plan”).**

Please note that any capitalized terms not specifically defined in this Disclosure Statement shall have the meanings ascribed to them in the Plan attached hereto as Exhibit 1.

The Disclosure Statement summarizes the contents of the Plan and provides information relating to the Plan and the process the Bankruptcy Court will follow in determining whether to confirm the Plan. The Disclosure Statement also discusses the events leading to the Debtors’ filing their Chapter 11 Cases. The Disclosure Statement also describes the chapter 11 voting procedures and the confirmation process. Finally, the Disclosure Statement outlines risk factors associated with the Plan and certain potential federal income tax consequences to the Debtors and to a hypothetical investor typical of the Holders of Claims against and Equity Interests in the Debtors.

The Bankruptcy Code requires a disclosure statement to contain information of a kind, and in sufficient detail, to enable parties who are affected by the Plan to vote intelligently for or against the Plan or object to the Plan, as the case may be.

All Holders of Claims should carefully review both the Disclosure Statement and the Plan before voting to accept or reject the Plan. Indeed, Holders of Claims should not rely solely on the Disclosure Statement but should also read the Plan. Moreover, the Plan provisions will govern if there are any inconsistencies between the Plan and the Disclosure Statement.

Risk Factors

Prior to deciding whether and how to vote on the Plan, each Holder of a Claim should consider carefully all of the information in the Disclosure Statement, and, in particular, should carefully consider the Risk Factors described in Article VIII hereof.

Identity of Persons to Contact For More Information

Any interested party desiring further information about the Disclosure Statement or the Plan should contact counsel for the Debtors, Paul Steven Singerman, Esq. or Jordi Guso, Esq., Berger Singerman, P.A., 200 S. Biscayne Blvd., Suite 1000, Miami, FL 33131, Telephone (305) 755-9500 or counsel for the Committee, Paul J. Battista, Esq. or Heather L. Harmon, Esq., Genovese Joblove & Battista, P.A., 100 S.E. 2nd Street, 44th Floor, Miami, FL 33131, Telephone (305) 349-2300.

Recommendation

THE PROPONENTS BELIEVE THE PLAN PROVIDES THE BEST AND MOST EXPEDITIOUS AND MOST FEASIBLE RECOVERY FOR HOLDERS OF ALLOWED CLAIMS AGAINST THE DEBTORS AND THAT ACCEPTING THE PLAN IS IN THE BEST INTERESTS OF THE HOLDERS OF ALLOWED CLAIMS AGAINST THE DEBTORS. THE PROPONENTS THEREFORE RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

Disclaimers

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS REVIEWING THE DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH HEREIN UNLESS SO SPECIFIED. IN DECIDING WHETHER TO VOTE TO ACCEPT THE PLAN, HOLDERS OF CLAIMS ENTITLED TO VOTE THEREON MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN, INCLUDING, BUT NOT LIMITED TO, ANY RISK FACTORS CITED HEREIN. THE CONTENTS OF THE DISCLOSURE STATEMENT MAY NOT BE DEEMED AS PROVIDING ANY LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE. CLAIM AND INTEREST HOLDERS ARE URGED TO CONSULT WITH THEIR OWN ADVISORS WITH RESPECT TO THE DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY.

CERTAIN STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE BASED ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN THE DISCLOSURE STATEMENT PURSUANT TO THE SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES AND RISKS DESCRIBED HEREIN.

UNLESS SEPARATE SOLICITATIONS ARE APPROVED BY THE BANKRUPTCY COURT, THE DISCLOSURE STATEMENT AND THE PLAN ARE THE ONLY DOCUMENTS AUTHORIZED BY

THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ACCEPTING THE PLAN. NO REPRESENTATIONS HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT CONCERNING THE DEBTORS OR THE PLAN, EXCEPT AS EXPLICITLY SET FORTH IN THE DISCLOSURE STATEMENT. APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT INDICATE THAT THE BANKRUPTCY COURT RECOMMENDS EITHER ACCEPTANCE OR REJECTION OF THE PLAN NOR DOES SUCH APPROVAL CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT OF THE FAIRNESS OR MERITS OF THE PLAN OR OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

THE DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN, AND IS NOT INTENDED TO REPLACE CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN. IT IS INTENDED TO AID AND SUPPLEMENT SUCH REVIEW. THE DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED PROVISIONS SET FORTH IN THE PLAN (INCLUDING THE EXHIBITS THERETO). IF THERE IS A CONFLICT BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE PROVISIONS OF THE PLAN WILL GOVERN. ALL HOLDERS OF CLAIMS ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND TO READ CAREFULLY THE ENTIRE DISCLOSURE STATEMENT BEFORE DECIDING WHETHER TO VOTE TO ACCEPT THE PLAN.

THE DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND MAY NOT HAVE BEEN PREPARED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES.

ALTHOUGH THE ATTORNEYS, ADVISORS AND OTHER PROFESSIONALS EMPLOYED BY THE DEBTORS AND THE COMMITTEE HAVE ASSISTED IN PREPARING THE DISCLOSURE STATEMENT BASED UPON FACTUAL INFORMATION AND ASSUMPTIONS RESPECTING FINANCIAL, BUSINESS, AND ACCOUNTING DATA FOUND IN THE BOOKS AND RECORDS OF THE DEBTORS, THEY HAVE NOT INDEPENDENTLY VERIFIED SUCH INFORMATION AND MAKE NO REPRESENTATIONS AS TO THE ACCURACY THEREOF. THE ATTORNEYS, ADVISORS AND OTHER PROFESSIONALS EMPLOYED BY THE DEBTORS AND THE COMMITTEE SHALL HAVE NO LIABILITY FOR THE INFORMATION IN THE DISCLOSURE STATEMENT.

THE INFORMATION IN THE DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN OR OBJECTING TO CONFIRMATION OF THE PLAN. NOTHING IN THE DISCLOSURE STATEMENT MAY BE USED BY ANY PERSON FOR ANY OTHER PURPOSE.

ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND MADE A PART OF THE DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

I. INTRODUCTION

Levitt and Sons, LLC ("LAS"), BankAtlantic Venture Partners 5, LLC ("BAVP5"), Bellaggio by Levitt and Sons, LLC ("Bellaggio"), Levitt GP, LLC ("Levitt GP"), Levitt Construction Corp.-East ("GC CORP"), Levitt Construction-East, LLC ("GC LLC"), Levitt Industries, LLC ("Industries"), Levitt Homes Bellaggio Partners, LLC ("Bellaggio Partners"), Levitt Homes, LLC ("Homes"), Avalon Park by Levitt and Sons, LLC ("Avalon"), Levitt and

Sons of Lake County, LLC (“LAS Lake County”), Levitt and Sons of Manatee County, LLC (“LAS Manatee County”), Levitt and Sons of Hernando County, LLC (“LAS Hernando County”), Regency Hills by Levitt and Sons, LLC (“Regency Hills”), Levitt and Sons at Hunter’s Creek, LLC (“LAS Hunter’s Creek”), Levitt and Sons of Seminole County, LLC (“LAS Seminole County”), Levitt and Sons of Osceola County, LLC (“LAS Osceola County”), Levitt and Sons of Lee County, LLC (“LAS Lee County”), Cascades by Levitt and Sons, LLC (“Cascades”), Levitt and Sons at Hawks Haven, LLC (“LAS Hawks Haven”), Magnolia Lakes by Levitt and Sons, LLC (“Magnolia Lakes”), Levitt and Sons at Tradition, LLC (“Tradition Florida”), Levitt and Sons at World Golf Village, LLC (“World Golf Village”), Levitt and Sons of Flagler County, LLC (“LAS Flagler County”), Lev-Brn, LLC (“Lev-Brn”), Summerport by Levitt and Sons, LLC (“Summerport”); Levitt and Sons of Georgia, LLC (“LAS Georgia”), Levitt and Sons of Cherokee County, LLC (“LAS Cherokee County”), Levitt and Sons of Hall County, LLC (“LAS Hall County”), Levitt and Sons of Paulding County, LLC (“LAS Paulding County”), Levitt Construction Georgia, LLC (“Construction Georgia”), Levitt and Sons of South Carolina, LLC (“LAS South Carolina”), Levitt and Sons of Horry County, LLC (“LAS Horry County”), Levitt Construction – South Carolina, LLC (“Construction South Carolina”), Levitt and Sons of Tennessee, LLC (“LAS Tennessee”), Bowden Building Corporation (“Bowden”), Levitt and Sons of Nashville, LLC (“LAS Nashville”), and Levitt and Sons of Shelby County, LLC (“LAS Shelby”), debtors in possession in the above-captioned Chapter 11 Cases (collectively, the “Debtors”) and the Joint Committee of Creditors Holding Unsecured Claims (the “Committee”) have filed the Plan with the Bankruptcy Court. A copy of the Plan is attached hereto as Exhibit 1. The Proponents submit this Proponents’ *Second Amended Disclosure Statement in Connection with Second Amended Joint Liquidating Chapter 11 Plan For Debtors* dated December 5, 2008 (the “Disclosure Statement”) pursuant to Section 1125 of the Bankruptcy Code in connection with the solicitation of acceptances or rejections of the Plan from certain holders of Claims against the Debtors.

Pursuant to section 1125(a)(1) of the Bankruptcy Code, a disclosure statement must contain “adequate information” which is defined as information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and the history of the Debtors and the condition of the Debtors’ books and records, including a discussion of the potential material Federal tax consequences of the Plan to the Debtors, any successor to the Debtors, and a hypothetical investor of the relevant class to make an informed judgment about the Plan.

AFTER CAREFULLY REVIEWING THESE DOCUMENTS, IF YOU ARE A CLAIM HOLDER ENTITLED TO VOTE, PLEASE INDICATE YOUR VOTE WITH RESPECT TO THE PLAN ON THE ENCLOSED BALLOT AND RETURN IT IN THE ENVELOPE PROVIDED SO THAT IT IS ACTUALLY RECEIVED BY KURTZMAN CARSON CONSULTANTS, LLC (THE DEBTORS’ NOTICE AGENT) ON OR BEFORE _____, 200__ AT __:__ P.M., PACIFIC PREVAILING TIME. HOLDERS OF EQUITY INTERESTS IN CLASSES LAS-10 AND TENN-7 ARE NOT EXPECTED TO RECEIVE ANY DISTRIBUTION UNDER THE PLAN. UNDER THE BANKRUPTCY CODE, SUCH HOLDERS ARE DEEMED TO HAVE REJECTED THE PLAN AND, ACCORDINGLY, WILL NOT RECEIVE A BALLOT.

A. Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its creditors and equity interest holders. In addition to permitting rehabilitation of a debtor, chapter 11 permits the liquidation of a debtor's assets for the benefit of creditors in a manner that promotes equality of treatment for similarly situated creditors and equity interest holders with respect to the distribution of a debtor's assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The consummation of a chapter 11 plan is the principal objective of a chapter 11 case. A plan sets forth the means for satisfying claims against and equity interests in the debtor. Confirmation of a plan by the bankruptcy court makes the plan binding upon a debtor, any issuer of securities under the plan, any person acquiring property under the plan and any holder of a claim against or equity interest in a debtor, even those holders that voted to reject the plan. Subject to certain limited exceptions, the confirmation order discharges a debtor from any debt that arose prior to the date of confirmation of the plan and substitutes therefor the obligations specified under the confirmed plan.

After a plan has been filed, the holders of claims against or equity interests in a debtor are generally permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, however, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical investor to make an informed judgment about the plan. The Proponents are submitting this Disclosure Statement to Holders of Claims against the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code.

B. Disclosure Statement Exhibits

Accompanying this Disclosure Statement are copies of:

- i. ***The Plan (attached hereto as Exhibit 1);***
- ii. ***The Woodbridge Settlement Agreement (attached hereto as Exhibit 2);***

- iii. *The Debtors' Cash Management Systems (attached hereto as Composite Exhibit 3);*
- iv. *The Liquidation Analysis (attached hereto as Exhibit 4);*
- v. *Curriculum Vitae of James S. Feltman – Plan Administrator (attached hereto as Exhibit 5);*
- vi. *Corporate Chart of the Debtors (attached hereto as Exhibit 6);*
- vii. *Composite Claims Analysis (attached hereto as Exhibit 7);*
- viii. *The Litigation Schedule (attached hereto as Exhibit 8); and*
- ix. *A Schedule of Potential Preference Payments (attached hereto as Exhibit 9).*

C. Only Impaired Classes Vote

Pursuant to the provisions of the Bankruptcy Code, only classes of claims and equity interests that are “impaired” under a plan may vote to accept or reject the plan. Generally, a claim or equity interest is impaired under a plan if the holder’s legal, equitable or contractual rights are changed under such plan. In addition, if the holders of claims or equity interests in an impaired class do not receive or retain any property under a plan on account of such claims or equity interests, such impaired class is deemed to have rejected the plan under section 1126(g) of the Bankruptcy Code.

Under the Plan, Claims in Classes LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7, LAS-8, LAS-9A, LAS-9B, LAS-10, Tenn-2, Tenn-3, Tenn-4, Tenn-5 and Tenn-6A, Tenn-6B, and Tenn-7 are or may be Impaired. Holders of Equity Interests in LAS-10 and Tenn-7 are not expected to receive any Distribution under the Plan, and accordingly, such Holders are deemed to reject the Plan, and their votes are not being solicited. Classes LAS-1 and Tenn-1 are Unimpaired and are therefore conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Professional Claims and Priority Tax Claims of the kinds specified in Sections 507(a)(1) and 507(a)(8) of the Bankruptcy Code have not been classified and are deemed not to be Impaired. **ACCORDINGLY, A BALLOT FOR ACCEPTANCE OR REJECTION OF THE PLAN IS BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASSES LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7, LAS-8, LAS-9A, LAS-9B, TENN-2, TENN-3, TENN-4, TENN-5, TENN-6A and TENN-6B.** For a summary of the treatment of each Class of Claims and Equity Interests for each of the Debtors, see “Overview of the Plan” below.

D. Confirmation Hearing

The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan for _____, 200__ at ____:____.m. in the United States Bankruptcy Court, 299 East Broward Blvd., Courtroom 308, Fort Lauderdale, FL 33301 (the “Confirmation Hearing”). The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be served and

filed on or before _____, 200__ at ____:____ p.m. in the manner described in the Notice accompanying this Disclosure Statement. The date of the Confirmation Hearing may be adjourned from time to time without further notice except for an in-court announcement at the Confirmation Hearing of the date and time as to which the Confirmation Hearing has been adjourned.

E. Overview of the Plan

THE FOLLOWING IS A BRIEF SUMMARY OF THE TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN. THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY. CREDITORS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW THE MORE DETAILED DESCRIPTION OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT AND THE PLAN ITSELF.

The Plan is a plan of liquidation for the Debtors. Pursuant to the Plan, the net proceeds of the sale or other disposition of assets of the Debtors, the settlement and compromise of certain Causes of Action, including the Woodbridge Settlement (discussed below) and certain contingent recoveries through Causes of Action, are being collected and distributed to Creditors of the Debtors; first to Holders of Allowed Secured Claims, if any, who hold valid, duly-perfected and non-avoidable security interests in and Liens on such assets and the proceeds therefrom, provided that Distributions to Holders of Allowed Secured Claims shall come only from such assets or the proceeds therefrom, second to the Holders of Allowed Administrative Expense Claims, Allowed Professional Claims, Allowed Priority Tax Claims and Allowed Priority Claims in accordance with the scheme of priorities set forth in the Bankruptcy Code, and third to Holders of Allowed General Unsecured Claims and Holders of Allowed Deposit Holder Claims on a pro rata basis as set forth below. In addition, a single, additional Distribution will be made to the Holders of Allowed Deposit Holder Claims from the Deposit Holders' Fund in connection with the Woodbridge Settlement. Also, subject to the settlement and compromise between the Tennessee Consolidated Debtor and the LAS Consolidated Debtor described below and in the Plan, no Distribution shall be made on account of any Intercompany Claims held by and among any Debtor against any other Debtor. Finally, Holders of Equity Interests in each of the Debtors shall not receive any Distribution pursuant to the Plan.

For the reasons set forth below and in the Plan, the Proponents seek, simultaneously and in connection with confirmation of the Plan, to substantively consolidate the Debtors, solely for voting on, Confirmation of and Distributions under the Plan, into two separate groupings, namely (i) each of the Debtors except the Tennessee Debtors will be substantively consolidated with and into LAS solely for purposes of voting on, Confirmation of and Distributions under the Plan (the "LAS Consolidated Debtor"), and (ii) each of Tennessee Debtors will be substantively consolidated with and into LAS Tennessee solely for voting on, Confirmation of and Distributions under the Plan (the "Tennessee Consolidated Debtor"). As a result of such limited substantive consolidation, the Plan will treat Claims and Interests separately in respect of each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

On the Effective Date of the Plan, (i) all of the Post Confirmation Debtor Assets shall vest in and be retained by the applicable Post Confirmation Debtors under the sole and exclusive

control of the Plan Administrator² solely for the benefit of the holders of all Allowed Claims and Allowed Interests in the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, as applicable, under the Plan pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise, and (ii) the Wachovia Collateral shall vest in and be retained by the Post Confirmation Wachovia Debtors under the sole and exclusive control of the Wachovia Collateral Administrator pursuant to and in accordance with the terms of the Wachovia DIP Loan Documents and the Plan.

The principal means of implementing and funding of the Plan is the Woodbridge Settlement, which is described in detail below and in the Plan. In summary, on the Effective Date of the Plan, the Debtors shall consummate the Woodbridge Settlement in accordance with the terms thereof. Pursuant to the Woodbridge Settlement, on the Effective Date, Woodbridge shall make the Woodbridge Settlement Payment in the amount of \$8,000,000.00 to the Plan Administrator for Distribution under the terms of the Plan to the holders of all Allowed Claims in Classes LAS-9A and LAS-9B against the LAS Consolidated Debtor. Woodbridge and the Woodbridge Parties as defined in the Woodbridge Settlement Agreement shall receive a full and general release from the Debtors' and the Debtors' Estates of any and all Settlement Causes of Action, as defined in the Woodbridge Settlement Agreement.

In addition, pursuant to the terms of the Woodbridge Settlement, on the Effective Date, Woodbridge shall provide an amount equal to \$4,500,000.00 (the "Release Fund") to be made available to the Plan Administrator, with \$4,000,000 to be funded to the Plan Administrator and held in a segregated account and \$500,000 to be an obligation of Woodbridge (the "Settlement Holdback") to fund in accordance with the provisions of the Woodbridge Settlement. The Release Fund will be distributed under the Plan on a pro rata basis to those Holders of Allowed Claims in Classes LAS-9A, LAS-9B, Tenn-6A and Tenn-6B who are deemed to agree to the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties as set forth herein and in accordance with the Woodbridge Settlement Agreement by not affirmatively opting out of such Third Party Release and Injunction; provided, however, that if and to the extent that a Holder of any such Allowed Claim elects to opt-out of, and not be bound by, the Third Party Release and Injunction, then the pro rata Distribution that would otherwise have been made to such Holder from the Release Fund shall be returned to Woodbridge.

In addition, pursuant to the Woodbridge Settlement, Woodbridge shall (i) transfer, carve-out and gift to the Deposit Holders' Fund and the Deposit Holders' Fee Reserve an amount equal to \$450,000 and \$200,000, respectively, from the Distribution to be received by Woodbridge in respect of its Allowed Administrative Expense Claim under the Plan, which Distribution equals

² The Proponents have chosen James S. Feltman to be the Plan Administrator. Mr. Feltman is a Senior Managing Partner at Mesirow Financial Consulting, LLC, the Committee's Bankruptcy Court approved financial advisor. Mr. Feltman has presided over thousands of cases as a trustee or as a post confirmation fiduciary. Mr. Feltman was selected by the Proponents because of, among many other reasons, his familiarity with the issues in these Chapter 11 Cases and his experience and expertise in maximizing recovery for creditors. For more information regarding Mr. Feltman's professional qualifications and past appointments, please refer to his *Curriculum Vitae* attached hereto as Exhibit 5.

\$650,000 pursuant to the Woodbridge Settlement, and (ii) fund an additional \$300,000 to the Deposit Holders' Fund on the Effective Date pursuant to the Woodbridge Settlement.

In addition to the Woodbridge Settlement Payment and the funding of the Release Fund, the Plan will be funded with, among other things, (a) Cash on hand on the Effective Date in the Post Confirmation Debtors, (b) the Admin Cap, the Guaranteed Amount, the Tennessee Carve Out, the proceeds, if any, from the Wachovia DIP Loan Documents in excess of the Guaranteed Amount, the Deposit Holders' Fund and the Deposit Holders' Fee Reserve, and (b) funds added to Cash after the Effective Date from, among other things, the liquidation of the Post Confirmation Debtor Assets, the liquidation of the Wachovia Collateral in accordance with the Wachovia DIP Loan Documents and the prosecution of the Causes of Action.

Pursuant to the substantive consolidation of the LAS Consolidated Debtor, all Intercompany Claims between and among the Debtors that comprise the LAS Consolidated Debtor will be extinguished on the Effective Date of the Plan with no Distributions being made in respect thereof. In addition, all Intercompany Claims between and among the Debtors that comprise the Tennessee Consolidated Debtor will be extinguished on the Effective Date of the Plan with no Distributions being made in respect thereof. However, pursuant to the books and records of the Debtors, there exists an Intercompany Claim owed by the Debtors that comprise the Tennessee Consolidated Debtor to the Debtors that comprise the LAS Consolidated Debtor in the amount of approximately \$15,803,500 (the precise amount due from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor may be greater than or less than such amount). In addition, the Woodbridge Settlement Payment being made under the Woodbridge Settlement is not specifically allocated or directed to any one or more Debtors. Rather, as described in more detail below, the Woodbridge Settlement Payment and the other consideration being paid thereunder is being made in consideration of, among other things, Woodbridge and the Woodbridge Parties receiving a full, general release from the Debtors and the Debtors' Estates of any Causes of Action. Notwithstanding the inability of the Debtors to efficiently and effectively allocate the Woodbridge Settlement Payment among themselves, each Debtor arguably has a claim to some portion of the Woodbridge Settlement Payment.

As a result, the Plan provides for a settlement and compromise between and the LAS Consolidated Debtor and the Tennessee Consolidated Debtor whereby the LAS Consolidated Debtor will waive the Intercompany Claim owed by the Tennessee Consolidated Debtor in exchange for and in consideration of the Tennessee Consolidated Debtor waiving any right or interest in and to the Woodbridge Settlement Payment. The Proponents believe that such settlement and compromise is in the best interests of all of the Debtors as it (i) saves significant professional fees and expenses in connection with the (A) the determination of the precise amount owing from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor and (B) assertion and objections to the Intercompany Claims between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, and (ii) saves significant professional fees and expenses in litigation over the proper method of allocation of the Woodbridge Settlement Payment between and among the Debtors. However, if the Debtors are required to litigate the issues surrounding the Intercompany Claim and the allocation of the Woodbridge Settlement Payment, then the Distributions to all Holders of Allowed Claims will be diminished as a result of the professional fees and expenses that will necessarily have to be incurred in connection therewith.

Pursuant to the Plan, the Plan Administrator shall, at his discretion, pursue the Causes of Action against various third parties including, but not limited to, those Causes of Action arising under sections 547, 548, 549 and 550 of the Bankruptcy Code. Such Causes of Action may also be a basis for disallowance of the Claims of Creditors under section 502(d) or section 553 of the Bankruptcy Code or otherwise. In addition, pursuant to the Plan, the Wachovia Collateral Administrator shall, at his discretion, pursue the Wachovia Debtor Causes of Action against various third parties. Each of the Debtors' Schedules contains a list of all such transferees known to the Debtors at the time it was prepared. THE PLAN RESERVES ALL RIGHTS AND CLAIMS AGAINST PARTIES IN INTEREST, THIRD PARTIES AND CREDITORS WHETHER OR NOT SUCH PARTIES OR CREDITORS ARE SPECIFICALLY NAMED IN THIS DISCLOSURE STATEMENT OR IN THE DEBTORS' RESPECTIVE SCHEDULES. See Article IV of this Disclosure Statement for a more detailed discussion of such Causes of Action and the reservation of them to the Plan Administrator.

Except as otherwise provided in the Plan or other agreement or document entered into in connection with the Plan, each of the executory contracts and unexpired leases to which any Debtor is a party shall be deemed rejected by the applicable Debtor on the Effective Date, unless such contract or lease: (a) shall have been previously assumed or rejected by the Debtors, (b) shall have expired or terminated pursuant to its own terms or (c) shall be the subject of a pending motion to assume or assign pending on the Confirmation Date. The Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejections as of the Effective Date. Parties to executory contracts or unexpired leases that are deemed rejected by the Confirmation Order may file a proof of claim for rejection damages as provided in Article IX of the Plan. Notwithstanding anything herein to the contrary, if and only if Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, any prepetition contract for the purchase of any portion of the Wachovia Collateral that has not been previously rejected by order of the Bankruptcy Court shall not be deemed rejected hereunder. Moreover, if and only if Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, any contract entered into by the Chief Administrator for the Wachovia Collateral after the Petition Date shall not be deemed rejected under the Plan.

Under the Plan, on the Effective Date, the Plan Administrator shall be appointed the sole manager, director, president and/or chief executive officer, as applicable, of the Post Confirmation Debtors. Upon the Effective Date and without further action by the Bankruptcy Court, the pre-Confirmation members, managers, directors and/or officers of the Debtors shall be deemed to have resigned and/or shall be deemed to have been terminated without cause, and all employment contracts of employees of the Debtors not previously assumed or rejected shall be deemed to be rejected. As of the Effective Date, the Plan Administrator shall act in a fiduciary capacity for the holders of all Allowed Claims and Allowed Interests under the Plan and shall have only those rights, powers and duties conferred to him by the Plan, as well as the rights and powers of a trustee under sections 542 through 552 of the Bankruptcy Code and the duties of a trustee under sections 704(1),(2),(4),(5),(7) and (9) of the Bankruptcy Code. On the Effective Date, the Wachovia Collateral Administrator shall be appointed in respect of the Wachovia Collateral in accordance with the Wachovia DIP Loan Documents and shall have all of the

rights, powers and duties of the Chief Administrator thereunder, including the authority to perform all administrative functions with respect to the Wachovia Collateral.

F. Substantive Consolidation of the Debtors under the Plan.

1. Substantive Consolidation Generally.

In bankruptcy cases with affiliated debtors, a bankruptcy court may exercise its equitable powers to authorize the "substantive consolidation" of the estates of the debtor affiliates for purposes of the plan of reorganization. Substantive consolidation involves the pooling of assets and liabilities of the affected debtors. Generally, all of the debtors in the substantively consolidated group are treated as if they were a single corporate entity and economic entity. In that circumstance, a creditor of one of the substantively consolidated debtors will be treated as a creditor of the substantively consolidated group of debtors, and issues of individual corporate ownership or property and individual corporate liability or obligation are ignored.

As set forth above and pursuant to the Plan, the Proponents seek substantive consolidation of the thirty-eight separate corporate Debtors under the Plan into the LAS Consolidated Debtor and the Tennessee Consolidated Debtor solely for voting on, Confirmation of and Distributions under the Plan. As a result of such substantive consolidation, the Plan will treat Claims and Interests in respect of each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. On the Effective Date of the Plan, the Debtors will be substantively consolidated pursuant hereto and in accordance herewith into the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

In support of such substantive consolidation, the Proponents assert that many of the factors set forth in the applicable decisional law supporting limited substantive consolidation as proposed in the Plan are present in these Chapter 11 Cases. See Eastgroup Props. v. Southern Motel Assocs., Ltd., 935 F.2d 245 (11th Cir. 1991)(movant must demonstrate that (i) there is a substantial identity between entities to be consolidated, and (ii) consolidation is necessary to avoid some harm or to realize some benefit); In re Avery, 377 B.R. 264, 268 (Bankr. D. Alaska 2007) ("A bankruptcy court has discretion to order *nun pro tunc* consolidation. This may enable a trustee to preserve fraudulent transfer and avoidance proceedings with regard to related entities which might otherwise be barred due to statutes of limitation."); Alexander v. Compton (In re Bonham), 229 F.3d 750, 769-70 (9th Cir. 2000); See also In re Creditors Serv. Corp., 195 B.R. at 689 ("Substantive consolidation may be limited to certain classes of claims, specific property, or may be appropriately conditioned."); Matter of Steury, 94 B.R. 553, 556 (Bankr. N.D. Ind. 1988).

Moreover, in appropriate circumstances, bankruptcy courts have the power to order limited or partial substantive consolidation, or to place conditions on the substantive consolidation, such as the preservation of avoidance claims by the formerly separate estates. Avery, 377 B.R. at 268 ("A bankruptcy court has discretion to order *nun pro tunc* consolidation. This may enable a trustee to preserve fraudulent transfer and avoidance proceedings with regard to related entities which might otherwise be barred due to statutes of limitation."); Bonham, 229 F.3d at 763; see also Creditors Serv. Corp., 195 B.R. at 689 ("Substantive consolidation may be limited to certain classes of claims, specific property, or may be appropriately conditioned.");

Steury, 94 B.R. at 556. Pursuant to the terms of the Plan, the Proponents seek to place certain conditions on substantive consolidation, including specifically as they relate to the preservation of substantial fraudulent transfer and other avoidance actions.

The Proponents' decision to seek substantive consolidation pursuant to the Plan is based on, among other factors, an analysis by the Debtors' advisors and the Committee's advisors of the facts and circumstances surrounding the Debtors, including the Debtors' financial and accounting structure and business operations, their consideration of the cost and delay attendant to the reconstruction the Debtors' financial records, and the net effect on the dividends payable under the Plan if the Proponents were to undertake the reconstruction of the Debtors' financial records and Intercompany Claim reconciliation. As set forth below, such facts and circumstances overwhelmingly support the substantive consolidation of the Debtors as proposed in the Plan.

2. The Facts and Circumstances Supporting Substantive Consolidation of the Debtors.

From their engagement in August 2007 through the present, AP Services, LLC ("APS") has and continues to provide interim management services to the Debtors. In connection therewith, APS has become intimately familiar with, among other things, the Debtor's books and records, the Debtors' accounting systems, the Debtors' financial operations, the Debtors' cash management systems and the Debtors' business operations. APS also worked with several of the Debtors' employees during such time and as a result obtained an understanding as to the manner in which the Debtors maintained their books and records. In addition, shortly after its creation, the Committee engaged the services of Mesirow Financial Consulting, LLC ("Mesirow") to act as the Committee's financial advisor. During the performance of its duties for the Committee, Mesirow has reviewed the Debtors' books and records and has also become familiar with the Debtors' financial operations, cash management systems and business operations. Based on such efforts, it is clear that the following critical, undisputed facts exist which overwhelmingly support substantive consolidation of the Debtors as proposed in the Plan.

a. The Debtors in the LAS Consolidated Debtor.

LAS is the direct or indirect parent of each of its affiliated Debtors. Woodbridge is the direct parent of LAS. As a result, Woodbridge is the ultimate parent of all of the Debtors. Attached hereto as Exhibit 6 is the Debtors' corporate chart showing the direct and indirect ownership of each Debtor. Each of the Debtors comprising the LAS Consolidated Debtor maintained the same corporate offices in Ft. Lauderdale, Florida and employed substantially the same employees to perform similar functions for each. Substantially all of the employees were employed and compensated by one of only four of the Debtors comprising the LAS Consolidated Debtor. Each of the Debtors comprising the LAS Consolidated Debtor maintained consolidated financial operations and shared a common cash management system through which the Debtors comprising the LAS Consolidated Debtor paid bills in and from the same bank accounts and deposited receipts in the same bank accounts. The Debtors also maintained consolidated financial statements and information. Further, the Debtors comprising the LAS Consolidated Debtor commingled their assets and cash by and among themselves, including in connection with the payment of liabilities. Attached hereto as Composite Exhibit 3 are charts evidencing the

manner in which Debtors' consolidated cash management system worked for each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. The manner in which the Debtors managed their cash as reflected in their cash management systems is clear evidence of the extensive commingling of cash by such Debtors and the commingling and payment of liabilities by such Debtors. In essence, all cash from any source, whether loans from financial institutions, sales of assets, loans from Woodbridge or otherwise, flowed through the same main bank accounts and was used to pay the liabilities of the respective Debtors in each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. Once such cash was commingled in the respective cash management systems, it lost its character as a separate asset of any particular Debtor.

In addition, certain of the Debtors comprising the LAS Consolidated Debtor also guaranteed certain of the liabilities of the other Debtors comprising the LAS Consolidated Debtor. All of the Debtors comprising the LAS Consolidated Debtor were in the same or substantially similar line of business. In fact, substantially all of the Debtors all operated under the same moniker, namely "Levitt and Sons."

Moreover, as a result of the manner in which the Debtors' operated their financial and accounting systems, there are significant Intercompany Claims owed by and among the Debtors comprising the LAS Consolidated Debtor. These Intercompany Claims, however, are comprised of hundreds of thousands of "due tos" and "due froms" by and among each Debtor. Based on the review performed by the Debtors' advisors and the Committee's advisors, the amount of the Intercompany Claim that each Debtor in the LAS Consolidated Debtor owes to each other Debtor in the LAS Consolidated Debtor cannot be readily or precisely quantified. Moreover, the Debtors' advisors and the Committee's advisors believe that it will require the expenditure of such a significant amount of professional fees in order to recreate hundreds of thousands of transactions between the Debtors that it is not practically and economically feasible to do so. However, even if the recreation of such Intercompany Claims were economically and practically feasible to do, it is highly doubtful that the results achieved would be reliable in any manner as there is substantial doubt as to whether the Debtors' books and records contain sufficient documentation to accurately reflect all of the intercompany transactions between and among the Debtors. Similarly, the Debtors are unable to determine, without the expenditure of significant professional fees, the amount of their respective income, expenses and taxes paid for the past several years. Therefore it is very difficult and expensive to determine which Debtor is entitled to any tax refund. To complicate matters further, virtually all of the Debtors are single member limited liability companies that are disregarded for income tax purposes under applicable law. Rather, they are treated as divisions, for tax purposes, of Woodbridge, the ultimate corporate parent of the Debtors. As a result, there was no requirement that the Debtors maintain separate tax records for each Debtor as they all were consolidated for tax return purposes with Woodbridge.

Still further, the Proponents assert that an overwhelming majority of creditors did not rely on the separate credit of any individual Debtor that comprises the LAS Consolidated Debtor. Specifically, a substantial number of creditors filed duplicative proofs of claims in these Chapter 11 Cases against more than one Debtor. In fact, the duplicative claims filed in these Chapter 11

Cases exceed \$981,910,976. The filing of such duplicative claims indicates that the creditors did business with “Levitt and Sons.”

As a result of the above, it is clear that there is and was a substantial degree of difficulty in segregating and ascertaining the individual assets and liabilities of each of the Debtors comprising the LAS Consolidated Debtor. In fact, for all of the reasons stated above, the Debtors’ advisors and the Committee’s advisors do not believe that it is possible, or economically feasible, to attempt to create separate balance sheets for each Debtor within the LAS Consolidated Debtor. Bank of America, N.A. however, disagrees with the Proponents’ beliefs regarding separate balance sheets and believes that the Proponents should generate separate liquidation analyses for each of the 38 Debtors. As set forth above, the Proponents assert and believe that separate balance sheets and liquidation analyses would not produce meaningful and reliable data and would be cost prohibitive to the Debtors’ Estates.

b. The Debtors in the Tennessee Consolidated Debtor.

Turning to the Tennessee Consolidated Debtor, many, if not all, of the facts and circumstances listed above that support substantive consolidation of the LAS Consolidated Debtor also exist in respect of the Debtors comprising the Tennessee Consolidated Debtor. Each of the Tennessee Debtors had common management. Each of the Debtors comprising the Tennessee Consolidated Debtor maintained the same corporate offices in Cordova, Tennessee and employed substantially the same employees to perform similar functions for each. Substantially all of the employees were employed and compensated by the same Debtor within the Tennessee Consolidated Debtor. Each of the Debtors comprising the Tennessee Consolidated Debtor maintained consolidated financial operations and shared a common cash management system through which the Debtors comprising the Tennessee Consolidated Debtor paid bills in and from the same bank accounts and deposited receipts in the same bank accounts. Still further, the Debtors comprising the Tennessee Consolidated Debtor commingled their assets and cash by and among themselves, including in connection with the payment of liabilities. Attached as part of Composite Exhibit 3 is the cash management system utilized by the Debtors comprising the Tennessee Consolidated Debtor. As with the LAS Consolidated Debtor, this is clear evidence of the extent of the commingling of cash and the commingling and payment of liabilities by and among the Debtors comprising the Tennessee Debtor.

The Debtors comprising the Tennessee Consolidated Debtor also guaranteed certain of the liabilities of the other Debtors within the Tennessee Consolidated Debtor. All of the Debtors comprising the Tennessee Consolidated Debtor were in the same or substantially similar line of business.

As with the Debtors in the LAS Consolidated Debtor, there are significant Intercompany Claims owed by and among the Debtors comprising the Tennessee Consolidated Debtor, which Intercompany Claims are comprised of tens of thousands of “due tos” and “due froms” by and among each Debtor in the Tennessee Consolidated Debtor. Based on the review performed by the Debtors’ advisors and the Committee’s advisors, the amount of the Intercompany Claim that each Debtor in the Tennessee Consolidated Debtor owes to each other Debtor in the Tennessee Consolidated Debtor cannot be readily or easily quantified. Moreover, the Debtors’ advisors and

the Committee's advisors believe that it will require the expenditure of such a significant amount of professional fees in order to recreate hundreds of thousands of transactions between such Debtors that it is not practically and economically feasible to do so. Like the LAS Consolidated Debtor, even if the recreation of such Intercompany Claims were economically and practically feasible to do, it is highly doubtful that the results achieved would be reliable in any manner as there is substantial doubt as to whether the Debtors' books and records contain sufficient documentation to accurately reflect all of the intercompany transactions between and among the Debtors. As with the LAS Consolidated Debtor, the Debtors comprising the Tennessee Consolidated Debtor are unable to determine, without the expenditure of significant professional fees, the amount of their respective income, expenses and taxes paid for the past several years. Therefore it is very difficult and expensive to determine which Debtor is entitled to any tax refund. Similar to the LAS Consolidated Debtor, virtually all of the Debtors in the Tennessee Consolidated Debtor are single member limited liability companies that are disregarded for income tax purposes under applicable law. They are also treated as divisions, for tax purposes, of Woodbridge, the ultimate corporate parent of the Debtors. As a result, there was no requirement that the Debtors in the Tennessee Consolidated Debtor maintain separate tax records for each Debtor as they all were consolidated for tax return purposes with Woodbridge.

In addition, like the Debtors in the LAS Consolidated Debtor, creditors of the Debtors in the Tennessee Consolidated Debtor filed numerous duplicative claims. Such duplicative claims exceed \$115,605,560. Therefore, as is the case with the LAS Consolidated Debtor, this indicates that creditors did not rely on the credit of any particular Debtor in the Tennessee Consolidated Debtor.

As a result of the above, it is clear that there is and was a substantial degree of difficulty in segregating and ascertaining the individual assets and liabilities of each of the Debtors comprising the Tennessee Consolidated Debtor. In fact, for all of the reasons stated above in regard to the Tennessee Consolidated Debtor, the Debtors' advisors and the Committee's advisors do not believe that it is possible, or economically feasible, to attempt to create separate balance sheets for each Debtor within the Tennessee Consolidated Debtor.

c. The LAS Consolidated Debtor v. the Tennessee Consolidated Debtor.

As is clear from the above analysis, the determination to seek substantive consolidation of the Debtors comprising the LAS Consolidated Debtor is well supported by the facts and the law. In addition, is clear from the above analysis that the determination to seek substantive consolidation of the Debtors comprising the Tennessee Consolidated Debtor is well supported by the facts and the law. However, based on their review, the Debtors' advisors and the Committee's advisors do not believe that the factors supporting such substantive consolidation exist to the same degree as between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

Specifically, LAS acquired all of the Debtors within the Tennessee Consolidated Debtor as a going concern in a transaction that occurred in mid-2004. The acquisition of the Tennessee Debtors included their entire infrastructure and management team. The Tennessee Debtors were a self contained operation when acquired by LAS. In 2005, the financial and accounting aspects

of the Tennessee Debtors were placed on a new operating system with the Debtors in the LAS Consolidated Debtor. However, the Tennessee Debtors were treated in such system as a separate company from the Debtors in the LAS Consolidated Debtor.

Moreover, the Debtors comprising the Tennessee Consolidated Debtor did in fact maintain separate books and records, separate employees, separate offices and separate financial operations from the Debtors comprising the LAS Consolidated Debtor. They also maintained a separate cash management system from the Debtors comprising the LAS Consolidated Debtor as is evidenced in Composite Exhibit 3.

Finally, there is an Intercompany Claim that exists on the books and records of the Debtors between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. The Tennessee Consolidated Debtor owes the LAS Consolidated Debtor an amount in excess of \$15,803,500 for net advances made to the Tennessee Consolidated Debtor (the precise amount due from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor may be greater than or less than such amount). The Debtors' advisors and the Committee's advisors believe that there is a reasonable basis to justify such Intercompany Claim. As a result, such Intercompany Claim is the subject of the settlement and compromise between the Tennessee Consolidated Debtor and the LAS Consolidated Debtor referred to above and in the Plan.

d. Conclusion.

As a result of and based on the above, the Proponents believe that substantive consolidation as proposed in the Plan is not only appropriate under the facts and circumstances of these Chapter 11 Cases, but it is in the best interests of all Holders of Allowed Claims in the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. The analysis and review performed by the Debtors' advisors and the Committee's advisors supports the conclusion that there are numerous inherent issues and weaknesses in the Debtors' accounting and financial systems in respect of being able to separate assets, particularly Cash, and in determining the amounts of Intercompany Claims between and among the Debtors in the LAS Consolidated Debtor and between and among the Debtors in the Tennessee Consolidated Debtor. Such analysis and review makes clear that it is not practical, economic or reliable to attempt to create separate balance sheets for each Debtor. There is and will be no assurance as to the accuracy and validity of any reconciliation of such Intercompany Claims or the separate balance sheets that could result from any such effort. Moreover, the costs to engage in such efforts would be prohibitive and cause substantial delays in the administration of these Chapter 11 Cases.

e. The Effect of Substantive Consolidation.

The entry of the Confirmation Order shall constitute approval by the Bankruptcy Court, pursuant to Sections 105(a) and 1123(c)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, and their respective Estates, solely for purposes of voting, Confirmation of and Distributions under the Plan, and for no other purpose, as set forth above.

Specifically, on and after the Effective Date with respect to each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, (a) all assets and liabilities of the Debtors comprising the LAS Consolidated Debtor and the Debtors comprising the Tennessee Consolidated Debtor, respectively, shall be treated as though they were pooled solely for purposes of voting on, Confirmation of and Distributions under the Plan, (b) no Distribution shall be made under the Plan on account of any Intercompany Claim held (i) by any one of the Debtors comprising the LAS Consolidated Debtor against any of the other Debtors within the LAS Consolidated Debtor, or (ii) by any one of the Debtors comprising the Tennessee Consolidated Debtor against any of the other Debtors within the Tennessee Consolidated Debtor, (c) no Distribution shall be made under the Plan on account of any Interest held (i) by any Debtor comprising the LAS Consolidated Debtor in any other Debtor within the LAS Consolidated Debtor, or (ii) by any Debtor comprising the Tennessee Consolidated Debtor in any other Debtor within the Tennessee Consolidated Debtor, (d) all Allowed Secondary Liability Claims shall be entitled to a single recovery, and thus one Distribution (and no multiple recovery) on any such Claims, (e) every Claim filed or to be filed in the Chapter 11 Case of any Debtor comprising the LAS Consolidated Debtor shall be deemed filed against the LAS Consolidated Debtor and shall be one Claim against and one obligation of the LAS Consolidated Debtor, (f) every Claim filed or to be filed in the Chapter 11 Case of any Debtor comprising the Tennessee Consolidated Debtor shall be deemed filed against the Tennessee Consolidated Debtor and, if Allowed, shall be one Claim against and one obligation of the Tennessee Consolidated Debtor, and (g) to the extent a Claim is Allowed against the LAS Consolidated Debtor and a Claim for the same obligation is also Allowed against the Tennessee Consolidated Debtor, then the holder of such Claim shall be entitled to a Distribution from each of the LAS Consolidated Debtor and the Tennessee Consolidated in respect of such Claim, but in no event shall such holder receive more than 100% of such Allowed Claim.

Notwithstanding the foregoing, (i) the treatment proposed by each Debtor to the Holders of Allowed Secured Claims against such Debtor after the Effective Date shall be unaffected by such substantive consolidation, (ii) any Liens that are maintained, recognized, or preserved under the Plan shall be unaffected by the substantive consolidation, and (iii) any claims under or with respect to any insurance policy of any Debtor (or any right to the proceeds of any such policy or policies) shall be unaffected by the substantive consolidation.

Notwithstanding the substantive consolidation of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, as provided herein, the substantive consolidation shall be solely for purposes of voting on, Confirmation of or and Distributions under the Plan and specifically shall not:

- (a) affect the legal and organizational structure of each such Debtor from and after the Effective Date;
- (b) affect or change any Cause of Action or other claim that any Debtor would possess had any of the Chapter 11 Cases not been substantively consolidated as provided herein or any defenses that any defendant in respect of such Causes of Action would have in connection therewith;

(c) destroy or otherwise affect the separate corporate existence of each Debtor and the ownership interest in each Debtor;

(d) divest any Debtor of any tax attributes; or

(e) affect any Statutory Fees paid by any Debtor to the U.S. Trustee or the Clerk of the Bankruptcy Court from the Petition Date through the Effective Date.

G. Classification of Claims and Interests Under the Plan

As a result of the substantive consolidation proposed under the Plan, all Claims and Equity Interests, except Administrative Expense Claims, Priority Tax Claims and Statutory Fees, are classified in Classes for each of the LAS Consolidated Debtor and Tennessee Consolidated Debtor as set forth below. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class, and is classified in other Classes to the extent that any remainder of the Claim or Equity Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class, and such Claim has not been disallowed, paid or released prior to the Effective Date.

i. *Classification*

Pursuant to Bankruptcy Code section 1122, a Claim or Equity Interest is placed in a particular Class for purposes of voting on the Plan, Confirmation of and receiving Distributions under the Plan only to the extent (i) the Claim or Equity Interest is an Allowed Claim or Allowed Equity Interest in that Class and (ii) the Claim or Equity Interest has not been paid, released, or otherwise compromised before the Effective Date. In accordance with Bankruptcy Code section 1123(a)(1), Administrative Expense Claims, Priority Tax Claims and Statutory Fees are not classified under the Plan. As a result of the substantive consolidation provided for in the Plan, the Plan classifies Claims and Interests as follows:

a. Identification of Classes – LAS Consolidated Debtor.

The following are the designations for the Classes of Claims against and Equity Interests for the LAS Consolidated Debtor:

Class LAS – 1	Allowed Priority Claims
Class LAS – 2	Allowed Secured Claims of Woodbridge
Class LAS – 3	Allowed Secured Claims of Bank of America, N.A.
Class LAS – 4	Allowed Secured Claims of KeyBank, N.A.
Class LAS – 5	Allowed Secured Claim of AmTrust Bank (Hartwood Reserve)
Class LAS – 6	Allowed Secured Claims of Wachovia Bank
Class LAS – 7	Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank
Class LAS – 8	Allowed Other Secured Claims

Class LAS – 9A	Allowed General Unsecured Claims
Class LAS – 9B	Allowed Deposit Holder Claims
Class LAS – 10	Allowed Equity Interests

b. Identification of Classes – Tennessee Consolidated Debtor.

The following are the designations for the Classes of Claims against and Equity Interests for the Tennessee Consolidated Debtor:

Class Tenn – 1	Allowed Priority Claims
Class Tenn – 2	Allowed Secured Claims of Regions Bank, N.A.
Class Tenn – 3	Allowed Secured Claim of Wachovia Bank
Class Tenn – 4	Allowed Secured Claim of Financial Federal Savings Bank
Class Tenn – 5	Allowed Other Secured Claims
Class Tenn – 6A	Allowed General Unsecured Claims
Class Tenn – 6B	Allowed Deposit Holder Claims
Class Tenn – 7	Allowed Equity Interests

II. GENERAL BACKGROUND

A. Corporate Structure

LAS is a Florida limited liability company that is wholly owned by Levitt Corporation n/k/a Woodbridge Holdings Corp (“Woodbridge”). Woodbridge is a Florida corporation, the shares of which are publicly traded on the New York Stock Exchange. Woodbridge also has certain non-debtor subsidiaries and affiliates. On December 31, 1999, BankAtlantic Development Corporation acquired 100% of the stock in Levitt Corporation, a Maryland corporation (“Old Levitt”). Through a series of organizational (and name) changes, Old Levitt was converted from a corporation to a limited liability company, LAS, which became and is now wholly owned by Woodbridge. The non-LAS Debtors are direct and indirect subsidiaries of LAS.

B. History of the Debtors

Along with sons William and Alfred, Abraham Levitt started LAS as a luxury homebuilder in 1929. Twenty years later they made history when Sons literally invented the community concept. It was called “Levittown,” and it was developed so returning soldiers from World War II could start a new life, raise a family and live the dream. The first new home was sold in 1949 in Levittown, New York. Another Levittown opened 5 years later in Pennsylvania. Based on this tradition Sons has built over 200,000 homes throughout the U.S., Puerto Rico, Canada and Europe.

Abraham Levitt founded LAS in 1929. The elder Levitt, the son of immigrants, practiced real estate law for many years. With sons William and Alfred, LAS built two luxury homes in Long Island, N.Y. and during the 1940’s, constructed more than 2,000 homes for naval personnel in the Norfolk, VA area. It was after World War II, however, that the Levitt family achieved their prominence. Near the end of World War II, while serving in the Seabees, the Navy's

construction unit, in the Pacific, William Levitt recognized that the United States would not have enough housing for the returning veterans. The depression of the 1930's and World War II had discouraged developers from building many new homes. Levitt envisioned a tremendous pent-up demand for housing and, therefore, instructed those administering the family building business to buy up as much land as they could from Long Island farmers. Even before the war he had acquired 200 acres from one potato farmer, with an option to buy 200 more each year. The price of the first parcel was \$225 an acre, with options calling for increases of 10 percent each year thereafter. The last acreage that was acquired for Levittown cost \$3,500.

Levitt knew that he was not the only person to have anticipated this housing shortage, and he knew that he would have to devise a plan that would give his company a competitive advantage. After his discharge as a lieutenant from the Seabees, LAS came up with a design for a basic house, together with a way to reduce construction procedures to 26 steps. This process, together with the mechanical and technical innovations, they entailed, revolutionized the industry. Levitt actually created an assembly line to build houses on the site, using men and equipment much as they do in the auto industry. The essential difference between Detroit's methods and Levitt's was that the auto makers moved materials past a waiting line of men in a factory, whereas the Levitt system moved the workmen from house site to house site past a waiting line of material in the field. Thus, in an industry notorious for wasted time, motion and material, the company introduced previously unheard-of logistics, timing and efficiency.

LAS wasted little time in testing out their new building process on the land that had been purchased during the war. In 1947, the company began constructing what would become Levittown, NY, with more than 17,400 dwellings. The homes built by LAS were monuments to standardization. Alfred Levitt, now a self-taught architect, created the designs of the homes.

Recognizing that most Americans had a dream of owning rather than renting a home, Levitt and other developers lobbied the government to create legislation that would allow people to purchase their dream homes. This new legislation was passed and, coupled with The Service Man's Readjustment Act of 1944 - or "GI Bill" - created the Federal Housing Authority.

Together, this legislation virtually guaranteed financing to residential developers while making risk-free individual mortgages available to GIs. Meanwhile, the 1948 Housing Bill further liberalized lending, extending mortgage terms to 30 years and making it possible for anyone to buy a home with 5% down, with no down payment for veterans. As a result of the legislation that he had helped to pass, Levitt began offering homes for sale in March 1949.

Along with the well-known Levittown development, Levitt & Sons built 15 other long Island projects during 1945-1950. After Long Island, the Levitts moved into Bucks County, Pennsylvania, near Philadelphia. There, during 1952-1958, they built another Levittown community with 17,000 plus dwellings. In 1958, Bill commenced construction on a 12,000-unit Levittown in Willingboro, N.J., also near Philadelphia. By the time William Levitt died in 1994, LAS had built and delivered more than 175,000 homes in 17 states, Puerto Rico, Canada, France and Spain.

As described in Article II(A), above, LAS is now under the ownership of Woodbridge. Prior to the Petition Date, LAS and its Debtor-subsidaries were developing communities, including communities in some of the most idyllic locations, including areas in or near, Orlando, Sarasota, Naples, St. Augustine, Port St. Lucie, Atlanta and Myrtle Beach.

C. Description of Debtors' Pre-Petition Business

As explained in detail Article II(B), LAS, through its direct and indirect subsidiaries, was engaged in the business of building single family homes in various locations in Florida, Georgia, South Carolina and Tennessee. As of the date that the Debtors filed their chapter 11 bankruptcy cases, November 9, 2007 (the "Petition Date"), with limited exceptions, most construction activity had ceased. The purpose behind filing for bankruptcy protection was to facilitate an orderly wind-down of the business or disposition and, in so doing, maximize value for the Debtors' creditors.

D. Events Leading to Chapter 11 Filing

i. *Industry Downturn*

The Debtors' operations are concentrated in the real estate industry, which is cyclical by nature. The homebuilding industry is going through a dramatic slowdown after years of strong growth driven, in part, by speculative activity by investors.

On September 25, 2007, Lennar Corporation, one of the nation's largest homebuilders, reported a loss of \$513.9 million, or \$3.25 per diluted share, for the third quarter ended August 31, 2007. In its filing, the company reported that the housing market has continued to deteriorate, and that heavy discounting by builders and existing homeowners continue to drive pricing downward. These conditions continue to cause deterioration in margins and, therefore, higher impairments in the value of inventory. Given the deteriorating condition of the homebuilding sector, the company reduced its workforce by 35% and announced that it expects continued reductions in the fourth quarter.

On October 23, 2007, Neumann Homes, Inc. ("Neumann Homes"), a large homebuilder in Chicago, Denver, Detroit and Wisconsin, announced that it intends to file for chapter 11 bankruptcy protection shortly because of the slump in the housing market. As reported in several new stories, Neumann Homes is one of the Chicago areas largest homebuilders, developing in over 15 locations throughout that area. According to its Chief Executive Officer, the company has been unable to secure adequate funding to operate its business and was forced to close its sales, production and customer service offices.

On October 25, 2007, Pulte Homes, Inc., a Fortune 200 company with operations in 50 markets and 26 states, announced that it had sustained a loss of \$7,787,900 or \$3.12 per share, in the third quarter. The company reported a pre-tax charge of \$1.8 million to reflect the decreasing value of the land it owns. The company also reported that sales of homes plunged 31% to \$2.44 billion. For the first nine months of the year the company reported a loss of \$1.3 billion. According to the company's president and chief executive officer "The operating environment continues to be challenged with elevated levels of new and resale home inventory, tightening of

mortgage liquidity, and weak consumer sentiment for housing.”³

On January 23, 2008, Beazer Homes USA, Inc. (“Beazer”), one of the country’s ten largest single-family homebuilders, announced its preliminary results for the quarter ended December 31, 2007. Beazer disclosed that home closings for the quarter totaled 2,010, a 24% decline from the same period in the prior fiscal year.

On January 29, 2008, Tousey, Inc. and certain of its affiliates filed for bankruptcy protection. In one of its first day filings the Debtors noted, on a consolidated basis, delivery of 7,284 and 7,769 homes, and generating revenues of \$2.6 billion and \$2.5 billion, in 2006 and 2007, respectively. However, they also acknowledged that the homebuilding industry had, for some time, been experiencing a significant and sustained decrease in demand for new homes and an oversupply of new and existing homes for sale. This situation has certainly deteriorated over the last year or so.

On August 4, 2008, WCI Communities, Inc. (“WCI”), a builder of master-planned luxury communities in Florida, the Northeast and Mid-Atlantic, and approximately 130 of its wholly-owned subsidiaries, filed for chapter 11 bankruptcy protection in order to reorganize its financial affairs. Carl C. Icahn, chairman of WCI’s Board of Directors, explained that “[t]he company, with all diligence, has attempted to avoid a bankruptcy filing. However, the filing became necessary because of the recent failed effort to obtain financing and the recognition that the company’s entire \$1.8 billion of debt may soon be in default. This was confirmed when certain holders of the company’s \$125 million convertible notes informed the company that they rejected its exchange offer and instead insisted on being paid in cash in full on August 5, 2008.”

On September 3, 2008, Hovnanian Enterprises, a major homebuilder, reported a third quarter loss of \$2.67 per share or \$202.5 million on \$716.5 million in revenue versus a loss of \$1.27 per share or \$80.5 million on \$1.1 billion in revenue the preceding year. Excluding pre-tax land charges \$11.7 million, the loss would amount to \$87.7 million. Home deliveries declined 31% to 2,185 homes versus 3,179 the preceding year.

³ David N. Goodman, “Pulte Homes Swings to 3Q Loss”, Associated Press (October 25, 2007).

According to the National Association of Realtors, demand for existing homes slid 8% to a 5.04 million annual rate in September, the lowest sales pace in nearly 10 years, amid continued problems in the mortgage market. Inventories of homes rose 0.4% at the end of September to 4.4 million available for sale.

The poor financial performance has by no means been limited to the homebuilding sector. Bank of America Corp. reported that third quarter 2007 earnings plummeted 32% because of problems of mortgage and credit markets. For the three months ended September 30, 2007 net income was \$3.7 billion, down from \$5.4 billion a year before. The costs of provisions for bad loans rose \$865 million which the bank partly blamed on the weaker U.S. housing market that required it to add reserves for home equity and homebuilder loans whose borrowers were falling behind on payments.⁴

Wachovia Corp., the nations fourth largest bank announced on October 19, 2007 that its profit fell 10% in the third quarter of this year, occasioned by a \$1.3 billion losses and write-downs. Wachovia Corp. recorded a provision for credit losses of \$4.8 million and net charge offs of \$406 million.

The downturn has been particularly sudden and steep in Florida and in the Southeastern United States-the markets in which the Debtors operate. Excess supply, particularly in previously strong markets like Florida, has led to downward pricing pressure for residential homes and improved and unimproved land.

ii. *Cost Cutting Initiatives*

In 2006 and 2007, the Debtors increased their focus on alternative strategies under various economic scenarios with a view to maintaining sufficient liquidity to withstand a prolonged downturn. The Debtors closely monitored the deployment of capital for land development and community amenities and attempted to align capital expenditures with absorption rates, and explored various pricing and product design strategies in an attempt to meet market demand.

Commencing in 2006, the Debtors began evaluating the profitability of their various markets. In the second quarter of 2006 the Debtors commenced downsizing their operations in Tennessee and elected to exit the Memphis and Nashville markets. Alternatives for the disposition of assets in Tennessee included the sale of the company, liquidation of certain inventory and the orderly sale of lots and build out of contracted homes. The Debtors concluded that a combination of the bulk sale of lots and completion of construction of homes under contract was the best alternative to maximize cash flow. An impairment charge of \$4.7 million was recorded at June 30, 2006 covering the write-down in Tennessee inventory and an additional \$1.3 million was recorded to write-off goodwill associated with the Tennessee operations. Given the softening market, the Debtors elected to stop new land development programs in the state. The Debtors also decided to sell out their interests in undeveloped holdings and reduced the Tennessee workforce. The operations in Tennessee have since been reduced to approximately 16 employees, with approximately 800 unsold lots.

⁴ Ross Kerber, "Bank of America Earnings Drop 32%", The Boston Globe (October 19, 2007).

As of the Petition Date, the Tennessee operations held title to a parcel of land consisting of 26.1 acres located in Shelby County, Tennessee containing 224 lots which is the subject of a sale approved by the Bankruptcy Court (C.P. No. 2696), but not yet consummated, discussed in more detail in Article (III)(L)(i) of this Disclosure Statement.

In the third quarter of 2006, the Debtors implemented a company-wide reduction in workforce program ("RIF"). The Debtors RIF'd 78 personnel, or approximately 10%. The Debtors also announced that they would not undertake any new land acquisitions and also undertook a comprehensive analysis of their cost structure and the value of their holdings. In the fourth quarter of 2006, the Debtors took an additional inventory impairment charge of \$29.7 million in the value of their real estate holdings in the Florida and Tennessee markets. In September 2007, the Debtors ceased all new land development activities and suspended starts of new homes under contract. In connection therewith, the Debtors RIF'd an additional 174 employees. On October 24, 2007, and November 8, 2007, an additional 158 and 14 employees were terminated, respectively. As of the Petition Date, the Debtors employed approximately 72 employees engaged in purchasing, construction, and executive, administrative and clerical positions.

For the period ended June 30, 2007, the Debtors continued to experience further deterioration in their homebuilding business. Excess housing supply, particularly in previously strong markets like Florida, in combination with a reduction in demand resulting from tightened credit requirements and reductions in credit availability, as well as ongoing buyer concerns about the direction of the market, led to continued downward pricing pressure for residential homes and land. Based on a project by project assessment of local market conditions, existing backlog and available remaining inventory, the Debtors offered various sales incentives to their customers and aggressively reduced pricing in the second quarter of 2007 in an effort to increase sales revenues. This strategy resulted in margin compression. These pricing pressures are expected to continue for the foreseeable future as there is no indication that market conditions will improve and enable the Debtors to return to acceptable margins until the excess supplies of new and resale residential homes decrease, buyer confidence is restored, and the credit markets regularize. The assessment of the market and current pricing strategies were incorporated into the Debtors' cash flow projections for the various homebuilding projects and led to the recording of \$63.0 million in impairment charges in the quarter ended June 30, 2007.

Throughout 2007, the Debtors focused on efforts to maintain sufficient liquidity to withstand the deteriorating homebuilding environment by reducing field staffing levels as necessary and working with subcontractors to lower the costs of home construction. In June, the Debtors announced that they did not intend to purchase any new land in the homebuilding division in 2007 (in fact no land was acquired with the exception of a small number of lots in Tennessee since the first quarter of 2006) and were closely monitoring spending for land development in existing projects, including the timing and phasing of community amenity construction. Efforts were undertaken to remarket various land positions, and units in one town home project were sold through an auction process in order to accelerate cash flow. The Debtors also announced that acquisitions and future houseline spending would be dependent on obtaining financing on acceptable terms, if at all.

The disruption in the credit markets in August further paralyzed buyers and increased

cancellation rates. The Company's preferred lending source for customer mortgages (American Home Mortgage Corporation) filed for Chapter 11 relief and stopped underwriting new loans. On August 29, 2007, the Debtors publicly announced that land development activities were being suspended. Accordingly, purchase deposits received by the Debtors from and after August 29, 2007 were segregated in escrow accounts maintained by title companies.

In September, the Debtors commenced discussions with their secured lenders regarding the status of development and their near term cash needs. The Debtors requested that the lenders provide advances to pay outstanding liabilities to contractors, materialmen and other third parties at the projects that serve as collateral for each lender. The Debtors delivered reports to the lenders identifying the accrued and unpaid payables, together with other data requested by the lenders. Through September and October, the Debtors continued their discussions with the lenders regarding their willingness to provide additional liquidity. While the Debtors undertook significant cost savings initiatives, including a series of workforce reductions and the termination of all future land acquisition and development activities, revenues essentially evaporated given the Debtors' inability to close home sales because the Debtors did not have sufficient liquidity to address their current liabilities, including liabilities to materialmen and suppliers at their various projects. Liens were recorded against certain of the Debtors' properties which prevented the Debtors from delivering clear title on completed homes to contracted purchasers.

The Debtors commenced these cases in order to gain much needed breathing room, to maximize the value of their assets for all creditor constituents, to create a forum for all constituents to be heard to facilitate the sale of land and completed (and nearly completed) homes to interested purchasers, and to facilitate an orderly wind-down or sale of their assets. The Debtors reached agreements with Wachovia Bank N.A., Regions Bank, N.A. and AmTrust Bank, f/k/a Ohio Savings Bank, regarding an orderly sale of their respective collateral. The Debtors failed to reach agreement with Bank of America and KeyBank, N.A. and, therefore, property securing the debt owed by certain of the Debtors to these banks was abandoned pursuant to section 554(a) of the Bankruptcy Code. Abandonment allowed Bank of America and KeyBank, N.A. to enforce rights against their respective collateral.

III. THE CHAPTER 11 CASES

A. Commencement of Cases

On the Petition Date, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). With little or no unencumbered Cash, the Debtors were left with no alternative other than proceeding in an expeditious manner through their chapter 11 cases in an effort to facilitate an orderly wind-down or disposition.

B. "First Day" Relief

On November 13, 2007, the Bankruptcy Court conducted a hearing on several motions filed by the Debtors seeking what is commonly referred to as "first day" relief. This first day relief is designed to meet the goals of (1) continuing the Debtors' remaining operations in chapter 11 with as little disruption and loss of productivity as possible, (2) maintaining the confidence and support of customers, employees and certain other key constituencies, (3)

attempting to obtain post-petition financing; and (4) establishing procedures for the smooth and efficient administration of the Chapter 11 Cases.

The relief granted by the Bankruptcy Court at the first day hearing, including administrative-type relief granted prior to that hearing, was:

- Joint administration of the Debtors' bankruptcy cases;
- Ability to file a consolidated Case Management Summary;
- Ability to establish limited notice throughout Debtors' bankruptcy proceedings;
- Approval of the form and manner of notice of commencement of the Chapter 11 Cases and deadlines for the filing of proofs of claim;
- Approval of notice, case management and administrative procedures;
- Authority, on an interim basis, to continue use of the Debtors' bank accounts, continued use of existing business forms, continued use of the Debtors' existing cash management system, and approval of the Debtors' investment guidelines;
- Approval of Debtors' Application to retain Berger Singerman, P.A. as general bankruptcy counsel to the Debtors;
- Approval of Debtors' Application to retain Kurtzman Carson Consultants, LLC ("KCC") as claims, notice and ballot agent for the Court;
- Approval, on an interim basis, of Debtors' Application to retain AP Services, LLC ("APS") to provide interim management services, including providing a Chief Restructuring Officer;
- Approval of monthly and interim compensation and reimbursement of expenses procedures;
- Authority, on an interim basis, to use Cash Collateral;
- Authority to close on the sales of certain homes, honor certain pre-Petition Date contract obligations and sell homes post-Petition Date in the ordinary course of business;
- Authority to reject unexpired lease of commercial premises in Boca Raton, Florida;
- Authority to reject additional unexpired leases of commercial premises in Florida, Georgia and South Carolina
- Authority to reject certain management employment contracts;
- Authority to reject certain separation agreements;

- Authority to return deposits to homebuyers held in escrow from and after August 29, 2007; and
- Prohibiting utility providers from altering or discontinuing services and establishing procedures to determine requests for additional assurances of payment of utility bills.

C. Miscellaneous Administrative Matters

By Order dated November 9, 2007 (C.P. No. 7), the Bankruptcy Court, prior to the first-day hearing conducted on November 13, 2007, authorized on an *ex parte* basis the joint administration of the Debtors' Chapter 11 Cases for procedural purposes only. Joint administration of these Chapter 11 cases eliminates the need, and the resulting time and expense, to file the same motion in each of the 38 Debtors' Chapter 11 Cases.

By Order dated November 14, 2007 (C.P. No. 47), the Bankruptcy Court authorized on an *ex parte* basis the Debtors to file a consolidated Case Management Summary ("CMS") containing basic information about the Debtors subject to the right of the U.S. Trustee to request that a CMS be filed for each Debtor. The ability to file a consolidated CMS allowed the Debtors to provide the required information in an economical fashion.

By Order dated November 14, 2007 (C.P. No. 55), the Bankruptcy Court authorized the Debtors to establish limited notice procedures to minimize the time and expense of serving pleadings on each and every party in interest where only one or a handful of such parties may be affected by the relief sought. The approved notice list is consistent with that set forth in Rule 2002-1(H) (formerly Rule 2002-1(K)), Local Rules of the U.S. Bankruptcy Court for the Southern District of Florida.

By Order dated November 14, 2007 (C.P. No. 59), the Bankruptcy Court approved the form and manner of notice of the commencement of these Chapter 11 Cases and the bar dates by which persons or entities must file proofs of claim. The Bankruptcy Court approved, among other things, the form of the notice of commencement of these Chapter 11 Cases, and the manner in which notice will be provided, so as to afford all parties-in-interest with as much notice as possible to be able to have notice and the opportunity to be heard regarding any matter(s) that will or may affect their substantive rights

By Order dated November 14, 2007 (C.P. No. 53), the Bankruptcy Court approved certain notice, case management and administrative procedures to be employed during the Debtors' Chapter 11 Cases which will facilitate an orderly and efficient administration thereof. The Bankruptcy Court approved, among other case management and administrative procedures, the setting of omnibus hearing dates, the requirements for matters to be heard on a particular hearing date (but excepted from that procedure matters of an emergency nature as contemplated by Rule 9075-1, Local Rules of the U.S. Bankruptcy Court for the Southern District of Florida) and the deadline to file and serve objections and responsive pleadings. By Order dated January 24, 2008 (C.P. No. 1044), the Bankruptcy Court modified the notice, case management and administrative procedures to provide that motions shall be set by the Clerk's office on the next omnibus hearing date that is at least 10 days after the filing of the request for relief. These procedures have facilitated a more economical administration of these Chapter 11 cases.

By Orders dated November 14, 2007 (C.P. No. 57) and December 19, 2007 (C.P. No. 522), the Bankruptcy Court authorized, on an interim basis, the Debtors to continue use of their pre-Petition Date bank accounts and cash management systems, and for an extension of time to comply with the requirement in section 345 of the Bankruptcy Code that all bank accounts be held at approved depositories. This relief allowed for a smooth and efficient transition into Chapter 11 and has facilitated an economic administration of these Chapter 11 Cases.

By Order dated November 14, 2007 (C.P. No. 59), the Bankruptcy Court set bar dates for the filing of proofs of claim with respect to Claims asserted against the Debtors, and approved the form and manner of notice of the commencement of the Debtors' Chapter 11 Cases and the bar dates for the filing of Claims.

By Order dated February 29, 2008 (C.P. No. 1631), the Bankruptcy Court extended the bar date for the filing of inter-company claims until May 11, 2008. By Order dated June 24, 2008 (C.P. No. 2751), the Bankruptcy Court further extended the bar date for the filing of inter-company claims until September 30, 2008.

By Order dated February 26, 2008 (C.P. No. 1610), the Bankruptcy Court extended the bar date for the filing for certain deposit holders to claims until March 28, 2008.

D. Retention of Professionals

i. *Bankruptcy Counsel*

By Order dated November 14, 2007 (C.P. No. 54), the Bankruptcy Court granted the Debtors' Application to retain Berger Singerman, P.A. as general bankruptcy counsel to the Debtors in the Chapter 11 Cases. Berger Singerman received an \$825,000 pre-Petition Date retainer which has been exhausted. If and to the extent that legal fees awarded by the Court during the Debtors' bankruptcy cases are less than the retainer provided by Berger Singerman then such excess amounts, if any, shall be turned over by Berger Singerman to the Plan Administrator for distributions to creditors as provided for in the Plan.

ii. *Other Professionals*

By Order dated November 14, 2007 (C.P. No. 60), the Bankruptcy Court granted the Debtors' Application for approval of KCC as claims, notice and ballot agent for the Court. By Interim Order dated November 14, 2007 (C.P. No. 64), the Bankruptcy Court granted the Debtors' Application to retain APS to provide interim management services, including providing a Chief Restructuring Officer. The Bankruptcy Court ordered that in the absence of the filing of an objection to entry of a final order approving the Application to retain APS within 20 days from November 14, 2007, or by December 4, 2007, the Court's Interim Order would become final for all purposes, and the Application would be approved in all respects. No objections were filed to the retention of APS within the time-frame set by the Court and, therefore, that retention became final for all purposes, although the terms of that retention were modified by Orders dated April 16, 2008 (C.P. No. 2092) and May 12, 2008 (C.P. No. 2279). KCC and APS received and maintain \$150,000 and \$1.5 Million pre-Petition Date retainers, respectively. If and to the extent that fees incurred by KCC and APS are less than the retainers provided to them, respectively,

then such excess amounts, if any, shall be turned over by KCC and APS to the Plan Administrator for distributions to creditors as provided for in the Plan.

By Order dated December 19, 2007 (C.P. No. 475) the Bankruptcy Court approved the retention of Weinstock and Scavo, P.C. as special counsel pursuant to Code section 327(e) with respect to closing and lien issues in South Carolina and Georgia. By Order dated December 19, 2007 (C.P. No. 476) the Bankruptcy Court approved the retention of Glankler Brown, PLLC as special counsel pursuant to Code section 327(e) with respect to closing, financing, land use and zoning, lien issues and certain litigation matters in Tennessee. By Order dated December 19, 2007 (C.P. No. 524) the Bankruptcy Court approved the retention of Ruden McClosky Smith Schuster & Russell, P.A. as special counsel pursuant to Code section 327(e) with respect to closing and lien issues in Tennessee, Georgia and Florida.

By Order dated December 26, 2007 (C.P. No. 567), the Bankruptcy Court approved the retention by the Committee of Genovese, Joblove & Battista, P.A. as general counsel. By Order dated December 28, 2007 (C.P. No. 643), the Bankruptcy Court approved the retention by the Committee of Mesirow Financial Consulting, LLC as financial advisors to the Committee.

By Order dated January 11, 2008 (C.P. No. 786), the Bankruptcy Court approved the retention of Soneet R. Kapila as Chief Administrator to the Wachovia Debtors to provide asset management services pursuant to section 363(b) of the Bankruptcy Code. Specifically, Mr. Kapila was retained pursuant to that certain Asset Management Agreement and is empowered to perform all of the functions set forth therein and the Debtor-in-Possession Credit and Security Agreement approved by the Court, (C.P. No. 692).

By Order dated December 20, 2007 (C.P. No. 544), the Bankruptcy Court approved the retention of Watson Realty Corp. as listing agent in connection with contemplated sales of certain homes and to enter into additional listing agreements with WRC in the ordinary course of LAS' business.

By Order dated February 8, 2008 (C.P. No. 1190), the Bankruptcy Court approved the retention of Robert P. Charbonneau, Esq. and the Law firm of Ehrenstin Charbonneau Calderin to represent the Deposit Holders' Committee. By Order dated July 16, 2008 (C.P. No. 2893), the Bankruptcy Court expanded the scope of such retention to include bringing claims on behalf of certain deposit holders against the Florida Homeowners Construction Recovery Fund.

By Order dated February 21, 2008 (C.P. No. 1575), the Bankruptcy Court approved the retention of Kapila & Company as financial advisors to Soneet R. Kapila in his capacity as Chief Administrator to the Wachovia Debtors.

By Order dated February 21, 2008 (C.P. No. 1576), the Bankruptcy Court approved the retention of Steven Busey, Esq. and the law firm Smith Hulsey as counsel for Soneet R. Kapila in his capacity as Chief Administrator to the Wachovia Debtors.

By Order dated February 26, 2008 (C.P. No. 1609), the Bankruptcy Court approved the retention of Dux Marketing for the purpose of establishing a website for the exclusive use by the constituents represented by the Deposit Holders' Committee.

By Order dated April 2, 2008 (C.P. No. 1974), the Bankruptcy Court approved the retention of Samuel C. Ullman, Esq. and the law firm of Bilzin Sumberg Baena Price & Axelrod, LLP as special tax counsel to the Committee.

By Order dated May 16, 2008 (C.P. No. 2334), the Bankruptcy Court approved the retention of Vanasse Hangen Brustlin, Inc. as Engineering Consultant to Chief Administrator Soneet R. Kapila.

By Order dated May 22, 2008 (C.P. No. 2437), the Bankruptcy Court approved the retention of Leslie Sharpe pursuant to an Independent Contractor Agreement between Ms. Sharpe and LAS.

By Order dated June 3, 2008 (C.P. No. 2525), the Bankruptcy Court approved the retention of Whelchel, Dunlap, Jarrad and Walker, LLP as Special Counsel to Chief Administrator Soneet R. Kapila.

By Order dated June 11, 2008 (C.P. No. 2601), the Bankruptcy Court approved the retention of Hilco Real Estate, LLC as real estate consultants to the following Debtors: LAS, Avalon, Regency Hills, LAS Tennessee, LAS Nashville and LAS Shelby County in connection with efforts to sell real property.

By Order dated July 24, 2008 (C.P. No. 3001), the Bankruptcy Court approved the retention of Preferred Tax Service, Inc. as real estate tax appraiser to the Chief Administrator Soneet R. Kapila.

By Order dated September 3, 2008 (C.P. No. 3334), the Bankruptcy Court approved the retention of Moecker Auctions, Inc., as auctioneer, to conduct an auction of certain computer equipment owned by the Debtors.

By Order dated November 14, 2007 (C.P. No. 58), the Bankruptcy Court approved monthly and interim compensation and reimbursement of expense procedures for professionals retained by the Estates. The procedures, which apply to special counsel retained under section 327(e) of the Bankruptcy Code, have provided an orderly mechanism to compensate professionals and provide reimbursement of out-of-pocket expenses on a monthly basis, comparable to those established in other complex chapter 11 cases in this and other districts. In this way, the Bankruptcy Court and parties in interest have been more effectively able to monitor the fees incurred, and the Debtors have been able to spread out their payments of professional fees, rather than suffer larger depletions to their cash on an irregular basis. Berger Singerman has applied two billing codes, one for services rendered with respect to the Tennessee Debtors (Bowden Building Corp., Levitt and Sons Tennessee, LLC, Levitt and Sons Nashville, LLC and Levitt and Sons of Shelby County, LLC), and another for services rendered with respect to the remaining Debtors. These dual billing codes have been being applied because as of the Petition Date, the Debtors had only secured post-Petition Date financing with respect to their Tennessee operations.

On October 2, 2008, the Debtors filed a Motion (C.P. No. 3549) for Authority for LAS Tennessee to reimburse LAS with respect to fees paid and costs reimbursed by LAS in favor of Berger Singerman P.A. and AP Services, LLC for services rendered and costs incurred on behalf

of the Tennessee Debtors from the Petition Date through July 31, 2008. Under this Motion, the total amount of fees sought to be reimbursed totals \$483,470.85. The Motion also seeks authority for the Tennessee Debtors to pay all future fees and costs to Berger Singerman and AP Services directly. The Motion was granted by the Bankruptcy Court by Order, dated October 16, 2008 (C.P. No. 3634).

E. Cash Collateral

By Interim Orders dated November 14, 2007 (C.P. No. 69), November 27, 2007 (C.P. No. 221), December 19, 2007 (C.P. No. 525) and January 16, 2008 (C.P. No. 865), and Final Order dated February 29, 2008 (C.P. No. 1640) the Bankruptcy Court authorized the Debtors to use cash on hand to pay their ordinary and necessary business expenses as set forth in the budget attached to their cash collateral motion (C.P. No. 11) filed with the Court, provided that the Debtors did not exceed the line item amounts contained therein by more than 10%. As adequate protection for the use of cash on hand, each of the Debtor's lenders (Wachovia Bank, Regions Bank, Bank of America, KeyBank and AmTrust FSB f/k/a Ohio Savings Bank) was granted a replacement lien on all post-petition property of the Debtors that was of the same nature and type as each lender's pre-petition collateral. The Court's Order authorized any lender, if it so chose, to terminate the Debtors' use of cash collateral on an emergency basis on notice to the Debtors and provided that any objection to entry of a final order granting the Motion be filed and served no later than 2 business days' prior to the continued hearing.

F. Executory Contracts and Unexpired Leases

i. Real Property

By Order dated November 14, 2007 (C.P. No. 62), the Bankruptcy Court authorized LAS to reject an unexpired lease of commercial property located at the following address: 7777 West Glades Road, Boca Raton, Florida that LAS had abandoned prior to the Petition Date. LAS rejected this lease to preclude accrual of administrative expenses claimed against its chapter 11 estate.

By Order dated November 14, 2007 (C.P. No. 66), the Bankruptcy Court authorized (A) LAS to reject unexpired leases of commercial property located at the following addresses: (i) 12082B and 12082C Hwy 17 Bypass, Murrells Inlet, South Carolina; (ii) 10151 Deerwood Park Blvd., Bldg. 200, Jacksonville, Florida; (iii) The Shops at the World Golf Village, Space No. B118, St. Augustine, Florida; and (iv) The Palladium, 12124 High Tech Ave., Orlando, Florida; and (B) LAS Georgia to reject an unexpired lease of commercial property located at the following address: 675 Mansell Rd., Roswell, Georgia (collectively, the "Leased Premises"). As of the Petition Date, LAS and LAS Georgia vacated and/or no longer used or needed the Leased Premises. LAS and LAS Georgia rejected these leases to preclude accrual of administrative expense claims against their chapter 11 estates.

By Order dated December 19, 2007 (C.P. No. 477), the Bankruptcy Court authorized Bowden to reject an unexpired lease of commercial property located at the following address: 7990 Trinity Road, Suites 103 and 104, Cordova, Tennessee. Bowden rejected the lease to preclude the accrual of administrative expense claims against its chapter 11 estate.

By Order dated March 26, 2008 (C.P. No. 1943), the Bankruptcy Court authorized Bowden to reject an unexpired lease of commercial property located at the following address: 7990 Trinity Road, Suite 200, Cordova, Tennessee. Bowden rejected the lease to preclude the accrual of administrative expense claims against its chapter 11 estate.

Up through the filing of this Disclosure Statement, the Bankruptcy Court has ruled upon numerous motions (or letters construed as motions) filed by or on behalf of persons with whom one or more of the Debtors contracted for the purchase and sale of homes. To date, the Bankruptcy Court has entered numerous Orders granting each request filed by or on behalf of homeowners to cancel their respective contracts. It is expected that many more such requests will be filed and considered by the Bankruptcy Court in the further administration of these Chapter 11 Cases.

ii. ***Personal Property***

By Order dated November 27, 2007 (C.P. No. 227), the Bankruptcy Court authorized LAS Lee County to reject an unexpired lease agreement between LAS Lee County and Scanlon Mazda (the "Mazda Lease") regarding a 2007 Mazda 5, which LAS Lee County no longer needed or used. LAS Lee County rejected the Mazda Lease to preclude the accrual of an administrative expense claim against its chapter 11 estate.

By Order dated January 9, 2008 (C.P. No. 725), the Bankruptcy Court authorized LAS to reject numerous unexpired leases of portable office units located at various developments under construction. LAS rejected the leases to preclude the accrual of administrative expense claims against its chapter 11 estate.

By Order dated January 9, 2008 (C.P. No. 729), the Bankruptcy Court authorized Bowden to reject numerous unexpired leases of photocopiers. Bowden rejected the leases to preclude the accrual of administrative expense claims against its chapter 11 estate.

By Order dated April 17, 2008 (C.P. No. 2102), the Bankruptcy Court authorized LAS, LAS Osceola County, LAS Manatee County, LAS Lake County and LAS Hernando County to reject several unexpired executory contracts with CBS Outdoor, Inc. in connection with advertising services provided by CBS Outdoor, Inc.. The executory contracts were rejected to preclude the accrual of administrative expense claims against the respective chapter 11 estates.

By Order dated June 5, 2008 (C.P. No. 2559), the Bankruptcy Court authorized LAS to reject several unexpired leases with Williams Scottsman in connection with trailers provided by Williams Scottsman to LAS. LAS rejected the unexpired leases to preclude the accrual of administrative expense claims against its chapter 11 estate.

By Order dated June 5, 2008 (C.P. No. 2561), the Bankruptcy Court authorized LAS to reject several unexpired leases with AT&T in connection with phones provided by AT&T to LAS. LAS rejected the unexpired leases to preclude the accrual of administrative expense claims against its chapter 11 estate.

By Orders dated June 5, 2008 (C.P. No. 2560 and C.P. No. 2562), the Bankruptcy Court authorized LAS to reject several unexpired leases with Verizon Business Solutions and Verizon, respectively, in connection with phones provided to LAS. LAS rejected the unexpired leases to preclude the accrual of administrative expense claims against its chapter 11 estate.

By Order dated September 10, 2008 (C.P. No. 3360), the Bankruptcy Court authorized LAS to reject an unexpired lease with GE Capital Corporation, in connection with equipment provided to LAS. LAS rejected the unexpired lease to preclude the accrual of administrative expense claims against its chapter 11 estate.

iii. ***Employment/Consulting Contracts***

By Order dated November 14, 2007 (C.P. No. 67), the Bankruptcy Court authorized (i) LAS to reject employment contracts with Elliott Wiener, LAS' Chairman Emeritus, and Thomas Damiano, LAS' Senior Vice President, and (ii) Bowden to reject an employment contract with John Laguardia, Bowden's Senior Vice President, Sales. While LAS had terminated Mr. Wiener's and Mr. Damiano's employment prior to the Petition Date, LAS rejected their employment contracts to preclude the assertion of administrative expense claims against LAS' Chapter 11 estate. Likewise, while Mr. Bowden's employment was terminated prior to the Petition Date, Bowden rejected his employment contract to preclude the assertion of an administrative expense claim against Bowden's Chapter 11 estate.

There are certain former employees, whose employment was terminated prior to the Petition Date, who are not party to agreements, but nonetheless have a letter from one of the Debtors stating terms of separation pay (the "Separation Agreements"). While doubtful that any of these Separation Agreements are executory contracts as contemplated by section 365(a) of the Bankruptcy Code, the Debtors rejected these Separation Agreements as of the Petition Date to preclude the assertion of a first priority administrative expense claim against any Debtor/Employer's Chapter 11 estate. Authorization to reject the Separation Agreements is contained in an Order of the Bankruptcy Court dated November 14, 2007 (C.P. No. 65).

By Order dated December 19, 2007 (C.P. No. 478), the Bankruptcy Court authorized LAS South Carolina and Levitt Construction, LLC to reject consulting contracts with Ward Edwards, Inc. and Malphrus Construction with respect to a development located in Horry County, South Carolina. LAS South Carolina and Levitt Construction, LLC rejected these consulting contracts to preclude the accrual of administrative expense claims against their chapter 11 estates.

By Corrected Order dated December 19, 2007 (C.P. No. 479), the Bankruptcy Court authorized LAS to reject employment contracts with Curt Hooper and Robert Rademacher. LAS rejected these employment contracts to preclude the accrual of administrative expense claims against its chapter 11 estate.

By Order dated February 29, 2008 (C.P. No. 1632), the Bankruptcy Court authorized Levitt and Sons at World Golf Village, LLC ("WGV") to reject certain real estate listing agreements with Davidson Realty, Inc.

Pursuant to the terms of the Plan, any executory contracts and unexpired leases not assumed prior to confirmation will be deemed rejected as of the Confirmation Date.

G. Authority To Close On The Sales Of Certain Homes, Honor Certain Pre-Petition Date Contract Obligations And Sell Homes In The Ordinary Course

By amended Order dated January 4, 2008 (C.P. No. 679), the Bankruptcy Court authorized the Debtors, subject to the consent of the respective lender(s) and to certain procedures, to (i) close on the sales of homes, free and clear of liens, claims, and other encumbrances, once construction is finished and other requirements for closing, *i.e.*, passing building inspections, are met, (ii) honor certain existing pre-Petition Date contract obligations to homebuyers and others including payment of commissions due to current or former employees under the Company Sale and Design Incentive Plans which are due upon the closing of a home(s) encumbered by a lien to the Debtors' workforce and persons who might assert mechanic's liens against such a home(s) to be sold; and (iii) sell homes encumbered by a lien post-Petition Date in the ordinary course of business.

The procedures referenced in the preceding paragraph provide, in summary form, that (i) the Debtors shall sell homes encumbered by a lien with all liens to attach to the proceeds which the Debtors shall hold in escrow subject to the following procedures; (ii) persons asserting a lien under applicable non-bankruptcy law shall, within 20 days of the entry of the Order, submit a notice asserting a mechanic's lien that will contain certain information, (iii) the Debtors shall have 20 days within which to notify the person asserting the lien whether the Debtors agree that the claimant has a valid lien and the amount claimed due and owing, providing the respective lender(s) with their assessment, and if the Debtors are in agreement, pay such a lien from the sale proceeds and deliver the balance to the applicable lender; and (iv) if the Debtors determine that the asserted lien is invalid or subject to dispute, they may attempt to resolve the issue, but failing resolution, the Debtors, the putative lienor or the applicable lender can request a hearing at which the Bankruptcy Court will resolve the issue in the interim, the Debtors shall pay any undisputed portion of the applicable lender's claim subject to escrowing the full amount of the lienor's claim.

The foregoing procedures shall not apply to any homes that are not subject to a lien(s) of any lender, which homes can be sold by the Debtors post-Petition Date in the ordinary course.

H. Return Deposits to Certain Homebuyers

By Order dated November 14, 2007 (C.P. No. 61), the Bankruptcy Court authorized the Debtors to return deposits held in escrow from and after August 29, 2007, to certain homebuyers. The Debtors sought this relief because there may be homes under construction which, in the exercise of their business judgment, they will elect not to complete. Upon return of these deposits, the Debtors shall have no further duties or obligations under the applicable contracts to construct and sell homes to homebuyers. However, the Debtors that are parties to these contracts shall not return any deposit to a homebuyer relating to a completed home without the consent of the respective lender or further Order of the Bankruptcy Court if the respective lender objects. (By separate Order dated November 14, 2007, the Bankruptcy Court overruled the limited objection of Kenneth and Sandra Schroder (C.P. No. 36) to the relief sought by the Debtors).

By Orders dated September 10, 2008 (C.P. No. 3361) and October 23, 2008 (C.P. No. 3724), the Bankruptcy Court authorized Bowden, LAS Tennessee and LAS Shelby to return earnest money deposits (totaling \$70,018.00 in the aggregate) held in escrow pursuant to Tennessee law. Further, the Bankruptcy Court authorized the Debtors to retain certain deposits (totaling \$75,753.00 in the aggregate) which represent the deposits held for home buyers who breached their respective purchase and sale agreements.

I. Utility Procedures; Utility Orders

By Order dated November 14, 2007 (C.P. No. 56), the Bankruptcy Court authorized a prohibition on utility providers from altering or discontinuing services on account pre-Petition Date invoices, approved a deposit of ½ of the estimated monthly utility bills on a going forward basis as constituting adequate assurance of payment of future utility bills subject to objections by utility providers and, upon the assertion of such an objection, procedures whereby such an objection shall be resolved by the parties or failing that, the Court.

By Order dated March 11, 2008 (C.P. No. 1726), the Bankruptcy Court entered an Order which, *inter alia*, reserved the parties' rights to argue the appropriate amount, if any, of further adequate assurance of future performance by Bowden to Memphis, Light, Gas & Water Division ("MLGW") at a later date but authorized the transfer of \$8,336 attributable to MLGW in an account set up for utility providers on the condition that, if the property for which MLGW provides services is sold that \$8,336 shall be returned to Bowden.

By Order dated March 18, 2008 (C.P. No. 1773), the Bankruptcy Court entered an Order which, *inter alia*, provided for further adequate assurance to be provided by the Wachovia Debtors and for FPL to be able to make a claim on a surety bond to satisfy prepetition debt owed to it for services rendered.

J. Shared Services

By Order dated November 27, 2007, (C.P. No. 222), the Bankruptcy Court granted the Debtors' Motion for Authority to Incur Chapter 11 Administrative Expense Claim ("Ch. 11 Admin. Expense Motion") (C.P. No. 13), thereby authorizing the Debtors to incur an administrative expense claim in favor of Woodbridge for shared services and benefits in favor of LAS and the other Debtors including, but not limited to, employee benefit plans and insurance premiums, general liability and property insurance premiums, payroll processing expenses, human resource expenses, licensing and third-party professional fees. LAS is obligated to reimburse Woodbridge for direct and "allocable" shared services.

By the Ch. 11 Admin. Expense Motion, the Debtors sought authorization to incur an allowed unsecured administrative expense claim in favor of Woodbridge equal to the amount due for Shared Services provided post-Petition Date and to pay such Administrative Expense Claim upon the Effective Date of the Plan, dismissal of these cases, or if these chapter 11 cases are converted to cases under chapter 7, to be treated *pari passu* with other chapter 11 Administrative Expense Claims. The Debtors estimate the Administrative Expense Claim of Woodbridge to be in excess of \$1.4 million. However, pursuant to and subject to consummation of the Woodbridge

Settlement, the Administrative Expense Claim of Woodbridge will be Allowed in the reduced amount of \$650,000, with the balance thereof being waived by Woodbridge.

K. Abandoned Properties

i. *Bank of America*

a. *Abandonment*

By Order dated November 29, 2007 (C.P. No. 236), the Bankruptcy Court authorized LAS, LAS Lake County, LAS Hunter's Creek, LAS Seminole County, LAS Osceola County, LAS Hawks Haven and LAS Flagler County (collectively, the "BOA Debtors") to abandon their right, title and interest in certain real property (the "BOA Abandoned Collateral") pursuant to 11 U.S.C. § 554(a). The Bankruptcy Court further terminated the automatic stay in respect of the BOA Abandoned Collateral, and authorized BOA and any other party asserting a lien against or an interest in the BOA Abandoned Collateral to enforce or assert such lien or interest under applicable non-bankruptcy law. The Bankruptcy Court further directed that the abandonment of the BOA Abandoned Collateral shall be deemed a satisfaction of any secured claim asserted against the BOA Abandoned Collateral, without prejudice to the right of BOA or any other putative secured creditor to assert an unsecured deficiency claim against the Estates and the objections, offsets and defenses of the Debtors in respect thereto.

b. *Relief from Stay*

By Order dated January 28, 2008 (C.P. No. 1063), the Bankruptcy Court granted BOA, in part, relief from the automatic stay provisions of 11 U.S.C. § 362, and authorized BOA to exercise any and all of its rights as a secured creditor relative to certain collateral ("Released Collateral") granted to BOA under those certain loan documents between BOA and LAS, Levitt-East, LAS Lake County, LAS Hunter's Creek, LAS Seminole County, LAS Hawk's Haven, LAS Osceola County and LAS Flagler County. The Bankruptcy Court further granted relief from stay to all third parties who may assert claims against the Released Collateral to allow holders of such claims to assert whatever claims or rights they may have in the Released Collateral including, but not limited to, participating in the state court actions relative to the Released Collateral.

c. *Rejection of Vendor and Homeowner Contracts*

By Orders dated March 26, 2008 (C.P. Nos. 1932, 1933, 1935 and 1936), the Bankruptcy Court authorized the BOA Debtors to reject executory contracts with vendors and homeowners regarding the BOA Abandoned Collateral. The BOA Debtors rejected these executory contracts to preclude the accrual of administrative expense claims against their chapter 11 estates.

ii. *KeyBank, N.A.*

a. *Abandonment*

By Order dated November 30, 2007 (C.P. No. 250), the Bankruptcy Court authorized LAS, LAS Hernando County, LAS Lee County and Tradition Florida (collectively, the "KeyBank Debtors"), to abandon their interest in certain real property (the "KeyBank

Abandoned Collateral”) pursuant to 11 U.S.C. § 554(a), as of 5:00 p.m. on November 29, 2007. The Bankruptcy Court further terminated the automatic stay in respect of the KeyBank Abandoned Collateral, and authorized KeyBank and any other party asserting a lien or an interest in the KeyBank Abandoned Collateral to enforce or assert such lien or interest under applicable non-bankruptcy law. The Bankruptcy Court further directed that the abandonment of the KeyBank Abandoned Collateral shall be deemed a satisfaction of any secured claim asserted against KeyBank Debtors only, relative to the KeyBank Abandoned Collateral only, without prejudice to the right of KeyBank or any other putative secured creditor to assert an unsecured deficiency claim against the estates and the objections, offsets and defenses of the Debtors in respect thereto.

b. Relief from Stay

By Order dated December 26, 2007 (C.P. No. 570), the Bankruptcy Court granted KeyBank relief from the automatic stay provisions of 11 U.S.C. § 362, and authorized KeyBank to exercise any and all of its rights as a secured creditor relative to certain collateral (“KeyBank Released Collateral”) granted to KeyBank under those certain loan documents between KeyBank and LAS, LAS Hernando County, LAS Lee County, and Tradition Florida. The Bankruptcy Court further granted relief from stay to all third parties who may assert claims against the KeyBank Released Collateral to allow holders of such claims to assert whatever claims or rights they may have in the KeyBank Released Collateral including, but not limited to, participating in the state court actions relative to the KeyBank Released Collateral.

c. Rejection of Vendor and Homeowner Contracts

By Orders dated March 26, 2008 (C.P. Nos. 1934, 1937 and 1942), the Bankruptcy Court authorized the KeyBank Debtors to reject executory contracts with vendors and homeowners regarding the KeyBank Abandoned Collateral. The KeyBank Debtors rejected these executory contracts to preclude the accrual of administrative expense claims against their chapter 11 estates.

iii. Homeowners’ Association

On February 4, 2008, the Debtors filed a *Notice of Abandonment of Debtors’ Interests in Homeowners’ Associations Relating to Abandoned Projects* (C.P. No. 1120), thereby abandoning the Debtors’ right, title and interest in certain homeowners’ associations relating to properties which were abandoned by one or more of the Debtors pursuant to Orders of the Bankruptcy Court described herein.

iv. Other Abandonments

On January 3, 2008, Regency Hills filed a Notice of Abandonment of Personal Property (C.P. No. 669), thereby abandoning Regency Hills’ right, title and interest in certain miscellaneous personal property, including office furniture and supplies, located at 4419 Harts Cove Way, Clermont, Florida.

On March 28, 2008, the Debtors filed Debtors' Notice of Abandonment of Miscellaneous Used Office Supplies and Equipment (C.P. No. 1963), thereby abandoning the Debtors' right, title and interest in certain miscellaneous used office equipment and supplies located at 2200 Cypress Creek Road, Fort Lauderdale, Florida

On August 8, 2008, LAS Tennessee, LAS Shelby and Bowden filed Debtors' Notice of Abandonment of Miscellaneous Used Computer and Office Equipment (C.P. No. 3203), thereby abandoning all right, title and interest in certain miscellaneous used computer and office supplies located in Tennessee.

L. Sales of Real and Personal Property

i. Real Property

By Order dated December 19, 2007 (C.P. No. 520), the Bankruptcy Court authorized LAS Shelby County to sell to Hyneman Companies, LLC ("Hyneman") certain real property consisting of 391 acres of land located in Shelby County, Tennessee, and 63 lots located in the Vinings at Germantown subdivision, for the sum of \$9,595,000.00, free and clear of liens, claims and encumbrances as contemplated by 11 U.S.C. § 363(f) subject to certain exceptions. Pursuant to the *Agreement for Purchase and Sale* dated December 14, 2007 between LAS Shelby County and Hyneman, Hyneman also assumed certain obligations of LAS Shelby County. In connection with the December 19, 2007 Order approving the sale by LAS Shelby County to Hyneman, the Bankruptcy Court established certain procedures for any person or entity (other than Regions Bank) who claim to possess liens for goods, services or materials provided to the property to assert such claims against a \$487,873 set aside from the sale proceeds and for the Debtors and Regions Bank to review and, if applicable, objection to such claims and if such objections were successful, the entire set aside would be paid to Regions Bank.

By Order dated December 21, 2007 (C.P. No. 535), the Bankruptcy Court granted LAS Lee County's motion to establish certain bidding procedures in connection with the sale of real property located in Lee County, Florida, to BNYH Bonita, LLC, or such other qualified bidder.

By Orders dated February 6, 2008 and February 20, 2008 (C.P. Nos. 1133 and 1492, respectively) the Bankruptcy Court authorized the sale of real property located in Lee County, Florida to SHR Bonita Springs, LLC, for the sum of \$15,650,000.00 or to another person or entity (the "Successful Bidder"), who submitted the highest and best bid for the real property (the "Property"). The Successful Bidder purchased the Property for \$15,650,000.00.

By Order dated June 20, 2008 (C.P. No. 2696), the Bankruptcy Court authorized LAS Shelby County to sell to Hyneman certain real property consisting of 26.1 acres of land located in Shelby County, Tennessee, and 224 lots located in the following subdivisions: (i) Concord Estates, (ii) Huntington Oaks, (iii) Pemberton Meadows, (iv) Peterson Ridge and (v) Sycamore Trace, for the sum of \$13,715,000.00, free and clear of liens, claims and encumbrances as contemplated by 11 U.S.C. § 363(f) subject to certain exceptions. Pursuant to the *Agreement for Purchase and Sale* dated May 2, 2008 between LAS Shelby County and Hyneman, Hyneman also assumed certain obligations of LAS. In connection with the June 20, 2008 Order approving the sale by LAS Shelby County to Hyneman, the Bankruptcy Court approved payments of part of

the sale proceeds to Regions Bank, Wachovia Bank and Financial Federal Savings Bank (collectively, the “Banks”) and established certain procedures for any person or entity (other than the Banks) who asserts liens for goods, services or materials provided to the property to object to that part of the Order providing that liens junior to those of the Banks shall not attach to proceeds of the sale. The Order also memorialized a global settlement reached by and between the Debtors and Regions Bank. Specifically, the parties agreed that upon payment to Regions Bank of the amounts to be paid at Closing (as defined in the Order), the assignment to Regions Bank of the Escrow (as defined in the Order) and the receipt of the General Release (as defined in the Order) from the Debtors and the Committee, the Proofs of Claim filed by Regions Bank shall be allowed as unsecured claims in an amount equal to 50% of the sum of (x) \$15,801,867.25 less (y) the amounts paid to Regions Bank at Closing and any amounts Regions Bank may later receive from the Escrow. In return for the 50% reduction of its deficiency claim, the Debtors shall give Regions Bank a General Release (as defined in the Order). The Order gave parties-in-interest until June 25, 2008 at 4:00 p.m. to file objections to the settlement; no such objections were filed rendering the settlement final.

On October 15, 2008, the Wachovia Debtors together with the Chief Administrator, Soneet R. Kapila, filed a Joint Motion of the Wachovia Debtors and the Chief Administrator for an Order (I) Approving the Sale of Assets Free and Clear of Liens, Claims and Interests, (II) Approving Sales Procedures, Bid Protections and Break-Up Fee, and (III) Granting Related Relief (C.P. No. 3619) (i) for authority to sell real property located in Gainesville, Georgia, known as Seasons on Lake Lanier, Easlan Capital of Atlanta, Inc., or to a party submitting higher or better offers; (ii) to enter an order approving sales procedures, overbid protection and a breakup fee; and (iii) to enter an order approving the sale to Easlan or to the party submitting the highest or best offer, free and clear of all liens, claims, interests and encumbrances. A hearing before the Bankruptcy Court to consider this motion is scheduled for October 30, 2008.

ii. ***Personal Property***

By Order dated November 27, 2007 (C.P. No. 223), the Bankruptcy Court authorized LAS Georgia to sell the remaining personal property (the “Personalty”) at the leased premises located at 675 Mansell Road, Roswell, Georgia to Office Furniture Today for the sum of \$7,500. The Personalty was sold to OFT where is, as is, and free and clear of all liens and encumbrances, with any such liens and encumbrances to attach to the proceeds of sale.

By Order dated December 19, 2007 (C.P. No. 480), the Bankruptcy Court authorized LAS to conduct sales of certain technology related equipment (i.e., computers, printers, facsimile machines, projectors, etc.) to the highest and best bidder, for cash, free and clear of any liens and encumbrances, with any liens and encumbrances to attach to the sale proceeds. The Bankruptcy Court further authorized LAS to utilize these procedures for future sales of similar technology related equipment as it becomes available for sale. The first sale of the technology related equipment resulted in LAS bringing in \$18,870.50.

By Order dated January 9, 2008 (C.P. No. 728), the Bankruptcy Court authorized LAS and Homes to sell a (i) 2006 Nissan Quest 4-door passenger van to Carmax for the sum of \$17,000; and a (ii) 2006 Ford Explorer 4-door Sport Utility Vehicle to Harry Sleek, an employee of LAS, for the sum of \$11,665.00, payable in cash.

By Order dated September 3, 2008 (C.P. No. 3334), the Bankruptcy Court authorized the retention of Moecker & Associates as auctioneer to the Debtors, *nunc pro tunc* to August 7, 2008, and ratified the results of the Debtors' August 7, 2008 auction of certain computer equipment. The auction yielded, after accounting for approved auction expenses and auctioneer fees, \$60,435.18 to the Debtors' estates. Pursuant to a Notice of Abandonment (C.P. No. 3203), the Debtors abandoned the remaining computer equipment that did not sell at auction.

M. Order on Motion to Dismiss

By Order dated March 7, 2008 (C.P. No. 1690), the Bankruptcy Court denied, without prejudice, a motion by certain mechanics' lien holders to dismiss or convert the Wachovia Debtors' chapter 11 cases to cases under chapter 7 of the Bankruptcy Code.

N. Debtor-in-Possession Financing

i. Wachovia Bank

By Interim Order dated January 14, 2008 (C.P. No. 836), the Bankruptcy Court (i) authorized LAS Horry County, LAS Hall County, LAS Cherokee County, LAS Paulding County, WGV and LAS Manatee County to obtain secured post-petition financing from Wachovia Bank on a superpriority secured and priming basis, (ii) approved modification of the automatic stay provisions of section 362(a) of the Bankruptcy Code in favor of Wachovia Bank, (iii) approved home sales by the Wachovia Debtors, or any one of them, in the ordinary course of business with liens to attach to sale proceeds; (iv) approved Soneet R. Kapila as the Wachovia Debtors' Chief Administrator; (v) granted interim relief; and (vi) scheduled a final hearing under Bankruptcy Rule 4001(b) and (c). The Wachovia Debtors requested that Wachovia Bank or its designee establish a secured discretionary revolving credit facility in favor of the Wachovia Debtors pursuant to which the Wachovia Debtors might obtain revolving credit loans in an initial aggregate amount up to \$3.5 Million outstanding at any time with an option to increase the amount of financing to \$10 Million. Pending a final hearing, the Bankruptcy Court gave authorization for the Wachovia Debtors to obtain DIP Loans⁵ and other extensions of credit pursuant to the Wachovia DIP Loan Documents pending a final hearing pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2) in the amount of \$500,000.00. By Order dated February 13, 2008 (C.P. No. 1324), the Bankruptcy Court increased that amount to \$1,000,000. The Obligations and the Liens against the Collateral securing the Obligations shall, in each case subject and subordinate to the Guaranteed Payment: (i) pursuant to section 364(d)(1) of the Code, constitute perfected first priority priming Liens on all Collateral other than the Excluded Assets, subject in all event to any Priority Lien Claims existing on the Petition Date; and (ii) pursuant to Section 364(d)(1) of the Code, constitute perfected first priority priming Liens on the Pre-Petition Collateral, other than the Excluded Assets, which shall prime any Liens existing on the Petition Date other than Priority Lien Claims. Any Priority Lien Claim, meaning any Lien claimed upon the Collateral or the Pre-Petition Collateral by a third party other than DIP Lender, Pre-Petition Lender, any Debtor or an Affiliate of any Debtor, which Lien is either (i) determined by final

⁵ All capitalized terms not defined in this Section N(i) shall have the meanings ascribed to them in the Wachovia DIP Loan Documents.

adjudication to have been superior in right of priority to the Liens of Pre-Petition Lender in the Pre-Petition Collateral on the Petition Date, or (ii) settled or compromised prior to adjudication in an amount acceptable to DIP Lender in its sole discretion, shall not be primed by the DIP Liens. All other Liens claimed upon the Collateral by a Person shall be primed by the DIP Liens and subordinated to all of Wachovia Bank's Liens in the Collateral.

By Final Orders dated February 13, 2008 (C.P. No. 1335 and 1366), the Bankruptcy Court approved the above-described post-petition financing from Wachovia Bank and overruled all objections thereto. In connection with these Orders, the Bankruptcy Court entered several related Orders also dated February 13, 2008 (C.P. No. 1370-75) authorizing the sale of Collateral in the ordinary course of business.

As of October 1, 2008, the Chief Administrator was engaged in construction at six of the seven communities that constitute Wachovia Collateral. As of such date, approximately 77 homes had been completed and sold, which sales resulted in net proceeds of approximately \$22.5 million. Such sales proceeds have been applied to operating and construction expenses and payment of borrowings under the Wachovia DIP Loan Documents. Borrowings under the Wachovia DIP Loan Documents have been used for operating and construction expenses. As of October 1, 2008, seventeen (17) homes were under contract to be sold and were under construction.

A summary of the Chief Administrator's activity is included in the following table:

Community	No. of Homes Completed And Sold	No. of Homes Under Contract in Progress	Cash Realized from Home Sales (\$ millions)
Seasons at Laurel Canyon	27	-	\$8.8
Seasons at Lake Lanier	6	-	2.0
Seasons at Prince Creek	8	4	2.3
Cascades at WGV	19	10	4.1
Cascades at Sarasota	12	3	3.6
Rio Mar at Sarasota	5	-	1.7
Total	77	17	\$22.5

The outstanding balance under the Wachovia DIP Loan Documents constantly fluctuates with the cash flow demands of the Chief Administrator. However, as of October 1, 2008, the balance was zero.

The Chief Administrator has also recently completed amenity centers at Seasons at Laurel Canyon and Cascades at World Golf Village, and residents are presently enjoying such facilities.

The Chief Administrator is actively marketing all assets in the seven communities that constitute the Wachovia Collateral. A motion to sell the commercial outparcel at Seasons on Lake Lanier was recently filed by the Chief Administrator in the Bankruptcy Court.

ii. ***Cananwill, Inc.***

By Order dated May 1, 2008 (C.P. No. 2230), the Bankruptcy Court approved a post-petition insurance premium financing agreement entered into by the Wachovia Debtors (as defined in footnote 1 of the Order) and Cananwill, Inc. through which Cananwill will finance funding sufficient to pay annual insurance premiums of approximately \$1.2 million. Notwithstanding authorization from the Bankruptcy Court, the Wachovia Debtors did not finance any insurance policies through Cananwill.

iii. ***AmTrust Bank***

By Interim Order dated December 19, 2007 (C.P. No. 537) and Final Order dated January 11, 2008 (C.P. No. 787), the Bankruptcy Court authorized LAS and Regency Hills to obtain post-petition advances in the aggregate amount of up to \$460,000 plus interest and other charges, and to modify its pre-petition construction loan facility from AmTrust Bank (“AmTrust”) pursuant to that certain Term Sheet for the Debtor-in-Possession Financing and Lender Consent to Pre-Approved Sale Procedures, and to grant liens, security interests and superpriority claims to AmTrust. LAS and Regency Hills sought this financing in order to allow them to continue the operation of their business including, but not limited to, complete construction and reserve sales at the Hartwood Reserve development. The obligations of LAS and Regency Hills shall (i) constitute allowed administrative expense claims having priority over all administrative expenses of the kind specified in sections 503(b) or 507(b) of the Bankruptcy Code, and (ii) be secured by a perfected lien and security interest upon all of the tangible and intangible property of LAS and Regency Hills pursuant to sections 364(c)(3) and 364(d)(1) of the Bankruptcy Code.

O. Releases of Resale Restrictions

By Order dated December 19, 2007 (C.P. No. 521), the Bankruptcy Court authorized the Debtors to deliver releases of resale restrictions in deeds to homeowners in the ordinary course of business, in the Debtors’ sole and absolute discretion.

P. Payroll, Expense Reimbursements and Related Matters

By Order dated January 10, 2008 (C.P. No. 736), the Bankruptcy Court authorized (i) Bowden to re-remit direct deposits for pre-petition payroll owed to certain of its employees, (ii) LAS to reimburse pre-petition out-of-pocket expenses of certain of its employees, and (iii) LAS to pay pre-petition commissions earned by certain of its employees for homes closed pre-petition.

Q. Existing Management and Board of Directors

1. Directors

- (i) Seth M. Wise serves on Bowden's Board of Directors; and
- (ii) Seth M. Wise serves on GP Corp.'s Board of Directors.

2. Officers

(i) LAS' Chief Restructuring Officer is Lawrence E. Young. LAS' Treasurer is Kevin Cronin. LAS' President is Seth M. Wise. LAS' Executive Vice President is John Dischner.

(ii) BAVP5's Chief Restructuring Officer is Lawrence E. Young. BAVP5's President is Seth M. Wise. BAVP5's Executive Vice President is John Dischner.

(iii) Bellagio's Chief Restructuring Officer is Lawrence E. Young. Bellagio's President is Seth M. Wise. Bellagio's Executive Vice President is John Dischner.

(iv) Levitt GP's Chief Restructuring Officer is Lawrence E. Young. Levitt GP's President is Seth M. Wise. Levitt GP's Executive Vice President is John Dischner.

(v) GC CORP's Chief Restructuring Officer is Lawrence E. Young. GC CORP's President is Seth M. Wise. GC CORP's Executive Vice President is John Dischner.

(vi) GC LLC's Chief Restructuring Officer is Lawrence E. Young. GC LLC's Treasurer is Kevin Cronin. GC LLC's President is Seth M. Wise. GC LLC's Executive Vice President is John Dischner.

(vii) Industries' Chief Restructuring Officer is Lawrence E. Young. Industries' President is Seth M. Wise. Industries' Executive Vice President is John Dischner.

(viii) Bellagio Partners' Chief Restructuring Officer is Lawrence E. Young. Bellagio Partners' President is Seth M. Wise. Bellagio Partners' Executive Vice President is John Dischner.

(ix) Levitt Homes' Chief Restructuring Officer is Lawrence E. Young. Levitt Homes' President is Seth M. Wise. Levitt Homes' Executive Vice President is John Dischner.

(x) Avalon's Chief Restructuring Officer is Lawrence E. Young. Avalon's President is Seth M. Wise. Avalon's Executive Vice President is John Dischner.

(xi) LAS Lake County's Chief Restructuring Officer is Lawrence E. Young. LAS Lake County's Treasurer is Kevin Cronin. LAS Lake County's President is Seth M. Wise. LAS Lake County's Executive Vice President is John Dischner.

(xii) LAS Manatee County's Chief Restructuring Officer is Lawrence E. Young. LAS Manatee County's President is Seth M. Wise. LAS Manatee County's Executive Vice President is John Dischner.

(xiii) LAS Hernando County's Chief Restructuring Officer is Lawrence E. Young. LAS Hernando County's Treasurer is Kevin Cronin. LAS Hernando County's President is Seth M. Wise. LAS Hernando County's Executive Vice President is John Dischner.

(xiv) Regency Hills' Chief Restructuring Officer is Lawrence E. Young. Regency Hills' President is Seth M. Wise. Regency Hills' Executive Vice President is John Dischner.

(xv) LAS Hunter's Creek's Chief Restructuring Officer is Lawrence E. Young. LAS Hunter's Creek's Treasurer is Kevin Cronin. LAS Hunter's Creek's President is Seth M. Wise. LAS Hunter's Creek's Executive Vice President is John Dischner.

(xvi) LAS Seminole County's Chief Restructuring Officer is Lawrence E. Young. LAS Seminole County's Treasurer is Kevin Cronin. LAS Seminole County's President is Seth M. Wise. LAS Seminole County's Executive Vice President is John Dischner.

(xvii) LAS Osceola County's Chief Restructuring Officer is Lawrence E. Young. LAS Osceola County's Treasurer is Kevin Cronin. LAS Osceola County's President is Seth M. Wise. LAS Osceola County's Executive Vice President is John Dischner.

(xviii) LAS Lee County's Chief Restructuring Officer is Lawrence E. Young. LAS Lee County's Treasurer is Kevin Cronin. LAS Lee County's President is Seth M. Wise. LAS Lee County's Executive Vice President is John Dischner.

(xix) Cascades' Chief Restructuring Officer is Lawrence E. Young. Cascades' President is Seth M. Wise. Cascades' Executive Vice President is John Dischner.

(xx) LAS Hawks Haven's Chief Restructuring Officer is Lawrence E. Young. LAS Hawks Haven's Treasurer is Kevin Cronin. LAS Hawks Haven's President is Seth M. Wise. LAS Hawks Haven's Executive Vice President is John Dischner.

(xxi) Magnolia Lakes' Chief Restructuring Officer is Lawrence E. Young. Magnolia Lakes' President is Seth M. Wise. Magnolia Lakes' Executive Vice President is John Dischner.

(xxii) Tradition Florida's Chief Restructuring Officer is Lawrence E. Young. Tradition Florida's Treasurer is Kevin Cronin. Tradition Florida's President is Seth M. Wise. Tradition Florida's Executive Vice President is John Dischner.

(xxiii) World Golf Village's Chief Restructuring Officer is Lawrence E. Young. World Golf Village's Treasurer is Kevin Cronin. World Golf Village's President is Seth M. Wise. World Golf Village's Executive Vice President is John Dischner.

(xxiv) LAS Flagler County's Chief Restructuring Officer is Lawrence E. Young. LAS Flagler County's Treasurer is Kevin Cronin. LAS Flagler County's President is Seth M. Wise. LAS Flagler County's Executive Vice President is John Dischner.

(xxv) Lev-Brn's Chief Restructuring Officer is Lawrence E. Young. Lev-Brn's President is Seth M. Wise. Lev-Brn's Executive Vice President is John Dischner.

(xxvi) Summerport's Chief Restructuring Officer is Lawrence E. Young. Summerport's President is Seth M. Wise. Summerport's Executive Vice President is John Dischner.

(xxvii) LAS Georgia's Chief Restructuring Officer is Lawrence E. Young. LAS Georgia's President is Seth M. Wise. LAS Georgia's Executive Vice President is John Dischner.

(xxviii) LAS Cherokee County's Chief Restructuring Officer is Lawrence E. Young. LAS Cherokee Treasurer is Kevin Cronin. LAS Cherokee President is Seth M. Wise. LAS Cherokee Executive Vice President is John Dischner.

(xxix) LAS Hall County's Chief Restructuring Officer is Lawrence E. Young. LAS Hall County's Treasurer is Kevin Cronin. LAS Hall County's President is Seth M. Wise. LAS Hall County's Executive Vice President is John Dischner.

(xxx) LAS Paulding County's Chief Restructuring Officer is Lawrence E. Young. LAS Paulding County's Treasurer is Kevin Cronin. LAS Paulding County's President is Seth M. Wise. LAS Paulding County's Executive Vice President is John Dischner.

(xxxi) Construction Georgia's Chief Restructuring Officer is Lawrence E. Young. Construction Georgia's President is Seth M. Wise. Construction Georgia's Executive Vice President is John Dischner.

(xxxii) LAS South Carolina's Chief Restructuring Officer is Lawrence E. Young. LAS South Carolina's President is Seth M. Wise. LAS South Carolina's Executive Vice President is John Dischner.

(xxxiv) LAS Horry County's Chief Restructuring Officer is Lawrence E. Young. LAS Horry County's Treasurer is Kevin Cronin. LAS Horry County's President is Seth M. Wise. LAS Horry County's Executive Vice President is John Dischner.

(xxxv) Construction South Carolina's Chief Restructuring Officer is Lawrence E. Young. Construction South Carolina's President is Seth M. Wise. Construction South Carolina's Executive Vice President is John Dischner.

(xxxvi) LAS Tennessee's Chief Restructuring Officer is Lawrence E. Young. LAS Tennessee's Treasurer is Kevin Cronin. LAS Tennessee's President is Seth M. Wise. LAS Tennessee's Executive Vice President is John Dischner.

(xxxvii) Bowden's Chief Restructuring Officer is Lawrence E. Young. Bowden's Treasurer is Kevin Cronin. Bowden's President is Seth M. Wise. Bowden's Executive Vice President is John Dischner.

(xxxviii) LAS Nashville's Chief Restructuring Officer is Lawrence E. Young. LAS Nashville's Treasurer is Kevin Cronin. LAS Nashville's President is Seth M. Wise. LAS Nashville's Executive Vice President is John Dischner.

(xxxix) LAS Shelby's Chief Restructuring Officer is Lawrence E. Young. LAS Shelby's Treasurer is Kevin Cronin. LAS Shelby's President is Seth M. Wise. LAS Shelby's Executive Vice President is John Dischner.

(xxxx) Lawrence E. Young of APS is currently acting as the Debtors' Chief Restructuring Officer. APS will be handling most of the remaining tasks associated with the wind-down of the Debtors or disposition of their assets.

3. *Pre-Petition Employment Contracts*

Certain of the Debtors' former management, including officers, are or were parties to employment contracts with one or more of the Debtors. As discussed in Article III(F)(iii), above, the Debtors obtained authorization to reject certain of these employment contracts or Separation Agreements. Rejection of these employment contracts and Separation Agreements, respectively, will eliminate the assertion of administrative expense claims that might otherwise be filed in connection with these employment contracts and Separation Agreements. Nevertheless, it is possible that Claims may be asserted based on the rejection of these employment contracts and post-separation agreements.

R. Claims Process and Claims Bar Dates

Parties should note that pursuant to Bankruptcy Rule 3003(c)(2), any creditor whose Claim was not scheduled by the Debtors or was scheduled as disputed, contingent, or unliquidated, and who failed to file a proof of claim on or before the applicable deadline may not be treated as a Creditor with respect to that Claim for purposes of voting on the Plan or receiving a distribution thereunder.

1. *Claims, Notice and Ballot Agent*

As discussed in Article III(D)(2), above, the Bankruptcy Court authorized the appointment of KCC as claims, notice and balloting agent in the Chapter 11 Cases. The Court authorized KCC to, among other things, be the repository for and maintain all proofs of claim filed against the Debtors' Estates and to docket all proofs of Claim on an official claims register that includes, among other things, the name and address of each claimant, the date each Claim was received, the number assigned to the Claim and the amount and classification of the Claim.

2. *Filing of Schedules of Assets and Liabilities*

On November 16, 2007, the Debtors filed their Schedules and Statements of Affairs. Pursuant to section 1111(a) of the Bankruptcy Code, a Proof of Claim is deemed filed under section 501 of the Bankruptcy Code if that Claim is included in the Schedules filed under section 521 or 1106(a)(2) of the Bankruptcy Code and is deemed filed in the amount listed on the Schedules, except if the Claim is scheduled as disputed, contingent or unliquidated. If a Claim is scheduled as disputed, contingent or unliquidated, a Claim must have been asserted by its Holder on or before the applicable Bar Date by timely filing a proof of claim. A Proof of Claim that is timely filed and allowed shall supersede the Debtors' Schedules. If a Proof of Claim was not filed in a timely manner on or before the applicable Bar Date and the asserted Claim was not

scheduled or is scheduled as disputed, contingent or unliquidated, the Claim shall be deemed to be barred and/or otherwise disallowed.

On February 11, 2008, LAS, LAS Georgia, Bowden, LAS South Carolina, GC LLC and Homes each filed Amended Schedules of Assets and Liabilities (C.P. Nos. 1231 – 1235).

On June 13, 2008, Bowden filed its Second Amended Schedules of Assets and Liabilities (C.P. No. 2624), and LAS Shelby filed its Amended Schedule of Assets and Liabilities (C.P. No. 2625).

3. *General and Government Bar Dates*

As discussed in Article III(A), above, the Bankruptcy Court approved the form and manner of notice of the commencement of these Chapter 11 Cases and the dates by which persons or entities asserting claims must submit Proofs of Claim to KCC. The Bankruptcy Court set the general claims bar date as February 11, 2008, and May 8, 2008 as the deadline by which governmental entities must file Proofs of Claim.

4. *Administrative Claims Bar Date*

The Bankruptcy Court will, in the ordinary course, set a deadline for parties to file applications seeking allowance of administrative expenses pursuant to section 503(b) of the Bankruptcy Code for expenses incurred for the period after the Petition Date, other than Professionals, rejection damage claims for those executory contracts or unexpired leases that have not by that date been rejected.

5. *Requests for Payment of Administrative Expense Claims*

To date, the following requests for payment of administrative expense claims have been filed with the Court: (i) CBS Outdoor, in the amount of \$159,831.47 (C.P. No. 2314); (ii) BellSouth Telecommunications, Inc., in the amount of \$129,215.86 (C.P. No. 2880); and (iii) Bonded Builders, Inc., in the amount of \$39,025.05 (C.P. No. 3099). The Debtors objected to the amounts sought by each of these movants. The CBS Outdoor claim has been resolved with CBS Outdoor having an allowed administrative expense claim in the total amount of \$35,000.00 to be paid within 20 days of the Effective Date (C.P. No. 4014). Bonded Builders withdrew their administrative expense claim (C.P. No. 3627). The BellSouth Telecommunications administrative expense claim remains pending before the Court.

6. *Objections to Claims*

Each of the Debtors has filed at least one omnibus objection to various claims filed against that Debtor's estate. The Debtors previously received Bankruptcy Court authority to deviate from Bankruptcy Rule 3007 so that they could file omnibus objections for categories of objections not listed within such rule. This relief has allowed the Debtors to greatly streamline the claims objection process.

The vast majority of claims objections filed have been resolved by order sustaining such objections because claimants, despite proper notice, did not respond to the objection to claim.

For those claimants that filed a response, many of those contested matters have been resolved by agreed order or have been litigated before the Bankruptcy Court.

The Debtors, working closely with the Committee, anticipate filing several additional rounds of omnibus objections prior to the Confirmation Hearing. Given the large number of claims filed against the Debtors' estates, the Debtors anticipate that the Plan Administrator will need to file additional objections to claims after the Effective Date.

S. Pending Litigation

Prior to the Petition Date, one or more of the Debtors were parties to litigation pending in various courts. Most of these lawsuits, which are identified by case number and court location in Exhibit 9 attached hereto, were also identified in connection with each of the applicable Debtors' Statements of Financial Affairs [Item 4(a)]. *See* Article III(J)(2), above. The Debtors recently reached a settlement in one such litigation involving Sunshine Kitchens, Inc. ("Sunshine"). On October 8, 2008, the Debtors filed a Motion to Approve Compromise and Settlement Between the Debtors, Lexon Insurance Company and Sunshine Kitchens, Inc. (C.P. No. 3576). Such settlement seeks to resolve all of the claims filed by Sunshine against the Debtors' estates as well as the state court litigation pending as of the Petition Date. The negative notice period involving such motion has not yet expired as of the date of this Disclosure Statement although the Debtors anticipate that such Motion will be approved.

Certain of the Debtors (LAS, LAS Horry County, LAS Hall County, and LAS Cherokee County), and other parties have been named as defendants in an adversary proceeding filed on February 12, 2008 (Adv. Pro. No. 08-1136-BKC-RBR-A) by Wachovia Bank through which it seeks a declaratory judgment that it need not release liens as to homes previously sold by the Debtor/Defendants. By Order dated May 6, 2008, the Court authorized the intervention as a party defendant filed by Chicago Title Insurance Company. On August 22, 2008, the Bankruptcy Court entered an order dismissing the Second Amended Complaint filed by Wachovia because, among other reasons, the adversary complaint failed to name individual homeowners as necessary indispensable parties to the action. Wachovia has filed an appeal of such order to the District Court, which remains pending. The Debtors/Defendants will continue to monitor and, to the extent necessary, defend this Adversary Proceeding and the resulting appeal in the ordinary course.

T. Constitution of Committees

On November 27, 2007, the Office of the United States Trustee appointed a joint committee of creditors holding unsecured claims in these Chapter 11 Cases (C.P. No. 208), which Committee is comprised of Strack, Inc., Piedmont Landscape Contractors, LLC, American Woodmark Corp. d/b/a Timberlake Cabinets, Sky General Contracting, Inc., JNJ Foundation Specialists, Inc., Georgia Floors, Inc., Quality Construction Management of Georgia, Inc., American Door & Mill Company and M&N Construction Services, Inc. All creditors constituting the Committee hold claims against the LAS Consolidated Debtor. No creditors constituting the Committee hold claims against the Tennessee Consolidated Debtor.

On January 22, 2008, the Office of the United States Trustee appointed a joint home purchase deposit creditors committee of creditors holding unsecured claims in these Chapter 11 Cases (C.P. No. 936), which Deposit Holders' Committee is comprised of Rene R. Dolbeau, Robert L. Hillyard, Joseph P. D'Alessandro, Patricia Johnsen, Robert Licker, Donna Kondo and Keith P. Bell. All creditors constituting the Deposit Holders' Committee hold claims against the LAS Consolidated Debtor. No creditors constituting the Deposit Holders' Committee hold claims against the Tennessee Consolidated Debtor.

IV. POTENTIAL CAUSES OF ACTION AND PRESERVATION OF SUCH CAUSES OF ACTION

A. Potential Bankruptcy Causes of Action

The Debtors' Causes of Action, if any, will be pursued by the Debtors or the Committee prior to the Effective Date and by the Plan Administrator after the Effective Date. The proceeds thereof will be used to make Distributions under the Plan, including to Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims. The Wachovia Debtor Causes of Action, if any, shall be pursued by the Chief Administrator prior to the Effective Date and by the Wachovia Collateral Administrator after the Effective Date. The proceeds from the Wachovia Debtor Causes of Action shall be distributed pursuant to the terms of the Wachovia DIP Loan Documents. The Debtors' Causes of Action, if any, and the Wachovia Debtor Causes of Action, if any, are each preserved herein and pursuant to Section 13.11 of the Plan.

In addition to Causes of Action that the Debtors may have under state and other federal laws and pursuant to Section 541 of the Bankruptcy Code, the Bankruptcy Code creates certain causes of action that allow a debtor to recover transfers it has made prior to its bankruptcy filing. The most common such causes of action are those to recover preferences and fraudulent transfers.

i. *Preference Actions*

Under sections 547 and 550 of the Bankruptcy Code, a debtor may seek to avoid and recover certain payments made by the debtor to or for the benefit of a creditor, within the ninety days prior to the petition date, in respect of an antecedent debt if such transfer was made when the debtor was insolvent. Transfers made to a creditor that was an "insider" of the debtor are subject to these provisions if the payment was made within one year of a debtor's filing of a petition under Chapter 11. Under section 547, certain defenses, in addition to the solvency of the debtor at the time of the transfer, are available to a creditor from which a preference recovery is sought. Among other defenses, a debtor may not recover a payment to the extent such creditor subsequently gave new value to the debtor for which the creditor was not paid pursuant to a payment that is not otherwise avoidable (the "New Value Defense"). A debtor may not recover a payment to the extent such payment was part of a substantially contemporaneous exchange between the debtor and the creditor (the "Substantially Contemporaneous Exchange Defense"). Further, a debtor may not recover a payment if such payment was made in the ordinary course of business of both the debtor and the creditor (the "Ordinary Course Defense"). The debtor has the initial burden of proof in demonstrating the existence of all the elements of a preference, although there is a rebuttable presumption that the debtor was insolvent during the ninety days

prior to the commencement of its bankruptcy case. The creditor has the initial burden of proof as to the foregoing defenses.

Each of the Debtors' Schedules include a listing of payments made in the 90 days immediately preceding the Petition Date and a listing of all payments to insiders made in the one year prior to the Petition Date. Pursuant to such Schedules, the Debtors made in excess of 12,500 transfers during the applicable preference period. Attached hereto as Exhibit 9 is a listing of the significant transfers, as well as the recipient and amount of money transferred to such recipient, by the Debtors during the 90 day period prior to the Petition Date. Pursuant to such Exhibit, there is in excess of \$45,972,705.99 of payments that were made by the Debtors in the 90 days prior to the Petition Date. The Debtors' advisors and the Committee's advisors have performed an initial overview and analysis of such payments. However, since the Debtors' advisors and the Committee's advisors have yet to complete their analysis of the potential for recovery of all of these payments, the Proponents cannot estimate the amount of any potential recovery from litigation surrounding such payments, if any. The Debtors, the Committee and/or the Plan Administrator will continue reviewing such transfers and determine whether and which transfers will be pursued in future litigation.

THE SCHEDULE OF POTENTIAL PREFERENCE PAYMENTS ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT 9 IS NON-EXHAUSTIVE AND MEANT TO BE ILLUSTRATIVE AND SHALL NOT PRECLUDE THE DEBTORS, THE ESTATE, THE PLAN ADMINISTRATOR OR OTHER AUTHORIZED PERSON OR ENTITY FROM PURSUING OTHER AND ADDITIONAL AVOIDANCE ACTIONS. IN THEIR ANALYSIS, THE DEBTORS' ADVISORS AND THE COMMITTEE'S ADVISORS HAVE EXCLUDED PAYMENTS TO CUSTOMERS, PAYMENTS TO BANKRUPTCY PROFESSIONALS, AND ANY AGGREGATE PAYMENT LESS THAN \$10,000.

ii. ***Fraudulent Conveyances and Transfers***

Under sections 548 and 550 of the Bankruptcy Code and under state law made applicable in bankruptcy cases by section 544(b) of the Bankruptcy Code, a debtor in possession or a trustee in bankruptcy, if a trustee is appointed or elected, may recover a transfer of property if the transfer was made while the debtor was insolvent, was unable to pay its debts as they mature, or has unreasonably small capital if, or to the extent, the debtor received less than reasonably equivalent consideration or fair value for such property and may recover a transfer made by the debtor with actual intent to hinder, delay or defraud its creditors. Such rights of the debtor or trustee preclude any creditor as to whom a transfer was also fraudulent from pursuing a similar action unless the trustee declines to bring such action or to administer such claim. Section 548 of the Bankruptcy Code applies to transfers made during the two years prior to the Petition Date. Various State laws may provide a considerably longer period of up to six years within which such action may be brought.

iii. ***Disallowance of Claims***

Under section 502(d) of the Bankruptcy Code, any Claim asserted by a Creditor shall be disallowed in its entirety if such Creditor has received a transfer, such as a preference or

fraudulent transfer, that is voidable under the Bankruptcy Code and has failed to repay such transfer.

iv. *Specific Claims*

The Debtors' advisors and the Committee's advisors are presently investigating potential preference and fraudulent conveyance Causes of Action under Sections 547, 548 and 544 of the Bankruptcy Code and applicable state law against each of Bank of America, N.A. and KeyBank, N.A. During the 90 days prior to the Petition Date, (i) Bank of America, N.A. received approximately \$10.8 million from the Debtors, and (ii) KeyBank, N.A. received approximately \$8.7 million. The Debtors and the Committee believe that some or all of such payments may be recoverable as preferences.

In addition, the Debtors' advisors and the Committee's advisors are analyzing the structure of the various loan transactions entered into between the Debtors and each of Bank of America, N.A. and KeyBank, N.A. In each instance, such loans were generally structured as a loan to LAS as the parent debtor and principal obligor. In addition, certain of the subsidiary Debtors that owned real estate projects executed guarantees of LAS' obligations to each of Bank of America, N.A. and KeyBank, N.A. for the full amount of the obligation and granted mortgage liens on all their real estate assets as collateral security for the full amount of such respective obligations. However, it is clear that none of such subsidiary Debtors received the full benefit of such loans. Therefore, the Debtors and the Committee believe that such transactions and the liens granted by the subsidiary Debtors may be voidable as fraudulent transfers.

Moreover, the Proponents assert that the Debtors' Estate have Causes of Action against Bank of America, N.A. and KeyBank, N.A. for surcharge under Section 506(a) of the Bankruptcy Code, which claims will be pursued.

The Debtors, the Committee and the Plan Administrator intend to continue such investigation into the above Causes of Action and any other Causes of Action that may exist, including against Bank of America, N.A. and KeyBank, N.A. To that end, the Debtors and the Committee have propounded discovery on each of Bank of America, N.A. and KeyBank, N.A. in connection with the investigation of such Causes of Action and any other Causes of Action that may exist in favor of the Debtors' Estate against each of Bank of America, N.A. and KeyBank, N.A.

Lastly, the Debtors' Estates and the Plan Administrator assert that certain claims exist to recover assets or the value of assets of the Debtors' Estates that are in the possession and/or control of the Wachovia Debtors or which are asserted to be part of the Wachovia Collateral. Such assets are comprised principally of furniture, fixtures and similar assets. The Debtors' Estates and the Plan Administrator intend to pursue such claims and believe that the value of such claims approximate \$1.0 million.

B. Preservation of Claims and Causes of Action.

The Plan provides that the Plan Administrator, on behalf of the Post Confirmation Debtors, and the Wachovia Collateral Administrator, on behalf of the Post Confirmation Wachovia Debtors, shall have the right to prepare, file, pursue, prosecute and settle the Causes of

Action or Wachovia Debtor Causes of Action, respectively, whether or not such Causes of Action or Wachovia Debtor Causes of Action have been asserted or commenced as of the Effective Date, as a representative of the estate pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code appointed for such purpose for the benefit of Holders of Allowed Claims and Allowed Interests.

To the extent that certain Causes of Action or Wachovia Debtor Causes of Action are filed by the Debtors, the Committee or the Chief Administrator, as the case may be, and are not resolved prior to the Effective Date, such Causes of Action or Wachovia Debtor Causes of Action will be transferred to and vest in the Post Confirmation Debtors under the control of the Plan Administrator and the Wachovia Collateral Administrator, respectively, pursuant to the terms of the Plan. Notwithstanding anything herein or in the Plan to the contrary, the Wachovia Collateral Administrator shall not have any right or power to pursue any Causes of Action. The Wachovia Collateral Administrator shall only be entitled to pursue the Wachovia Debtor Causes of Action.

The Causes of Action include specifically, but without limitation, the following:⁶

a. Any and all claims and causes of action, including Causes of Action under state or federal law against any and all of the present and former officers, directors, members, managers, shareholders, principals, employees, agents and affiliates of, and professionals employed by, the Debtors and of any affiliates of the Debtors,⁷ including without limitation, in any way related to, including providing aid and assistance in connection with: (i) the operation, management, funding and fund raising of the Debtors, including without limitation, breach of fiduciary duty, negligence, negligent management, fraud, civil theft, civil RICO or conspiracy, conversion, alter ego, misrepresentation, professional malpractice, corporate advantage, theft of corporate opportunities, wasting of corporate assets, equitable subordination of claims, breach of contract and federal or state statutory claims (including securities laws violations), as well as aiding and abetting any of the above; (ii) the sale, transfer, exchange or disposition of any property of the Debtors or any of their respective affiliates, or any preferred stock, common stock or equity or similar interest or securities therein, either prior to or after the Petition Date; or (iii) the conversion, misappropriation or misapplication of property of the Debtors or any of their respective affiliates or any products or proceeds therefrom.

b. Any and all claims and causes of action, including Causes of Action, under state or federal law, including federal or state securities laws, against those persons or entities, who participated or had any involvement in, as transferor, transferee, recipient or otherwise, related to the sale, transfer, exchange or disposition of any property of the Debtors or any of their respective affiliates, any preferred stock, common stock, or equity or similar interests or

⁶ Notwithstanding the specificity of the claims and causes of action described in this Disclosure Statement, nothing in the Plan or herein will limit or restrict in any way the rights of the Post Confirmation Debtors or Plan Administrator in connection with pursuing any and all Causes of Action pursuant to the terms of the Plan.

⁷ All such claims and causes of action shall include and encompass, without limitation, any and all claims, including bad faith claims, under any policies of insurance maintained by the Debtors applicable to such claims and causes of action, including, without limitation, directors' and officers' liability insurance policies.

securities in the Debtors or any of their respective affiliates or the products or proceeds thereof, including without limitation, under and pursuant to state preference and fraudulent conveyance laws and Sections 542 through 550 of the Bankruptcy Code.

c. Any and all claims and causes of action involving or in any way related to the collection of accounts receivables, notes receivables, loans receivables or other receivables owed to the Debtors or any of their respective affiliates.

d. Any and all claims and causes of action seeking to subordinate, equitably or otherwise Claims filed against the Debtors' Estates, or to re-characterize such Claims as equity Interests in the Debtors or any of their respective affiliates.

e. Any and all Causes of Action against Bank of America, N.A. and KeyBank, NA., including, without limitation, those Causes of Action outlined in detail in Article IV.A.iv. above.

To the extent that certain Wachovia Debtor Causes of Action are filed by the Chief Administrator and are not resolved prior to the Effective Date, such Wachovia Debtor Causes of Action, subject to the other terms of the Plan, will be transferred to and vest in the Post Confirmation Wachovia Debtors under the control of the Wachovia Collateral Administrator pursuant to the terms of the Plan.

In addition to the above, there may be claims and causes of action which currently exist or may subsequently arise that are not set forth specifically herein because the facts upon which such claims and causes of action rest are not fully or currently known by the Debtors, the Committee or the Chief Administrator. The failure to list any such claims or causes of action is not intended to limit the rights of the Post Confirmation Debtors, the Plan Administrator, the Chief Administrator or the Wachovia Collateral Administrator to pursue their respective claims and causes of action at such time as the facts giving rise thereto become fully known.

Unless any of the above described claims and causes of action are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or by Final Order of the Bankruptcy Court, all such claims and causes of action are expressly reserved and preserved for later adjudication and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims and causes of action upon or after confirmation or consummation of the Plan.

Furthermore, notwithstanding any provision or interpretation to the contrary, nothing in the Plan or the Confirmation Order, including the entry thereof, shall be deemed to constitute a release, waiver, impediment, relinquishment or bar, in whole or in part, of or to any recovery rights or any other claim, right or cause of action possessed by the Debtors or the Debtors' Estates prior to the Effective Date.

ANY CREDITOR OR PARTY IN INTEREST VOTING ON THE PLAN SHOULD ASSUME IN CONNECTION WITH SUCH VOTE THAT CAUSES OF ACTION EXIST AGAINST SUCH CREDITOR OR PARTY IN INTEREST AND THAT THE POST CONFIRMATION DEBTORS AND THE PLAN ADMINISTRATOR INTEND TO AND SHALL PURSUE SUCH CAUSES OF ACTION.

ANY CREDITOR OR PARTY IN INTEREST VOTING ON THE PLAN SHOULD ASSUME IN CONNECTION WITH SUCH VOTE THAT WACHOVIA DEBTOR CAUSES OF ACTION EXIST AGAINST SUCH CREDITOR OR PARTY IN INTEREST AND THAT THE POST CONFIRMATION WACHOVIA DEBTORS AND THE WACHOVIA COLLATERAL ADMINISTRATOR INTEND TO AND SHALL PURSUE SUCH WACHOVIA DEBTOR CAUSES OF ACTION.

C. Directors and Officers Insurance Policy.

The Debtors did not maintain their own separate directors and officers insurance policy. Rather, the officers and directors of the Debtors and the equivalent persons in those Debtors that are limited liability companies were and are presently covered by the Directors and Officers Insurance Policy issued to and maintained by Woodbridge.

V. CLAIMS AGAINST THE DEBTORS

The Proponents estimate that the total amount of Claims against (i) the LAS Consolidated Debtor range from approximately \$70,434,098 to \$335,803,167, and (ii) the Tennessee Consolidated Debtor range from approximately \$5,165,229 to \$6,201,702 (exclusive of the Claim of the LAS Consolidated Debtor against the Tennessee Consolidated Debtor). The Debtors and the Committee have and are continuing to review Claims scheduled and filed in these Chapter 11 Cases. In connection therewith, the Debtors have filed dozens of objections to Claims seeking to invalidate such Claims and/or seeking the disallowance or reduction of Claims against the Debtors' Estates pursuant to the Bankruptcy Code and applicable non-bankruptcy law. Upon the Effective Date, the Plan Administrator will assume that responsibility.

Pursuant to Exhibit 4 attached to this Disclosure Statement, the Proponents anticipate that Holders of (i) Allowed Unsecured Claims in Class LAS-9A against the LAS Consolidated Debtor will receive, in the aggregate, Distributions in the range of approximately 2.91% to 20.96% on account of their Allowed Claims and (ii) Allowed Deposit Holder Claims in Class LAS-9B against the LAS Consolidated Debtor will receive, in the aggregate, Distributions in the range of approximately 2.91% to 30.40% on account of their Allowed Deposit Holder Claims. It is anticipated that Holders of Allowed Unsecured Claims in Class Tenn-6A against the Tennessee Consolidated Debtor will receive, in the aggregate, Distributions in the range of approximately 38.37% to 57.17% on account of their Allowed Claims.⁸ The actual recoveries for Holders of Allowed Claims in Classes LAS-9A, LAS-9B and Tenn-6A will depend on the ultimate amount of Allowed Claims in each respective Class, including but not limited to, the amount of certain Deficiency Claims included in such Class, as applicable, and the Cash ultimately available for distribution after payment in full of expenses of the Plan Administrator and all Allowed Claims having a higher priority.

ALTHOUGH THE PROPONENTS BELIEVE THAT THE ESTIMATED PERCENTAGE OF RECOVERIES ARE REASONABLE, THERE IS AND CAN BE NO ASSURANCE THAT THE ACTUAL AMOUNTS OF ALLOWED CLAIMS IN EACH

⁸ The Proponents are not currently aware of any unsatisfied Tenn-6B Deposit Holder Claims against the Tennessee Consolidated Debtor.

CLASS WILL NOT MATERIALLY EXCEED THE ESTIMATED AGGREGATE AMOUNTS DISCUSSED HEREIN AND AS A RESULT, THAT THE ACTUAL DISTRIBUTIONS MAY BE MATERIALLY DIFFERENT FROM AMOUNTS ESTIMATED HEREIN.

VI. SUMMARY OF THE PLAN OF LIQUIDATION

A. General

THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN.

As of the Petition Date, there were thirty-eight separate corporate Debtors. For the reasons set forth herein, the Proponents seek, simultaneously and in connection with confirmation of this Plan, to substantively consolidate the Debtors solely for voting on, Confirmation of and Distributions under the Plan, into two separate groupings, namely (i) each of the Debtors except the Tennessee Debtors will be substantively consolidated with and into LAS solely for purposes of voting on, Confirmation of and Distributions under the Plan (the "LAS Consolidated Debtor"), and (ii) each of Tennessee Debtors will be substantively consolidated with and into LAS Tennessee solely for voting on, Confirmation of and Distributions under the Plan (the "Tennessee Consolidated Debtor"). As a result of such substantive consolidation, the Plan will treat Claims and Interests in respect of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

As described in more detailed above in Article I.F and in the Plan and for the reasons set forth herein and in the Plan, the entry of the Confirmation Order shall constitute approval by the Bankruptcy Court, pursuant to sections 105(a) and 1123(c)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Debtors to establish the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, and their respective Estates solely for purposes of voting, Confirmation of and Distributions under the Plan, and for no other purpose, as set forth above. Specifically, on and after the Effective Date with respect to each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, (a) all assets and liabilities of the Debtors comprising the LAS Consolidated Debtor and the Debtors comprising the Tennessee Consolidated Debtor, respectively, shall be treated as though they were pooled solely for purposes of voting on, Confirmation of and Distributions under the Plan, (b) no Distribution shall be made under the Plan on account of any Claim held (i) by any one of the Debtors comprising the LAS Consolidated Debtor against any of the other Debtors within the LAS Consolidated Debtor, or (ii) by any one of the Debtors comprising the Tennessee Consolidated Debtor against any of the other Debtors within the Tennessee Consolidated Debtor, (c) no Distribution shall be made under the Plan on account of any Interest held (i) by any of the Debtors comprising the LAS Consolidated Debtor in any other Debtor within the LAS Consolidated Debtor, or (ii) by any of the Debtors comprising the Tennessee Consolidated Debtor in any other Debtor within the Tennessee Consolidated Debtor, (d) all Secondary Liability Claims shall be entitled to a single recovery, and thus one Distribution (and no multiple

recovery) on any such Claims, (e) every Claim filed or to be filed in the Chapter 11 Case of any Debtor comprising the LAS Consolidated Debtor shall be deemed filed against the LAS Consolidated Debtor and shall be one Claim against and one obligation of the LAS Consolidated Debtor, (f) every Claim filed or to be filed in the Chapter 11 Case of any Debtor comprising the Tennessee Consolidated Debtor shall be deemed filed against the Tennessee Consolidated Debtor and shall be one Claim against and one obligation of the Tennessee Consolidated Debtor, and (g) to the extent a Claim is Allowed against the LAS Consolidated Debtor and a Claim for the same obligation is also Allowed against the Tennessee Consolidated Debtor, then the holder of such Claim shall be entitled to a Distribution from each of the LAS Consolidated Debtor and the Tennessee Consolidated in respect of such Claim, but in no event shall such holder receive more than 100% of such Allowed Claim.

Notwithstanding the foregoing, (i) the treatment proposed by each Debtor to the Holders of Allowed Secured Claims against such Debtor after the Effective Date shall be unaffected by such substantive consolidation, (ii) any Liens that are maintained, recognized, or preserved under the Plan shall be unaffected by the substantive consolidation, and (iii) any claims under or with respect to any insurance policy of any Debtor (or any right to the proceeds of any such policy or policies) shall be unaffected by the substantive consolidation.

Notwithstanding the substantive consolidation of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, as provided herein, the substantive consolidation shall be solely for purposes of voting on, Confirmation of or Distributions under the Plan and specifically shall not:

- (a) affect the legal and organizational structure of each such Debtor from and after the Effective Date;
- (b) affect or change any Cause of Action or other claim that any Debtor would possess had any of the Chapter 11 Cases not been substantively consolidated as provided herein or any defenses that any defendant in respect of such Causes of Action would have in connection therewith;
- (c) destroy or otherwise affect the separate corporate existence of each Debtor and the ownership interest in each Debtor;
- (d) divest any Debtor of any tax attributes; or
- (e) affect any Statutory Fees paid by any Debtor to the U.S. Trustee or the Clerk of the Bankruptcy Court from the Petition Date through the Effective Date.

Any objection by an affected Creditor to such substantive consolidation shall be treated as an objection to Confirmation and shall be determined by the Bankruptcy Court at the Confirmation Hearing. Failure to timely object to substantive consolidation may result in consolidation of the Debtors in accordance herewith, without further hearing.

B. Classification⁹ and Treatment of Claims and Equity Interests

i. *Unclassified Administrative Expense Claims, Priority Tax Claims and Statutory Fees*

The Bankruptcy Code provides that claims other than administrative and certain priority claims are to be classified under a chapter 11 plan. Accordingly, Administrative Expense Claims, Priority Tax Claims and Statutory Fees, if any, are not classified.

Administrative Expense Claims include any actual and necessary costs and expenses of preserving the Estates, any actual and necessary expenses of operating and liquidating the businesses of the Debtors after the Petition Date and any indebtedness or obligations incurred by the Debtors as debtors in possession in connection with the conduct of their businesses that fall within section 503 of the Bankruptcy Code. Ordinary course post-petition liabilities shall be paid pursuant to their terms. Compensation or reimbursement of expenses to Professionals retained by the Debtors, the Committee and the Deposit Holders' Committee will be paid to the extent Allowed as an Administrative Expense Claim by the Bankruptcy Court. The Plan provides for the payment of Allowed Administrative Expense Claims in full, in Cash, as soon as practicable upon the earlier to occur of: (i) the later of the Effective Date or five (5) Business Days after the date of a Final Order allowing such Administrative Expense Claim; (ii) upon the entry of an order of the Bankruptcy Court awarding a Professional Claim; (iii) for Allowed Administrative Expense Claims that represent liabilities incurred by either the LAS Consolidated Debtor or the Tennessee Consolidated Debtor in the ordinary course of business after the Petition Date with regard to the respective Debtor, the date on which each such Claim becomes due in the ordinary course of such Debtor's business and in accordance with the terms and conditions of any agreement relating thereto; or (iv) upon such other dates and terms as may be agreed upon by the Holder of any such Allowed Administrative Expense Claim and the Plan Administrator.

Notwithstanding anything in the Plan to the contrary, the Allowed Administrative Expense Claims incurred in respect of the Wachovia Collateral under the Wachovia DIP Loan Documents, including the Professional Claims of the Chief Administrator and Professionals engaged by the Chief Administrator during the Chapter 11 Cases, shall be paid solely from the DIP loan provided by Wachovia Bank pursuant to the Wachovia DIP Loan Documents or from the proceeds of the Wachovia Collateral or upon such other terms acceptable to Wachovia Bank and the Wachovia Collateral Administrator may agree, and neither the Debtors, the Debtors' Estates, the LAS Consolidated Debtor, the Tennessee Consolidated Debtor, the Plan Administrator nor their respective assets (other than the Wachovia Collateral) shall have any liability therefor.

As of October 31, 2008, the following Professionals engaged by the Debtor and the Committee have sought allowance of compensation and reimbursement of expenses in the following amounts:

⁹ The classification of Claims and Interests set forth herein assumes substantive consolidation of (i) each of the Debtors, except the Tennessee Debtors, into LAS and (ii) each of the Tennessee Debtors into the Tennessee Consolidated Debtor as set forth in Article II of the Plan and described in Article I.F above.

(i) ***First Interim Fee Applications***

(a) On March 20, 2008, AP Services, LLC filed its *Notice of Filing by AP Services, LLC of Report of Compensation Earned and Expenses Incurred for the Period from November 1, 2007 Through February 29, 2008* (C.P. No. 1834), requesting fees in the amount of \$1,537,512.50 and expenses in the amount of \$145,896.37. On June 5, 2008, the Bankruptcy Court entered an *Order Awarding First Interim Compensation and Reimbursement of Expenses to AP Services, LLC* (C.P. No. 2557), awarding AP Services, LLC interim fees in the amount of \$1,230,010.00 and expenses in the amount of \$145,896.37. On August 12, 2008, the Bankruptcy Court entered an *Order Granting Joint Motion for Reconsideration of Order Awarding First Interim Compensation and Reimbursement of Expenses to AP Services, LLC* (C.P. No. 3230), modifying the order allowing interim fees, to provide that AP Services, LLC is awarded interim fees in the amount of \$1,537,512.50 and expenses in the amount of \$145,896.37.

(b) On March 20, 2008, Berger Singerman, P.A., as counsel for the Debtors, filed its *First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Debtors* (C.P. no. 1798), requesting fees in the amount of \$863,057.50 and expenses in the amount of \$90,925.63. On April 17, 2008, the Bankruptcy Court entered an *Order Granting (I) First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Debtors (D.E. 1798); and (II) First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Tennessee Debtors (D.E. 1799)* (C.P. No. 2101), awarding Berger Singerman, P.A. interim fees in the amount of \$690,446.00 and expenses in the amount of \$90,925.63.

(c) On March 20, 2008, Berger Singerman, P.A., as counsel to the Tennessee Debtors, filed its *First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Tennessee Debtors* (C.P. No. 1799), requesting fees in the amount of \$136,507.50 and expenses in the amount of \$2,575.29. On April 17, 2008, the Bankruptcy Court entered an *Order Granting (I) First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Debtors (D.E. 1798); and (II) First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Tennessee Debtors (D.E. 1799)* (C.P. No. 2101), awarding fees in the amount of \$109,206.00 and expenses in the amount of \$2,575.29.

(d) On March 20, 2008, Weinstock & Scavo, P.C., as Special Counsel for the Debtors, filed its *First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Weinstock & Scavo, P.C., as Special Counsel for the Debtors* (C.P. No. 1833), requesting fees in the amount of \$22,641.00 and expenses in the amount of \$518.59. On April 17, 2008, the Bankruptcy Court entered an *Order Granting First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Weinstock & Scavo, P.C., as Special Counsel for the Debtors* (C.P. No. 2104), awarding interim fees to Weinstock & Scavo, P.C. in the amount of \$18,112.80 and expenses in the amount of \$518.59.

(e) On March 20, 2008, Genovese, Joblove & Battista, P.A., as counsel to the Joint Official Committee of Unsecured Creditors, filed its *First Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Genovese Joblove & Battista, P.A., as Counsel for the Joint Committee of Unsecured Creditors for the Jointly Administered Debtors* (C.P. No. 1796), requesting fees in the amount of \$179,969.00 and expenses in the amount of \$2,609.54. On April 22, 2008, the Bankruptcy Court entered an *Order Granting First Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Genovese Joblove & Battista, P.A., as Counsel for the Joint Committee of Unsecured Creditors for the Jointly Administered Debtors* (C.P. No. 2162), awarding Genovese, Joblove & Battista, P.A. interim fees in the amount of \$143,975.20 and expenses in the amount of \$2,609.54.

(f) On March 20, 2008, Mesirow Financial Consulting, LLC, as financial advisors for the Joint Official Committee of Unsecured Creditors, filed its *First Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses of Mesirow Financial Consulting, LLC as Financial Advisors for the Joint Committee of Unsecured Creditors for the Jointly Administered Debtors* (C.P. No. 1797), requesting fees in the amount of \$262,010.00 and expenses in the amount of \$157.31. On April 22, 2008, the Bankruptcy Court entered an *Order Granting First Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Mesirow Financial Consulting, LLC, as Financial Advisors for the Joint Committee of Unsecured Creditors for the Jointly Administered Debtors* (C.P. No. 2163), awarding Mesirow Financial Consulting, LLC interim fees in the amount of \$209,608.00 and expenses in the amount of \$157.31.

(g) On March 20, 2008, Ehrenstein Charbonneau Calderin, as counsel for the Home Purchase Deposit Holders' Committee of Creditors, filed its *First Interim Fee Application of Ehrenstein Charbonneau Calderin as Counsel for Home Purchase Deposit Creditors Deposit Holders' Committee of Creditors, for Allowance of Compensation and Reimbursement of Expenses* (C.P. No. 1790), requesting fees in the amount of \$55,408.00 and expenses in the amount of \$3,127.90. On April 17, 2008, the Bankruptcy Court entered an *Order Granting First Interim Fee Application of Ehrenstein Charbonneau Calderin as Counsel for the Home Purchase Deposit Creditors Deposit Holders' Committee of Creditors for Allowance of Compensation and Reimbursement of Expenses [D.E. 1790]* (C.P. No. 2105), awarding Ehrenstein Charbonneau Calderin interim fees in the amount of \$44,326.40 and expenses in the amount of \$3,127.90.

(h) On July 17, 2008, Bilzin Sumberg Baena Price & Axelrod LLP, as special tax counsel to the Joint Official Committee of Unsecured Creditors, filed its *First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Special Tax Counsel to the Joint Committee of Unsecured Creditors* (C.P. No. 2914), requesting fees in the amount of \$72,154.25 and expenses in the amount of \$86.40. On August 20, 2008, the Bankruptcy Court entered an *Order Granting First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Bilzin Sumberg Baena Price & Axelrod LLP as Special Tax Counsel to the Joint Committee of Unsecured Creditors* (C.P. No. 3266), awarding Bilzin Sumberg Baena Price & Axelrod LLP interim fees in the amount of \$57,723.40 and expenses in the amount of \$86.40.

(i) On July 17, 2008, Soneet R. Kapila, Chief Administrator, filed his *1st Interim Application for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses of the Chief Administrator for the Period December 31, 2007 Through June 30, 2008* (C.P. No. 2911), requesting fees in the amount of \$324,018.00. On August 12, 2008, the Bankruptcy Court entered an *Order Granting First Interim Application for Compensation and Reimbursement of Expenses to Soneet R. Kapila, as Chief Administrator* (C.P. No. 3233), awarding Soneet R. Kapila, Chief Administrator interim fees in the amount of \$259,214.40.

(j) On July 17, 2008, Kapila & Company, CPAs, as accountants and financial advisors to the Chief Administrator, Soneet R. Kapila, filed its *1st Interim Application for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses of Kapila & Company, CPAs, for the Period December 31, 2007 Through June 30, 2008* (C.P. No. 2908), requesting fees in the amount of \$1,154,396.00 and expenses in the amount of \$70,681.78. On August 12, 2008, the Bankruptcy Court entered an *Order Granting First Interim Application for Compensation and Reimbursement of Expenses to Kapila & Company, CPAs as Accountants and Financial Advisors to Soneet R. Kapila as Chief Administrator* (C.P. No. 3232), awarding interim fees in the amount of \$923,516.80 and expenses in the amount of \$70,681.78.

(k) On July 17, 2008, Smith Hulsey & Busey, as counsel to the Chief Administrator, Soneet R. Kapila, filed its *First Interim Application for Compensation and Reimbursement of Expenses (Smith Hulsey & Busey)* (C.P. No. 2921), requesting fees in the amount of \$1,008,602.50 and expenses in the amount of \$31,563.93. On August 12, 2008, the Bankruptcy Court entered an *Order Granting First Interim Application for Compensation and Reimbursement of Expenses to Smith Hulsey & Busey as Counsel to Soneet R. Kapila, as Chief Administrator* (C.P. No. 3231), awarding interim fees in the amount of \$806,882.00 and expenses in the amount of \$31,563.93.

(l) On July 17, 2008, Risk Management Solutions, Inc., as insurance consultant to the Chief Administrator, Soneet R. Kapila, filed its *1st Interim Fee Application* (C.P. No. 2974), requesting fees in the amount of \$81,427.50 and expenses in the amount of \$143.06. On August 12, 2008, the Bankruptcy Court entered an *Order Granting First Interim Application for Compensation and Reimbursement of Expenses to Risk Management Solutions, Inc. as Insurance Consultant to Soneet R. Kapila, as Chief Administrator* (C.P. No. 3236), awarding interim fees in the amount of \$65,142.00 and expenses in the amount of \$143.06.

(m) On July 30, 2008, Ruden, McClosky, Smith, Shuster & Russell, P.A., as Special Counsel to the Debtors, filed its *First Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Ruden, McClosky, Smith, Schuster & Russell, P.A., as Special Counsel to the Debtors* (C.P. No. 3096), requesting fees in the amount of \$21,028.50 and expenses in the amount of \$48.21. On September 10, 2008, the Bankruptcy Court entered an *Order Allowing Interim Fees to Ruden, McClosky, Smith, Schuster & Russell, P.A., as Special Counsel to the Debtors* (C.P. No. 3363), awarding interim fees to Ruden, McClosky, Smith, Schuster & Russell, P.A. in the amount of \$16,822.80 and expenses in the amount of \$48.21.

(n) On July 30, 2008, Ruden, McClosky, Smith, Shuster & Russell, P.A., as Special Counsel to the Tennessee Debtors, filed its *First Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Ruden, McClosky, Smith, Schuster & Russell, P.A., as Special Counsel to the Tennessee Debtors* (C.P. No. 3097), requesting fees in the amount of \$12,821.50 and expenses in the amount of \$331.56. On September 10, 2008, the Bankruptcy Court entered an *Order Allowing Interim Fees to Ruden, McClosky, Smith, Schuster & Russell, P.A., as Special Counsel to the Tennessee Debtors* (C.P. No. 3364), awarding interim fees in the amount of \$10,257.20 and expenses in the amount of \$331.56.

(o) On October 15, 2008, Glankler Brown, PLLC, as special counsel for the Debtors, filed its *First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Glankler Brown, PLLC, as Counsel to Debtors* (C.P. No. 3617), requesting fees in the amount of \$33,709.70 and expenses in the amount of \$629.66. The Bankruptcy Court has scheduled the hearing to consider this for November 10, 2008 at 9:30 a.m.

(ii) *Second Interim Fee Applications*

(a) On July 23, 2008, AP Services, LLC, as Crisis Managers for the Debtors, filed a *Notice of Filing by AP Services, LLC of Report of Compensation Earned and Expenses Incurred for the Period From March 1, 2008 Through June 30, 2008* (C.P. No. 2991), requesting fees in the amount of \$962,376.00 and expenses in the amount of \$107,830.77. On August 11, 2008, the Bankruptcy Court entered an *Second Order Awarding Compensation and Reimbursement of Expenses to AP Services, LLC* (C.P. No. 3209), awarding interim fees to AP Services, LLC in the amount of \$962,376.00 and expenses in the amount of \$107,830.77.

(b) On July 17, 2008, Berger Singerman, P.A., as counsel to the Debtors, filed its *Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A. as Counsel to the Debtors* (C.P. No. 2916), requesting fees in the amount of \$562,273.00 and expenses in the amount of \$10,727.78. On August 11, 2008, the Bankruptcy Court entered an *Order Granting (I) Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Debtors (D.E. 2916); and (II) Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Tennessee Debtors (D.E. 2917)* (C.P. No. 3211), awarding interim fees to Berger Singerman, P.A. in the amount of \$449,818.40 and expenses in the amount of \$10,727.78.

(c) On July 17, 2008, Berger Singerman, P.A., as counsel for the Tennessee Debtors, filed its *Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Tennessee Debtors* (C.P. No. 2917), requesting fees in the amount of \$156,640.50 and expenses in the amount of \$414.79. On August 11, 2008, the Bankruptcy Court entered an *Order Granting (I) Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Debtors (D.E. 2916); and (II) Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Berger Singerman, P.A., as Counsel to the Tennessee Debtors (D.E. 2917)* (C.P. No.

3211), awarding interim fees to Berger Singerman, P.A. in the amount of \$125,312.40 and expenses in the amount of \$414.79.

(d) On July 17, 2008, Weinstock & Scavo, P.C., as special counsel to the Debtors, filed its *Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Weinstock & Scavo, P.C., as Special Counsel for the Debtors* (C.P. No. 2907), requesting fees in the amount of \$14,880.00 and expenses in the amount of \$41.46. On August 11, 2008, the Bankruptcy Court entered an *Order Granting Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Weinstock & Scavo, P.C., as Special Counsel for the Debtors* (C.P. No. 3212), awarding interim fees to Weinstock & Scavo, P.C. in the amount of \$11,904.00 and expenses in the amount of \$41.46.

(e) On July 17, 2008, Genovese, Joblove & Battista, P.A., as attorneys for the Joint Official Committee of Unsecured Creditors, filed its *Second Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Genovese Joblove & Battista, P.A., as Counsel for the Joint Committee of Unsecured Creditors for the Jointly Administered Debtors* (C.P. No. 2912), requesting fees in the amount of \$231,645.50 and expenses in the amount of \$2,586.27. On August 20, 2008, the Bankruptcy Court entered an *Order Granting Second Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Genovese Joblove & Battista, P.A., as Counsel for the Joint Committee of Unsecured Creditors for the Jointly Administered Debtors* (C.P. No. 3264), awarding interim fees to Genovese, Joblove & Battista, P.A. in the amount of \$185,316.40 and expenses in the amount of \$2,586.27.

(f) On July 17, 2008, Mesirow Financial Consulting, LLC, as financial advisors for the Joint Official Committee of Unsecured Creditors, filed its *Second Interim Fee Application for Allowance of Compensation and Reimbursement of Expenses of Mesirow Financial Consulting, LLC as Financial Advisors for the Joint Committee of Unsecured Creditors for the Jointly Administered Debtors* (C.P. No. 2913), requesting fees in the amount of \$217,321.00 and expenses in the amount of \$1,505.00. On August 20, 2008, the Bankruptcy Court entered an *Order Granting Second Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Mesirow Financial Consulting, LLC, as Financial Advisors for the Joint Committee of Unsecured Creditors for the Jointly Administered Debtors* (C.P. No. 3265), awarding interim fees to Mesirow Financial Consulting, LLC in the amount of \$173,856.80 and expenses in the amount of \$1,505.00.

(g) On July 17, 2008, Ehrenstein Charbonneau Calderin, as counsel for the Home Purchase Deposit Holders' Committee of Creditors, filed its *Second Interim Fee Application of Ehrenstein Charbonneau Calderin as Counsel for Home Purchase Deposit Creditors Deposit Holders' Committee of Creditors, for Allowance of Compensation and Reimbursement of Expenses* (C.P. No. 2918), requesting fees in the amount of \$187,787.00 and expenses in the amount of \$7,743.31. On August 26, 2008, the Bankruptcy Court entered an *Order Granting Second Interim Fee Application of Ehrenstein Charbonneau Calderin as Counsel for the Home Purchase Deposit Creditors Deposit Holders' Committee of Creditors for Allowance of Compensation and Reimbursement of Expenses* (C.P. No. 3316), awarding interim

fees to Ehrenstein Charbonneau Calderin in the amount of \$150,229.60 and expenses in the amount of \$7,743.31.

(iii) Final Fee Applications

(a) On October 1, 2008, Ruden, McClosky, Smith, Schuster & Russell, P.A., as special counsel to the Debtors, filed its *Final Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Ruden, McClosky, Smith, Schuster & Russell, P.A., as Special Counsel to the Debtors* (C.P. No. 3538), requesting fees in the amount of \$4,205.70. The Bankruptcy Court granted this Application at a hearing held on December 4, 2008.

(b) On October 1, 2008, Ruden, McClosky, Smith, Schuster & Russell, P.A., as special counsel to the Debtors, filed its *Final Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses to Ruden, McClosky, Smith, Schuster & Russell, P.A., as Special Counsel to the Tennessee Debtors* (C.P. No. 3539), requesting final fees in the amount of \$2,564.30. The Bankruptcy Court granted this Application at a hearing held on December 4, 2008.

From and after November 1, 2008, the Proponents estimate that an additional amount of approximately \$2.62 million will be incurred in respect of Administrative Expense Claims for Professionals through the Effective Date, exclusive of the Chief Administrator and Professionals employed by the Chief Administrator.

Notwithstanding anything herein to the contrary, subject to the occurrence of the Effective Date under the Plan, the Professional Claims of counsel to the Deposit Holders' Committee related to the Florida Homeowners Construction Recovery Fund and incurred or accrued from and after October 14, 2008 shall be paid, subject to approval of the Bankruptcy Court, solely from the Deposit Holders' Fee Reserve.

Priority Tax Claims consist of any Claims for taxes, interest and penalties against each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code. Under the Plan, each Holder of an Allowed Priority Tax Claim shall receive on account of such Claim, Cash equal to the amount of such Allowed Priority Tax Claim, without post-petition interest or penalty, on the later of (i) the Effective Date or as soon as practicable thereafter or (ii) the date that is 10 Business Days after an order of the Bankruptcy Court allowing such Priority Tax Claim becomes a Final Order. At this time and based on a review of all Priority Tax Claims scheduled and filed to date, the Debtors estimate the total amount of unpaid Allowed Priority Tax Claims as of the Effective Date against the LAS Consolidated Debtor will range from \$26,000 to \$30,000. The Proponents are not currently aware of any Allowed Priority Tax Claims against the Tennessee Consolidated Debtor. Notwithstanding such estimates, however, the Proponents continue to review the Priority Tax Claims and have already filed objections to several of such Priority Tax Claims and may file additional objections thereto. As a result, the ultimate amount of all Priority Tax Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor may vary from such estimations. Further, any Claims against the LAS Consolidated Debtor or the Tennessee Consolidated Debtor for taxes, interest and penalties that are secured by assets of a Debtor, as

applicable, shall be treated as Class LAS-8 Other Secured Claims or Class Tenn-5 Other Secured Claims, respectively.

Statutory Fees are fees payable pursuant to 28 U.S.C. § 1930 and any fees payable to the Bankruptcy Court. Under the Plan, the Debtors shall pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) on the Effective Date, and simultaneously provide to the U.S. Trustee an appropriate affidavit indicating Cash disbursements for all relevant periods; notwithstanding anything contained in the Plan to the contrary, the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall also pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) for post-confirmation periods for each Post Confirmation Debtor within the time periods set forth in 28 U.S.C. § 1930(a)(6) until the earlier of the closing of the applicable Chapter 11 Case by the issuance of a Final Decree by the Bankruptcy Court, or upon entry of an order of this Bankruptcy Court dismissing the applicable Chapter 11 Case, or converting the applicable Chapter 11 Case to another chapter under the Bankruptcy Code, and the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall provide to the U.S. Trustee, upon the payment of each post-confirmation payment, a quarterly report and appropriate affidavit indicating income and disbursements for the relevant periods. To date, the Debtors and the Chief Administrator, respectively, have paid all fees due and owing to the U.S. Trustee, and each of the Plan Administrator and the Wachovia Collateral Administrator, as applicable, anticipate paying all such fees through confirmation of the Plan and thereafter as provided herein.

The Statutory Fees paid by each Debtor to the U.S. Trustee and any fees paid by any Debtor to the Clerk of the Bankruptcy Court from the Petition Date through the Effective Date shall not be affected by the substantive consolidation proposed under the Plan. In the event the Plan is approved and the certain of the Debtors are substantively consolidated into the LAS Consolidated Debtor and certain other of the Debtors are substantively consolidated into the Tennessee Consolidated Debtor, then such substantive consolidation shall not be retroactive to the Petition Date for the purpose of payment of Statutory Fees.

ii. ***Classification and Treatment of Claims and Equity Interests Against the LAS Consolidated Debtor***

The following are the designations for and treatment of the Classes of Claims against and Equity Interests in the LAS Consolidated Debtor:

a. **Class LAS-1 — Allowed Priority Claims.**

Each Allowed Priority Claim against the LAS Consolidated Debtor shall be paid in full on the later of: (i) as soon as is practicable after the Effective Date; or (ii) as soon as practicable after the date on which the Order allowing such Priority Claim becomes a Final Order. The Debtors estimate that the amount of the Priority Claims against the LAS Consolidated Debtor to be between \$1,519,154 and \$1,690,645.

Class LAS-1 is Unimpaired.

b. **Class LAS-2 — Allowed Secured Claims of Woodbridge.**

Each Allowed Secured Claim of Woodbridge shall be satisfied in accordance with the Woodbridge Settlement Agreement upon the approval thereof by the Bankruptcy Court as part of the Confirmation Order and the satisfaction of the terms and conditions contained therein. Specifically, other than the HomeBanc Secured Claim, Woodbridge shall waive any right to receive Distributions on account of its Secured Claims.

With respect to the HomeBanc Secured Claim, pursuant to the Woodbridge Settlement Agreement, the HomeBanc Secured Claim shall be satisfied (i) from the proceeds of the liquidation of the collateral securing such Claim; (ii) from the collateral securing such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as agreed to by the holder of such Claim and the Plan Administrator.

Class LAS-2 is Impaired.

c. **Class LAS-3 — Allowed Secured Claims of Bank of America, N.A.**

Each Allowed Secured Claim of Bank of America, N.A. shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-3 Secured Claim of Bank of America, N.A. is Allowed by a Final Order. During the Chapter 11 Cases, the Debtors abandoned substantially all of the collateral that allegedly secured the Claims of Bank of America, N.A. (C.P. No. 236). In addition, the Bankruptcy Court entered an order granting relief from the automatic stay to Bank of America, N.A. in respect of collateral that allegedly secured its Claims (C.P. No. 1063).

Class LAS-3 is Impaired.¹⁰

d. **Class LAS - 4 — Allowed Secured Claims of KeyBank, N.A.**

Each Allowed Secured Claim of KeyBank, N.A. shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-4 Secured Claim of KeyBank, N.A. is Allowed by a Final Order. During the Chapter 11 Cases, the Debtors abandoned substantially all of the collateral that allegedly secured the Claims of KeyBank, N.A. (C.P. No. 250). In addition, the Bankruptcy Court

¹⁰ In connection with confirmation of the Plan, the Proponents reserve the right to reclassify the Allowed Secured Claim of Bank of America, N.A. from Impaired to Unimpaired. This same reservation of rights applies to the Allowed Secured Claims of Wachovia Bank, N.A. and KeyBank, N.A.

entered an order granting relief from the automatic stay to KeyBank, N.A. in respect of collateral that allegedly secured its Claims (C.P. No. 570).

Class LAS-4 is Impaired.

e. **Class LAS-5 — Allowed Secured Claim of AmTrust Bank (Hartwood Reserve).**

The Allowed Secured Claim of AmTrust Bank (Hartwood Reserve) shall be satisfied, at the option of the Plan Administrator, (i) pursuant to, and in accordance with, the AmTrust DIP Loan Agreement; provided, however, that the provisions of the AmTrust DIP Loan Agreement requiring repayment of the Claim on the Effective Date of the Plan shall be modified so as to permit LAS Regency Hill to pay the obligations under the AmTrust DIP Loan Agreement from the proceeds of sales of the collateral securing the Class LAS-5 Allowed Secured Claim from and after the Effective Date, (ii) by payment in full on the Effective Date in exchange for a release and discharge of the collateral securing such Claim, (iii) from the collateral securing such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code, or (iv) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. As of the date of this Disclosure Statement, the AmTrust Secured Claim has been paid in full, subject to resolution of AmTrust Bank's attorneys' fees estimated as not more than \$25,000.

Class LAS-5 is Impaired.

f. **Class LAS-6 — Allowed Secured Claims of Wachovia Bank**

In the event Wachovia Bank accepts the Plan in respect of this Class LAS-6 and in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then each Allowed Secured Claim of Wachovia Bank shall be treated and satisfied pursuant to and in accordance with, and Wachovia Bank shall have all of the rights and benefits under, the Wachovia DIP Loan Documents, and shall be secured by the applicable Wachovia Collateral as provided in the Wachovia DIP Loan Documents and this Plan.

In the event Wachovia Bank rejects the Plan in respect of this Class LAS-6 and/or in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then (a) the Allowed Secured Claim of Wachovia Bank shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator, and (b) any and all other provisions in the Plan related to the Wachovia Collateral, the Wachovia DIP Loan Documents and the Wachovia Collateral Administrator, including the rights, powers and duties of the Wachovia Collateral Administrator, shall be deemed void and be of no force and effect, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount.

Class LAS-6 is Impaired.

g. **Class LAS-7 — Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank**

In the event Wachovia Bank accepts the Plan in respect of this Class LAS-7 and in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then the Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank shall be treated pursuant to and in accordance with, and Wachovia Bank shall have all of the rights and benefits under, the Wachovia DIP Loan Documents and shall be secured by the applicable Wachovia Collateral as provided in the Wachovia DIP Loan Documents and this Plan.

In the event Wachovia Bank rejects the Plan in respect of this Class LAS-7 and/or in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then (i) the Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (a) from the proceeds of the liquidation of the collateral securing each such Claim; (b) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (c) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator, and (ii) any and all other provisions in the Plan related to the Wachovia Collateral, the Wachovia DIP Loan Documents and the Wachovia Collateral Administrator, including the rights, powers and duties of the Wachovia Collateral Administrator, shall be deemed void and be of no force and effect, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount.

Class LAS-7 is Impaired.

h. **Class LAS-8 — Other Secured Claims.**

Each Allowed Other Secured Claim shall be satisfied, to the extent the collateral therefore has not been previously sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator, or in the case of the Wachovia Collateral, as agreed to by the holder of such Claim and the Wachovia Collateral Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-8 Other Secured Claim is Allowed by a Final Order.

Class LAS 8 is Impaired.

i. **Class LAS-9A — Allowed General Unsecured Claims.**

1. **The LAS GUC Distribution.**

Each Holder of an Allowed General Unsecured Claim against the LAS Consolidated Debtor shall receive Distributions from LAS Available Cash (the "LAS GUC Distribution") on each Distribution Date in an amount equal to such Holder's Pro Rata Share of each such LAS GUC Distribution being made under the Plan, calculated with denominator being the sum of all Allowed General Unsecured Claims in this Class LAS-9A and all Allowed Deposit Holder Claims in Class LAS-9B; provided, however, that such denominator shall not include any of the Woodbridge Claims. No LAS GUC Distribution shall be made to Holders of Allowed General Unsecured Claims in this Class LAS-9A in respect of LAS Available Cash unless and until all Allowed Claims senior in priority to Allowed Claims in this Class LAS-9A, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes LAS-1, LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7 and LAS-8 have been paid in full, treated, reserved, resolved, included in or accounted for in the LAS GUC Distribution at issue and/or otherwise treated in accordance with the Plan. Notwithstanding anything herein to the contrary, if and to the extent that Wachovia Bank has an Allowed General Unsecured Claim under and pursuant to the Wachovia DIP Loan Documents, then Wachovia Bank shall not participate in any LAS GUC Distribution in this Class LAS-9A in respect of the Admin Cap and the Guaranteed Amount.

2. The Distribution from the Woodbridge Release Fund.

In addition to the LAS GUC Distribution, each Holder of an Allowed General Unsecured Claim against the LAS Consolidated Debtor shall have the option of receiving an additional Distribution under the Plan from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Class LAS-9A who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution under the Plan equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claims combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in Article VI.E.3. In addition,

notwithstanding any provision to the contrary herein, Distributions from the Release Fund under the Plan on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

3. Status of Allowed General Unsecured Claims in Class LAS-9A against the LAS Consolidated Debtor.

The Debtors have and continue to review the General Unsecured Claims scheduled and filed against the Debtors comprising the LAS Consolidated Debtor. To date, the Debtors have objected to numerous General Unsecured Claims and anticipate filing additional objections thereto. Pursuant to the Liquidation Analysis attached hereto as Exhibit 4, the Proponents estimate that the total Allowed General Unsecured Claims will range from \$68,914,944 to \$334,112,522, subject in all events to the outcome of pending objections to such Claims and objections to be filed to such Claims. Pursuant to the Liquidation Analysis, the estimated Distribution to the Holders of Allowed General Unsecured Claims in Class 9A will range from 2.91% to 20.96% assuming such Holders elect to receive their additional Distribution from the Release Fund as provided above.

Class LAS-9A is Impaired.

j. **Class LAS-9B – Allowed Deposit Holder Claims.**

1. The LAS GUC Distribution.

Each Holder of an Allowed Deposit Holder Claim against the LAS Consolidated Debtor shall receive the LAS GUC Distributions from LAS Available Cash on each Distribution Date in an amount equal to such Holder's Pro Rata Share of each such LAS GUC Distribution being made under the Plan, calculated with denominator being the sum of all Allowed General Unsecured Claims in Class LAS-9A and all Allowed Deposit Holder Claims in this Class LAS-9B. No LAS GUC Distribution shall be made to Holders of Allowed Deposit Holder Claims in this Class LAS-9B in respect of LAS Available Cash unless and until all Allowed Claims senior in priority to Allowed Claims in this Class LAS-9B, including, without limitation, all Allowed Administrative Expense

Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes LAS-1, LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7 and LAS-8 have been paid in full, treated, reserved, resolved, included in or accounted for in the LAS GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. The Distribution from the Deposit Holders' Fund.

In addition, each Holder of an Allowed Deposit Holder Claim shall receive a single Distribution from the Deposit Holders' Fund under the Plan in an amount equal to such Holder's Pro Rata Share of the Deposit Holders' Fund calculated with the denominator being the sum of all Allowed Deposit Holder Claims against the LAS Consolidated Debtor in this Class LAS-9B and all Allowed Deposit Holder Claims in Class Tenn-6B against the Tennessee Consolidated Debtor; provided, however, that in order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each such Holder must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the LAS Available Cash. However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class LAS 9B satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that the Holders of Allowed Deposit Holder Claims in Class LAS 9B would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims in Class LAS-9B that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the LAS Available Cash.

3. Assignment of Claims Against the Florida Homeowners Construction Recovery Fund To the Plan Administrator

Deposit Holders with Claims against the Recovery Fund may elect to assign their Claims to the Plan Administrator by not checking the box provided on the Ballot that allows Holders of such Claims to opt out of such assignment. If Holders of such Claims do not check the box provided in the Ballot, then they are deemed to assign any and all rights to pursue claims against the Recovery Fund to the Plan Administrator. Based on such an assignment, the Holders of Claims against the Recovery Fund shall be entitled to

have the Plan Administrator pursue Claims against the Recovery Fund on their behalf, with the pursuit of such claims funded solely by the Deposit Holders' Fee Reserve. However, any recoveries achieved by the Plan Administrator against the Recovery Fund shall be distributed to all Deposit Holders, whether or not such Deposit Holder holds a Claim against the Recovery Fund; provided, however, that if a Deposit Holder holding a claim against the Recovery Fund elects not to assign its claim against the Recovery Fund to the Plan Administrator hereunder, then such Deposit Holder shall not receive any portion of the recovery achieved by the Plan Administrator from the Recovery Fund, but may still pursue any claim it may have against the Recovery Fund independently, but without the assistance of the Plan Administrator, or funding of expenses from the Deposit Holders' Fee Reserve.

Counsel for the Deposit Holders' Committee shall pursue any and all recoveries on behalf of all Holders of Allowed Deposit Holder Claims from the Recovery Fund pursuant hereto. The fees and expenses of such counsel shall be paid from the Deposit Holders' Fee Reserve, which shall be tendered to Ehrenstein Charbonneau Calderin, counsel to the Deposit Holders' Committee, on the Effective Date, and held in escrow pending further order(s) of the Bankruptcy Court. If and to the extent any recoveries are obtained from the Recovery Fund on behalf of Holders of Allowed Deposit Holder Claims, then such recoveries shall be paid fifty (50%) per cent to counsel for the Deposit Holders' Committee, to be held in trust pending further order of the Bankruptcy Court, and fifty (50%) per cent to the Plan Administrator as follows: (i) first, to reimburse the Plan Administrator for the Deposit Holders' Fee Reserve; and (ii) second, to reimburse the Plan Administrator for the aggregate amount paid as of such date to all Deposit Holders on account of their Allowed Priority Claims. Once the Deposit Holders' Fee Reserve and the aggregate of Deposit Holders' Allowed Priority Claims have been reimbursed in full, any and all further recoveries from the Recovery Fund shall be payable solely to counsel for the Deposit Holders' Committee subject to further order of the Bankruptcy Court. Distributions of recoveries from the Recovery Fund, and any costs or fees associated with the making of such Distributions, shall be made by further order of the Bankruptcy Court.

4. The Distribution from the Woodbridge Release Fund.

In addition to the above, each Holder of an Allowed Deposit Holder Claim against the LAS Consolidated Debtor shall have the option of receiving an additional Distribution under the Plan from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Class LAS-9B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution under the Plan equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d)

Claims combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in Article VI.E.3. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund under the Plan on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

5. The Status of Deposit Holders Claims against the LAS Consolidated Debtor.

The Debtors have and continue to review the Deposit Holder Claims scheduled and filed against the Debtors comprising the LAS Consolidated Debtor. To date, the Debtors have objected to numerous Deposit Holder Claims and anticipate filing additional objections thereto. Pursuant to the Liquidation Analysis attached hereto as Exhibit 4, the Proponents estimate that the total Allowed Deposit Holder Claims will range from \$7,945,985 to \$9,865,578, subject in all events to the outcome of pending objections to such Claims and objections to be filed to such Claims. Pursuant to the Liquidation Analysis, the estimated Distribution to the Holders of Allowed Deposit Holder Claims in Class 9B will range from (i) 2.91% to 30.40% with respect to the LAS GUC Distributions and the Distribution from the Woodbridge Release Fund, and (ii) 0.00% to 9.44% with respect to the one time Distribution from the Deposit Holders' Fund as set forth above.

Class LAS-9B is Impaired.

k. **Class LAS-10 — Allowed Equity Interest.**

On the Effective Date or as soon thereafter as is practicable, Allowed Equity Interests in respect of the LAS Consolidated Debtor shall be deemed transferred and conveyed to the Plan Administrator who shall hold such Equity Interests nominally for the benefit of the Holders of Allowed General Unsecured Claims and so as to permit the Plan Administrator to implement and execute the Plan.

iii. ***Classification and Treatment of Claims Against and Equity Interests in the Tennessee Consolidated Debtor***

The following are the designations for and treatment of the Classes of Claims against and Equity Interests against the Tennessee Consolidated Debtor:

a. **Class Tenn-1 — Allowed Priority Claims.**

Each Allowed Priority Claim against the Tennessee Consolidated Debtor shall be paid in full on the later of: (i) as soon as is practicable after the Effective Date; or (ii) as soon as practicable after the date on which the Order allowing such Priority Claim becomes a Final Order. The Debtors estimate that the amount of the Allowed Priority Claims against the Tennessee Consolidated Debtor is between \$135,230 and \$380,517.

Class Tenn-1 is Unimpaired.

b. **Class Tenn-2 — Allowed Secured Claims of Regions Bank, N.A.**

The Allowed Secured Claim of Regions Bank, N.A. shall be treated and satisfied in accordance with the Regions Bank Sale Order.

Class Tenn-2 is Impaired.

c. **Class Tenn-3 — Allowed Secured Claim of Wachovia Bank**

The Allowed Secured Claim of Wachovia Bank shall be treated and satisfied in accordance with the Regions Bank Sale Order.

Class Tenn-3 is Impaired.

d. **Class Tenn-4 — Allowed Secured Claim of Financial Federal Savings Bank.**

The Allowed Secured Claim of Financial Federal shall be treated and satisfied in accordance with the Regions Bank Sale Order.

Class Tenn-4 is Impaired.

e. **Class Tenn-5 — Allowed Other Secured Claims.**

Each Allowed Other Secured Claim shall be satisfied, to the extent the collateral therefore has not been previously sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class Tenn-5 Other Secured Claim is Allowed by a Final Order.

Class Tenn-5 is Impaired.

f. **Class Tenn-6A — Allowed General Unsecured Claims.**

1. **The Tennessee GUC Distribution.**

Each Holder of an Allowed General Unsecured Claim against the Tennessee Consolidated Debtor shall receive Distributions from Tennessee Available Cash (the “Tennessee GUC Distribution”) on each Distribution Date in an amount equal to such Holder’s Pro Rata Share of each such Tennessee GUC Distribution being made under the Plan, calculated with denominator being the sum of all Allowed General Unsecured Claims in this Class Tenn-6A and all Allowed Deposit Holder Claims in Class Tenn-6B. No Tennessee GUC Distribution shall be made to Holders of Allowed General Unsecured Claims in this Class Tenn-6A in respect of Tennessee Available Cash unless and until all Allowed Claims senior in priority to the Allowed Claims in this Class Tenn-6A, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes Tenn-1, Tenn-2, Tenn-3, Tenn-4 and Tenn-5 have been paid in full, treated, reserved, resolved, included in or accounted for in the Tennessee GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. **The Distribution from the Woodbridge Release Fund.**

In addition to the Tennessee GUC Distribution, each Holder of an Allowed General Unsecured Claim against the Tennessee Consolidated Debtor shall have the option of receiving an additional Distribution under the Plan from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in this Class Tenn-6A who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution under the Plan equal to such Holder’s Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claim combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third

Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in Article VI.E.3. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund under the Plan on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

3. Status of Allowed General Unsecured Claims against the Tennessee Consolidated Debtor.

The Debtors have and continue to review the General Unsecured Claims scheduled and filed against the Debtors comprising the Tennessee Consolidated Debtor. To date, the Debtors have objected to numerous General Unsecured Claims and anticipate filing additional objections thereto. Pursuant to the Liquidation Analysis attached hereto as Exhibit 4, the Proponents estimate that the total Allowed General Unsecured Claims will range from \$5,030,000 to \$5,821,185, subject in all events to the outcome of pending objections to such Claims and objections to be filed to such Claims. Pursuant to the Liquidation Analysis, the estimated Distribution to the Holders of Allowed General Unsecured Claims in Class Tenn-6A will range from 38.37% to 57.17% assuming such Holders elect to receive their additional Distribution from the Release Fund as provided above.

Class Tenn-6A is Impaired.

g. Class Tenn-6B – Allowed Deposit Holder Claims.

1. The Tennessee GUC Distribution.

Each Holder of an Allowed Deposit Holder Claim against the Tennessee Consolidated Debtor shall receive the Tennessee GUC Distributions from Tennessee Available Cash on each Distribution Date in an amount equal to such Holder's Pro Rata Share of such aggregate Distribution being made under the Plan, calculated with denominator being the sum of all Allowed General Unsecured Claims in Class Tenn-6A and all Allowed Deposit Holder Claims in this Class Tenn-6B. No Tennessee GUC Distribution shall be made to Holders of Allowed Deposit Holder Claims in this Class Tenn-6B in respect of Tennessee Available Cash unless and until all Allowed Claims senior in priority to the Allowed Claims in this Class Tenn-6B, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes Tenn-1, Tenn-2, Tenn-3, Tenn-4 and Tenn-5 have been paid in full, treated, reserved, resolved, included in or accounted for in the Tennessee GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. The Distribution from the Deposit Holders' Fund.

In addition, each Holder of an Allowed Deposit Holder Claim shall receive a single Distribution from the Deposit Holders' Fund under the Plan in an amount equal to such Holder's Pro Rata Share of the Deposit Holders' Fund calculated with the denominator being the sum of all Allowed Deposit Holder Claims against the LAS Consolidated Debtor in Class LAS-9B and all Allowed Deposit Holder Claims in this Class Tenn-6B against the Tennessee Consolidated Debtor; provided, however, that in order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each such Holder must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the Available Cash. However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class Tenn-6B satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that the Holders of Allowed Deposit Holder Claims in Class Tenn-6B would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims in Class Tenn-6B that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the Available Cash.

3. The Distribution from the Woodbridge Release Fund.

In addition to the above, each Holder of an Allowed Deposit Holder Claim against the Tennessee Consolidated Debtor shall have the option of receiving an additional Distribution under the Plan from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in this Class Tenn-6B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution under the Plan equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claims combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in Article VI.E.3. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund under the Plan on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

4. The Status of Deposit Holders Claims against the Tennessee Consolidated Debtor.

The Debtors have and continue to review the Deposit Holder Claims scheduled and filed against the Debtors comprising the Tennessee Consolidated Debtor. To date, the Debtors have objected to numerous Deposit Holder Claims and anticipate filing additional objections thereto. Pursuant to the Liquidation Analysis attached hereto as Exhibit 4, the Proponents are not currently aware of any Allowed Deposit Holder Claims in this Class 6B.

Class Tenn-6B is Impaired.

h. **Class Tenn-7 — Allowed Equity Interests.**

On the Effective Date, Allowed Equity Interests in respect of the Tennessee Consolidated Debtor shall be deemed transferred and conveyed to the Plan Administrator who shall hold the Equity Interest nominally for the benefit of the Holders of Allowed General Unsecured Claims of the Tennessee Consolidated Debtor and so as to permit the Plan Administrator to implement and execute the Plan.

C. Separate Classes and Treatment

A Claim is part of a particular Class only to the extent that the Claim qualifies within the definition of that Class and such Claim is part of a different Class to the extent that the remainder of the Claim qualifies within the description of a different Class.

D. Means of Implementing the Plan

i. ***Generally.***

Pursuant to the Confirmation Order, (i) each of the Debtors (other than the Tennessee Debtors) shall be substantively consolidated with and into the LAS Consolidated Debtor solely for purposes of voting on, Confirmation of and Distributions under the Plan, and (ii) each of the Tennessee Debtors shall be substantively consolidated with and into the Tennessee Consolidated Debtor solely for purposes of voting on, Confirmation of and Distributions under the Plan.

On the Effective Date of the Plan, (i) all of the Post Confirmation Debtor Assets shall vest in and be retained by the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, as applicable, under the sole and exclusive control of the Plan Administrator solely for the benefit of all Holders of Allowed Claims against and Allowed Interests in the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, under the Plan pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise, and (ii) title to the Wachovia Collateral shall vest in and be retained by the applicable Post Confirmation Wachovia Debtor under the sole and exclusive control of the Wachovia Collateral Administrator in accordance with and under the terms of the Wachovia DIP Loan Documents, subject to the terms of the Plan.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE PLAN TO THE CONTRARY, ANY AND ALL PROVISIONS OF THE PLAN DEALING WITH OR RELATED TO THE WACHOVIA COLLATERAL ADMINISTRATOR SHALL BE EFFECTIVE AND APPLICABLE IF AND ONLY IF WACHOVIA BANK ACCEPTS THE

PLAN IN RESPECT OF ITS CLASS LAS-6 ALLOWED SECURED CLAIM, CLASS LAS-7 ALLOWED POST PETITION DIP FINANCING SECURED CLAIM AND CLASS LAS-9A ALLOWED GENERAL UNSECURED CLAIM, IF ANY. OTHERWISE, ANY AND ALL PROVISIONS IN THE PLAN DEALING WITH AND RELATED TO THE WACHOVIA COLLATERAL ADMINISTRATOR SHALL BE NULL AND VOID AND HAVE NO FORCE AND EFFECT, SUBJECT, IN ALL RESPECTS, TO WACHOVIA BANK'S OBLIGATION TO FUND THE ADMIN CAP AND THE GUARANTEED AMOUNT. THE GUARANTEED AMOUNT SHALL NOT BE USED TO SATISFY ANY ADMINISTRATIVE EXPENSE CLAIMS OR PRIORITY CLAIMS. INSTEAD, THE GUARANTEED AMOUNT SHALL ONLY BE USED TO FUND DISTRIBUTIONS TO HOLDERS OF CLAIMS IN LAS-9A AND LAS-9B EXCLUDING ANY GENERAL UNSECURED CLAIM HELD BY WACHOVIA BANK.

THE VESTING AND RETENTION OF THE POST CONFIRMATION DEBTOR ASSETS HEREUNDER SHALL BE FREE AND CLEAR OF ANY AND ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY PRESERVED AND PROVIDED FOR IN THE PLAN AND THE CONFIRMATION ORDER.

THE VESTING AND RETENTION OF THE WACHOVIA COLLATERAL HEREUNDER SHALL BE FREE AND CLEAR OF ANY AND ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY PRESERVED AND PROVIDED FOR IN THE PLAN AND THE CONFIRMATION ORDER.

Notwithstanding anything herein to the contrary, confirmation of the Plan shall divest the Debtors of any and all right, title and/or interest in the Post Confirmation Debtor Assets and the Wachovia Collateral, such that the Debtors shall not have any rights or authority in respect of any Post Confirmation Debtor Assets or the Wachovia Collateral.

The Plan contemplates the liquidation of all Post Confirmation Debtor Assets and the Wachovia Collateral for the benefit of the Holders of Allowed Claims and Allowed Interests as set forth above. A portion of the Post Confirmation Debtor Assets has already been reduced to Cash and will be vested in the Post Confirmation Debtors under the control of the Plan Administrator as of the Effective Date and will be available for Distribution to Holders of Allowed Claims and Allowed Interests, all in accordance with the Plan. A portion of the Wachovia Collateral has already been reduced to Cash by the Chief Administrator under the terms of the Wachovia DIP Loan Documents and, together with any monies funded or to be funded by Wachovia Bank under the Wachovia DIP Loan Documents, will be vested in the applicable Post Confirmation Wachovia Debtor under the sole and exclusive control of the Wachovia Collateral Administrator as of the Effective Date. The Post Confirmation Debtors, through the Plan Administrator, will liquidate and monetize the Post Confirmation Debtor Assets in an orderly fashion. The Post Confirmation Debtors, through the Plan Administrator, are and shall also be authorized to investigate, prosecute, enforce, pursue and settle, and continue to investigate, prosecute, enforce, pursue and settle, the Causes of Action from and after the Effective Date solely for the benefit of all Holders of Allowed Claims and Allowed Interests

under the Plan pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise.

The Wachovia Collateral Administrator, shall carry out all of the duties and powers of the Chief Administrator under the Wachovia DIP Loan Documents in respect of the Wachovia Collateral. The Wachovia Collateral Administrator shall be authorized to investigate, prosecute, enforce, pursue and settle, and continue to investigate, prosecute, enforce, pursue and settle, solely the Wachovia Debtor Causes of Action from and after the Effective Date pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise, but in all events subject to the Wachovia DIP Loan Documents. The Wachovia Collateral Administrator shall not be authorized to investigate or pursue any Causes of Action other than Wachovia Debtor Causes of Action. For avoidance of doubt and notwithstanding anything herein to the contrary, the Wachovia Debtor Causes of Action shall specifically not include any Causes of Action under Chapter 5 of the Bankruptcy Code, including in respect of the Post Confirmation Wachovia Debtors.

The Post Confirmation Debtors, through the Plan Administrator, will not continue or engage in the conduct of any trade or business, except to the extent necessary to accomplish the liquidation and distribution of Post Confirmation Debtor Assets.

From and after the Effective Date (i) the Post Confirmation Debtors, through the Plan Administrator, shall expeditiously (a) seek to collect, liquidate, sell and/or reduce to Cash the Post Confirmation Debtor Assets, and (b) prosecute and continue to prosecute the Causes of Action through trial, judgment, appeal and/or settlement and collection thereof, and (ii) the Wachovia Collateral Administrator shall (a) comply with the terms of the Wachovia DIP Loan Documents in respect of the Wachovia Collateral, and (b) prosecute and continue to prosecute the Wachovia Debtor Causes of Action through trial, judgment, appeal and/or settlement and collection thereof.

The Plan will be funded with, among other things, (a) Cash on hand on the Effective Date in the Post Confirmation Debtors, (b) the Admin Cap, (c) the Guaranteed Amount, (d) the Tennessee Carve Out, (e) the proceeds, if any, in excess of the Guaranteed Amount pursuant to the Wachovia DIP Loan Documents, (c) the Woodbridge Settlement Payment, (d) the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement, (e) the Deposit Holders' Fund and the Deposit Holders' Fee Reserve, and (d) funds added to Cash after the Effective Date from, among other things, the liquidation of the Post Confirmation Debtor Assets, and the prosecution of the Causes of Action.

On the Effective Date, the Plan Administrator shall be authorized to pay from Cash on hand in the LAS Consolidated Debtor and the Tennessee Consolidated Debtor all Allowed Administrative Expense Claims, all Allowed Priority Claims, all Allowed Priority Tax Claims and the fees of the Office of the United States Trustee in respect of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, all in accordance with the terms of the Plan. On the Effective Date, the Wachovia Collateral Administrator shall pay and transfer to the Plan Administrator the Guaranteed Amount and thereafter any amounts due to the Debtors above the Guaranteed Amount, all under and in accordance with the Wachovia DIP Loan Documents. The Wachovia Collateral Administrator shall not make any Distributions to Holders of Allowed

Claims or Allowed Interests under the Plan, other than to Wachovia Bank, the Wachovia Collateral Administrator, the Wachovia Collateral Professionals and the Holders of Allowed Administrative Expense Claims incurred in respect of the Wachovia Collateral, all in accordance with the Wachovia DIP Loan Documents. In making Distributions under the Plan, the Plan Administrator will comply with all withholding and reporting requirements imposed by federal, state or local taxing authorities. All Distributions pursuant to the Plan will be subject to all applicable withholding and reporting requirements.

ii. ***Powers and Obligations of Plan Administrator.***

The Plan Administrator shall be appointed the sole manager, director, president and/or chief executive officer, as applicable, of the Post Confirmation Debtors. Upon the Effective Date and without further action by the Bankruptcy Court, the pre-Confirmation members, managers, directors and/or officers of the Debtors shall be deemed to have resigned and/or shall be deemed to have been terminated without cause, and all employment contracts of employees of the Debtors not previously assumed or rejected shall be deemed to be rejected; provided, however, that any such contracts entered into by the Chief Administrator in respect of the Wachovia Debtors shall remain in full force and effect and shall be assumed by the Wachovia Debtors on the Effective Date subject to the payment of any cure obligations in connection therewith pursuant to and with the proceeds from the Wachovia DIP Loan Documents. As of the Effective Date, the Plan Administrator shall act in a fiduciary capacity for the holders of all Allowed Claims and Allowed Interests under the Plan and shall have only those rights, powers and duties conferred to him by the Plan, as well as the rights and powers of a trustee under sections 542 through 552 of the Bankruptcy Code and the duties of a trustee under sections 704(1),(2),(4),(5),(7) and (9) of the Bankruptcy Code. The Plan Administrator shall administer the Plan subject to the foregoing duties and powers, which shall include the following:

- a. To prosecute, compromise or settle objections to Claims and/or Interests (disputed or otherwise) and to make or direct that Distributions be made to Holders of Allowed Claims;
- b. To make decisions regarding the retention or engagement of Professionals and to pay all reasonable fees and expenses incurred after the Effective Date;
- c. To make or direct Distributions to Holders of Allowed Claims and to otherwise implement and administer the Plan;
- d. To pursue, litigate or settle all Causes of Action;
- e. To file with the Bankruptcy Court the reports and other documents and to pay any and all fees required by the Plan or otherwise required to close the Chapter 11 Cases, including the preparation and filing of a motion for a final decree;
- f. To set off amounts owed to any Debtor against any and all amounts otherwise due to be distributed to the holder of an Allowed Claim under the Plan; and
- g. To take all other actions not inconsistent with the provisions of the Plan

deemed necessary or desirable in connection with administering the Plan.

The Plan Administrator will not need to obtain Bankruptcy Court approval to implement the terms of the Plan or to take actions authorized by the Plan, except for: (i) the sale or liquidation of Post Confirmation Debtor Assets; (ii) the settlement of any Cause of Action; (iii) resolving and/or settlement of Disputed Claims; and (iv) the granting of releases pursuant to settlements entered into on behalf of the Post Confirmation Debtors.

iii. ***Engagement of Post Confirmation Professionals and Compensation to Plan Administrator and Post Confirmation Professionals.***

The Plan Administrator shall be compensated from Cash in accordance with the provisions of Section 326 of the Bankruptcy Code applicable to a chapter 7 trustee. The Plan Administrator may engage counsel, financial advisors and other professionals, including counsel, financial advisors and other professionals engaged by the Debtors, the Committee and/or the Deposit Holders' Committee during the Chapter 11 Cases, to represent him in connection with his duties under the Plan (the "Post Confirmation Professionals"); provided, however, that Post Confirmation Professionals shall not be precluded from representing the Plan Administrator to the extent that certain of their Administrative Expense Claims remain unpaid from the Debtors' Estates. Any fees and expenses of such Post Confirmation Professionals shall constitute Post Confirmation Administrative Expense Claims.

The Plan Administrator and the Post Confirmation Professionals shall be paid 90% of their fees and 100% of their costs on a monthly basis so long as the Plan Administrator is current with filing the required reports with the Office of the United States Trustee and payment of fees to the Office of the United States Trustee. Post Confirmation Professionals shall keep separate time records with respect to the fees and expenses incurred for each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. Post Confirmation Professionals shall file fee applications no less frequently than every 120 days seeking approval of fees and expenses to be awarded by the Bankruptcy Court, including approval of the amounts paid on a monthly basis. A Post Confirmation Professional who fails to file an application seeking approval of compensation and expenses previously paid when such application is due every 120 days shall preclude such Post Confirmation Professional from being paid monthly as provided herein until an interim fee application has been filed and heard by the Bankruptcy Court. Upon the filing of each such application, the Post Confirmation Professionals shall be entitled to request the payment of some or all of any pending holdbacks in fees. The Bankruptcy Court shall retain jurisdiction to allow or disallow all Post-Confirmation Administrative Expense Claims of the Plan Administrator and the Post Confirmation Professionals. The invoices for services rendered and out-of-pocket expenses incurred which are to be submitted shall be sufficiently detailed to identify the hours worked, the rates charged and the work performed.

The Plan Administrator may employ such staff and obtain such equipment and premises as are reasonably necessary to carry out their respective functions and duties, store the books and records of the Debtors, and compensate such staff and pay for such equipment and premises from the Post Confirmation Debtor Assets; provided, however, that the Plan Administrator shall make a reasonable allocation of the costs and expenses as between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

iv. ***Bond.***

The Plan Administrator shall post a bond in favor of the Post Confirmation Debtors in an amount equal to 110% of the book value of the Post Confirmation Debtor Assets; provided, however, that the book value of the Causes of Action for purposes of the bond shall be zero. The cost of such bond is payable from the Post Confirmation Debtor Assets. After making each successive Distribution provided for under the Plan, the Plan Administrator shall have the right to seek a refund of the bond premium based upon the diminution of the Post Confirmation Debtor Assets resulting from each such Distribution.

v. ***Resignation, Death or Removal of the Plan Administrator.***

The Plan Administrator may resign at any time; provided, however, that he shall file a motion with the Bankruptcy Court in connection therewith and request that a successor or replacement be appointed in accordance herewith, which motion shall be on notice to the top twenty (20) unsecured creditors holding Allowed Claims and the Office of the United States Trustee. The Office of the United States Trustee or any party in interest, by motion filed with the Bankruptcy Court, or the Bankruptcy Court on its own order to show cause, may seek to remove the Plan Administrator for cause, including under Section 324 of the Bankruptcy Code, for the violation of any material provision of the Plan, or in the event the Plan Administrator becomes incapable of acting hereunder as a result of physical or mental disability and such physical or mental disability continues for a period in excess of thirty (30) days (except in the case of death, in which instance, the procedures for replacement will begin immediately). In the event of a resignation or removal, the Plan Administrator, unless he is incapable of doing so, shall continue to perform his duties hereunder until such a time as a successor is approved by a Final Order of the Bankruptcy Court. In the event the Plan Administrator resigns or is removed, the successor shall be elected in the manner prescribed by Section 1104(b) of the Bankruptcy Code.

Notwithstanding anything herein to the contrary, the Office of the United States Trustee shall not have any responsibility or obligation to oversee or supervise the Plan Administrator or the Wachovia Collateral Administrator or the Professionals engaged by either of them.

vi. ***Dissolution of Corporate Entities.***

As soon as practicable after the Effective Date and except to the extent the Plan Administrator deems it necessary to prosecute Causes of Action under the Plan, the Plan Administrator is authorized, but not directed, to take all actions necessary or appropriate to effect the dissolution of each of the Debtors, other than the Wachovia Debtors (as to which the Plan Administrator may take such action only in conjunction with the Wachovia Collateral Administrator) under the appropriate state laws or take such other actions as the Plan Administrator (and in the case of the Wachovia Debtors, the Plan Administrator and the Wachovia Collateral Administrator) deems appropriate to provide for the revocation of the corporate charter for each of these Debtors. The Post Confirmation Debtors shall not be required to pay any outstanding or delinquent franchise taxes in order to effectuate the dissolution. Unless dissolved earlier by the Plan Administrator pursuant hereto, upon the Distribution of all Post Confirmation Debtor Assets (and the Wachovia Collateral with respect to the Wachovia

Debtors) pursuant to the Plan, the Debtors will be dissolved for all purposes effective as of the final Distribution Date without the necessity for any other or further actions to be taken by or on behalf of the Plan Administrator or payments to be made in connection therewith; provided, however, that the Plan Administrator shall be authorized to file with the official public office for keeping corporate records in the Debtors' respective states of incorporation or organization a certificate of dissolution or equivalent document. Such a certificate of dissolution may be executed by the Plan Administrator without need for any action or approval by the shareholder, manager or the board of directors of the Debtors.

vii. ***Corporate Action.***

Upon entry of the Confirmation Order, the transfers and dissolutions contemplated by this Article shall be deemed authorized and approved in all respects. On the Effective Date, the matters provided under the Plan involving the corporate structures of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable state laws without any requirement of further action by any member, director or stockholder of the Debtors. On the Effective Date, the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall be authorized and directed to take all necessary and appropriate actions to effectuate the transactions contemplated by the Plan and the Disclosure Statement.

viii. ***Investments by Plan Administrator.***

All Cash collected by the Plan Administrator, and pending Distribution, shall be held in accounts or otherwise invested in accordance with section 345 of the Bankruptcy Code or as otherwise permitted by Final Order of the Bankruptcy Court. The distributable Cash will be held by the Plan Administrator until it is distributed to any Holder of an Allowed Claim against these Debtors pursuant to the Plan.

ix. ***Indemnity.***

The Post Confirmation Debtors shall indemnify and hold the Plan Administrator and the Post Confirmation Professionals harmless from and against any damages, costs, claims and other liabilities incurred in connection with their respective duties and responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from such party's gross negligence or willful misconduct. Any fees and expenses actually and reasonably incurred by the Plan Administrator in connection with the defense or settlement of any action or suit against the Plan Administrator in connection with his duties and responsibilities under the Plan not covered by any applicable insurance policy, shall be paid by the Post Confirmation Debtor Assets, if any, except that no indemnification shall be made in respect of any claim, issue or matter as to which the Plan Administrator or Post Confirmation Professionals shall have been adjudged by a court of competent jurisdiction to be liable for bad faith, gross negligence, self dealing, breach of fiduciary duty or willful misconduct.

x. ***Appointment of Wachovia Collateral Administrator.***

On the Effective Date, the Wachovia Collateral Administrator shall be appointed in

respect of the Post Confirmation Wachovia Debtors and the Wachovia Collateral to carry out the powers and duties of the Chief Administrator under and in accordance with the Wachovia DIP Loan Documents, which powers and duties are specifically incorporated herein by reference; provided, however, that this provision, as with all other provisions of the Plan dealing with and related to the Wachovia Collateral Administrator shall be null and void and of no force and effect if and only if Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount.

xi. ***Powers and Obligations of Wachovia Collateral Administrator.***

As of the Effective Date, the Wachovia Collateral Administrator shall act in a fiduciary capacity under and in accordance with the Wachovia DIP Loan Documents. To implement the terms and provisions of the Plan, the Wachovia Collateral Administrator shall have the powers and duties of the Chief Administrator under and in accordance with, the Wachovia DIP Loan Documents, which shall also include the following:

(1) To determine which houses to complete within the Wachovia Collateral, and to develop and coordinate a timeline and budget for completion of each house that is to be completed for submission to and approval by Wachovia Bank;

(2) To coordinate the delivery to Wachovia Bank (or its legal and financial advisors) of all such supporting information as may be requested in connection with, or as a condition to, the approval of any construction budget or any subsequent disbursement request thereunder in connection with the Wachovia Collateral;

(3) To award construction contracts for and on behalf of the Post Confirmation Wachovia Debtors to such general contractors or other parties as the Wachovia Collateral Administrator may deem appropriate to facilitate the completion of approved houses within the Wachovia Collateral in accordance with the approved timeline and budget for each house;

(4) To retain the services of a professional third party construction manager to provide such coordination and supervision of construction activities in respect to the Wachovia Collateral as it may deem appropriate;

(5) To make all disbursement requests under the Wachovia DIP Loan Documents in accordance with the approved budgets, to receive payment of all disbursements under the DIP Loan, and to remit payments to general contractors, subcontractors, materialmen, or other payees for obligations incurred subsequent to the Effective Date pursuant to such procedures as established by the Chief Administrator or as may be established by the Wachovia Collateral Administrator;

(6) To coordinate the marketing efforts with respect to the sale of the Wachovia Collateral, and to retain such third party sales professionals to list, market, and sell the Wachovia Collateral as the Wachovia Collateral Administrator may deem appropriate;

(7) To develop and implement appropriate closing procedures with respect to the sale of houses in the Wachovia Collateral to end users in the ordinary course of business;

(8) To retain such third party security, maintenance, or property management services as may be necessary or desirable in connection with the management of the Wachovia Collateral;

(9) To execute and deliver any documents on behalf of the Post Confirmation Wachovia Debtors related specifically to the Wachovia Collateral;

(10) To execute and deliver all deeds or other instruments of conveyance as may be necessary in connection with the consummation of any sale of Wachovia Collateral, and all certificates, affidavits and other documents required in connection therewith;

(11) To file such pleadings with the Bankruptcy Court as may be necessary from time to time in connection with carrying out his duties and powers under the Plan, the Wachovia DIP Loan Documents, including in connection with the sale of Wachovia Collateral under Section 363 of the Bankruptcy Code free and clear of all Liens and encumbrances, and to object to any Administrative Expense Claims or Secured Claims asserted against or in respect of the Wachovia Collateral;

(12) To make decisions regarding the retention or engagement of the Wachovia Collateral Professionals and to pay all reasonable fees and expenses incurred by the Wachovia Collateral Professionals after the Effective Date in accordance with the Plan;

(13) To undertake any such actions necessary or appropriate to ensure the successful management and development of the Wachovia Collateral and to ensure the preservation and maximization of the value of the Wachovia Collateral;

(14) To make or direct Distributions to Wachovia Bank, the Wachovia Collateral Administrator, the Wachovia Collateral Professionals and the Holders of Allowed Administrative Expense Claims and Allowed Secured Claims, if any, incurred in respect of or against the Wachovia Collateral or under the Wachovia DIP Loan Documents;

(15) To take any and all actions necessary to implement and administer the Plan with respect to the Wachovia Collateral;

(16) To sell any of the Wachovia Collateral to any Person in accordance with the Plan and pursuant to Section 363 of the Bankruptcy Code free and clear of all Liens and encumbrances; and

(17) To pursue the Wachovia Debtor Causes of Action, to settle the Wachovia Debtor Causes of Action and/or to assign the right to pursue the Wachovia Debtor Causes of Action to any Person.

xii. ***Engagement of Wachovia Collateral Professionals and Compensation to Wachovia Collateral Administrator and Wachovia Collateral Professionals.***

The Wachovia Collateral Administrator shall be compensated from the Wachovia Collateral in accordance with the Plan and the Wachovia DIP Loan Documents. The Wachovia Collateral Administrator may engage counsel, financial advisors and other professionals, including counsel, financial advisors and other professionals engaged by the Chief Administrator, the Debtors, the Committee and/or the Deposit Holders' Committee during the Chapter 11 Cases, to represent him in connection with his duties under the Plan (the "Wachovia Collateral Professionals"); provided, however, that Wachovia Collateral Professionals shall not be precluded from representing the Wachovia Collateral Administrator to the extent that certain of their Administrative Expense Claims remain unpaid from the Debtors' Estates. Any fees and expenses of such Wachovia Collateral Professionals shall constitute Post Confirmation Administrative Expense Claims against the Wachovia Collateral only. Professionals previously employed by the Chief Administrator which are to be employed by the Wachovia Collateral Administrator do not have to be re-employed by the Wachovia Collateral Administrator. The Chief Administrator shall provide notice at least five (5) days prior to the Confirmation Hearing of those Professionals which will continue to be employed by the Wachovia Collateral Administrator as of the Effective Date. Wachovia Collateral Professionals shall maintain new time and expense records as if first employed on the Effective Date. The Wachovia Collateral Administrator and the Wachovia Collateral Professionals shall be paid 90% of their fees and 100% of their costs on a monthly basis so long as the Wachovia Collateral Administrator is current with filing the required reports with the Office of the United States Trustee and payment of fees to the Office of the United States Trustee. Wachovia Collateral Professionals shall file fee applications no less frequently than every 120 days seeking approval of fees and expenses to be awarded by the Bankruptcy Court, including approval of the amounts paid on a monthly basis. A Wachovia Collateral Professional who fails to file an application seeking approval of compensation and expenses previously paid when such application is due every 120 days shall preclude such Wachovia Collateral Professional from being paid monthly as provided herein until an interim fee application has been filed and heard by the Bankruptcy Court. Upon the filing of each such application, the Wachovia Collateral Professionals shall be entitled to request the payment of some or all of any pending holdbacks in fees. The Bankruptcy Court shall retain jurisdiction to allow or disallow all Post-Confirmation Administrative Expense Claims of the Wachovia Collateral Administrator and the Wachovia Collateral Professionals. The invoices for services rendered and out-of-pocket expenses incurred which are to be submitted shall be sufficiently detailed to identify the hours worked, the rates charged and the work performed.

The Wachovia Collateral Administrator may employ such staff and obtain such equipment and premises as are reasonably necessary to carry out his functions and duties, store the books and records of the Post Confirmation Wachovia Debtors, and compensate such staff and pay for such equipment and premises from the Wachovia Collateral or the Wachovia DIP Loan Documents.

xiii. ***Wachovia Collateral Bond.***

The Wachovia Collateral Administrator shall not be required to post a bond in favor of the Post Confirmation Wachovia Debtors or the Wachovia Collateral.

xiv. ***Resignation, Death or Removal of the Wachovia Collateral Administrator.***

The Wachovia Collateral Administrator may resign at any time; provided, however, that he shall file a motion with the Bankruptcy Court in connection therewith and request that a successor or replacement be appointed in accordance herewith, which motion shall be on notice to Wachovia Bank and the top twenty (20) unsecured creditors holding Allowed Claims and the Office of the United States Trustee. The Office of the United States Trustee or any party in interest, by motion filed with the Bankruptcy Court, or the Bankruptcy Court on its own order to show cause, may seek to remove the Plan Administrator for cause, including under Section 324 of the Bankruptcy Code, for the violation of any material provision of the Plan, or in the event the Wachovia Collateral Administrator becomes incapable of acting hereunder as a result of physical or mental disability and such physical or mental disability continues for a period in excess of thirty (30) days (except in the case of death, in which instance, the procedures for replacement will begin immediately). In the event of a resignation or removal, the Wachovia Collateral Administrator, unless he is incapable of doing so, shall continue to perform his duties hereunder until such a time as a successor is approved by a Final Order of the Bankruptcy Court. In the event the Wachovia Collateral Administrator resigns or is removed, the successor shall be elected in the manner prescribed by Section 1104(b) of the Bankruptcy Code, subject to the consent of Wachovia Bank.

xv. ***Protections.***

The Wachovia Collateral Administrator and the Wachovia Collateral Professionals shall have the same protections and indemnities provided to the Chief Administrator and Professionals engaged by the Chief Administrator in the Chapter 11 Cases under the Wachovia DIP Loan Documents. The Post Confirmation Wachovia Debtors shall indemnify and hold the Wachovia Collateral Administrator and the Wachovia Collateral Professionals harmless from and against any damages, costs, claims and other liabilities incurred in connection with their respective duties and responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from such party's bad faith, gross negligence, self dealing, breach of fiduciary duty or willful misconduct; provided, however, in all such circumstances, any such damages, costs, claims or other liabilities, including the fees and expenses incurred in defending or otherwise dealing with such matters, not covered by any applicable insurance policy shall be paid solely from and in accordance with the Wachovia DIP Loan Documents. Notwithstanding anything herein to the contrary, no assets of the Post Confirmation Debtors, other than the Wachovia Collateral, shall be subject to the indemnification claims contained herein in respect of the Wachovia Collateral Administrator and the Wachovia Collateral Professionals.

Notwithstanding anything herein to the contrary, the Post Confirmation Debtors shall have all of the rights, benefits and protections provided to the Debtors under and pursuant to the Wachovia DIP Loan Documents. In addition, in no event shall any of the obligations, claims or liabilities of any kind incurred by, through or on behalf of the Wachovia Collateral Administrator, any Wachovia Collateral Professional and/or in respect of the Wachovia Collateral be or become an obligation, claim or liability of the Post Confirmation Debtors or be paid from the Post Confirmation Debtor Assets. Rather, all such obligations, claims and/or

liabilities of any kind shall be paid from and through the Wachovia DIP Loan Documents and the Wachovia Collateral.

xvi. ***Release of Liens and Preservation of Section 506(c) Claims.***

Except as otherwise provided in the Plan, the Wachovia DIP Loan Documents or in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, Liens or other security interests against the Post Confirmation Debtor Assets shall be released, and the Post Confirmation Debtors shall own and hold good and marketable title to such Post Confirmation Debtor Assets. All Liens on or claims against the Cash shall be extinguished as of the Effective Date. Notwithstanding confirmation of the Plan and the occurrence of the Effective Date, the Plan Administrator shall have the right on behalf of each of the Post Confirmation Debtors and their Estates to assert claims for, or seek the recovery of, the cost of maintaining and preserving any collateral or property including under Section 506(c) of the Bankruptcy Code.

E. The Woodbridge Settlement

1. Generally.

Woodbridge Holdings Corporation, f/k/a Levitt Corp. (“Woodbridge”), holds claims against one or more of the Debtors, which claims are scheduled by the Debtors and/or have been asserted by Woodbridge, including without limitation, the following: (i) a claim against LAS in the approximate amount of \$85.5 million related to certain inter-company loans and advances made by Woodbridge to LAS since 2005 (the “Intercompany Loan”), which Woodbridge asserts is partially secured through the right of set off against the 2005 Tax Refund, as hereinafter defined, (ii) a claim against certain of the Debtors in the approximate amount of \$4.0 million related to various claims assigned to Woodbridge by former employees of the Debtors (the “Employee Claim”), (iii) a portion of the Inter-company Loan in the amount of approximately \$7.9 million for which Woodbridge asserts recoupment in relation to certain income taxes which Woodbridge paid for the benefit of and on behalf of the Debtors for the year 2006, which taxes are the subject of the 2006 Tax Refund, as hereinafter defined,¹¹ (iv) a secured claim in the approximate amount of \$3.3 million in connection with a certain loan (the “HomeBanc Loan”) made by Woodbridge to LAS in connection with LAS’s acquisition of certain notes and mortgages related to properties sold by the Debtors that were originally to be financed by Home Banc, which loan is secured by a pledge of such notes, mortgages and proceeds from LAS to Woodbridge (the “HomeBanc Collateral”), (v) a contingent claim against certain of the Debtors in the approximate amount of \$13.0 million related to certain liability that Woodbridge may have in respect of certain infrastructure bonds that were issued in favor of the Debtors and that were guaranteed by Woodbridge, and (vi) an administrative expense claim for certain shared services (the “Shared Services”) provided by Woodbridge to the Debtors from the inception of the Chapter 11 Cases, as described in and in accordance with that certain Order of the Bankruptcy Court (C.P.#222) Granting Debtors’ Motion for Authority to Incur Chapter 11 Administrative

¹¹ Bank of America, N.A. believes that the Debtors and the Committee can provide information regarding the derivation of the 2005 and 2006 Tax Refunds. The Proponents disagree and assert that such information, if available, cannot be provided in any meaningful way and is not determinative of the substantive consolidation issue.

Expense Claim, which Administrative Expense Claim was in the approximate amount of \$1.4 million as of February 29, 2008, and which continues to increase by up to approximately \$100,000 per month thereafter.

Shortly after its appointment, the Debtors and the Committee agreed that the Committee would undertake an analysis of any claims that the Debtors' Estates may have against Woodbridge. The Debtors made this agreement in order to avoid any appearance that all such claims were being fully analyzed, free of any interference by the Debtors' management (which in certain instances overlapped with the management of Woodbridge). The Committee, through its counsel and financial advisors, conducted an investigation of certain claims and Causes of Action that the Estates might have against Woodbridge, against certain of Woodbridge's non-Debtor affiliates and against certain officers and directors of Woodbridge and the Debtors. As a result of such investigation, the Committee believes that there is a factual and legal basis to assert the following claims and Causes of Action against Woodbridge on behalf of the Debtors' Estates: (i) a claim in the amount of approximately \$11.0 million related to an income tax refund that is expected to be paid to Woodbridge as the parent holding company for the Debtors in connection with losses generated by the Debtors in 2007 that are being carried back to obtain a refund of taxes paid by the Debtors in 2005 on income earned by the Debtors in 2005 (the "2005 Tax Refund Claim"), (ii) a claim in the amount of approximately \$7.9 million related to an income tax refund that is expected to be paid to Woodbridge as the parent holding company for the Debtors in connection with losses generated by the Debtors in 2007 that are being carried back to obtain a refund in respect of taxes paid on income earned by the Debtors in 2006 (the "2006 Tax Refund Claim"), (iii) a claim for the recharacterization of the Inter-company Loan from debt to equity, and (iv) claims and Causes of Action under Chapter 5 of the Bankruptcy Code for the avoidance and recovery of certain transfers made by one or more of the Debtors to Woodbridge and certain of its affiliates and former employees. Woodbridge has asserted defenses to all of the Debtors' claims and Causes of Action.

The Committee, through its advisors, has evaluated and considered all such defenses and the factual and legal bases therefor. Moreover, the Committee, through its professional advisors, considered certain other potential claims against Woodbridge and certain of Woodbridge's non-Debtor affiliates and certain officers and directors of Woodbridge and the Debtors, including breach of fiduciary duty claims, misrepresentation claims and substantive consolidation issues. The Committee and its professional advisors also considered the costs of litigation in relation to all of the above claims and defenses, the delay associated with such litigation in respect of Distributions to Holders of Allowed Claims, the risks associated with such litigation, and the time value of money.

After lengthy and complex settlement negotiations, the Committee and Woodbridge, with the substantial assistance of the Debtors and the Debtors' professionals, have reached a settlement and compromise of all matters between them, including, without limitation, the claims and Causes of Action asserted by each party as more fully described above (the "Woodbridge Settlement"). The terms and conditions of the Woodbridge Settlement are set forth in that

certain Amended and Restated Settlement Agreement, dated as of October 27, 2008 (the “Woodbridge Settlement Agreement”), a copy of which is attached hereto as Exhibit 2.¹²

2. The Terms of the Woodbridge Settlement.

Pursuant to the Woodbridge Settlement Agreement,¹³ Woodbridge, the Debtors and the Committee have agreed, among other things, (i) that Woodbridge will pay an amount equal to \$8,000,000 to the Debtors’ Estates upon the satisfaction of all of terms and conditions contained therein, including the entry of the Confirmation Order which includes approval of the Woodbridge Settlement (the “Settlement Payment”), (ii) that Woodbridge would have (a) an Allowed General Unsecured Claim in Class LAS-9A in the amount of \$85.5 million in respect of the Intercompany Loan, and (b) an Allowed General Unsecured Claim in Class LAS-9A in the amount of \$4.0 million in respect of the Employee Claim (collectively, the “Woodbridge Claims”), but would waive any right to receive a Distribution in respect of such Woodbridge Claims, (iii) that Woodbridge would have an Allowed Secured Claim for the HomeBanc Loan, (iv) that in full satisfaction of its Administrative Expense Claim for Shared Services, Woodbridge would have an Allowed Administrative Expense Claim against the LAS Consolidated Debtor in the amount of \$650,000, (v) that except for the Woodbridge Claim, the Allowed Secured Claim for the HomeBanc Loan and the Allowed Administrative Claim in the amount of \$650,000, Woodbridge would waive any and all other claims asserted by Woodbridge against the Debtors’ Estates, (vi) that Woodbridge, on the one hand, and the Debtors, the Debtors’ Estates and the Committee, on the other hand, would exchange mutual general releases of all claims, except for the obligations of each party under the Woodbridge Settlement Agreement, (vii) that Woodbridge would fund an amount equal to \$4,500,000 to the Plan Administrator to be held by the Plan Administrator in a segregated account (the “Release Fund”) to be disbursed as set forth below in connection with the Third Party Release and Injunction, as defined below, (viii) Woodbridge would transfer, gift and carve out the Distribution due Woodbridge in respect of its Allowed Administrative Expense Claim to the Deposit Holders’ Fund, which is an amount equal to \$650,000, and (ix) Woodbridge would fund an additional \$300,000 to be used to fund the balance of the Deposit Holders’ Fund and to fund the Deposit Holders’ Fee Reserve.

3. The Third Party Release and Injunction in Connection with the Release Fund.

¹² On July 30, 2008, the Debtors filed with the Bankruptcy Court a certain Notice of Filing Settlement Agreement Between the Debtors, the Joint Committee of Unsecured Creditors and Woodbridge Holdings Corporation (C.P. # 3120). Attached to such Notice is a certain settlement agreement, dated June 27, 2008, between the Debtors, the Committee and Woodbridge. As a result of certain objections filed in respect of such settlement agreement, the Debtors, the Committee and Woodbridge have terminated such settlement agreement and have negotiated a revised settlement and compromise, which revised settlement and compromise is reflected in the Woodbridge Settlement Agreement attached hereto as Exhibit 2.

¹³ Notwithstanding the recitation in this Disclosure Statement of the material terms of the Woodbridge Settlement, this is a summary only and all parties in interest are urged to read the Woodbridge Settlement Agreement in its entirety. In the event of any conflicts or inconsistencies between the summary contained in this Disclosure Statement and the Woodbridge Settlement Agreement, then the terms contained in the Woodbridge Settlement Agreement shall control as they relate to Woodbridge and the treatment afforded to Woodbridge thereunder.

Pursuant to the Woodbridge Settlement Agreement, Woodbridge requires the issuance by the Bankruptcy Court of a third party release and injunction (the Third Party Release and Injunction") in favor of the Woodbridge Parties (as defined in the Woodbridge Settlement Agreement) that would permanently and forever stay, restrain and enjoin the Restrained Parties (as defined in the Woodbridge Settlement Agreement) from instituting, commencing, pursuing prosecuting or furthering any action or proceeding or employing any process against the Woodbridge Parties or collecting, recovering or receiving payment of or on, or otherwise affecting the property or assets of, the Woodbridge Parties with respect to the Settlement Causes of Action, as defined in the Woodbridge Settlement Agreement; provided, however, that the Third Party Release and Injunction specifically shall not and does not include any claim or cause of action arising under a written contract executed by and under which any Woodbridge Party is directly liable. Pursuant to the Woodbridge Settlement Agreement, the Third Party Release and Injunction shall be contained in the Confirmation Order and shall become effective on the Effective Date of the Plan.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Classes LAS-9A and 9B and Classes Tenn-6A and 6B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution under the Plan equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claim combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as provided below. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund under the Plan on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

If a Holder elects not to be bound by the Third Party Release and Injunction, any right or claim that such Holder has or may have against Woodbridge is preserved and not barred or enjoined by the Third Party Release and Injunction.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE

SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

The Woodbridge Settlement will be consummated on the Effective Date of the Plan. In connection therewith, Woodbridge shall, among the other requirements of the Woodbridge Settlement Agreement, fund (i) the Settlement Payment to the Plan Administrator, and (ii) (a) fund an amount equal to \$4,000,000 of the Release Fund to the Plan Administrator, and (b) retain the balance of the Release Fund of \$500,000 (the "Settlement Holdback") pending a determination of the amount, if any, that is required to be returned to Woodbridge in connection with the provisions dealing with the Distribution of the Release Fund to the Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor as set forth above. As set forth above, if and to the extent any Holder of an Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor elects not to receive an additional Distribution from the Release Fund and opts out of the Third Party Release and Injunction, then such Holders Pro Rata Share of the Release Fund is to be returned to Woodbridge. Notwithstanding any provision to the contrary herein, Distributions from the Release Fund under the Plan on account of Section 502(d) Claims shall be returned and transferred to Woodbridge. On or before December 31, 2009 or at such time as all of the General Unsecured Claims and Deposit Holder Claims asserted against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor have been either Allowed or Disallowed by Final Order or otherwise, whichever first occurs, then the Plan Administrator shall determine that portion of the Release Fund that is required to be returned to Woodbridge under the Woodbridge Settlement (the "Amount Due") and shall file such determination with the Bankruptcy Court (the "Release Fund Notice"). If the Amount Due is greater than the Settlement Holdback, then the Plan Administrator shall pay to Woodbridge from the Release Fund the difference between the Amount Due and the Settlement Holdback. If the Amount Due is less than the Settlement Holdback, then Woodbridge shall pay to the Plan Administrator the difference between the Settlement Holdback and the Amount Due up to a maximum of \$500,000. The payments required to be made hereunder by the Plan Administrator or Woodbridge, as applicable, shall be made within 10 business days after the Plan Administrator files the Release Fund Notice; provided, however, that Woodbridge shall have the right to object to the determination of the Amount Due by filing an objection with the Bankruptcy Court prior to the expiration of such 10 day period. If Woodbridge files such an objection, then the deadline to make the payment required hereunder shall be extended until 10 business days after the Bankruptcy Court enters a Final Order on such objection.

4. The Deposit Holders' Fund and Deposit Holders' Fee Reserve.

In addition, pursuant to the Woodbridge Settlement Agreement, Woodbridge is (i) transferring, carving out and gifting to the Deposit Holders' Fund the Distribution due to it from

the LAS Consolidated Debtor in respect of its Allowed Administrative Expense Claim, which amount is equal to \$650,000, and (ii) funding an additional \$300,000 to fund the balance of the Deposit Holders' Fund and to fund the Deposit Holders' Fee Reserve. In order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each Holder of an Allowed Deposit Claim against the LAS Consolidated Debtor or the Tennessee Consolidated Debtor must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the LAS Available Cash. However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class LAS-9B and Class Tenn-6B, as applicable, satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that Holders of the Allowed Deposit Holder Claims in Class LAS-9B or Tenn-6B, respectively, would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims in LAS-9B and Tenn-6B, respectively, that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the LAS Available Cash.

F. Settlement and Compromise Between LAS Consolidated Debtor and the Tennessee Consolidated Debtor

i. *Generally.*

As set forth above, pursuant to the substantive consolidation of the LAS Consolidated Debtor, all Intercompany Claims between and among the Debtors that comprise the LAS Consolidated Debtor will be extinguished on the Effective Date of the Plan with no Distributions being made in respect thereof. In addition, all Intercompany Claims between and among the Debtors that comprise the Tennessee Consolidated Debtor will be extinguished on the Effective Date of the Plan with no Distributions being made in respect thereof.

However, pursuant to the books and records of the Debtors, there exists an Intercompany Claim owed by the Debtors that comprise the Tennessee Consolidated Debtor to the Debtors that comprise the LAS Consolidated Debtor in the amount of approximately \$15,803,500 (the precise amount due from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor may be greater than or less than such amount). Without the benefit of the settlement and compromise set forth herein between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, the LAS Consolidated Debtor would be entitled to an Allowed Claim against the Tennessee Consolidated Debtor in the amount of such Intercompany Claim and would be entitled to share in the Distributions from the Tennessee Consolidated Debtor in respect thereof. Based on the

amount of such Intercompany Claim, the Distribution otherwise proposed to be made to the Holders of Allowed General Unsecured Claims in Class Tenn-6A and the Holders of Allowed Deposit Holder Claims in Class Tenn-6BClass would be substantially diluted and reduced.

In addition, the Woodbridge Settlement Payment being made under the Woodbridge Settlement is not and cannot be specifically allocated or directed to any one or more Debtors. Rather, as described in more detail above, the Woodbridge Settlement Payment is being made in consideration of, among other things, Woodbridge and the Woodbridge Parties receiving a full, general release from the Debtors and the Debtors' Estates of any Causes of Action. Notwithstanding the inability of the Debtors to efficiently and effectively allocate the Woodbridge Settlement Payment among themselves, each Debtor arguably has a claim to some portion of the Woodbridge Settlement Payment. Therefore, it is conceivable that the Debtors that comprise the Tennessee Consolidated Debtor would receive a portion of the Woodbridge Settlement Payment if it was allocable, thereby allowing such portion to be distributed to the Holders of Allowed Claims against the Tennessee Consolidated Debtor. However, the Debtors and the Committee do not believe that the Woodbridge Settlement Payment can be allocated by and among each of the Debtors or even by and between the Tennessee Consolidated Debtor and the LAS Consolidated Debtor on any rational basis.

ii. ***The Terms of the Settlement and Compromise.***

As a result of the above, the Plan provides for a settlement and compromise between and the LAS Consolidated Debtor and the Tennessee Consolidated Debtor whereby the LAS Consolidated Debtor will waive the Intercompany Claim owed to it by the Tennessee Consolidated Debtor in exchange for and in consideration of the Tennessee Consolidated Debtor waiving any right or interest in and to any portion of the Woodbridge Settlement Payment. The Proponents believe that such settlement and compromise is in the best interests of all of the Debtors as it (i) saves significant professional fees and expenses in connection with the (A) determination of the precise amount owing from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor and (B) assertion and objections to the Intercompany Claims between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, (ii) saves significant professional fees and expenses in litigation over the proper method of allocation of the Woodbridge Settlement Payment between and among the Debtors, and (iii) provides for the efficient and effective means of making Distributions to Holders of Allowed Claims without undue delay. However, if the Debtors are required to litigate the issues surrounding the Intercompany Claim and the allocation of the Woodbridge Settlement Payment by and among the Debtors, then the Distributions to all Holders of Allowed Claims will be diminished as a result of the professional fees and expenses that will necessarily have to be incurred in connection therewith, with no attendant benefit resulting therefrom.

G. Distributions Under the Plan

i. ***Distributions.***

Any Distribution pursuant to the Plan, to the extent posted in the United States mail, shall be deemed made when deposited by the Plan Administrator, or an agent authorized by the Plan

Administrator, into the United States mail. Payments of Cash shall be made by check drawn on a U.S. bank or by wire transfer from a U.S. bank.

ii. ***Delivery of Distributions.***

Distributions and deliveries to Holders of Allowed Claims shall be made at the addresses set forth on the proofs of claim filed by such Holders (or at the last known addresses of such Holders if no proof of claim is filed; or if the Debtors or the Plan Administrator has been notified in writing of a change of address, at such address). Nothing set forth in the Plan will be deemed a waiver of the Debtors' statutory or common law setoff rights.

iii. ***No Interest Unless Otherwise Provided.***

No interest shall be paid on any Claim unless, and only to the extent, provided by the Plan and applicable bankruptcy law.

iv. ***De Minimis Distributions.***

No distribution of less than fifty dollars (\$50) shall be made to any Holder of an Allowed Claim. Such undistributed amount will be retained by the Plan Administrator to be distributed Pro Rata at the time of final distributions to Holders of Claims in accordance with the Plan.

v. ***Timing of Distributions.***

The timing of Distributions shall be in accordance with the provisions of Articles III through V of the Plan.

vi. ***Fractional Cents.***

When any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole cent (rounding down in the case of .50 or less and rounding up in the case of more than .50).

vii. ***Undistributed Property.***

If any Distribution remains unclaimed for a period of 90 days after it has been delivered (or attempted to be delivered) in accordance with the Plan to the Holder entitled thereto, such Unclaimed Property shall be forfeited by such Holder whereupon all right, title and interest in and to the Unclaimed Property. Pursuant to Local Rule 3011-1(B), Unclaimed Property shall be donated to the Bankruptcy Bar Foundation, a not-for-profit, non-religious organization dedicated to, among other things, promoting the pro bono legal representation of the indigent. The Plan Administrator shall not attempt to make further distribution to the Holders of such Unclaimed Property.

viii. ***Manner of Payment.***

At the option of the Plan Administrator, any Cash payment to be made by any Person pursuant to the Plan may be made by a check or wire transfer or as otherwise required or

provided in applicable agreements.

ix. ***Taxpayer Identification Number.***

The Plan Administrator may require any holder with an Allowed Claim or holder of an Allowed Interest entitled to a Distribution under the Plan to furnish its, his or her employer or taxpayer identification number (the "TIN") assigned by the Internal Revenue Service. Any Distribution under the Plan may be conditioned on the receipt of such TIN. If any such holder entitled to a Distribution hereunder fails to provide a requested TIN within forty-five (45) days after the request thereof, then such failure shall be deemed to be a waiver of such holder's interest in any future Distributions, including the right to receive any future Distributions.

H. Procedures for Resolving and Treating Disputed and Contingent Claims

i. ***Prosecution of Objections.***

The Plan Administrator shall file objections on or before the 180th day after the Effective Date, or prior to such deadline established by separate order of the Court.

ii. ***Administration of Disputed Claims.***

Notwithstanding any other provision of the Plan, no Distribution shall be made with respect to any Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim. In determining the amount of Distributions to be made under the Plan to Holders of Allowed Claims, the appropriate Distributions required by the Plan shall be made according to estimates and subject to the provisions of the Plan. To protect the interests of Holders of Disputed Claims, the Plan Administrator shall establish a Disputed Claims Reserve for each Disputed Claim. The Plan Administrator shall fund the Disputed Claims Reserve with Cash in an amount that represents the Pro Rata Share of the Cash that would otherwise be distributed to the Holders of each Disputed Claim if such Claim was Allowed in the amount set forth on the Holder's proof of Claim or as estimated by the Bankruptcy Court. As soon as practicable after a Disputed Claim becomes an Allowed Claim, the Holder of such Allowed Claim shall receive from its Disputed Claims Reserve a Distribution in an amount equal to the Distribution that such Holder would have received had such Disputed Claim been an Allowed Claim on the Effective Date. Distributions to each Holder of a Disputed Claim, to the extent that such Claim becomes an Allowed Claim, shall be made, without interest, in accordance with the Class of Claims to which such Claim belongs. If and when a Disputed Claim or any portion thereof becomes a Disallowed Claim, the Pro Rata Share of the distributions to which each Holder of an Allowed Claim in the Class of Claims to which such Claim belongs is entitled, shall increase commensurately. Accordingly, the Plan Administrator shall have the right to make subsequent distributions in accordance with the provisions of the Plan.

iii. ***Objections to Impaired Claims.***

Certain Claims and all Equity Interests are Impaired under the Plan and not entitled to any Distribution under the Plan. As a result, the Debtors do not intend to object to any such Claims or Equity Interests since the allowance or disallowance of such Claims or Equity Interests will have no impact on the Debtors or their Estates. However, the Debtors (and after the

Effective Date, the Plan Administrator) reserve the right to file objections to such Claims and Equity Interests at any time they deem appropriate, if ever, until the closing of these Chapter 11 Cases.

iv. ***Disallowance of Claims.***

Under section 502(d) of the Bankruptcy Code, any Claim asserted by a Creditor shall be disallowed in its entirety if such Creditor has received a transfer that is voidable under the Bankruptcy Code and has failed to repay such transfer.

I. Unexpired Leases and Executory Contracts

i. ***General Treatment: Rejected if not Previously Assumed.***

Except for those executory contracts and unexpired leases (a) that are the subject of prior orders of the Bankruptcy Court approving their assumption or rejection, or (b) that are the subject of a motion pending as of the Confirmation Date, all executory contracts and unexpired leases are deemed rejected as of the Confirmation Date, but subject to the occurrence of the Effective Date. Provided that Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, any prepetition contract for the purchase of any portion of the Wachovia Collateral that has not been previously rejected by order of the Bankruptcy Court shall not be deemed rejected hereunder. Moreover, if and only if Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, any contract entered into by the Chief Administrator for the Wachovia Collateral after the Petition Date shall not be deemed rejected under the Plan. If, however, Wachovia Bank rejects the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, then any liability arising out of such post petition contract with the Chief Administrator shall be limited to the Wachovia Collateral and/or Wachovia.

ii. ***Bar to Rejection Claims Arising as a Result of the Confirmation Order.***

If any executory contract or an unexpired lease is rejected by the Debtors in the Confirmation Order, then any Rejection Claim for damages resulting from the rejection of such contract or lease shall be forever barred and shall not be enforceable against the Debtors, the Post Confirmation Debtors or any of them or their properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon the applicable Plan Administrator by the date which is 30 days after the date of the Confirmation Order.

iii. ***Treatment of Rejection Claims.***

Any Rejection Claim arising from the rejection of an unexpired lease or executory contract not barred by the Plan shall be treated as a General Unsecured Claim. Nothing contained herein shall be deemed an admission by the Debtors or any of them that such rejection

gives rise to or results in a Claim or shall be deemed a waiver by the Debtors or the Plan Administrator of any objections to such Claim if asserted.

J. Retention of Jurisdiction

i. *Generally.*

Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain jurisdiction of all matters arising in, arising under, and related to the Chapter 11 Cases and the Plan, for the purposes of sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

a. to hear and to determine any and all objections to or applications concerning the allowance of Claims or Equity Interests or the allowance, classification, priority, compromise, estimation, or payment of any Claim or Equity Interest;

b. to hear and determine any and all fee applications and any other applications for allowance and/or payment of other fees or expenses to be paid or reimbursed from the Debtors' Estates, the Post Confirmation Debtors and the Wachovia Collateral under the Bankruptcy Code, and any and all objections thereto;

c. to hear and determine pending applications for the rejection, assumption, or assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect of the assumption or rejection of any executory contract or lease;

d. to hear and determine any and all motions for the use, sale or lease of property pursuant to Section 363 of the Bankruptcy Code and all issues related thereto, which transactions completed after the Confirmation Date shall be deemed to have been made pursuant to the Plan and therefore, exempt from recording and other taxes under Section 1146 of the Bankruptcy Code;

e. to hear and determine any and all adversary proceedings, applications, or contested matters, including Causes of Action, Wachovia Debtor Causes of Action and any remands from any appeals;

f. to hear and to determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan, any documents related to the Plan, including Exhibits to the Plan, if any, or in connection with the enforcement of any remedies made available under the Plan;

g. to liquidate any disputed, contingent, or unliquidated Claims or to estimate any Disputed Claims;

h. to ensure that distributions to Holders of Allowed Claims are accomplished as provided herein;

i. to enter, enforce and to implement such orders as may be appropriate in

the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

j. to enable the Plan Administrator to prosecute any and all Causes of Action, including proceedings which may be brought to set aside Liens or encumbrances and to recover any transfers, assets, properties or damages to which the Post-Confirmation Debtors may be entitled under applicable provisions of the Plan, the Bankruptcy Code or any federal, state or local laws, including controversies, disputes and conflicts between the Debtors and any other party, including but not limited to any objections to Claims, motions for subordination on any grounds and claims preserved under the Plan and pursuant to the Confirmation Order;

k. to hear and determine the Wachovia Debtor Causes of Action and claims asserted by the Wachovia Collateral Administrator;

l. to consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission or to reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

m. to enter, enforce and implement such orders (including orders entered prior to the Confirmation Date) as may be necessary or appropriate to execute, interpret, implement, consummate or enforce the terms and conditions of the Plan and the transactions contemplated hereunder;

n. to enter and to implement such orders (including orders entered prior to the Confirmation Date) as may be necessary or appropriate to execute, interpret, implement or enforce the terms and conditions of the Plan;

o. to hear and to determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan; and

p. to enter a final decree closing any and all of the Chapter 11 Cases.

ii. ***Abstention and Other Courts.***

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to the Chapter 11 Cases, the section of the Plan relating to retention of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

K. Conditions to Effective Date of the Plan

The Effective Date of the Plan shall not occur unless and until the following conditions shall have been satisfied or waived by the Proponents: (a) the Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Proponents, which Confirmation Order shall, among other things, approve the (i) substantive consolidation set forth in the Plan, and (ii) Woodbridge Settlement pursuant to the terms of the Woodbridge Settlement

Agreement; (b) the Bankruptcy Court shall have approved the information contained in the Disclosure Statement as adequate pursuant to section 1125 of the Bankruptcy Code; (c) all documents, instruments and agreements provided for under the Plan or necessary to implement the Plan shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby, in form and substance satisfactory to the Proponents; (d) there is sufficient LAS Available Cash and Tennessee Available Cash to pay all Allowed Administrative Claims Allowed Priority Claims and Allowed Priority Tax Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively; and (e) no order of a court restraining the Debtors from consummating the Plan shall have been entered and shall remain in effect.

L. Revocation or Modification of the Plan

i. *Withdrawal or Revocation of the Plan.*

The Proponents, jointly but not severally, reserve the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order. If the Plan is withdrawn or revoked, then the result shall be the same as if the Confirmation Order had not been entered and the Effective Date had not occurred. If the Plan is revoked or withdrawn prior to the entry of the Confirmation Order, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against any Debtor(s) or any other Person or to prejudice in any manner the rights of the such entity or any Person in any further proceedings involving such entity.

ii. *Nonmaterial Modifications.*

The Proponents may, with the approval of the Bankruptcy Court and without notice to Holders of Claims and Equity Interests, correct any nonmaterial defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable.

iii. *Material Modifications.*

Modifications of the Plan may be proposed in writing by the Proponents, jointly but not severally, at any time prior to Confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Proponents shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after Confirmation and before substantial consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification.

M. Exculpation, Releases and Injunction

i. *Exculpation and Limitation of Liability.*

Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, the Debtors, the Committee, the Deposit Holders' Committee, the Chief Administrator and their respective officers, directors, members, employees, representatives, counsel, financial advisors or other agents, and their respective successors

and assigns (the “Released Parties”), shall be deemed to have released any claims of any type or nature that any of them have or may have against the other, and by all Holders of Claims or Equity Interests, of and from any Claims, obligations, rights, causes of action and liabilities for any act or omission occurring after the Petition Date in connection with, or arising out of, the Chapter 11 Cases, including, without limiting the generality of the foregoing, all sales of assets of the Debtors’ Estates, the negotiation of the terms of the Plan and the Disclosure Statement, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions which constitute bad faith, willful misconduct, self dealing, breach of fiduciary duty or gross negligence, and all such Persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan and under the Bankruptcy Code. Notwithstanding anything herein to the contrary, the exculpation and limitation of liability provided for herein shall not apply to any acts of omissions that occurred prior to the Petition Date.

ii. *Injunction.*

As of the Confirmation Date, except as otherwise provided in the Plan or the Confirmation Order, all Persons that have held, currently hold or may hold a Claim, Equity Interest or other debt or liability that is treated pursuant to the terms of the Plan are enjoined from taking any of the following actions on account of any such Claims, Equity Interests, debts or liabilities, other than actions brought to enforce any rights or obligations under the Plan, against the Debtors, the Debtors’ Estate, the Chief Administrator, the Post Confirmation Debtors, the Wachovia Collateral Administrator, the Plan Administrator, the Post Confirmation Debtor Assets, Estate property or the Wachovia Collateral: (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff or right of recoupment of any kind against any debt, liability or obligation; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order. Notwithstanding the above, none of the Debtors is entitled to and shall not receive a discharge under section 1141(d) of the Bankruptcy Code. In addition, the Plan does not release or waive any Causes of Action or Wachovia Debtor Causes of Action. Notwithstanding anything herein to the contrary, the injunction provided for in this subclause (ii) shall not and does not apply to (a) any assets of the Debtors’ Estates that have been sold by the Debtors before or after the Petition Date or abandoned by the Debtors after the Petition Date, and (b) enjoin any actions against any Persons not specifically listed herein.

VII. VOTING REQUIREMENTS, ACCEPTANCE AND CONFIRMATION OF THE PLAN

The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make a series of findings concerning the Plan and the Debtors, including that (i) the Plan has classified Claims and Equity Interests in a permissible manner, (ii) the Plan complies with

applicable provisions of the Bankruptcy Code, (iii) the Proponents have complied with applicable provisions of the Bankruptcy Code, (iv) the Proponents have proposed the Plan in good faith and not by any means forbidden by law, (v) the disclosure required by Section 1125 of the Bankruptcy Code has been made, (vi) the Plan has been accepted by the requisite votes of creditors (except to the extent that cramdown is available under Section 1129(b) of the Bankruptcy Code) (see “Acceptance of Plan” and “Confirmation Without Acceptance of All Impaired Classes,” hereinbelow), (vii) the Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors, unless such liquidation or reorganization is proposed in the Plan, (viii) the Plan is in the “best interests” of all Holders of Claims or Equity Interests in an impaired Class by providing to such holders on account of their Claims or Equity Interests property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain in a chapter 7 liquidation, unless each holder of a Claim or Equity Interest in such Class has accepted the Plan and (ix) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation, have been paid or the Plan provides for the payment of such fees on the Effective Date.

A. Parties in Interest Entitled to Vote

Pursuant to the Bankruptcy Code, only classes of claims and equity interests that are “Impaired” (as defined in the Plan and in section 1124 of the Bankruptcy Code), under the Plan are entitled to vote to accept or reject the Plan. A class is impaired if the legal, equitable or contractual rights to which the claims or equity interests of that class entitled the holders of such claims or equity interests are modified, other than by curing defaults and reinstating the debt. Classes of Claims and Equity interests that are not Impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, classes of claims and equity interests that are expected to receive no distributions under the plan are not entitled to vote on the plan and are deemed to have rejected the plan.

B. Classes Impaired Under the Plan

As set forth above, the following Classes of Claims and Equity Interests are or may be Impaired under the Plan¹⁴:

Class LAS – 2	Allowed Secured Claims of Woodbridge
Class LAS – 3	Allowed Secured Claims of Bank of America, N.A.
Class LAS – 4	Allowed Secured Claims of KeyBank, N.A.
Class LAS – 5	Allowed Secured Claim of AmTrust Bank (Hartwood Reserve)
Class LAS – 6	Allowed Secured Claims of Wachovia Bank
Class LAS – 7	Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank
Class LAS – 8	Allowed Other Secured Claims
Class LAS – 9A	Allowed General Unsecured Claims

¹⁴ The Proponents hereby reserve all rights to modify their determination of whether certain Classes may be Impaired or Unimpaired prior to or at the Confirmation Hearing.

Class LAS – 9B	Allowed Deposit Holder Claims
Class LAS – 10	Allowed Equity Interests
Class Tenn – 2	Allowed Secured Claims of Regions Bank, N.A.
Class Tenn – 3	Allowed Secured Claim of Wachovia Bank
Class Tenn – 4	Allowed Secured Claim of Financial Federal Savings Bank
Class Tenn – 5	Allowed Other Secured Claims
Class Tenn – 6A	Allowed General Unsecured Claims
Class Tenn – 6B	Allowed Deposit Holder Claims
Class Tenn – 7	Allowed Equity Interests

Acceptances of the Plan are being solicited only from those holders of Claims in Impaired Classes that will or may receive a distribution under the Plan. Accordingly, the Proponents are soliciting acceptances from members of Classes **LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7, LAS-8, LAS-9A, LAS-9B, Tenn-2, Tenn-3, Tenn-4, Tenn-5, Tenn-6A and Tenn-6B**. Classes **LAS-10 AND Tenn-7** are expected to receive no Distributions under the Plan and thus, are presumed to have rejected the Plan.

C. Voting Procedures and Requirements

VOTING ON THE PLAN BY EACH HOLDER OF AN IMPAIRED CLAIM ENTITLED TO VOTE ON THE PLAN IS IMPORTANT. IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS, YOU MAY RECEIVE MORE THAN ONE BALLOT. YOU SHOULD COMPLETE, SIGN AND RETURN EACH BALLOT YOU RECEIVE.

i. Ballots.

In voting for or against the Plan, please use only the Ballot or Ballots sent to you with this Disclosure Statement. If you are a member of **LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7, LAS-8, LAS-9A, LAS-9B, Tenn-2, Tenn-3, Tenn-4, Tenn-5, Tenn-6A and Tenn-6B**, and did not receive a Ballot, if your Ballot is damaged or lost or if you have any questions concerning voting procedures, please contact the voting agent, Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, Tel: (310) 823-9000; Fax: (310) 823-9133.

In most cases, each ballot enclosed with this Disclosure Statement has been encoded with the amount of your Claim for voting purposes (if your Claim is a Disputed Claim this amount may not be the amount ultimately allowed for purposes of distributions under the Plan) and the Class in which your Claim has been classified. **PLEASE FOLLOW THE DIRECTIONS CONTAINED ON THE ENCLOSED BALLOT CAREFULLY.**

ii. Completing and Returning Ballots.

YOU SHOULD COMPLETE AND SIGN YOUR BALLOT AND RETURN IT IN THE ENCLOSED ENVELOPE TO: LEVITT AND SONS, LLC BALLOT PROCESSING, KURTZMAN CARSON CONSULTANTS, LLC, 2335 ALASKA AVENUE, EL SEGUNDO, CA 90245. VOTES CANNOT BE TRANSMITTED ORALLY. FACSIMILE

BALLOTS WILL NOT BE ACCEPTED. TO BE COUNTED, ORIGINAL SIGNED BALLOTS MUST BE ACTUALLY RECEIVED ON OR BEFORE _____, 200__AT 4:00 P.M., PREVAILING PACIFIC TIME. IT IS OF THE UTMOST IMPORTANCE TO THE PROPONENTS THAT YOU VOTE PROMPTLY TO ACCEPT THE PLAN.

IT IS IMPORTANT TO CAREFULLY REVIEW THE BALLOT BEFORE SIGNING AND RETURNING IT AS SET FORTH ABOVE. SPECIFICALLY, DEPENDING ON WHICH CLASS OF CLAIMS APPLICABLE TO YOU, YOU WILL NEED TO EVALUATE AND MAKE THE FOLLOWING ELECTIONS:

- 1. WHETHER TO ACCEPT OR REJECT THE PLAN;**
- 2. WHETHER TO BE BOUND BY THE THIRD PARTY RELEASE AND INJUNCTION IN FAVOR OF WOODBRIDGE AND THE WOODBRIDGE PARTIES AND SHARE IN DISTRIBUTIONS FROM THE RELEASE FUND OR FOREGO SUCH DISTRIBUTIONS BY AFFIRMATIVELY ELECTING TO OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION; AND**
- 3. IF YOU ARE A DEPOSIT HOLDER WITH AN ALLOWED CLAIM WHO HAS VOTED TO ACCEPT THE PLAN, THEN WHETHER TO BE BOUND BY THE DEBTORS' RELEASE AND SHARE IN THE DISTRIBUTIONS FROM THE DEPOSIT HOLDERS' FUND OR FOREGO SUCH DISTRIBUTIONS BY AFFIRMATIVELY ELECTING TO OPT-OUT OF THE DEBTORS' RELEASE.**
- 4. IF YOU ARE A DEPOSIT HOLDER WITH AN ALLOWED CLAIM, THEN WHETHER TO ASSIGN YOUR CLAIM AGAINST THE RECOVERY FUND TO THE PLAN ADMINISTRATOR FOR PURPOSES OF PURSUING CLAIMS AGAINST THE RECOVERY FUND ON YOUR BEHALF, WITH THE PURSUIT OF SUCH CLAIMS FUNDED SOLELY BY THE DEPOSIT HOLDERS' FEE RESERVE.**

D. Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing regarding whether the Plan and the Debtors have fulfilled the confirmation requirements of section 1129 of the Bankruptcy Code. The Confirmation Hearing will be scheduled by the Bankruptcy Court in the ordinary course and will be held before the Honorable Raymond B. Ray, United States Bankruptcy Judge, United States Bankruptcy Court, 299 East Broward Blvd., Courtroom 308, Fort Lauderdale, FL 33301. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement at the Confirmation Hearing of the date to which the Confirmation Hearing has been adjourned.

E. Confirmation

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for Confirmation are that the Plan (i) is accepted by the requisite holders of Claims and Equity Interests or, if not so accepted, is "fair and equitable" and "does not discriminate unfairly" as to

the non-accepting Class of Claims or Equity Interests, (ii) is in the “best interests” of each holder of a Claim or Interest that does not vote to accept the Plan in each impaired Class under the Plan, (iii) is feasible and (iv) complies with the applicable provisions of the Bankruptcy Code.

F. Acceptance of Plan

As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims or equity interests vote to accept the plan, except under certain circumstances. See “Confirmation Without Acceptance of All Impaired Classes” below. A plan is accepted by an impaired class of claims if holders of at least two-thirds in dollar amount and more than one-half in number of claims of that class vote to accept the plan. A plan is accepted by an impaired class of equity interests if holders of at least two-thirds of the number of shares in such class vote to accept the plan. Only those Holders of Allowed Claims or Allowed Interests who actually vote count in these tabulations. Holders of Allowed Claims who fail to vote are not counted as either accepting or rejecting a plan. Since Holders of Equity Interests of both the LAS Consolidated Debtor and the Tennessee Consolidated Debtor are expected to receive no Distribution under the Plan, these Holders are deemed to vote against the Plan and will not receive a Ballot.

In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan be accepted by each Holder of a Claim or interest in an impaired class or that the plan otherwise be found by the Bankruptcy Court to be in the best interests of each Holder of a Claim or interest in such class. See “Best Interests Test” below. In addition, each impaired class must accept the Plan for the Plan to be confirmed without application of the “fair and equitable” and “unfair discrimination” tests in section 1129(b) of the Bankruptcy Code discussed below. See “Confirmation Without Acceptance of All Impaired Classes” below.

G. Confirmation Without Acceptance of All Impaired Classes

The Bankruptcy Code contains provisions for confirmation of the Plan even if the Plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. These so-called “cramdown” provisions are set forth in section 1129(b) of the Bankruptcy Code.

A plan may be confirmed under the cramdown provisions if, in addition to satisfying all other requirements of section 1129(a) of the Bankruptcy Code, it (a) “does not discriminate unfairly” and (b) is “fair and equitable,” with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan. As used by the Bankruptcy Code, the phrases “discriminate unfairly” and “fair and equitable” have specific meanings unique to bankruptcy law.

In general, the cramdown standard requires that a dissenting class receive full compensation for its allowed claims or equity interests before any junior class receives any distribution. More specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed under that section if: (a) with respect to a secured class, (i) the holders of such claims retain the liens securing such claims to the extent of the allowed amount of such claims and that each holder of a claim of such class receive deferred cash payments equaling the allowed amount of such claim as of the plan’s effective date or (ii) such holders realize the

indubitable equivalent of such claims; (b) with respect to an unsecured claim, either (i) the impaired unsecured creditor must receive property of a value equal to the amount of its allowed claim, or (ii) the holders of claims and equity interests that are junior to the claims of the dissenting class may not receive any property under the plan; or, (c) with respect to a class of equity interests, either (i) each holder of an interest of such class must receive or retain on account of such interest property of a value, equal to the greater of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest, or (ii) the holder of any interest that is junior to the interest of such class may not receive or retain any property on account of such junior interest.

The “fair and equitable” standard, also known as the “absolute priority rule,” requires, among other things, that unless a dissenting unsecured class of claims or a class of equity interests receives full compensation for its allowed claims or allowed equity interests, no holder of claims or equity interests in any junior class may receive or retain any property on account of such claims or equity interests. With respect to a dissenting class of secured claims, the “fair and equitable” standard requires, among other things, that holders either (i) retain their liens and receive deferred cash payments with a value as of the plan’s effective date equal to the value of their interest in property of the estate or (ii) otherwise receive the indubitable equivalent of these secured claims. The “fair and equitable” standard has also been interpreted to prohibit any class senior to a dissenting class from receiving under a plan more than 100% of its allowed claims. The requirement that a plan not “discriminate unfairly” means, among other things, that a dissenting class must be treated substantially equally with respect to other classes of equal rank.

AS HOLDERS OF EQUITY INTERESTS IN CLASSES LAS-10 AND TENN-7 ARE DEEMED TO REJECT THE PLAN, THE PROPONENTS INTEND TO SEEK CONFIRMATION OF THE PLAN UNDER THE CRAMDOWN PROVISIONS OF SECTION 1129(b) OF THE BANKRUPTCY CODE WITH RESPECT TO SUCH CLASSES. IN ADDITION, IF HOLDERS OF CLAIMS IN CLASSES LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7, LAS-8, LAS-9A, LAS-9B, TENN-2, TENN-3, TENN-4, TENN-5, TENN-6A OR TENN-6B VOTE TO REJECT THE PLAN, THE PROPONENTS RESERVE THE RIGHT TO SEEK CONFIRMATION OF THE PLAN UNDER THE CRAMDOWN PROVISIONS OF THE BANKRUPTCY CODE WITH RESPECT TO SUCH CLASSES.

H. Best Interests Test

In order to confirm the Plan, the Bankruptcy Court must independently determine that the Plan is in the best interests of each holder of a claim or interest in any such impaired class who has not voted to accept the Plan. Accordingly, if an Impaired Class does not unanimously accept the Plan, the best interests test requires the Bankruptcy Court to find that the Plan provides to each member of such Impaired Class a recovery on account of the Class member’s claim or Equity Interest that has a value, as of the effective date, at least equal to the value of the distribution that each such member would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code on such date.

I. Liquidation Analysis and Alternatives to the Plan.

In the present case, the Debtors have or will abandon and/or liquidate to Cash virtually all of their assets. The Post Confirmation Debtor Assets will be transferred to and vest in the Post Confirmation Debtors on the Effective Date under the control of the Plan Administrator, shall be liquidated and monetized, with the proceeds therefrom being distributed to Holders of Allowed Claims and Allowed Interests in accordance with the Plan. In addition, the Wachovia Collateral shall vest in and be retained by the applicable Post Confirmation Wachovia Debtor under the sole and exclusive control of the Wachovia Collateral Administrator under the Plan in accordance with the Wachovia DIP Loan Documents.

As of November 30, 2008, the Debtors possess Cash in the approximate amount of \$3,167,213.11. Such amount will be reduced based on the payment of Allowed Administrative Expense Claims through the Effective Date.

In addition, the Plan will be funded with, among other things, (a) the Admin Cap, the Guaranteed Amount, the Tennessee Carve Out, the proceeds, if any, from the Wachovia DIP Loan Documents in excess of the Guaranteed Amount, the Woodbridge Settlement Payment, the Release Fund, the Deposit Holders' Fund and the Deposit Holders' Fee Reserve, and (b) funds added to Cash after the Effective Date from, among other things, the liquidation of the Post Confirmation Debtor Assets and the prosecution of the Causes of Action.

If the Plan is not confirmed, then one alternative would be the conversion of these Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code, which would require the appointment of one or more Chapter 7 trustees (perhaps as many as 38 – one for each Debtor) to control the liquidation and distribution of all Confirmation Date Assets. The Debtors and the Committee believe that the conversion of these Chapter 11 Cases to Chapter 7 would materially adversely affect the timing and amount of the Distributions that would ultimately be made to Holders of Allowed Claims. Specifically, the Debtors, the Committee and their respective Professionals have expended a significant amount of time and resources since the Petition Date investigating all aspects of the financial affairs of the Debtors. As a result, the Debtors and the Committee believe that one or more Chapter 7 trustees, and any professionals engaged by such Chapter 7 trustee(s), will add substantial additional and unnecessary administrative expense to the Estates attempting to re-create the substantial amount of knowledge already in the possession of the Debtor, the Committee and the Professionals engaged by each, thereby significantly reducing and delaying the amounts that could be distributed to Holders of Allowed Claims. Moreover, based on the facts supporting substantive consolidation of the Debtors as set forth above, it is likely that the separate Chapter 7 trustees would expend substantial resources litigating over the property of each such Debtors' chapter 7 Estate. In addition, the Debtors and the Committee also believe that the present state of the investigation into Causes of Action is such that substantial qualitative value will be lost as a result of the substitution of one or more chapter 7 trustee(s) and his/her professionals. In connection therewith, the Debtors and the Committee refer all Creditors and parties in interest to the Liquidation Analysis attached hereto as Exhibit 4. As set forth in such Liquidation Analysis, the Debtors and the Committee assert that there will be a significantly higher distribution to Holders of Allowed Claims under the Plan than in the context of a Chapter 7 liquidation. Moreover, distributions in a chapter 7 will be substantially delayed as compared to the timing of the Distributions anticipated under the Plan.

The second alternative to the proposed Plan is the dismissal of these Chapter 11 Cases. In that event, however, unsecured creditors of the Debtors' Estates would quickly file suit or continue with their pre-petition suits against the Debtors in various courts. The court presiding over any particular court proceeding would not have jurisdiction over any other proceeding, and as a consequence each creditor would be free to undertake such collection activity, including lawsuits, as such creditor deemed appropriate, all in what would amount to a "race to the courthouse." Moreover, the ability of the Debtors to pursue and recover on Causes of Action available to them under the Bankruptcy Code will be substantially diminished and/or eliminated by the dismissal of these Chapter 11 Cases. These consequences are exactly the types of activities that the bankruptcy process is designed to avoid. It is only through the bankruptcy process that the Debtors' Creditors can be treated in accordance with each Creditor's respective rights and the assets of the Debtors' Estates maximized for the benefit of all Holders of Allowed Claims.

A third alternative in the event the Plan is not confirmed is that the Debtors, the Committee, a creditor or another party in interest could attempt to formulate and propose a different plan of reorganization or liquidation. The Debtors and the Committee do not believe that an alternate plan under Chapter 11 of the Bankruptcy Code can be formulated that will provide for greater distributions to creditors than provided for under the Plan. Further, the Debtors and the Committee believe that resolution of the issues in these Chapter 11 Cases must be accomplished as soon as reasonably possible in order to preserve value for creditors. Any alternate plan would likely take significant time to formulate and propose, would likely substantially increase the administrative expenses in the Debtors' Estates as well as jeopardize any value that is being preserved for the benefit of creditors.

Collectively, these factors clearly evidence that the proposed Plan is superior to a liquidation under Chapter 7 of the Bankruptcy Code, dismissal of the bankruptcy case or the filing of an alternate plan of reorganization or liquidation. The Debtors and the Committee firmly believe that the Plan results in a fair balancing of all parties' rights, and again urge creditors to vote to accept the Plan.

J. Feasibility

Under section 1129(a)(11) of the Bankruptcy Code, the Proponents must show that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors (unless such liquidation or reorganization is proposed in the Plan). The Plan clearly complies with this requirement because (i) all of the Post Confirmation Debtor Assets shall vest in and be retained by the applicable Post Confirmation Debtors under the sole and exclusive control of the Plan Administrator solely for the benefit of all Holders of Allowed Claims and Allowed Interests under the Plan pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise, and (ii) the Wachovia Collateral shall vest in and be retained by the applicable Post Confirmation Wachovia Debtor under the sole and exclusive control of the Wachovia Collateral Administrator in accordance with the Wachovia DIP Loan Documents. Provided the Plan is confirmed and consummated, the Estates will no longer exist to be subject to future reorganization or liquidation.

K. Compliance with the Applicable Provisions of the Bankruptcy Code

Section 1129(a)(1) of the Bankruptcy Code requires that the Plan comply with the applicable provisions of the Bankruptcy Code. The Proponents have considered each of these issues in the development of the Plan and believe that the Plan complies with all applicable provisions of the Bankruptcy Code.

L. Binding Effect of Confirmation of the Plan

The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Equity Interests, and their respective successors and assigns.

On the Effective Date, any Holder of a Claim or Equity Interest shall be precluded from asserting against the Debtors' Estates, the Plan Administrator, the Wachovia Collateral, the Post Confirmation Debtor Assets or the assets or properties of any of them, any other or further Claim or Equity Interest based upon any document, instrument, act, omission, transaction or other activity of any kind or nature that occurred before the Effective Date. Notwithstanding the above, none of the Debtors are entitled to and shall not receive a discharge under section 1141(d) of the Bankruptcy Code. Notwithstanding anything herein to the contrary, this paragraph shall not and does not apply to any assets of the Debtors' Estates that have been sold by the Debtors before or after the Petition Date or abandoned by the Debtors after the Petition Date.

VIII. RISK FACTORS**A. Failure to Satisfy Vote Requirement**

The Proponents are seeking to receive votes in number and representing Claims in amount sufficient to enable the Bankruptcy Court to confirm the Plan. If the Plan does not receive sufficient votes for Confirmation pursuant to section 1129(a) of the Bankruptcy Code, then the Proponents may nevertheless seek to employ the "cram down" procedures set forth in section 1129(b) of the Bankruptcy Code.

B. The Plan May Not Be Accepted or Confirmed

While the Proponents believe the Plan is confirmable under the standards set forth in section 1129 of the Bankruptcy Code, there can be no guarantee that the Bankruptcy Court will find the Plan to be confirmable.

Additionally, the Plan as drafted requires acceptance by at least one of the following Classes: LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7, LAS-8, LAS-9A, LAS-9B, Tenn-2, Tenn-3, Tenn-4, Tenn-5, Tenn-6A or Tenn-6B.

C. Allowed Claims May Exceed Estimates

The projected distributions set forth in this Disclosure Statement are based upon the Proponents' good faith estimate of the amount of Plan expenses that will be incurred and total amount of Claims in each Class that will ultimately be allowed. The actual amount of Plan

expenses could be greater than expected for a variety of reasons, including greater than anticipated administrative and litigation costs associated with resolving disputed Claims. Additionally, the actual amount of Allowed Claims in any Class could be materially greater than anticipated, which will impact the distributions to be made to Holders of Claims.

D. Non-Occurrence of the Effective Date

If the conditions precedent to the Effective Date, which are discussed in detail in Article X of the Plan have not been satisfied or waived, the Bankruptcy Court may vacate the Confirmation Order. THERE CAN BE NO ASSURANCE THAT ALL OF THE VARIOUS CONDITIONS TO EFFECTIVENESS OF THE PLAN WILL BE TIMELY SATISFIED OR WAIVED. In the event that the conditions to effectiveness have not been timely satisfied or waived, the Plan would be deemed null and void and the Proponents may propose or solicit votes on an alternative plan that may not be as favorable to parties in interest as the Plan.

IX. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A summary description of certain United States ("U.S.") federal income tax consequences of the Plan is provided below. The description of tax consequences below is for informational purposes only and, due to lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various U.S. federal income tax consequences of the Plan as discussed herein. Only the potential material U.S. federal income tax consequences of the Plan to the Debtors and to a typical holder of Claims and Interests who are entitled to vote or to accept or reject the Plan are described below. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan, and no tax opinion is being given in this Disclosure Statement. No rulings or determination of the Internal Revenue Service (the "IRS") or any other tax authorities have been sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding upon the IRS or such other authorities. No representations are being made regarding the particular tax consequences of the confirmation and consummation of the Plan to the Debtors or to any holder of Claims or Interests. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed herein.

The discussion of the U.S. federal income tax consequences below is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated and proposed thereunder, judicial authorities, and administrative rulings and pronouncements of the IRS and other applicable authorities, all as in effect on the date of this document. Legislative, judicial or administrative changes or interpretations enacted or promulgated in the future could alter or modify the analyses and conclusions set forth below. It cannot be predicted at this time whether any tax legislation will be enacted or, if enacted, whether any tax law changes contained therein would affect the tax consequences to the holders of Claims and Interests (the "Claimants"). Any such changes or interpretations may be retroactive and could significantly affect the U.S. federal income tax consequences discussed below.

THIS DISCUSSION DOES NOT ADDRESS FOREIGN, STATE OR LOCAL TAX CONSEQUENCES OF THE PLAN, NOR DOES IT PURPORT TO ADDRESS THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO SPECIAL CLASSES OF TAXPAYERS (SUCH AS FOREIGN ENTITIES, NONRESIDENT ALIEN INDIVIDUALS, PASS-THROUGH ENTITIES SUCH AS PARTNERSHIPS AND HOLDERS THROUGH SUCH PASS-THROUGH ENTITIES, S CORPORATIONS, MUTUAL FUNDS, INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, SMALL BUSINESS INVESTMENT COMPANIES, REGULATED INVESTMENT COMPANIES, CERTAIN SECURITIES TRADERS, BROKER-DEALERS AND TAX-EXEMPT ORGANIZATIONS). FURTHERMORE, ESTATE AND GIFT TAX ISSUES ARE NOT ADDRESSED AND TAX CONSEQUENCES RELATING TO THE ALTERNATIVE MINIMUM TAX ARE GENERALLY NOT DISCUSSED.

NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE PLAN TO ANY HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT A TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN.

A. U.S. Federal Income Tax Consequences to the Debtors

i. *Cancellation of Indebtedness Income.*

Generally, the discharge of a debt obligation owed by a debtor for an amount less than the “adjusted issue price” (in most cases, the amount the debtor received on incurring the obligation, with certain adjustments) gives rise to cancellation of indebtedness (“COD”) income to the debtor, subject to certain rules and exceptions. However, when the discharge of indebtedness occurs pursuant to a plan approved by the Bankruptcy Court in a case under Title 11 of the Bankruptcy Code (e.g., a Chapter 11 case), there is a special rule under the Tax Code that specifically excludes from a debtor’s income the amount of such discharged indebtedness (the so-called “bankruptcy exception”). Instead, certain of the debtor’s tax attributes otherwise available generally must be reduced by the amount of the COD income that is excluded from the debtor’s income. Such reduction of tax attributes generally occurs in the following order: (i) net operating losses and net operating loss carryovers (collectively, “NOLs”), (ii) general business credits, (iii) minimum tax credits, (iv) capital loss carryovers, (v) the tax basis of debtor’s property (both depreciable and non-depreciable), (vi) passive activity loss and credit carryovers, and (v) foreign tax credit carryovers (although there is a special rule in the Tax Code which allows the debtor to elect to first reduce the tax basis of depreciable property before having to reduce NOLs and other attributes).

Under current Income Tax Regulations, the availability of the “bankruptcy exception” in the context of an affiliated group is made on a “separate entity” basis and not on an “affiliated group” basis. In addition, with regard to tax attribute reduction in the context of an affiliated group, recently adopted Income Tax Regulations (section 1.1502-28) suggest a “hybrid” method of attribute reduction. Under the current Tax Regulations only member corporations can file on a consolidated tax basis.

Under these regulations, the tax attributes of the separate corporate member having excluded COD income is first reduced, followed by a reduction of the tax attributes of the subsidiary members (to the extent of any stock basis reduction). Then, to the extent a corporate

member's excluded COD income exceeds that corporate member's separate entity tax attributes, the consolidated tax attributes allocated to the other corporate members are proportionately reduced.

Some of the debtors are single-member limited liability companies ("SMLLC") which are treated as disregarded entities for federal income tax purposes. Woodbridge is the sole member. It is unclear whether the bankruptcy exception would apply to the Debtors that are SMLLC's or in the alternative whether the COD income be treated as having been realized to the single member, Woodbridge.

ii. ***Gain or Loss on Sale of Debtors' Assets.***

If there is a sale of the corporate Debtors' assets, or some portion thereof, the corporate Debtors will generally recognize gain or loss on the sale in an amount equal to the difference between the amount realized (generally, the amount of cash and the fair market value of any other property received plus liabilities of the Debtors' assumed by the Buyer, if any) and the corporate Debtors' tax basis in the assets sold. Such gain, if any, may be reduced (or eliminated) to the extent that the Debtors have sufficient NOL's. Any gain or loss recognized by a corporate member Debtor should be included in the consolidated tax return of the corporate affiliated member group so long as such corporate Debtor is a corporate member of the affiliated group at the time in which gain or loss was recognized. If the SMLLC Debtor sales its assets, or some portion thereof, the SMLLC will not recognize gain on the sale in that the SMLLC Debtor in that gain recognized on the sale will be passed through to its Parent, unless such SMLLC Debtor has elected to check-the-box and be treated as an association taxable as a corporation under the Tax Code.

B. U. S. Federal Income Tax Consequences to a Investor Typical of the Holders of Claims and Interests

The U.S. federal income tax consequences of the implementation of the Plan to the Claimants, typical of the holders of Claims and Interests who are entitled to vote to confirm or reject the Plan, will depend on a number of factors, including (i) whether the Claim constitutes a "security" for U.S. federal income tax purposes, (ii) the nature and origin of the Claim, (iii) the manner in which the holder acquired the Claim, (iv) the length of time the Claim has been held, (v) whether the Claim was acquired at a discount, (vi) whether the holder has taken a bad debt deduction or loss with respect to the Claim (or any portion thereof) in the current year or in any prior year, (vii) whether the holder has previously included in its taxable income accrued but unpaid interest with respect to the Claim; (viii) the holder's method of tax accounting, (ix) whether the Claim is an installment obligation for U.S. federal income tax purposes, and (x) the timing of any distributions under the Plan.

i. ***Gain or Loss Recognition on the Satisfaction of Claims and Character of Gain or Loss.***

Claimants will generally not recognize gain, but may recognize loss, with respect to the amount in which the Claimants receive on their Claims (generally, the amount of cash and the fair market value of any other property received in satisfaction of the Debtors' obligations) that

either exceeds, on one hand, or is less than, on the other hand, the Claimant's basis in the Claim. Thus, it is possible that certain Claimants may recognize a gain or loss as a result of distributions under the Plan.

In general, gain or loss is recognized by any such Claimant is either capital or ordinary in character. The character is dependent upon the underlying nature of the Claim and whether such Claim, in the hands of the Claimant, constitutes a capital asset. To the extent that a debt instrument is acquired after its original issuance for less than the issue price of such instrument, it will have market discount. A holder of a Claim with market discount must treat any gain recognized on the satisfaction of such Claim as ordinary income to the extent that it does not exceed the market discount that has already been accrued with respect to such Claim. There may also be state, local or foreign tax considerations applicable to particular holders of Claims, none of which are discussed herein. **Claimants should consult their own tax advisors for information that may be relevant to their particular situations and circumstances and the particular tax consequences to them of the transactions contemplated by the Plan.**

ii. *Holders of Disputed Claims.*

Although not free from doubt, holders of Disputed Claims should not recognize any gain or loss on the date that the assets are transferred to the Disputed Claims Reserve, but should only be required to report their gain or loss on the cash or other property that is distributed out to the Claimant from the Claims Reserves free from any further restrictions. **Holders of Disputed Claims are urged to consult their own tax advisors regarding the taxation of their Disputed Claims and the timing and amount of income or loss recognized relating to the Disputed Claims Reserve.**

iii. *Information Reporting and Backup Withholding.*

Certain payments, including payments in respect of accrued interest or market discount, are generally subject to information reporting by the payor to the IRS. Moreover, such reportable payments may be subject to backup withholding. Under the Tax Code's backup withholding rules, a U.S. Claimant may be subject to backup withholding at the applicable rate with respect to certain distributions or payments pursuant to the Plan, unless the Claimant: (i) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact or (ii) provides a correct U.S. taxpayer identification number and certifies under penalty of perjury that the holder is a U.S. person, the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividend and interest income. Payments made to Foreign Claimants may also be subject to withholding, which may be reduced under an applicable Treaty.

Backup withholding is not an additional tax,. Amounts withheld under the backup withholding rules may be credited against a holder's U. S. federal income tax liability, and a the Claimant may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS.

C. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U. S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIMHOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIMHOLDERS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS ABOUT THE U. S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN, INCLUDING WITH RESPECT TO TAX REPORTING AND RECORD KEEPING REQUIREMENTS.

D. Circular 230 Disclaimer

THE IRS REQUIRES WRITTEN ADVICE REGARDING ONE OR MORE U.S. FEDERAL TAX ISSUES TO MEET CERTAIN STANDARDS. THOSE STANDARDS INVOLVE A DETAILED AND CAREFUL ANALYSIS OF THE FACTS AND APPLICABLE LAW WHICH WE EXPECT WOULD BE TIME CONSUMING AND COSTLY. WE HAVE NOT MADE AND HAVE NOT BEEN ASKED TO MAKE THAT TYPE OF ANALYSIS IN CONNECTION WITH ANY ADVICE GIVEN IN THE FOREGOING DISCUSSION. AS A RESULT, WE ARE REQUIRED TO ADVISE YOU THAT ANY U.S. FEDERAL TAX ADVICE RENDERED IN THE FOREGOING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE IRS

X. RECOMMENDATION

The Proponents strongly recommend that all Creditors receiving a Ballot vote in favor of the Plan. The Proponents believe that this Plan is in the best interests of Creditors. The Plan as structured, among other things, allows Creditors to participate in distributions believed to be in excess of those which would otherwise be available were the Chapter 11 Cases dismissed or converted under chapter 7 of the Bankruptcy Code and minimizes delays in recoveries to Creditors.

XI. CONCLUSION

FOR ALL THE REASONS SET FORTH IN THIS DISCLOSURE STATEMENT, THE PROPONENTS BELIEVE THAT THE CONFIRMATION AND CONSUMMATION OF THE PLAN IS PREFERABLE TO ALL OTHER ALTERNATIVES. THE PROPONENTS URGE ALL CREDITORS ENTITLED TO VOTE TO ACCEPT THE PLAN AND TO EVIDENCE SUCH ACCEPTANCE BY COMPLETING AND RETURNING THEIR BALLOTS SO THAT THEY WILL BE ACTUALLY RECEIVED BY 4:00 P.M., PREVAILING PACIFIC TIME, ON _____, 200____.

Dated: December 5, 2008

LEVITT AND SONS, LLC, et al.

/s/ John A. Dischner
By: John A. Dischner, Executive Vice President of Each of the
Debtors

JOINT COMMITTEE OF UNSECURED CREDITORS FOR
LEVITT AND SONS, LLC, et al.

/s/ Alfred D. Strack
By: Alfred D. Strack, Chairperson for the Joint Committee Of
Unsecured Creditors

EXHIBIT 1
The Plan

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION**
www.flsb.uscourts.gov

In re:

Chapter 11 Cases

LEVITT AND SONS, LLC, a Florida
limited liability company, et al.,¹

Case No. 07- 19845-BKC-RBR
Jointly Administered

Debtors.

SECOND AMENDED JOINT LIQUIDATING CHAPTER 11 PLAN FOR DEBTORS

Dated: December 5, 2008

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¹ The last four digits of the taxpayer identification number for each of the Debtors follows in parentheses: (i) Levitt and Sons, LLC (3500); (ii) BankAtlantic Venture Partners 5, LLC (7328), (iii) Bellaggio by Levitt and Sons, LLC (8507); (iv) Levitt GP, LLC (9466), (v) Levitt Construction Corp.-East (6292); (vi) Levitt Construction-East, LLC (2487); (vii) Levitt Industries, LLC (6273), (viii) Levitt Homes Bellaggio Partners, LLC (9490), (ix) Levitt Homes, LLC (1650); (x) Avalon Park by Levitt and Sons, LLC (2188); (xi) Levitt and Sons of Lake County, LLC (8547); (xii) Levitt and Sons of Manatee County, LLC (3563); (xiii) Levitt and Sons of Hernando County, LLC (1563); (xiv) Regency Hills by Levitt and Sons, LLC (9482); (xv) Levitt and Sons at Hunter's Creek, LLC (5870); (xvi) Levitt and Sons of Seminole County, LLC (1888); (xvii) Levitt and Sons of Osceola County, LLC (4596); (xviii) Levitt and Sons of Lee County, LLC (1561); (xix) Cascades by Levitt and Sons, LLC (2022); (xx) Levitt and Sons at Hawks Haven, LLC (4963); (xxi) Magnolia Lakes by Levitt and Sons, LLC (5370); (xxii) Levitt and Sons at Tradition, LLC (9053); (xxiii) Levitt and Sons at World Golf Village, LLC (4959); (xxiv) Levitt and Sons of Flagler County, LLC (0685); (xxv) Lev-Brn, LLC (3445); (xxvi) Summerport by Levitt and Sons, LLC (3494); (xxvii) Levitt and Sons of Georgia, LLC (9568); (xxviii) Levitt and Sons of Cherokee County, LLC (2322); (xxix) Levitt and Sons of Hall County, LLC (4416); (xxx) Levitt and Sons of Paulding County, LLC (1632); (xxxi) Levitt Construction Georgia, LLC (3043); (xxxii) Levitt and Sons of South Carolina, LLC (8109); (xxxiii) Levitt and Sons of Horry County, LLC (3186); (xxxiv) Levitt Construction – South Carolina, LLC (3234); (xxxv) Levitt and Sons of Tennessee, LLC (4793); (xxxvi) Bowden Building Corporation (6090); (xxxvii) Levitt and Sons of Nashville, LLC (0295); and (xxxviii) Levitt and Sons of Shelby County, LLC (1345). The mailing address for the Debtors is 2200 West Cypress Creek Road, Fort Lauderdale, FL 33309.

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INTRODUCTION

Levitt and Sons, LLC ("LAS"), BankAtlantic Venture Partners 5, LLC ("BAVP5"), Bellaggio by Levitt and Sons, LLC ("Bellaggio"), Levitt GP, LLC ("Levitt GP"), Levitt Construction Corp.-East ("GC CORP"), Levitt Construction-East, LLC ("GC LLC"), Levitt Industries, LLC ("Industries"), Levitt Homes Bellaggio Partners, LLC ("Bellaggio Partners"), Levitt Homes, LLC ("Homes"), Avalon Park by Levitt and Sons, LLC ("Avalon"), Levitt and Sons of Lake County, LLC ("LAS Lake County"), Levitt and Sons of Manatee County, LLC ("LAS Manatee County"), Levitt and Sons of Hernando County, LLC ("LAS Hernando County"), Regency Hills by Levitt and Sons, LLC ("Regency Hills"), Levitt and Sons at Hunter's Creek, LLC ("LAS Hunter's Creek"), Levitt and Sons of Seminole County, LLC ("LAS Seminole County"), Levitt and Sons of Osceola County, LLC ("LAS Osceola County"), Levitt and Sons of Lee County, LLC ("LAS Lee County"), Cascades by Levitt and Sons, LLC ("Cascades"), Levitt and Sons at Hawks Haven, LLC ("LAS Hawks Haven"), Magnolia Lakes by Levitt and Sons, LLC ("Magnolia Lakes"), Levitt and Sons at Tradition, LLC ("Tradition Florida"), Levitt and Sons at World Golf Village, LLC ("World Golf Village"), Levitt and Sons of Flagler County, LLC ("LAS Flagler County"), Lev-Brn, LLC ("Lev-Brn"), Summerport by Levitt and Sons, LLC ("Summerport"); Levitt and Sons of Georgia, LLC ("LAS Georgia"), Levitt and Sons of Cherokee County, LLC ("LAS Cherokee County"), Levitt and Sons of Hall County, LLC ("LAS Hall County"), Levitt and Sons of Paulding County, LLC ("LAS Paulding County"), Levitt Construction Georgia, LLC ("Construction Georgia"), Levitt and Sons of South Carolina, LLC ("LAS South Carolina"), Levitt and Sons of Horry County, LLC ("LAS Horry County"), Levitt Construction - South Carolina, LLC ("Construction South Carolina"), Levitt and Sons of Tennessee, LLC ("LAS Tennessee"), Bowden Building Corporation ("Bowden"), Levitt and Sons of Nashville, LLC ("LAS Nashville"), and Levitt and Sons of Shelby County, LLC ("LAS Shelby"), debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the "Debtors"), and the Joint Committee of Unsecured Creditors, jointly propose this Second Amended Joint Liquidating Chapter 11 Plan (as amended from time to time, and including all addenda, exhibits, schedules and other attachments hereto, as any of the same may be amended from time to time, all of which are incorporated herein by reference, the "Plan"), pursuant to the provisions of chapter 11 of the Bankruptcy Code (as defined in Section 1.2 below).

For a discussion of the Debtors' history, business, operations, assets and liabilities, for a summary and analysis of the Plan, preservation of Causes of Action, risk factors, liquidation analysis, tax implications and alternatives to the Plan, reference should be made to the Second Amended Disclosure Statement in Connection with the Debtors' Second Amended Joint Liquidating Chapter 11 Plan (the "Disclosure Statement").

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3018 AND IN THIS PLAN, THE DEBTORS AND THE COMMITTEE RESERVE THE RIGHT TO

ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THIS PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION; COMPUTATION OF TIME

1.1. *Scope of Definitions.* For purposes of the Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings assigned to them in Article I of the Plan. Any term used herein that is not defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules (as defined below), shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine and the feminine gender shall include the masculine.

1.2. *Definitions.*

(a) "Admin Cap" means \$1,000,000 in cash paid by Wachovia Bank pursuant to the Wachovia DIP Loan Documents, with \$125,000 of such Admin Cap on deposit in the attorney's trust account of Berger Singerman, P.A. and \$875,000 of such Admin Cap on deposit in the attorneys' trust account of Genovese Joblove & Battista, P.A.

(b) "Administrative Claims Bar Date" means the date fixed by the Bankruptcy Court as the last date for filing Administrative Expense Claims; provided, however, that the Administrative Claims Bar Date shall not apply to (a) Professional Claims or other Persons requesting compensation or reimbursement of expenses pursuant to Sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered on or before the Effective Date (including any compensation requested by any professional or any other Person for making a substantial contribution in the Chapter 11 Case), and (b) liabilities incurred by the Debtors in the ordinary course of business after the Administrative Claims Bar Date but before the Effective Date.

(c) "Administrative Expense Claim" means a Claim for costs and expenses of administration allowed under Sections 503, 507(a)(1) or 507(b) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Estate of any Debtor, any actual and necessary expenses of operating the business of any Debtor, all compensation or reimbursement of expenses to the extent allowed pursuant to Sections 330 or 503 of the Bankruptcy Code, including Professional Claims, and any fees or charges assessed against the Estate of any Debtor under Section 1930, chapter 123 of title 28 of the United States Code.

(d) "Affiliate" means any Person that is an "affiliate" of any Debtor within the meaning of Section 101(2) of the Bankruptcy Code.

(e) "Allowed" when used with respect to a Claim, means a Claim: (a) which has been listed on the Schedules of any Debtor as other than disputed, contingent or unliquidated and as to which no proof of Claim or objection has been timely filed; (b) as to which a proof of

Claim has been timely filed and either (i) no objection thereto has been timely filed, or (ii) the Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court; (c) which has been allowed under the provisions of this Plan; (d) which is a Professional Claim for which a fee award has been approved by the Bankruptcy Court; or (e) which is allowed pursuant to any stipulation of amount and nature of Claim executed by the Plan Administrator and the Holder of the Claim on or after the Effective Date. Unless otherwise specified herein or by order of the Bankruptcy Court, an Allowed Claim shall not include interest on such Claim for the period from and after the Petition Date with respect to any Debtor

(f) "Amount Due" means that portion, if any, of the Settlement Holdback that is required to be paid by Woodbridge to the Plan Administrator under the Woodbridge Settlement Agreement; provided, however, that such amount shall not exceed \$500,000.

(g) "AmTrust DIP Loan Agreement" means the Debtor in Possession Loan Agreement between LAS Regency Hills and AmTrust Bank, approved by order of the Bankruptcy Court on an interim basis on December 19, 2007 (C.P. No. 537) and on a final basis on January 11, 2008 (C.P. No. 787).

(h) "Asset Management Agreement" means the agreement, dated January 11, 2008, between the Wachovia Debtors and the Chief Administrator providing for the Chief Administrator's management and supervision of the Wachovia Collateral, which was approved by the Bankruptcy Court on an interim basis by Order dated January 14, 2008 (C.P. No. 837) and on a final basis by Order dated February 13, 2008 (C.P. No. 1366).

(i) "Ballot" means the ballot, the form of which has been approved by the Bankruptcy Court, accompanying the Disclosure Statement provided to each Holder of a Claim entitled to vote to accept or reject this Plan.

(j) "Bankruptcy Code" means title 11 of the United States Code, Sections 101 *et seq.*, as now in effect or as hereafter amended.

(k) "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Florida, or such other court having jurisdiction over the Chapter 11 Cases.

(l) "Bankruptcy Rules" means (a) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under Section 2075 of title 28 of the United States Code, (b) the Federal Rules of Civil Procedure, as amended and promulgated under Section 2072 of title 28 of the United States Code, (c) the Local Rules of the United States Bankruptcy Court for the Southern District of Florida, and (d) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto to the extent applicable to these Chapter 11 Cases or proceedings herein, as the case may be.

(m) "Bar Date" means February 11, 2008 as to non-governmental units, and May 7, 2008 as to governmental units, the dates established by the Bankruptcy Court as the last date for filing proofs of claim against the Debtors.

(n) "Business Day" means any day that is not a Saturday, a Sunday or "legal holiday" in Florida as such term is defined in Bankruptcy Rule 9006(a).

(o) "Cash" means cash or cash equivalents, including but not limited to, wire transfers, checks and other readily marketable direct obligations of the United States of America and certificates of deposit issued by banks.

(p) "Causes of Action" means any and all claims, choses in action, causes of action suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payments and claims, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether assertable directly or derivatively, in law, equity or otherwise, which are owned or held by, or have accrued to, any Debtor, whether arising before or after the Petition Date, including, without limitation, those which are: (i) property of any Estate under and pursuant to Section 541 of the Bankruptcy Code; (ii) for subrogation and contribution; (iii) for turnover; (iv) for avoidable transfers and preferences under and pursuant to Sections 542 through 550 and 553 of the Bankruptcy Code and applicable state law; (v) to determine the extent, validity and priority of liens and encumbrances; (vi) for surcharge under Section 506(c) of the Bankruptcy Code; (vii) for subordination under Section 510 of the Bankruptcy Code; (viii) related to federal or state securities laws; (ix) direct or derivative claims or causes of action of any type or kind; (x) for professional malpractice against professionals employed by any Debtor; (xi) against any and all current and/or former officers and directors of any Debtor, including for breach of fiduciary duty; (xii) under and pursuant to any policies of insurance maintained by any Debtor; (xiii) for theft of corporate opportunity; (xiv) for collection on accounts, accounts receivables, loans, notes receivables or other rights to payment; (xv) for the right to seek a determination by the Bankruptcy Court of any tax, fine or penalty relating to a tax, or any addition to a tax, under Section 505 of the Bankruptcy Code; (xvi) which arise under or as a result of any section of the Bankruptcy Code, including Section 362; (xvii) or may be available to any Debtor against any third party(ies) under any legal or equitable theory, whether or not specifically identified or described herein or in the Disclosure Statement and (xviii) to the extent not otherwise set forth above, as described in the Disclosure Statement. The Causes of Action shall not include any Wachovia Debtor Causes of Action.

(q) "Chapter 11 Cases" means, collectively, the chapter 11 cases pending for the Debtors in the Bankruptcy Court and jointly administered under case number 07-19845-BKC-RBR.

(r) "Chief Administrator" means Soneet R. Kapila in his capacity as the chief administrator of the Wachovia Collateral during the pendency of the Chapter 11 Cases in accordance with the Wachovia DIP Loan Documents.

(s) "Claim" has the meaning ascribed in Section 101(5) of the Bankruptcy Code.

(t) "Class" means a category of Holders of Claims or Equity Interests as set forth in Articles IV and V of the Plan.

(u) "Committee" means the joint committee of unsecured creditors appointed in these Chapter 11 Cases, as such Committee may be reconstituted from time to time.

(v) "Confirmation" shall mean the entry of an order of the Bankruptcy Court confirming the Plan in accordance with Section 1129 of the Bankruptcy Code

(w) "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on its docket.

(x) "Confirmation Date Assets" means all Property of the applicable Debtor(s) as of the Confirmation Date (excluding assets previously distributed, abandoned, expended or otherwise disposed of by the applicable Debtor prior to the Confirmation Date and not otherwise subject to recovery), including, without limitation, all Causes of Action and other Property existing as of the Petition Date and acquired by any or all of the Debtors during the pendency of these Chapter 11 Cases under the Bankruptcy Code or otherwise.

(y) "Confirmation Hearing" means the hearing before the Bankruptcy Court pursuant to Section 1128 of the Bankruptcy Code to consider confirmation of this Plan.

(z) "Confirmation Order" means the order of the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the Bankruptcy Code, as such order may be amended, modified or supplemented.

(aa) "Creditor" has the meaning ascribed in Section 101(10) of the Bankruptcy Code and shall refer to any Holder of a Claim against any Debtor or Holder of any Claim against Property of any Debtor as defined in Section 102(2) of the Bankruptcy Code.

(bb) "Debtors in Possession" means the Debtors with the status and rights conferred by Sections 1107 and 1108 of the Bankruptcy Code.

(cc) "Debtors' Release" shall mean the full and general release of any and all direct claims and Causes of Action of Holders of Claims against any and all present and former officers and/or directors of the Debtors.

(dd) "Deposit Holder" means any Person(s) who asserts a Claim against one or more Debtors based on and related to a contract for the purchase of a home from one of the Debtors, including any contract that was rejected by order of the Bankruptcy Court, under the Plan or otherwise.

(ee) "Deposit Holder Claim" means a General Unsecured Claim of a Deposit Holder, arising out of, based on, or related to any contract of such Holder to purchase a home from one of the Debtors; provided, however, that a Deposit Holder Claim shall not include for purposes of the Plan any Allowed Priority Claim of such Deposit Holder.

(ff) "Deposit Holders' Committee" means the Joint Home Purchase Deposit Creditors Committee of Creditors Holding Unsecured Claim appointed on January 22, 2008.

(gg) "Deposit Holders' Fee Reserve" means that certain fund of money in the amount of \$200,000 created and funded under the Plan and the Woodbridge Settlement for the payment of fees and expenses of counsel to the Deposit Holders' Committee to pursue claims against the Florida Homeowners' Construction Recovery Fund

(hh) "Deposit Holders' Fund" means that certain fund of money in the amount of \$750,000 created and funded under the Plan and the Woodbridge Settlement that is available for Distribution to the Holders of Allowed Deposit Holder Claims in accordance with the terms of the Plan.

(ii) "Disclosure Statement" means the disclosure statement for the Plan approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code (including all schedules and exhibits thereto), as such disclosure statement may be amended or modified from time to time.

(jj) "Disputed Claim" means any Claim against a Debtor or property of a Debtor to the extent that: (a) the Allowance of such Claim is the subject of an objection, appeal or motion to estimate that has been timely filed by a party in interest and which objection, appeal or motion has not been determined by a Final Order. In the event that any part of a Claim is disputed, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution under this Plan unless the Debtors or the Plan Administrator, as applicable, and the Holder thereof agree otherwise.

(kk) "Disputed Claims Reserve" means a reserve to be established by the Plan Administrator in an amount equal to the aggregate of all Disputed Claims or such other amounts as the parties may agree or the Bankruptcy Court may order.

(ll) "Distribution" means each distribution of Cash to Holders of Allowed Claims (including to the Disputed Claims Reserve) pursuant to and under the terms of this Plan by the Plan Administrator on each Distribution Date.

(mm) "Distribution Date" means: (i) with respect to the initial Distribution pursuant to the Plan by the Plan Administrator, on the later to occur of (a) thirty (30) days after the Effective Date, or (b) the date when there is sufficient Cash, in the Plan Administrator's discretion, to efficiently make a meaningful distribution to Holders of Allowed Claims under this Plan, provided that with respect to Disputed Claims, the initial Distribution thereon shall be made to the Disputed Claims Reserve; and (ii) with respect to each subsequent Distribution by the Plan Administrator, the dates determined in the reasonable business judgment of the Plan Administrator; provided, however, that no Distribution shall be made unless Cash exists in excess of any reserves determined to be appropriate by the Plan Administrator, including for Post Confirmation Administrative Claims, and those amounts reserved for Distributions on Disputed Claims in the Disputed Claims Reserve.

(nn) "Effective Date" shall mean the date which is, the earlier of: (i) eleven (11) days after the date the Confirmation Order is entered on the Bankruptcy Courts' computerized docket by the clerk of the Bankruptcy Court, or the first Business Day thereafter or

(ii) the date on which the Debtors, in collaboration with the Committee, take or cause to be taken such actions or make such Distributions so as to substantially consummate the Plan.

(oo) "Employee Claim" means that certain claim asserted by Woodbridge against certain of the Debtors in the approximate amount of \$4.0 million related to various claims assigned to Woodbridge by former employees of the Debtors.

(pp) "Equity Interest" means any ownership interest or share in any Debtor (including, without limitation all rights to obtain such an interest or share in any Debtor).

(qq) "Estate" means the estate created in the Chapter 11 Cases for each Debtor pursuant to Section 541 of the Bankruptcy Code.

(rr) "File, Filed or Filing" means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

(ss) "Final Order" means an order or judgment of the Bankruptcy Court which has not been reversed, stayed, modified or amended and: (i) as to which the time to appeal or seek reconsideration or rehearing thereof has expired; (ii) in the event of a motion for reconsideration or rehearing is filed, such motion shall have been denied by an order or judgment of the Bankruptcy Court; or (iii) in the event of an appeal is filed and pending, a stay pending appeal has not been entered; provided, however that with respect to an order or judgment of the Bankruptcy Court allowing or disallowing a Claim, such order or judgment shall have become final and non-appealable; and provided further, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or analogous rule under the Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

(tt) "Financial Federal Adequate Protection Order" means the Bankruptcy Court order dated March 5, 2008 (C.P. No. 1667) directing Bowden to provide adequate protection to Financial Federal, N.A.

(uu) "Florida Homeowners Construction Recovery Fund" (sometimes referred to herein as the "Recovery Fund") means the fund established by the Florida Legislature pursuant to Florida Statutes 489.140 *et seq.*

(vv) "General Unsecured Claim" means a Claim as of the Petition Date that is not an Administrative Expense Claim, a Secured Claim, a Priority Claim or a Priority Tax Claim, but includes an Undersecured Claim.

(ww) "Guaranteed Amount" means an amount not less than \$3,000,000 in Cash paid or payable by Wachovia Bank pursuant to the Wachovia DIP Loan Documents.

(xx) "Holder" means a Person holding a Claim or any authorized agent who has completed, executed and delivered a Ballot in accordance with the applicable voting instructions.

(yy) "HomeBanc Collateral" means those certain notes, mortgages and proceeds pledged from LAS to Woodbridge in connection with and as security for the HomeBanc Loan.

(zz) "HomeBanc Loan" means that certain loan from Woodbridge to LAS in the approximate amount of \$3,300,000 in connection with LAS's acquisition of certain notes and mortgages related to properties sold by the Debtors that were originally to be financed by Home Banc.

(aaa) "HomeBanc Secured Claim" shall mean that certain Secured Claim of Woodbridge in respect of the HomeBanc Loan.

(bbb) "Impaired" has the meaning ascribed in Section 1124 of the Bankruptcy Code.

(ccc) "Insider" has the meaning ascribed in Section 101(31) of the Bankruptcy Code.

(ddd) "Intercompany Claim" means any Claim by any Debtor against any another Debtor.

(eee) "Intercompany Loan" means that certain claim asserted by Woodbridge against LAS in the approximate amount of \$85.5 million related to certain intercompany loans and advances made by Woodbridge to LAS since 2005.

(fff) "LAS Available Cash" means with respect to each Distribution to Holders of Allowed Claims against the LAS Consolidated Debtor under the Plan, that portion of the Cash owned by or attributable to the LAS Consolidated Debtor then on deposit with the Plan Administrator, as determined by the Plan Administrator, in the exercise of his reasonable business judgment after accounting for the Disputed Claims Reserve and a reserve for Post Confirmation Administrative Claims in respect of the LAS Consolidated Debtor, to be available for distribution to such Holders of Allowed Claims against the LAS Consolidated Debtor under the Plan. The LAS Available Cash shall include, without limitation, the Admin Cap, the Guaranteed Amount, any amounts payable under the Wachovia DIP Loan Documents in excess of the Guaranteed Amount, the Woodbridge Settlement Payment, the Release Fund as applicable, and the proceeds from the prosecution of Causes of Action by and through the LAS Consolidated Debtor.

(ggg) "LAS Consolidated Debtor" has the meaning set forth in Article II below.

(hhh) "LAS GUC Distribution" shall have the meaning set forth in Article IV, Section 4.2 (i)(1) below.

(iii) "Lien" means any mortgage, lien, pledge, security interest or other charge or encumbrance or security device of any kind affecting any asset or any property of the Debtors contemplated by Section 101(37) of the Bankruptcy Code.

(jjj) "Liquidation Analysis" means that certain liquidation analysis for the Debtors' Estates attached to the Disclosure Statement as Exhibit 4 thereto.

(kkk) "Notice Agent" means Kurtzman Carson Consultants, LLC, or such other firm retained pursuant to 28 U.S.C. § 156(c) in connection with the Chapter 11 Cases.

(lll) "Person" has the meaning ascribed in Section 101(41) of the Bankruptcy Code.

(mmm) "Petition Date" means November 9, 2007, the date on which each Debtor commenced its Chapter 11 Case by filing a petition for relief under chapter 11 of the Bankruptcy Code.

(nnn) "Plan" means this chapter 11 liquidating plan, either in its present form or as it may be altered, amended, or modified from time to time in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

(ooo) "Plan Administrator" means James S. Feltman.

(ppp) "Post-Confirmation Debtors" means the Debtors from and after the Effective Date.

(qqq) "Post-Confirmation Administrative Expense Claim" means a Claim for services rendered or expenses incurred after the Confirmation Date in connection with these Chapter 11 Cases by the Plan Administrator and/or the Post Confirmation Professionals, subject in all events to the occurrence of the Effective Date.

(rrr) "Post Confirmation Debtor Assets" means the Confirmation Date Assets excluding, the Wachovia Collateral.

(sss) "Post Confirmation Professionals" means those professionals engaged by the Plan Administrator from and after the Effective Date.

(ttt) "Post Confirmation Wachovia Debtors" means the Wachovia Debtors from and after the Effective Date.

(uuu) "Priority Claim" means a Claim to the extent that it is of the kind described in, and entitled to priority under Sections 507(a)(3), (a)(4), (a)(5), (a)(6), (a)(7) or (a)(9) of the Bankruptcy Code, that is not a Priority Tax Claim.

(vvv) "Priority Tax Claim" means a Claim of a governmental unit of the kind specified in Section 507(a)(8) of the Bankruptcy Code.

(www) "Professional" means any professional employed or to be compensated pursuant to Sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code.

(xxx) "Professional Claim" means a Claim for compensation and/or reimbursement of expenses pursuant to Section 327, 328, 330, 331 or 503(b) of the Bankruptcy Code in connection with an application made to the Bankruptcy Court in the Chapter 11 Cases.

(yyy) "Property" means all assets and property included within "property of the estate" as set forth in and within the meaning of Section 541 of the Bankruptcy Code.

(zzz) "Proponents" means the Debtors and the Committee as proponents of the Plan.

(aaaa) "Pro Rata Share" means, with respect to any distribution on account of any Allowed Claim in any Class, the ratio of (a) the amount of such Allowed Claim to (b) the sum of (i) all Allowed Claims in such Class, and (ii) the aggregate maximum allowable amount of all Disputed Claims in such Class for which a reserve must be established under the Plan.

(bbbb) "Regions Bank Sale Order" means that certain Order of the Bankruptcy Court, dated June 20, 2008 (C.P. No. 2696) authorizing (i) the sale of certain real property by the Tennessee Debtors encumbered in part by a first mortgage lien in favor of Regions Bank, N.A., and (ii) settlement between the Tennessee Debtors and Regions Bank, N.A.

(cccc) "Rejection Claim" means a Claim for damages resulting from the rejection of an executory contract by the Debtors pursuant to Section 9.3 of the Plan.

(dddd) "Release Fund" means that certain fund of money in the amount of \$4,500,000 created and funded under the Plan and the Woodbridge Settlement available for Distributions to Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor in respect of the Third Party Release and Injunction under and in accordance with the Plan and the Woodbridge Settlement.

(eeee) "Released Parties" shall have the meaning in Article XII, Section 12.1 of the Plan.

(ffff) "Restrained Parties" shall have the meaning set forth in the Woodbridge Settlement Agreement.

(gggg) "Schedules" means each Debtor's schedules of assets and liabilities and statement of financial affairs filed with the clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

(hhhh) "Secondary Liability Claim" means any Claim against a particular Debtor based on a guarantee of a Claim against another Debtor.

(iiii) "Section 502(d) Claims" shall mean those Claims (i) for which the Holder of such Claim elected to opt out of the Release Fund on the Ballot, and (ii) that have been Disallowed by the Court as a result of either the settlement of any claim under Chapter 5 of the Bankruptcy Code or an objection to such Claim based on Section 502(d) of the Bankruptcy Code.

where the transfer of money or property that forms the basis of such objection or settlement exceeds \$5,000,000; provided however, that the amount of such Claim for purposes of the Release Fund shall be an amount equal to 10 percent of the Claim that would have been Allowed to such Holder but for such settlement or objection.

(jjjj) "Secured Claim" means a Claim that is secured by a Lien on, or security interest in, property of any Debtor, or that has the benefit of rights of setoff under Section 553 of the Bankruptcy Code, but only to the extent of the value of the creditor's interest in the Debtor's interest in such property, or to the extent of the amount subject to setoff, which value shall be determined as provided in Section 506 of the Bankruptcy Code.

(kkkk) "Settlement Causes of Action" shall have the meaning set forth in the Woodbridge Settlement Agreement.

(llll) "Settlement Holdback" means an amount equal to \$500,000 from the Release Fund that will not be funded on the Effective Date under the Woodbridge Settlement, pending a determination of the amount, if any, that is required to be returned to Woodbridge in connection with the provisions dealing with the Distribution of the Release Fund to the Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

(mmmm) "Shared Services" means those certain shared services provided for and paid for by Woodbridge for the benefit of the Debtors, which Shared Services are the basis for the Woodbridge Allowed Administrative Claim pursuant to the Woodbridge Settlement and that certain Order of the Bankruptcy Court (C.P.#222) Granting Debtors' Motion for Authority to Incur Chapter 11 Administrative Expense Claim, which Administrative Expense Claim.

(nnnn) "Solicitation and Balloting Order" means that certain Order of the Bankruptcy Court, dated _____, 2008 setting forth the solicitation and balloting procedures for the Plan (C.P. No. _____).

(oooo) "Statutory Fees" means the fees due the Office of the United States Trustee pursuant to 28 U.S.C. §1930.

(pppp) "Tennessee Available Cash" means with respect to each Distribution to Holders of Allowed Claims against the Tennessee Consolidated Debtor under the Plan, that portion of the Cash owned by or attributable to the Tennessee Consolidated Debtor then on deposit with the Plan Administrator, as determined by the Plan Administrator, in the exercise of his reasonable business judgment after accounting for the Disputed Claims Reserve and a reserve for Post Confirmation Administrative Claims with respect to the Tennessee Consolidated Debtor, to be available for distribution to such Holders of Allowed Claims against the Tennessee Consolidated Debtor under the terms of the Plan. The Tennessee Available Cash shall include, without limitation, the Tennessee Carve Out and the proceeds from the prosecution of Causes of Action by and through the Tennessee Consolidated Debtor.

(qqqq) "Tennessee Carve-Out" means (a) \$250,000 in Cash proceeds set aside from the sale of the Vinings and Chapel Hill properties for the Tennessee Debtors in accordance with the Bankruptcy Court's December 19, 2007 order authorizing such sale (C.P. No. 520)(the

“Vinings Carve-Out”); and (b) the Cash proceeds payable to the Tennessee Debtors resulting from the sale of the remaining real property owned by LAS Shelby County and Bowden pursuant to the Regions Bank Sale Order.

(rrrr) “Tennessee Consolidated Debtor” has the meaning set forth in Article II below.

(ssss) “Tennessee Debtors” means Levitt and Sons of Tennessee, LLC; Levitt and Sons of Nashville, LLC; Levitt and Sons of Shelby County, LLC; and Bowden Building Corporation

(tttt) “Tennessee GUC Distribution” shall have the meaning set forth in Article V, Section 5.2(f)(1) below.

(uuuu) “Third Party Release and Injunction” means that certain third party release and injunction proposed to be granted to Woodbridge and the Woodbridge Parties in respect of the Settlement Causes of Action under and in accordance with the terms of the Woodbridge Settlement and this Plan.

(vvvv) “Unclaimed Property” means any distribution of Cash or any other property made to the holder of an Allowed Claim pursuant to this Plan that (a) is returned to the Plan Administrator as undeliverable and no appropriate forwarding address is received within the later of (i) 90 days after the Effective Date and (ii) 90 days after such attempted Distribution by the Plan Administrator is made to such holder or (b) in the case of a distribution made in the form of a check, is not negotiated within 90 days and no request for re-issuance is made. Pursuant to Local Rule 3011-1(B), Unclaimed Property shall be donated to the Bankruptcy Bar Foundation, a not-for-profit, non-religious organization dedicated to, among other things, promoting the pro bono legal representation of the indigent.

(wwww) “Undersecured Claim” means a Claim secured by a Lien on Property that is worth less than the amount of such Claim as determined by (a) agreement of the Debtors or the Plan Administrator, as applicable, and the Holder of such Claim, or (b) by order of the Bankruptcy Court. Unless otherwise provided in this Plan, Undersecured Claims shall be treated as General Unsecured Claims.

(xxxx) “Unimpaired” means any Claim that is not Impaired within the meaning of Section 1124 of the Bankruptcy Code.

(yyyy) “U.S. Trustee” shall mean the Office of the United States Trustee.

(zzzz) “Voting Deadline” means the date set in an order of the Bankruptcy Court as the deadline for the return of Ballots accepting or rejecting the Plan.

(aaaa) “Wachovia Bank” means Wachovia Bank, N.A., as lender and agent.

(bbbb) “Wachovia Collateral” means all of the Wachovia Debtors' right, title and interest in and to all tangible or intangible property or assets, whether real, personal or mixed that are subject to and encumbered by Wachovia Bank's (i) pre-petition Liens and security

interest, and (ii) post petition Liens and security interest arising under the Wachovia DIP Loan Documents, excluding, (1) the Admin Cap, (2) the Guaranteed Amount, (3) all Causes of Action, (4) any assets of the Wachovia Debtors, whether owned directly or indirectly, which constitute cash or cash equivalents as of January 14, 2008, (5) the Debtors' cash on hand as of the Petition Date, (6) stock, membership interest or any other ownership interests in any of the Debtors, and (7) all proceeds from any of the foregoing.

(cccc) "Wachovia Collateral Administrative Expense Claim" means a Claim for services rendered or expenses incurred after the Confirmation Date by the Wachovia Collateral Administrator and/or the Wachovia Collateral Professionals, subject in all events to the occurrence of the Effective Date.

(dddd) "Wachovia Collateral Administrator" means Soneet R. Kapila.

(eeee) "Wachovia Collateral Professionals" means the counsel, financial advisors and other professionals engaged by the Wachovia Collateral Administrator from and after the Effective Date to represent him in connection with his duties under the Plan, including, counsel, financial advisors and other professionals engaged by the Chief Administrator, the Debtors, the Committee and/or the Deposit Holders' Committee during the Chapter 11 Cases.

(ffff) "Wachovia Debtors" means Levitt and Sons of Cherokee County, LLC, Levitt and Sons of Horry County, LLC, Levitt and Sons of Hall County, LLC, Levitt and Sons of Paulding County, LLC, Levitt and Sons at World Golf Village, LLC; and Levitt and Sons of Manatee County, LLC.

(gggg) "Wachovia Debtor Causes of Action" means any claims, causes of action or other actions arising after January 14, 2008 and which relate to the management, construction, development and sale of the Wachovia Collateral, including any commercial tort claims related to the ownership, management, construction, development and sale of the Wachovia Debtor Projects, and the proceeds thereof; provided, however that the Wachovia Debtor Causes of Action shall not include any claims or causes of action against the present and former officers and directors of the Wachovia Debtors and any Professionals engaged by the Debtors and the Committee and provided further, shall not include any causes of action under Section 5 of the Bankruptcy Code.

(hhhh) "Wachovia Debtor Projects" means the Seasons at Laurel Canyon in Cherokee County, Georgia; the Seasons at Lake Lanier in Hall County, Georgia; the Seasons at Seven Hills in Paulding County, Georgia; Prince Creek in Horry County, South Carolina; Rio Mar Sarasota in Manatee County, Florida; the Cascades at Sarasota in Manatee County, Florida; and the Cascades at World Golf Village in St. Johns County, Florida.

(iiii) "Wachovia DIP Loan Agreement" means the Debtor in Possession Credit and Security Agreement by and among Wachovia Bank and the Wachovia Debtors which was approved by the Bankruptcy Court on an interim basis by Order dated January 14, 2008 (C.P. No. 836), and on a final basis by the Memorandum Opinion, dated February 13, 2008 (C.P. No. 1335) and the Final DIP Financing Order, dated February 13, 2008 (C.P. No. 1366).

(jjjjj) "Wachovia DIP Loan Documents" means, collectively, the Wachovia DIP Loan Agreement, the Wachovia Term Sheet, the Asset Management Agreement and the Wachovia DIP Loan Order.

(kkkkk) "Wachovia DIP Loan Order" means, collectively, the Interim DIP Financing Order dated January 14, 2008 (C.P. No. 836), Memorandum Opinion, dated February 13, 2008 (C.P. No. 1335) and the Final DIP Financing Order, dated February 13, 2008 (C.P. No. 1366) approving the Wachovia DIP Loan Agreement on an interim and final basis.

(lllll) "Wachovia Term Sheet" means that certain Term Sheet for Debtor in Possession Financing by and between Wachovia Bank, the Debtors and the Committee which was filed with the Bankruptcy Court on December 19, 2007(C.P. No. 481).

(mmmmm) "Woodbridge" means Woodbridge Holding Corporation, f/k/a Levitt Corporation.

(nnnnn) "Woodbridge Claims" shall have the meaning set forth in the Woodbridge Settlement Agreement.

(ooooo) "Woodbridge Parties" shall have the meaning set forth in the Woodbridge Settlement Agreement.

(ppppp) "Woodbridge Settlement" means that certain settlement and compromise in principle between the Debtors, the Committee and Woodbridge Holdings Corporation, f/k/a Levitt Corporation in respect of claims asserted by and between the Estates and Woodbridge, which settlement and compromise is subject to final documentation.

(qqqqq) "Woodbridge Settlement Agreement" means that certain Amended and Restated Settlement Agreement, dated as of October 27, 2008, between Woodbridge, the Debtors and the Committee, a copy of which is attached hereto as Exhibit 2 to the Disclosure Statement.

(rrrrr) "Woodbridge Settlement Payment" means an amount equal to \$8,000,000, plus interest accrued thereon from and after May 22, 2008.

(sssss) "2005 Tax Refund Claim" means that certain claim in the amount of approximately \$11.0 million related to an income tax refund that is expected to be paid to Woodbridge as the parent holding company for the Debtors in connection with losses generated by the Debtors in 2007 that are being carried back to obtain a refund of taxes paid by the Debtors in 2005 on income earned by the Debtors in 2005.

(ttttt) "2006 Tax Refund Claim" means that certain claim in the amount of approximately \$7.9 million related to an income tax refund that is expected to be paid to Woodbridge as the parent holding company for the Debtors in connection with losses generated by the Debtors in 2007 that are being carried back to obtain a refund in respect of taxes paid on income earned by the Debtors in 2006.

1.3. *Interpretation.* For purposes of the Plan, (a) any reference herein to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (b) any reference herein to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented; (c) unless otherwise specified, all references herein to Articles, Sections, Schedules and Exhibits are references to Articles, Sections, Schedules and Exhibits of or to the Plan (d) the words “herein” and “hereto” refer to the Plan in their entirety rather than to a particular portion of the Plan; (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; and (f) the rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

1.4. *Computation of Time.* In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006 shall apply.

ARTICLE II

SUBSTANTIVE CONSOLIDATION OF ESTATES

As of the Petition Date, there were thirty-eight separate corporate Debtors. For the reasons set forth herein, the Proponents seek substantive consolidation of the thirty-eight separate corporate Debtors hereunder into the LAS Consolidated Debtor and the Tennessee Consolidated Debtor solely for voting on, Confirmation of and Distributions hereunder. As a result of such substantive consolidation, this Plan treats Claims and Interests in respect of each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. On the Effective Date, the Debtors will be substantively consolidated pursuant hereto and in accordance herewith into the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

In support of such substantive consolidation, the Proponents assert that many of the factors set forth in the applicable decisional law supporting limited substantive consolidation as proposed hereunder are present in these Chapter 11 Cases. See Eastgroup Props. v. Southern Motel Assocs., Ltd., 935 F.2d 245 (11th Cir. 1991)(movant must demonstrate that (i) there is a substantial identity between entities to be consolidated, and (ii) consolidation is necessary to avoid some harm or to realize some benefit); In re Avery, 377 B.R. 264, 268 (Bankr. D. Alaska 2007) (“A bankruptcy court has discretion to order *nun pro tunc* consolidation. This may enable a trustee to preserve fraudulent transfer and avoidance proceedings with regard to related entities which might otherwise be barred due to statutes of limitation.”); Alexander v. Compton (In re Bonham), 229 F.3d 750, 769-70 (9th Cir. 2000); See also In re Creditors Serv. Corp., 195 B.R. at 689 (“Substantive consolidation may be limited to certain classes of claims, specific property, or may be appropriately conditioned.”); Matter of Steury, 94 B.R. 553, 556 (Bankr. N.D. Ind. 1988).

Moreover, in appropriate circumstances, bankruptcy courts have the power to order limited or partial substantive consolidation, or to place conditions on the substantive consolidation, such as the preservation of avoidance claims by the formerly separate estates.

Avery, 377 B.R. at 268 (“A bankruptcy court has discretion to order *nun pro tunc* consolidation. This may enable a trustee to preserve fraudulent transfer and avoidance proceedings with regard to related entities which might otherwise be barred due to statutes of limitation.”); Bonham, 229 F.3d at 763; see also Creditors Serv. Corp., 195 B.R. at 689 (“Substantive consolidation may be limited to certain classes of claims, specific property, or may be appropriately conditioned.”); Steury, 94 B.R. at 556. Pursuant to the terms of the Plan, the Proponents seek to place certain conditions on substantive consolidation, including specifically as they relate to the preservation of substantial fraudulent transfer and other avoidance actions.

The Proponents’ decision to seek substantive consolidation pursuant to the Plan is based on, among other factors, an analysis by the Debtors’ advisors and the Committee’s advisors of the facts and circumstances surrounding the Debtors, including the Debtors’ financial and accounting structure and business operations, their consideration of the cost and delay attendant to the reconstruction the Debtors’ financial records, and the net effect on the dividends payable hereunder if the Proponents were to undertake the reconstruction of the Debtors’ financial records and Intercompany Claim reconciliation. As set forth below, such facts and circumstances overwhelmingly support the substantive consolidation of the Debtors as proposed herein.

The Proponents assert that many of the factors set forth in above supporting limited or partial substantive consolidation as proposed herein are present in these Chapter 11 Cases. A detailed discussion of the facts and circumstances supporting substantive consolidation is contained in Section (I)(F)(2) of the Disclosure Statement.

The entry of the Confirmation Order shall constitute approval by the Bankruptcy Court, pursuant to Sections 105(a) and 1123(c)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, and their respective Estates, solely for purposes of voting, Confirmation of and Distributions hereunder, and for no other purpose, as set forth above.

Specifically, on and after the Effective Date with respect to each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, (a) all assets and liabilities of the Debtors comprising the LAS Consolidated Debtor and the Debtors comprising the Tennessee Consolidated Debtor, respectively, shall be treated as though they were pooled solely for purposes of voting on, Confirmation of and Distributions hereunder, (b) no Distribution shall be made hereunder on account of any Intercompany Claim held (i) by any one of the Debtors comprising the LAS Consolidated Debtor against any of the other Debtors within the LAS Consolidated Debtor, or (ii) by any one of the Debtors comprising the Tennessee Consolidated Debtor against any of the other Debtors within the Tennessee Consolidated Debtor, (c) no Distribution shall be made hereunder on account of any Interest held (i) by any Debtor comprising the LAS Consolidated Debtor in any other Debtor within the LAS Consolidated Debtor, or (ii) by any Debtor comprising the Tennessee Consolidated Debtor in any other Debtor within the Tennessee Consolidated Debtor, (d) all Allowed Secondary Liability Claims shall be entitled to a single recovery, and thus one Distribution (and no multiple recovery) on any such Claims, (e) every Claim filed or to be filed in the Chapter 11 Case of any Debtor comprising the LAS Consolidated Debtor shall be deemed filed against the LAS Consolidated Debtor and shall

be one Claim against and one obligation of the LAS Consolidated Debtor, (f) every Claim filed or to be filed in the Chapter 11 Case of any Debtor comprising the Tennessee Consolidated Debtor shall be deemed filed against the Tennessee Consolidated Debtor and, if Allowed, shall be one Claim against and one obligation of the Tennessee Consolidated Debtor, and (g) to the extent a Claim is Allowed against the LAS Consolidated Debtor and a Claim for the same obligation is also Allowed against the Tennessee Consolidated Debtor, then the holder of such Claim shall be entitled to a Distribution from each of the LAS Consolidated Debtor and the Tennessee Consolidated in respect of such Claim, but in no event shall such holder receive more than 100% of such Allowed Claim.

Notwithstanding the foregoing, (i) the treatment proposed by each Debtor to the Holders of Allowed Secured Claims against such Debtor after the Effective Date shall be unaffected by such substantive consolidation, (ii) any Liens that are maintained, recognized, or preserved hereunder shall be unaffected by the substantive consolidation, and (iii) any claims under or with respect to any insurance policy of any Debtor (or any right to the proceeds of any such policy or policies) shall be unaffected by the substantive consolidation.

Notwithstanding the substantive consolidation of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, as provided herein, the substantive consolidation shall be solely for purposes of voting on, Confirmation of or and Distributions hereunder and specifically shall not:

- (a) affect the legal and organizational structure of each such Debtor from and after the Effective Date;
- (b) affect or change any Cause of Action or other claim that any Debtor would possess had any of the Chapter 11 Cases not been substantively consolidated as provided herein or any defenses that any defendant in respect of such Causes of Action would have in connection therewith;
- (c) destroy or otherwise affect the separate corporate existence of each Debtor and the ownership interest in each Debtor; or
- (d) divest any Debtor of any tax attributes; or
- (e) affect any Statutory Fees paid by any Debtor to the U.S. Trustee or the Clerk of the Bankruptcy Court from the Petition Date through the Effective Date.

This Plan shall be deemed to be a motion, pursuant to Bankruptcy Rule 9013, by the Debtors for limited and partial substantive consolidation with respect to the Plan as set forth herein. The Proponents reserve the right to supplement the facts and law supporting the request for partial or limited substantive consolidation herein on or before the Confirmation Date. Any objection by an affected Creditor to such consolidation shall be treated as an objection to Confirmation and shall be determined by the Bankruptcy Court at the Confirmation Hearing. Failure to timely object to substantive consolidation may result in consolidation of the Debtors in accordance herewith, without further hearing.

ARTICLE III

PROVISIONS FOR PAYMENT OF ALLOWED ADMINISTRATIVE EXPENSE CLAIMS, PRIORITY TAX CLAIMS AND STATUTORY FEES

3.1. **Administrative Expense Claims.** All Administrative Expense Claims against any Debtor shall be treated as follows:

Allowed Administrative Expense Claims shall be paid in full, in Cash, as soon as practicable upon the earlier to occur of: (i) the later of the Effective Date or five (5) Business Days after the date of a Final Order allowing such Administrative Expense Claim; (ii) upon the entry of an order of the Bankruptcy Court awarding a Professional Claim; (iii) for Allowed Administrative Expense Claims that represent liabilities incurred by either the LAS Consolidated Debtor or the Tennessee Consolidated Debtor in the ordinary course of business after the Petition Date with regard to the respective Debtor, the date on which each such Claim becomes due in the ordinary course of such Debtor's business and in accordance with the terms and conditions of any agreement relating thereto; or (iv) upon such other dates and terms as may be agreed upon by the Holder of any such Allowed Administrative Expense Claim and the Plan Administrator.

Notwithstanding anything herein to the contrary, the Allowed Administrative Expense Claims incurred in respect of the Wachovia Collateral under the Wachovia DIP Loan Documents, including the Professional Claims of the Chief Administrator and Professionals engaged by the Chief Administrator during the Chapter 11 Cases, shall be paid solely from the DIP loan provided by Wachovia Bank pursuant to the Wachovia DIP Loan Documents or from the proceeds of the Wachovia Collateral or upon such other terms acceptable to Wachovia Bank and the Wachovia Collateral Administrator may agree, and neither the Debtors, the Debtors' Estates, the LAS Consolidated Debtor, the Tennessee Consolidated Debtor, the Plan Administrator nor their respective assets (other than the Wachovia Collateral) shall have any liability therefor.

With the exception of Professionals seeking the allowance and payment of fees and expenses, all requests for payment of Administrative Expense Claims (or any other means of preserving and obtaining payment of Administrative Expense Claims found to be effective by the Bankruptcy Court) shall be filed by the Administrative Claims Bar Date established by the Bankruptcy Court; and if such requests for payment of Administrative Expense Claims are not so filed, the Holders of such Claims shall be forever barred and shall not be able to assert such Claims in any manner against the Debtors, the Plan Administrator or the Confirmation Date Assets.

3.2. **Priority Tax Claims.** Each Holder of an Allowed Priority Tax Claim shall receive on account of such Claim, Cash equal to the amount of such Allowed Priority Tax Claim, without post-petition interest or penalty, on the later of (i) the Effective Date or as soon as practicable thereafter or (ii) the date that is 10 Business Days after an order of the Bankruptcy Court allowing such Priority Tax Claim becomes a Final Order.

3.3. **Claims for Statutory Fees.** The Debtors shall pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) on the Effective Date, and

simultaneously provide to the U.S. Trustee an appropriate affidavit indicating Cash disbursements for all relevant periods; notwithstanding anything contained herein to the contrary, the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall also pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) for post-confirmation periods for each Post Confirmation Debtor within the time periods set forth in 28 U.S.C. §1930(a)(6) until the earlier of the closing of the applicable Chapter 11 Case by the issuance of a Final Decree by the Bankruptcy Court, or upon entry of an order of this Bankruptcy Court dismissing the applicable Chapter 11 Case, or converting the applicable Chapter 11 Case to another chapter under the Bankruptcy Code, and the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall provide to the U.S. Trustee, upon the payment of each post-confirmation payment, a quarterly report and appropriate affidavit indicating income and disbursements for the relevant periods. To date, the Debtors and the Chief Administrator, respectively, have paid all fees due and owing to the Office of the United States Trustee, and each of the Plan Administrator and the Wachovia Collateral Administrator, as applicable, anticipate paying all such fees through confirmation of the Plan and thereafter as provided herein.

The Statutory Fees paid by each Debtor to the U.S. Trustee and any fees paid by any Debtor to the Clerk of the Bankruptcy Court from the Petition Date through the Effective Date shall not be affected by the substantive consolidation proposed hereunder. In the event this Plan is approved and the certain of the Debtors are substantively consolidated into the LAS Consolidated Debtor and certain other of the Debtors are substantively consolidated into the Tennessee Consolidated Debtor, then such substantive consolidation shall not be retroactive to the Petition Date for the purpose of payment of Statutory Fees.

ARTICLE IV

CLASSIFICATION, IMPAIRMENT AND TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE LAS CONSOLIDATED DEBTOR

4.1. **Generally.** As to the LAS Consolidated Debtor, all Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are placed in Classes as set forth below. A Claim or Interest is placed in a particular Class only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled or paid prior to the Effective Date, and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

4.2. **Identification and Treatment of Classes – LAS Consolidated Debtor.**

The following are the designations for and treatment of the Classes of Claims against and Equity Interests in the LAS Consolidated Debtor:

a. **Class LAS-1 — Allowed Priority Claims.**

Each Allowed Priority Claim against the LAS Consolidated Debtor shall be paid in full on the later of: (i) as soon as is practicable after the Effective Date; or (ii) as soon as practicable after the date on which the Order allowing such Priority Claim becomes a Final Order. Class LAS-1 is Unimpaired.

b. **Class LAS-2 — Allowed Secured Claims of Woodbridge.**

Each Allowed Secured Claim of Woodbridge shall be satisfied in accordance with the Woodbridge Settlement Agreement upon the approval thereof by the Bankruptcy Court as part of the Confirmation Order and the satisfaction of the terms and conditions contained therein. Specifically, other than the HomeBanc Secured Claim, Woodbridge shall waive any right to receive Distributions on account of its Secured Claims.

With respect to the HomeBanc Secured Claim, pursuant to the Woodbridge Settlement Agreement, the HomeBanc Secured Claim shall be satisfied (i) from the proceeds of the liquidation of the collateral securing such Claim; (ii) from the collateral securing such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as agreed to by the holder of such Claim and the Plan Administrator. Class LAS-2 is Impaired.

c. **Class LAS-3 — Allowed Secured Claims of Bank of America, N.A.**

Each Allowed Secured Claim of Bank of America, N.A. shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-3 Secured Claim of Bank of America, N.A. is Allowed by a Final Order. Class LAS-3 is Impaired.²

d. **Class LAS - 4 — Allowed Secured Claims of KeyBank, N.A.**

Each Allowed Secured Claim of KeyBank, N.A. shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-4 Secured Claim of KeyBank, N.A. is Allowed by a Final Order. Class LAS-4 is Impaired.

² In connection with confirmation of the Plan, the Proponents reserve the right to reclassify the Allowed Secured Claim of Bank of America, N.A. from Impaired to Unimpaired. This same reservation of rights applies to the Allowed Secured Claims of Wachovia Bank, N.A. and KeyBank, N.A.

e. **Class LAS-5 — Allowed Secured Claim of AmTrust Bank (Hartwood Reserve).**

The Allowed Secured Claim of AmTrust Bank (Hartwood Reserve) shall be satisfied, at the option of the Plan Administrator, (i) pursuant to, and in accordance with, the AmTrust DIP Loan Agreement; provided, however, that the provisions of the AmTrust DIP Loan Agreement requiring repayment of the Claim on the Effective Date of the Plan shall be modified so as to permit LAS Regency Hill to pay the obligations under the AmTrust DIP Loan Agreement from the proceeds of sales of the collateral securing the Class LAS-5 Allowed Secured Claim from and after the Effective Date, (ii) by payment in full on the Effective Date in exchange for a release and discharge of the collateral securing such Claim, (iii) from the collateral securing such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code, or (iv) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Class LAS-5 is Impaired.

f. **Class LAS-6 — Allowed Secured Claims of Wachovia Bank**

In the event Wachovia Bank accepts the Plan in respect of this Class LAS-6 and in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then each Allowed Secured Claim of Wachovia Bank shall be treated and satisfied pursuant to and in accordance with, and Wachovia Bank shall have all of the rights and benefits under, the Wachovia DIP Loan Documents, and shall be secured by the applicable Wachovia Collateral as provided in the Wachovia DIP Loan Documents and this Plan.

In the event Wachovia Bank rejects the Plan in respect of this Class LAS-6 and/or in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then (a) the Allowed Secured Claim of Wachovia Bank shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator, and (b) any and all other provisions herein related to the Wachovia Collateral, the Wachovia DIP Loan Documents and the Wachovia Collateral Administrator, including the rights, powers and duties of the Wachovia Collateral Administrator, shall be deemed void and be of no force and effect, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount. Class LAS-6 is Impaired.

g. **Class LAS-7 — Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank**

In the event Wachovia Bank accepts the Plan in respect of this Class LAS-7 and in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then the Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank shall be treated pursuant to and in accordance with, and Wachovia Bank shall have all of the rights and

benefits under, the Wachovia DIP Loan Documents and shall be secured by the applicable Wachovia Collateral as provided in the Wachovia DIP Loan Documents and this Plan.

In the event Wachovia Bank rejects the Plan in respect of this Class LAS-7 and/or in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then (i) the Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator and (ii) any and all other provisions herein related to the Wachovia Collateral, the Wachovia DIP Loan Documents and the Wachovia Collateral Administrator, including the rights, powers and duties of the Wachovia Collateral Administrator, shall be deemed void and be of no force and effect, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount. Class LAS-7 is Impaired.

h. Class LAS-8 — Other Secured Claims.

Each Allowed Other Secured Claim shall be satisfied, to the extent the collateral therefore has not been previously sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator, or in the case of the Wachovia Collateral, as agreed to by the holder of such Claim and the Wachovia Collateral Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-8 Other Secured Claim is Allowed by a Final Order. Class LAS 8 is Impaired.

i. Class LAS-9A — Allowed General Unsecured Claims.

1. The LAS GUC Distribution.

Each Holder of an Allowed General Unsecured Claim against the LAS Consolidated Debtor shall receive Distributions from LAS Available Cash (the "LAS GUC Distribution") on each Distribution Date in an amount equal to such Holder's Pro Rata Share of each such LAS GUC Distribution being made hereunder, calculated with denominator being the sum of all Allowed General Unsecured Claims in this Class LAS-9A and all Allowed Deposit Holder Claims in Class LAS-9B; provided, however, that such denominator shall not include any of the Woodbridge Claims. No LAS GUC Distribution shall be made to Holders of Allowed General Unsecured Claims in this Class LAS-9A in respect of LAS Available Cash unless and until all Allowed Claims senior in priority to Allowed Claims in this Class LAS-9A, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative

Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes LAS-1, LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7 and LAS-8 have been paid in full, treated, reserved, resolved, included in or accounted for in the LAS GUC Distribution at issue and/or otherwise treated in accordance with the Plan. Notwithstanding anything herein to the contrary, if and to the extent that Wachovia Bank has an Allowed General Unsecured Claim under and pursuant to the Wachovia DIP Loan Documents, then Wachovia Bank shall not participate in any LAS GUC Distribution in this Class LAS-9A in respect of the Admin Cap and the Guaranteed Amount.

2. The Distribution from the Woodbridge Release Fund.

In addition to the LAS GUC Distribution, each Holder of an Allowed General Unsecured Claim against the LAS Consolidated Debtor shall have the option of receiving an additional Distribution hereunder from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Class LAS-9A who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claims combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in Section 6.17. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION

CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

Class LAS-9A is Impaired.

j. **Class LAS-9B – Allowed Deposit Holder Claims.**

1. **The LAS GUC Distribution.**

Each Holder of an Allowed Deposit Holder Claim against the LAS Consolidated Debtor shall receive the LAS GUC Distributions from LAS Available Cash on each Distribution Date in an amount equal to such Holder's Pro Rata Share of each such LAS GUC Distribution being made hereunder, calculated with denominator being the sum of all Allowed General Unsecured Claims in Class LAS-9A and all Allowed Deposit Holder Claims in this Class LAS-9B. No LAS GUC Distribution shall be made to Holders of Allowed Deposit Holder Claims in this Class LAS-9B in respect of LAS Available Cash unless and until all Allowed Claims senior in priority to Allowed Claims in this Class LAS-9B, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes LAS-1, LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7 and LAS-8 have been paid in full, treated, reserved, resolved, included in or accounted for in the LAS GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. **The Distribution from the Deposit Holders' Fund.**

In addition, each Holder of an Allowed Deposit Holder Claim shall receive a single Distribution from the Deposit Holders' Fund hereunder in an amount equal to such Holder's Pro Rata Share of the Deposit Holders' Fund calculated with the denominator being the sum of all Allowed Deposit Holder Claims against the LAS Consolidated Debtor in this Class LAS-9B and all Allowed Deposit Holder Claims in Class Tenn-6B against the Tennessee Consolidated Debtor; provided, however, that in order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each such Holder must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to

the Plan Administrator to be included in the LAS Available Cash. However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class LAS 9B satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that the Holders of Allowed Deposit Holder Claims in Class LAS 9B would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims in Class LAS-9B that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the LAS Available Cash.

3. Assignment of Claims Against the Florida Homeowners Construction Recovery Fund To the Plan Administrator

Deposit Holders with Claims against the Recovery Fund may elect to assign their Claims to the Plan Administrator by not checking the box provided on the Ballot that allows Holders of such Claims to opt out of such assignment. If Holders of such Claims do not check the box provided in the Ballot, then they are deemed to assign any and all rights to pursue claims against the Recovery Fund to the Plan Administrator. Based on such an assignment, the Holders of Claims against the Recovery Fund shall be entitled to have the Plan Administrator pursue Claims against the Recovery Fund on their behalf, with the pursuit of such claims funded solely by the Deposit Holders' Fee Reserve. However, any recoveries achieved by the Plan Administrator against the Recovery Fund shall be distributed to all Deposit Holders, whether or not such Deposit Holder holds a Claim against the Recovery Fund; provided, however, that if a Deposit Holder holding a claim against the Recovery Fund elects not to assign its claim against the Recovery Fund to the Plan Administrator hereunder, then such Deposit Holder shall not receive any portion of the recovery achieved by the Plan Administrator from the Recovery Fund, but may still pursue any claim it may have against the Recovery Fund independently, but without the assistance of the Plan Administrator, or funding of expenses from the Deposit Holders' Fee Reserve.

Counsel for the Deposit Holders' Committee shall pursue any and all recoveries on behalf of all Holders of Allowed Deposit Holder Claims from the Recovery Fund pursuant hereto. The fees and expenses of such counsel shall be paid from the Deposit Holders' Fee Reserve, which shall be tendered to Ehrenstein Charbonneau Calderin, counsel to the Deposit Holders' Committee, on the Effective Date, and held in escrow pending further order(s) of the Bankruptcy Court. If and to the extent any recoveries are obtained from the Recovery Fund on behalf of Holders of Allowed Deposit Holder Claims, then such recoveries shall be paid fifty (50%) per cent to counsel for the Deposit Holders' Committee, to be held in trust pending further order of the Bankruptcy Court, and fifty (50%) per cent to the Plan Administrator as follows: (i) first, to reimburse the Plan Administrator for the Deposit Holders' Fee Reserve; and (ii) second, to reimburse the Plan Administrator for the aggregate amount paid as of such date to all Deposit Holders on account of their Allowed Priority Claims. Once the Deposit Holders' Fee Reserve and the aggregate of Deposit Holders' Allowed Priority Claims have been reimbursed in full, any and all further recoveries from the Recovery Fund shall be

payable solely to counsel for the Deposit Holders' Committee subject to further order of the Bankruptcy Court. Distributions of recoveries from the Recovery Fund, and any costs or fees associated with the making of such Distributions, shall be made by further order of the Bankruptcy Court.

4. The Distribution from the Woodbridge Release Fund.

In addition to the above, each Holder of an Allowed Deposit Holder Claim against the LAS Consolidated Debtor shall have the option of receiving an additional Distribution hereunder from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Class LAS-9B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claims combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in Section 6.17. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

Class LAS-9B is Impaired.

k. Class LAS-10 — Allowed Equity Interest.

On the Effective Date or as soon thereafter as is practicable, Allowed Equity Interests in respect of the LAS Consolidated Debtor shall be deemed transferred and conveyed to the Plan Administrator who shall hold such Equity Interests nominally for the benefit of the Holders of Allowed General Unsecured Claims and so as to permit the Plan Administrator to implement and execute this Plan.

ARTICLE V

CLASSIFICATION, IMPAIRMENT AND TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN TENNESSEE CONSOLIDATED DEBTOR

5.1. **Generally.** As to the Tennessee Consolidated Debtor, all Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are placed in Classes as set forth below. A Claim or Interest is placed in a particular Class only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled or paid prior to the Effective Date, and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

5.2. **Identification and Treatment of Classes – Tennessee Consolidated Debtor**

The following are the designations for and treatment of the Classes of Claims against and Equity Interests against the Tennessee Consolidated Debtor

a. **Class Tenn-1 — Allowed Priority Claims.**

Each Allowed Priority Claim against the Tennessee Consolidated Debtor shall be paid in full on the later of: (i) as soon as is practicable after the Effective Date; or (ii) as soon as practicable after the date on which the Order allowing such Priority Claim becomes a Final Order. Class Tenn-1 is Unimpaired.

b. **Class Tenn-2 — Allowed Secured Claims of Regions Bank, N.A.**

The Allowed Secured Claim of Regions Bank, N.A. shall be treated and satisfied in accordance with the Regions Bank Sale Order. Class Tenn-2 is Impaired.

c. **Class Tenn-3 — Allowed Secured Claim of Wachovia Bank**

The Allowed Secured Claim of Wachovia Bank shall be treated and satisfied in accordance with the Regions Bank Sale Order. Class Tenn-3 is Impaired.

d. **Class Tenn-4 — Allowed Secured Claim of Financial Federal**

Savings Bank.

The Allowed Secured Claim of Financial Federal shall be treated and satisfied in accordance with the Regions Bank Sale Order. Class Tenn-4 is Impaired.

e. Class Tenn-5 — Allowed Other Secured Claims.

Each Allowed Other Secured Claim shall be satisfied, to the extent the collateral therefore has not been previously sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class Tenn-5 Other Secured Claim is Allowed by a Final Order. Class Tenn-5 is Impaired.

f. Class Tenn-6A — Allowed General Unsecured Claims.

1. The Tennessee GUC Distribution.

Each Holder of an Allowed General Unsecured Claim against the Tennessee Consolidated Debtor shall receive Distributions from Tennessee Available Cash (the "Tennessee GUC Distribution") on each Distribution Date in an amount equal to such Holder's Pro Rata Share of each such Tennessee GUC Distribution being made hereunder, calculated with denominator being the sum of all Allowed General Unsecured Claims in this Class Tenn-6A and all Allowed Deposit Holder Claims in Class Tenn-6B. No Tennessee GUC Distribution shall be made to Holders of Allowed General Unsecured Claims in this Class Tenn-6A in respect of Tennessee Available Cash unless and until all Allowed Claims senior in priority to the Allowed Claims in this Class Tenn-6A, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes Tenn-1, Tenn-2, Tenn-3, Tenn-4 and Tenn-5 have been paid in full, treated, reserved, resolved, included in or accounted for in the Tennessee GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. The Distribution from the Woodbridge Release Fund.

In addition to the Tennessee GUC Distribution, each Holder of an Allowed General Unsecured Claim against the Tennessee Consolidated Debtor shall have the option of receiving an additional Distribution hereunder from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in this Class Tenn-6A who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder's Pro Rata Share of the

Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claim combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in Section 6.17. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

Class Tenn-6A is Impaired.

g. **Class Tenn-6B – Allowed Deposit Holder Claims.**

1. **The Tennessee GUC Distribution.**

Each Holder of an Allowed Deposit Holder Claim against the Tennessee Consolidated Debtor shall receive the Tennessee GUC Distributions from Tennessee Available Cash on each Distribution Date in an amount equal to such Holder's Pro Rata Share of such aggregate Distribution being made hereunder, calculated with denominator being the sum of all Allowed General Unsecured Claims in Class Tenn-6A and all Allowed Deposit Holder Claims in this Class Tenn-6B. No Tennessee GUC Distribution shall be made to Holders of Allowed Deposit Holder Claims in this Class Tenn-6B in respect of Tennessee Available Cash unless and until all Allowed Claims senior in priority to the Allowed Claims in this Class Tenn-6B, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative

Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes Tenn-1, Tenn-2, Tenn-3, Tenn-4 and Tenn-5 have been paid in full, treated, reserved, resolved, included in or accounted for in the Tennessee GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. The Distribution from the Deposit Holders' Fund.

In addition, each Holder of an Allowed Deposit Holder Claim shall receive a single Distribution from the Deposit Holders' Fund hereunder in an amount equal to such Holder's Pro Rata Share of the Deposit Holders' Fund calculated with the denominator being the sum of all Allowed Deposit Holder Claims against the LAS Consolidated Debtor in Class LAS-9B and all Allowed Deposit Holder Claims in this Class Tenn-6B against the Tennessee Consolidated Debtor; provided, however, that in order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each such Holder must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the Available Cash. However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class Tenn-6B satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that the Holders of Allowed Deposit Holder Claims in Class Tenn-6B would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims in Class Tenn-6B that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the Available Cash.

3. The Distribution from the Woodbridge Release Fund.

In addition to the above, each Holder of an Allowed Deposit Holder Claim against the Tennessee Consolidated Debtor shall have the option of receiving an additional Distribution hereunder from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in this Class Tenn-6B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an

additional Distribution hereunder equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claims combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in Section 6.17. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

Class Tenn-6B is Impaired.

h. Class Tenn-7 — Allowed Equity Interests.

On the Effective Date, Allowed Equity Interests in respect of the Tennessee Consolidated Debtor shall be deemed transferred and conveyed to the Plan Administrator who shall hold the Equity Interest nominally for the benefit of the Holders of Allowed General Unsecured Claims of the Tennessee Consolidated Debtor and so as to permit the Plan Administrator to implement and execute the Plan.

ARTICLE VI

MEANS OF IMPLEMENTING THE PLAN

6.1 Generally. Pursuant to the Confirmation Order, (i) each of the Debtors (other than the Tennessee Debtors) shall be substantively consolidated with and into the LAS Consolidated Debtor solely for purposes of voting on, Confirmation of and Distributions hereunder, and (ii) each of the Tennessee Debtors shall be substantively consolidated with and into the Tennessee Consolidated Debtor solely for purposes of voting on, Confirmation of and Distributions hereunder.

On the Effective Date of the Plan, (i) all of the Post Confirmation Debtor Assets shall vest in and be retained by the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, as applicable, under the sole and exclusive control of the Plan Administrator solely for the benefit of all Holders of Allowed Claims against and Allowed Interests in the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, hereunder pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise, and (ii) title to the Wachovia Collateral shall vest in and be retained by the applicable Post Confirmation Wachovia Debtor under the sole and exclusive control of the Wachovia Collateral Administrator in accordance with and under the terms of the Wachovia DIP Loan Documents, subject to the terms set forth herein.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE DISCLOSURE STATEMENT TO THE CONTRARY, ANY AND ALL PROVISIONS OF THE PLAN DEALING WITH OR RELATED TO THE WACHOVIA COLLATERAL ADMINISTRATOR SHALL BE EFFECTIVE AND APPLICABLE IF AND ONLY IF WACHOVIA BANK ACCEPTS THE PLAN IN RESPECT OF ITS CLASS LAS-6 ALLOWED SECURED CLAIM, CLASS LAS-7 ALLOWED POST PETITION DIP FINANCING SECURED CLAIM AND CLASS LAS-9A ALLOWED GENERAL UNSECURED CLAIM, IF ANY. OTHERWISE, ANY AND ALL PROVISIONS HEREIN DEALING WITH AND RELATED TO THE WACHOVIA COLLATERAL ADMINISTRATOR SHALL BE NULL AND VOID AND HAVE NO FORCE AND EFFECT, SUBJECT, IN ALL RESPECTS, TO WACHOVIA BANK'S OBLIGATION TO FUND THE ADMIN CAP AND THE GUARANTEED AMOUNT. THE GUARANTEED AMOUNT SHALL NOT BE USED TO SATISFY ANY ADMINISTRATIVE EXPENSE CLAIMS OR PRIORITY CLAIMS. INSTEAD, THE GUARANTEED AMOUNT SHALL ONLY BE USED TO FUND DISTRIBUTIONS TO HOLDERS OF CLAIMS IN LAS-9A AND LAS-9B EXCLUDING ANY GENERAL UNSECURED CLAIM HELD BY WACHOVIA BANK.

THE VESTING AND RETENTION OF THE POST CONFIRMATION DEBTOR ASSETS HEREUNDER SHALL BE FREE AND CLEAR OF ANY AND ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY PRESERVED AND PROVIDED FOR HEREIN AND THE CONFIRMATION ORDER.

THE VESTING AND RETENTION OF THE WACHOVIA COLLATERAL HEREUNDER SHALL BE FREE AND CLEAR OF ANY AND ALL LIENS, CLAIMS,

ENCUMBRANCES AND INTERESTS OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY PRESERVED AND PROVIDED FOR HEREIN AND THE CONFIRMATION ORDER.

Notwithstanding anything herein to the contrary, confirmation of the Plan shall divest the Debtors of any and all right, title and/or interest in the Post Confirmation Debtor Assets and the Wachovia Collateral, such that the Debtors shall not have any rights or authority in respect of any Post Confirmation Debtor Assets or the Wachovia Collateral.

The Plan contemplates the liquidation of all Post Confirmation Debtor Assets and the Wachovia Collateral for the benefit of the Holders of Allowed Claims and Allowed Interests as set forth above. A portion of the Post Confirmation Debtor Assets has already been reduced to Cash and will be vested in the Post Confirmation Debtors under the control of the Plan Administrator as of the Effective Date and will be available for Distribution to Holders of Allowed Claims and Allowed Interests, all in accordance with the Plan. A portion of the Wachovia Collateral has already been reduced to Cash by the Chief Administrator under the terms of the Wachovia DIP Loan Documents and, together with any monies funded or to be funded by Wachovia Bank under the Wachovia DIP Loan Documents, will be vested in the applicable Post Confirmation Wachovia Debtor under the sole and exclusive control of the Wachovia Collateral Administrator as of the Effective Date. The Post Confirmation Debtors, through the Plan Administrator, will liquidate and monetize the Post Confirmation Debtor Assets in an orderly fashion. The Post Confirmation Debtors, through the Plan Administrator, are and shall also be authorized to investigate, prosecute, enforce, pursue and settle, and continue to investigate, prosecute, enforce, pursue and settle, the Causes of Action from and after the Effective Date solely for the benefit of all Holders of Allowed Claims and Allowed Interests hereunder pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise.

The Wachovia Collateral Administrator, shall carry out all of the duties and powers of the Chief Administrator under the Wachovia DIP Loan Documents in respect of the Wachovia Collateral. The Wachovia Collateral Administrator shall be authorized to investigate, prosecute, enforce, pursue and settle, and continue to investigate, prosecute, enforce, pursue and settle, solely the Wachovia Debtor Causes of Action from and after the Effective Date pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise, but in all events subject to the Wachovia DIP Loan Documents. The Wachovia Collateral Administrator shall not be authorized to investigate or pursue any Causes of Action other than Wachovia Debtor Causes of Action. For avoidance of doubt and notwithstanding anything herein to the contrary, the Wachovia Debtor Causes of Action shall specifically not include any Causes of Action under Chapter 5 of the Bankruptcy Code, including in respect of the Post Confirmation Wachovia Debtors.

The Post Confirmation Debtors, through the Plan Administrator, will not continue or engage in the conduct of any trade or business, except to the extent necessary to accomplish the liquidation and distribution of Post Confirmation Debtor Assets.

From and after the Effective Date (i) the Post Confirmation Debtors, through the Plan Administrator, shall expeditiously (a) seek to collect, liquidate, sell and/or reduce to Cash the

Post Confirmation Debtor Assets, and (b) prosecute and continue to prosecute the Causes of Action through trial, judgment, appeal and/or settlement and collection thereof, and (ii) the Wachovia Collateral Administrator shall (a) comply with the terms of the Wachovia DIP Loan Documents in respect of the Wachovia Collateral, and (b) prosecute and continue to prosecute the Wachovia Debtor Causes of Action through trial, judgment, appeal and/or settlement and collection thereof.

The Plan will be funded with, among other things, (a) Cash on hand on the Effective Date in the Post Confirmation Debtors, (b) the Admin Cap, (c) the Guaranteed Amount, (d) the Tennessee Carve Out, (e) the proceeds, if any, in excess of the Guaranteed Amount pursuant to the Wachovia DIP Loan Documents, (c) the Woodbridge Settlement Payment, (d) the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement, (e) the Deposit Holders' Fund and the Deposit Holders' Fee Reserve, and (d) funds added to Cash after the Effective Date from, among other things, the liquidation of the Post Confirmation Debtor Assets, and the prosecution of the Causes of Action.

On the Effective Date, the Plan Administrator shall be authorized to pay from Cash on hand in the LAS Consolidated Debtor and the Tennessee Consolidated Debtor all Allowed Administrative Expense Claims, all Allowed Priority Claims, all Allowed Priority Tax Claims and the fees of the Office of the United States Trustee in respect of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, all in accordance with the terms of the Plan. On the Effective Date, the Wachovia Collateral Administrator shall pay and transfer to the Plan Administrator the Guaranteed Amount and thereafter any amounts due to the Debtors above the Guaranteed Amount, all under and in accordance with the Wachovia DIP Loan Documents. The Wachovia Collateral Administrator shall not make any Distributions to Holders of Allowed Claims or Allowed Interests hereunder, other than to Wachovia Bank, the Wachovia Collateral Administrator, the Wachovia Collateral Professionals and the Holders of Allowed Administrative Expense Claims incurred in respect of the Wachovia Collateral, all in accordance with the Wachovia DIP Loan Documents. In making Distributions hereunder, the Plan Administrator will comply with all withholding and reporting requirements imposed by federal, state or local taxing authorities. All Distributions pursuant to the Plan will be subject to all applicable withholding and reporting requirements.

6.2. **Powers and Obligations of Plan Administrator.** The Plan Administrator shall be appointed the sole manager, director, president and/or chief executive officer, as applicable, of the Post Confirmation Debtors. Upon the Effective Date and without further action by the Bankruptcy Court, the pre-Confirmation members, managers, directors and/or officers of the Debtors shall be deemed to have resigned and/or shall be deemed to have been terminated without cause, and all employment contracts of employees of the Debtors not previously assumed or rejected shall be deemed to be rejected; provided, however, that any such contracts entered into by the Chief Administrator in respect of the Wachovia Debtors shall remain in full force and effect and shall be assumed by the Wachovia Debtors on the Effective Date subject to the payment of any cure obligations in connection therewith pursuant to and with the proceeds from the Wachovia DIP Loan Documents. As of the Effective Date, the Plan Administrator shall act in a fiduciary capacity for the holders of all Allowed Claims and Allowed Interests hereunder and shall have only those rights, powers and duties conferred to him by the Plan, as well as the rights and powers of a trustee under sections 542 through 552 of the Bankruptcy Code and the

duties of a trustee under sections 704(1),(2),(4),(5),(7) and (9) of the Bankruptcy Code. The Plan Administrator shall administer the Plan subject to the foregoing duties and powers, which shall include the following:

- (a) To prosecute, compromise or settle objections to Claims and/or Interests (disputed or otherwise) and to make or direct that Distributions be made to Holders of Allowed Claims;
- (b) To make decisions regarding the retention or engagement of Professionals and to pay all reasonable fees and expenses incurred after the Effective Date;
- (c) To make or direct Distributions to Holders of Allowed Claims and to otherwise implement and administer the Plan;
- (d) To pursue, litigate or settle all Causes of Action;
- (e) To file with the Bankruptcy Court the reports and other documents and to pay any and all fees required by the Plan or otherwise required to close the Chapter 11 Cases, including the preparation and filing of a motion for a final decree;
- (f) To set off amounts owed to any Debtor against any and all amounts otherwise due to be distributed to the holder of an Allowed Claim hereunder; and
- (g) To take all other actions not inconsistent with the provisions of the Plan deemed necessary or desirable in connection with administering the Plan.

The Plan Administrator will not need to obtain Bankruptcy Court approval to implement the terms of the Plan or to take actions authorized by the Plan, except for: (i) the sale or liquidation of Post Confirmation Debtor Assets; (ii) the settlement of any Cause of Action; (iii) resolving and/or settlement of Disputed Claims; and (iv) the granting of releases pursuant to settlements entered into on behalf of the Post Confirmation Debtors.

6.3. Engagement of Post Confirmation Professionals and Compensation to Plan Administrator and Post Confirmation Professionals. The Plan Administrator shall be compensated from Cash in accordance with the provisions of Section 326 of the Bankruptcy Code applicable to a chapter 7 trustee. The Plan Administrator may engage counsel, financial advisors and other professionals, including counsel, financial advisors and other professionals engaged by the Debtors, the Committee and/or the Deposit Holders' Committee during the Chapter 11 Cases, to represent him in connection with his duties hereunder (the "Post Confirmation Professionals"); provided, however, that Post Confirmation Professionals shall not be precluded from representing the Plan Administrator to the extent that certain of their Administrative Expense Claims remain unpaid from the Debtors' Estates. Any fees and expenses of such Post Confirmation Professionals shall constitute Post Confirmation Administrative Expense Claims.

The Plan Administrator and the Post Confirmation Professionals shall be paid 90% of their fees and 100% of their costs on a monthly basis so long as the Plan Administrator is current with filing the required reports with the Office of the United States Trustee and payment of fees

to the Office of the United States Trustee. Post Confirmation Professionals shall keep separate time records with respect to the fees and expenses incurred for each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. Post Confirmation Professionals shall file fee applications no less frequently than every 120 days seeking approval of fees and expenses to be awarded by the Bankruptcy Court, including approval of the amounts paid on a monthly basis. A Post Confirmation Professional who fails to file an application seeking approval of compensation and expenses previously paid when such application is due every 120 days shall preclude such Post Confirmation Professional from being paid monthly as provided herein until an interim fee application has been filed and heard by the Bankruptcy Court. Upon the filing of each such application, the Post Confirmation Professionals shall be entitled to request the payment of some or all of any pending holdbacks in fees. The Bankruptcy Court shall retain jurisdiction to allow or disallow all Post-Confirmation Administrative Expense Claims of the Plan Administrator and the Post Confirmation Professionals. The invoices for services rendered and out-of-pocket expenses incurred which are to be submitted shall be sufficiently detailed to identify the hours worked, the rates charged and the work performed.

The Plan Administrator may employ such staff and obtain such equipment and premises as are reasonably necessary to carry out their respective functions and duties, store the books and records of the Debtors, and compensate such staff and pay for such equipment and premises from the Post Confirmation Debtor Assets; provided, however, that the Plan Administrator shall make a reasonable allocation of the costs and expenses as between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

6.4. **Bond.** The Plan Administrator shall post a bond in favor of the Post Confirmation Debtors in an amount equal to 110% of the book value of the Post Confirmation Debtor Assets; provided, however, that the book value of the Causes of Action for purposes of the bond shall be zero. The cost of such bond is payable from the Post Confirmation Debtor Assets. After making each successive Distribution provided for hereunder, the Plan Administrator shall have the right to seek a refund of the bond premium based upon the diminution of the Post Confirmation Debtor Assets resulting from each such Distribution.

6.5. **Resignation, Death or Removal of the Plan Administrator.** The Plan Administrator may resign at any time; provided, however, that he shall file a motion with the Bankruptcy Court in connection therewith and request that a successor or replacement be appointed in accordance herewith, which motion shall be on notice to the top twenty (20) unsecured creditors holding Allowed Claims and the Office of the United States Trustee. The Office of the United States Trustee or any party in interest, by motion filed with the Bankruptcy Court, or the Bankruptcy Court on its own order to show cause, may seek to remove the Plan Administrator for cause, including under Section 324 of the Bankruptcy Code, for the violation of any material provision of the Plan, or in the event the Plan Administrator becomes incapable of acting hereunder as a result of physical or mental disability and such physical or mental disability continues for a period in excess of thirty (30) days (except in the case of death, in which instance, the procedures for replacement will begin immediately). In the event of a resignation or removal, the Plan Administrator, unless he is incapable of doing so, shall continue to perform his duties hereunder until such a time as a successor is approved by a Final Order of

the Bankruptcy Court. In the event the Plan Administrator resigns or is removed, the successor shall be elected in the manner prescribed by Section 1104(b) of the Bankruptcy Code.

Notwithstanding anything herein to the contrary, the Office of the United States Trustee shall not have any responsibility or obligation to oversee or supervise the Plan Administrator or the Wachovia Collateral Administrator or the Professionals engaged by either of them.

6.6. **Dissolution of Corporate Entities.** As soon as practicable after the Effective Date and except to the extent the Plan Administrator deems it necessary to prosecute Causes of Action hereunder, the Plan Administrator is authorized, but not directed, to take all actions necessary or appropriate to effect the dissolution of each of the Debtors, other than the Wachovia Debtors (as to which the Plan Administrator may take such action only in conjunction with the Wachovia Collateral Administrator) under the appropriate state laws or take such other actions as the Plan Administrator (and in the case of the Wachovia Debtors, the Plan Administrator and the Wachovia Collateral Administrator) deems appropriate to provide for the revocation of the corporate charter for each of these Debtors. The Post Confirmation Debtors shall not be required to pay any outstanding or delinquent franchise taxes in order to effectuate the dissolution. Unless dissolved earlier by the Plan Administrator pursuant hereto, upon the Distribution of all Post Confirmation Debtor Assets (and the Wachovia Collateral with respect to the Wachovia Debtors) pursuant to the Plan, the Debtors will be dissolved for all purposes effective as of the final Distribution Date without the necessity for any other or further actions to be taken by or on behalf of the Plan Administrator or payments to be made in connection therewith; provided, however, that the Plan Administrator shall be authorized to file with the official public office for keeping corporate records in the Debtors' respective states of incorporation or organization a certificate of dissolution or equivalent document. Such a certificate of dissolution may be executed by the Plan Administrator without need for any action or approval by the shareholder, manager or the board of directors of the Debtors.

6.7. **Corporate Action.** Upon entry of the Confirmation Order, the transfers and dissolutions contemplated by this Article shall be deemed authorized and approved in all respects. On the Effective Date, the matters provided hereunder involving the corporate structures of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable state laws without any requirement of further action by any member, director or stockholder of the Debtors. On the Effective Date, the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall be authorized and directed to take all necessary and appropriate actions to effectuate the transactions contemplated by the Plan and the Disclosure Statement.

6.8. **Investments by Plan Administrator.** All Cash collected by the Plan Administrator, and pending Distribution, shall be held in accounts or otherwise invested in accordance with section 345 of the Bankruptcy Code or as otherwise permitted by Final Order of the Bankruptcy Court. The distributable Cash will be held by the Plan Administrator until it is distributed to any Holder of an Allowed Claim against these Debtors pursuant to the Plan.

6.9. **Indemnity.** The Post Confirmation Debtors shall indemnify and hold the Plan Administrator and the Post Confirmation Professionals harmless from and against any damages, costs, claims and other liabilities incurred in connection with their respective duties and

responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from such party's gross negligence or willful misconduct. Any fees and expenses actually and reasonably incurred by the Plan Administrator in connection with the defense or settlement of any action or suit against the Plan Administrator in connection with his duties and responsibilities hereunder not covered by any applicable insurance policy, shall be paid by the Post Confirmation Debtor Assets, if any, except that no indemnification shall be made in respect of any claim, issue or matter as to which the Plan Administrator or Post Confirmation Professionals shall have been adjudged by a court of competent jurisdiction to be liable for bad faith, gross negligence, self dealing, breach of fiduciary duty or willful misconduct.

6.10. **Appointment of Wachovia Collateral Administrator.** On the Effective Date, the Wachovia Collateral Administrator shall be appointed in respect of the Post Confirmation Wachovia Debtors and the Wachovia Collateral to carry out the powers and duties of the Chief Administrator under and in accordance with the Wachovia DIP Loan Documents, which powers and duties are specifically incorporated herein by reference; provided, however, that this provision, as with all other provisions of the Plan dealing with and related to the Wachovia Collateral Administrator shall be null and void and of no force and effect if and only if Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount.

6.11. **Powers and Obligations of Wachovia Collateral Administrator.** As of the Effective Date, the Wachovia Collateral Administrator shall act in a fiduciary capacity under and in accordance with the Wachovia DIP Loan Documents. To implement the terms and provisions of the Plan, the Wachovia Collateral Administrator shall have the powers and duties of the Chief Administrator under and in accordance with, the Wachovia DIP Loan Documents, which shall also include the following:

(a) To determine which houses to complete within the Wachovia Collateral, and to develop and coordinate a timeline and budget for completion of each house that is to be completed for submission to and approval by Wachovia Bank;

(b) To coordinate the delivery to Wachovia Bank (or its legal and financial advisors) of all such supporting information as may be requested in connection with, or as a condition to, the approval of any construction budget or any subsequent disbursement request thereunder in connection with the Wachovia Collateral;

(c) To award construction contracts for and on behalf of the Post Confirmation Wachovia Debtors to such general contractors or other parties as the Wachovia Collateral Administrator may deem appropriate to facilitate the completion of approved houses within the Wachovia Collateral in accordance with the approved timeline and budget for each house;

(d) To retain the services of a professional third party construction manager to provide such coordination and supervision of construction activities in respect to the Wachovia Collateral as it may deem appropriate;

(e) To make all disbursement requests under the Wachovia DIP Loan Documents in accordance with the approved budgets, to receive payment of all disbursements under the DIP Loan, and to remit payments to general contractors, subcontractors, materialmen, or other payees for obligations incurred subsequent to the Effective Date pursuant to such procedures as established by the Chief Administrator or as may be established by the Wachovia Collateral Administrator;

(f) To coordinate the marketing efforts with respect to the sale of the Wachovia Collateral, and to retain such third party sales professionals to list, market, and sell the Wachovia Collateral as the Wachovia Collateral Administrator may deem appropriate;

(g) To develop and implement appropriate closing procedures with respect to the sale of houses in the Wachovia Collateral to end users in the ordinary course of business;

(h) To retain such third party security, maintenance, or property management services as may be necessary or desirable in connection with the management of the Wachovia Collateral;

(i) To execute and deliver any documents on behalf of the Post Confirmation Wachovia Debtors related specifically to the Wachovia Collateral;

(j) To execute and deliver all deeds or other instruments of conveyance as may be necessary in connection with the consummation of any sale of Wachovia Collateral, and all certificates, affidavits and other documents required in connection therewith;

(k) To file such pleadings with the Bankruptcy Court as may be necessary from time to time in connection with carrying out his duties and powers hereunder, the Wachovia DIP Loan Documents, including in connection with the sale of Wachovia Collateral under Section 363 of the Bankruptcy Code free and clear of all Liens and encumbrances, and to object to any Administrative Expense Claims or Secured Claims asserted against or in respect of the Wachovia Collateral;

(l) To make decisions regarding the retention or engagement of the Wachovia Collateral Professionals and to pay all reasonable fees and expenses incurred by the Wachovia Collateral Professionals after the Effective Date in accordance with the Plan;

(m) To undertake any such actions necessary or appropriate to ensure the successful management and development of the Wachovia Collateral and to ensure the preservation and maximization of the value of the Wachovia Collateral;

(n) To make or direct Distributions to Wachovia Bank, the Wachovia Collateral Administrator, the Wachovia Collateral Professionals and the Holders of Allowed Administrative Expense Claims and Allowed Secured Claims, if any, incurred in respect of or against the Wachovia Collateral or under the Wachovia DIP Loan Documents;

(o) To take any and all actions necessary to implement and administer the Plan with respect to the Wachovia Collateral;

(p) To sell any of the Wachovia Collateral to any Person in accordance with the Plan and pursuant to Section 363 of the Bankruptcy Code free and clear of all Liens and encumbrances; and

(q) To pursue the Wachovia Debtor Causes of Action, to settle the Wachovia Debtor Causes of Action and/or to assign the right to pursue the Wachovia Debtor Causes of Action to any Person.

6.12. *Engagement of Wachovia Collateral Professionals and Compensation to Wachovia Collateral Administrator and Wachovia Collateral Professionals.* The Wachovia Collateral Administrator shall be compensated from the Wachovia Collateral in accordance with the Plan and the Wachovia DIP Loan Documents. The Wachovia Collateral Administrator may engage counsel, financial advisors and other professionals, including counsel, financial advisors and other professionals engaged by the Chief Administrator, the Debtors, the Committee and/or the Deposit Holders' Committee during the Chapter 11 Cases, to represent him in connection with his duties hereunder (the "Wachovia Collateral Professionals"); provided, however, that Wachovia Collateral Professionals shall not be precluded from representing the Wachovia Collateral Administrator to the extent that certain of their Administrative Expense Claims remain unpaid from the Debtors' Estates. Any fees and expenses of such Wachovia Collateral Professionals shall constitute Post Confirmation Administrative Expense Claims against the Wachovia Collateral only. Professionals previously employed by the Chief Administrator which are to be employed by the Wachovia Collateral Administrator do not have to be re-employed by the Wachovia Collateral Administrator. The Chief Administrator shall provide notice at least five (5) days prior to the Confirmation Hearing of those Professionals which will continue to be employed by the Wachovia Collateral Administrator as of the Effective Date. Collateral Professionals shall maintain new time and expense records as if first employed on the Effective Date. The Wachovia Collateral Administrator and the Wachovia Collateral Professionals shall be paid 90% of their fees and 100% of their costs on a monthly basis so long as the Wachovia Collateral Administrator is current with filing the required reports with the Office of the United States Trustee and payment of fees to the Office of the United States Trustee. Wachovia Collateral Professionals shall file fee applications no less frequently than every 120 days seeking approval of fees and expenses to be awarded by the Bankruptcy Court, including approval of the amounts paid on a monthly basis. A Wachovia Collateral Professional who fails to file an application seeking approval of compensation and expenses previously paid when such application is due every 120 days shall preclude such Wachovia Collateral Professional from being paid monthly as provided herein until an interim fee application has been filed and heard by the Bankruptcy Court. Upon the filing of each such application, the Post Confirmation Professionals shall be entitled to request the payment of some or all of any pending holdbacks in fees. The Bankruptcy Court shall retain jurisdiction to allow or disallow all Post-Confirmation Administrative Expense Claims of the Wachovia Collateral Administrator and the Wachovia Collateral Professionals. The invoices for services rendered and out-of-pocket expenses incurred which are to be submitted shall be sufficiently detailed to identify the hours worked, the rates charged and the work performed.

The Wachovia Collateral Administrator may employ such staff and obtain such equipment and premises as are reasonably necessary to carry out his functions and duties, store the books and records of the Post Confirmation Wachovia Debtors, and compensate such staff

and pay for such equipment and premises from the Wachovia Collateral or the Wachovia DIP Loan Documents.

6.13. **Wachovia Collateral Bond.** The Wachovia Collateral Administrator shall not be required to post a bond in favor of the Post Confirmation Wachovia Debtors or the Wachovia Collateral.

6.14. **Resignation, Death or Removal of the Wachovia Collateral Administrator.** The Wachovia Collateral Administrator may resign at any time; provided, however, that he shall file a motion with the Bankruptcy Court in connection therewith and request that a successor or replacement be appointed in accordance herewith, which motion shall be on notice to Wachovia Bank and the top twenty (20) unsecured creditors holding Allowed Claims and the Office of the United States Trustee. The Office of the United States Trustee or any party in interest, by motion filed with the Bankruptcy Court, or the Bankruptcy Court on its own order to show cause, may seek to remove the Plan Administrator for cause, including under Section 324 of the Bankruptcy Code, for the violation of any material provision of the Plan, or in the event the Wachovia Collateral Administrator becomes incapable of acting hereunder as a result of physical or mental disability and such physical or mental disability continues for a period in excess of thirty (30) days (except in the case of death, in which instance, the procedures for replacement will begin immediately). In the event of a resignation or removal, the Wachovia Collateral Administrator, unless he is incapable of doing so, shall continue to perform his duties hereunder until such a time as a successor is approved by a Final Order of the Bankruptcy Court. In the event the Wachovia Collateral Administrator resigns or is removed, the successor shall be elected in the manner prescribed by Section 1104(b) of the Bankruptcy Code, subject to the consent of Wachovia Bank.

6.15. **Protections.** The Wachovia Collateral Administrator and the Wachovia Collateral Professionals shall have the same protections and indemnities provided to the Chief Administrator and Professionals engaged by the Chief Administrator in the Chapter 11 Cases under the Wachovia DIP Loan Documents. The Post Confirmation Wachovia Debtors shall indemnify and hold the Wachovia Collateral Administrator and the Wachovia Collateral Professionals harmless from and against any damages, costs, claims and other liabilities incurred in connection with their respective duties and responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from such party's bad faith, gross negligence, self dealing, breach of fiduciary duty or willful misconduct; provided, however, in all such circumstances, any such damages, costs, claims or other liabilities, including the fees and expenses incurred in defending or otherwise dealing with such matters, not covered by any applicable insurance policy shall be paid solely from and in accordance with the Wachovia DIP Loan Documents. Notwithstanding anything herein to the contrary, no assets of the Post Confirmation Debtors, other than the Wachovia Collateral, shall be subject to the indemnification claims contained herein in respect of the Wachovia Collateral Administrator and the Wachovia Collateral Professionals.

Notwithstanding anything herein to the contrary, the Post Confirmation Debtors shall have all of the rights, benefits and protections provided to the Debtors under and pursuant to the Wachovia DIP Loan Documents. In addition, in no event shall any of the obligations, claims or liabilities of any kind incurred by, through or on behalf of the Wachovia Collateral

Administrator, any Professional engaged by the Wachovia Collateral Administrator and/or in respect of the Wachovia Collateral be or become an obligation, claim or liability of the Post Confirmation Debtors or be paid from the Post Confirmation Debtor Assets. Rather, all such obligations, claims and/or liabilities of any kind shall be paid from and through the Wachovia DIP Loan Documents and the Wachovia Collateral.

6.16. **Release of Liens and Preservation of Section 506(c) Claims** Except as otherwise provided herein, the Wachovia DIP Loan Documents or in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, Liens or other security interests against the Post Confirmation Debtor Assets shall be released, and the Post Confirmation Debtors shall own and hold good and marketable title to such Post Confirmation Debtor Assets. All Liens on or claims against the Cash shall be extinguished as of the Effective Date. Notwithstanding confirmation of the Plan and the occurrence of the Effective Date, the Plan Administrator shall have the right on behalf of each of the Post Confirmation Debtors and their Estates to assert claims for, or seek the recovery of, the cost of maintaining and preserving any collateral or property including under Section 506(c) of the Bankruptcy Code.

6.17. **Settlement with Woodbridge**

Pursuant to the terms hereof, the Proponents seek approval of the Woodbridge Settlement Agreement, the terms and conditions of which are set forth in that certain Amended and Restated Settlement Agreement, dated as of October 27, 2008 (the "Woodbridge Settlement Agreement"), a copy of which is attached as Exhibit 2 to the Disclosure Statement.³ Details regarding the facts and circumstances of the underlying claims and the negotiation process of the Woodbridge Settlement Agreement are set forth more particularly in Section VI(E)(1) of the Disclosure Statement.

(a) The Terms of the Woodbridge Settlement.

Pursuant to the Woodbridge Settlement Agreement,⁴ Woodbridge, the Debtors and the Committee have agreed, among other things, (i) that Woodbridge will pay an amount equal to \$8,000,000 to the Debtors' Estates upon the satisfaction of all of terms and conditions contained

³ On July 30, 2008, the Debtors filed with the Bankruptcy Court a certain Notice of Filing Settlement Agreement Between the Debtors, the Joint Committee of Unsecured Creditors and Woodbridge Holdings Corporation (C.P. # 3120). Attached to such Notice is a certain settlement agreement, dated June 27, 2008, between the Debtors, the Committee and Woodbridge. As a result of certain objections filed in respect of such settlement agreement, the Debtors, the Committee and Woodbridge have terminated such settlement agreement and have negotiated a revised settlement and compromise, which revised settlement and compromise is reflected in the Woodbridge Settlement Agreement attached to the Disclosure Statement as Exhibit 2.

⁴ Notwithstanding the recitation in this Disclosure Statement of the material terms of the Woodbridge Settlement, this is a summary only and all parties in interest are urged to read the Woodbridge Settlement Agreement in its entirety. In the event of any conflicts or inconsistencies between the summary contained in this Disclosure Statement and the Woodbridge Settlement Agreement, then the terms contained in the Woodbridge Settlement Agreement shall control as they related to Woodbridge and the treatment afforded to Woodbridge thereunder.

therein, including the entry of the Confirmation Order which includes approval of the Woodbridge Settlement (the "Settlement Payment"), (ii) that Woodbridge would have (a) an Allowed General Unsecured Claim in Class LAS-9A in the amount of \$85.5 million in respect of the Intercompany Loan, and (b) an Allowed General Unsecured Claim in Class LAS-9A in the amount of \$4.0 million in respect of the Employee Claim (collectively, the "Woodbridge Claims"), but would waive any right to receive a Distribution in respect of such Woodbridge Claims, (iii) that Woodbridge would have an Allowed Secured Claim for the HomeBanc Loan, (iv) that in full satisfaction of its Administrative Expense Claim for Shared Services, Woodbridge would have an Allowed Administrative Expense Claim against the LAS Consolidated Debtor in the amount of \$650,000, (v) that except for the Woodbridge Claim, the Allowed Secured Claim for the HomeBanc Loan and the Allowed Administrative Claim in the amount of \$650,000, Woodbridge would waive any and all other claims asserted by Woodbridge against the Debtors' Estates, (vi) that Woodbridge, on the one hand, and the Debtors, the Debtors' Estates and the Committee, on the other hand, would exchange mutual general releases of all claims, except for the obligations of each party under the Woodbridge Settlement Agreement, (vii) that Woodbridge would fund an amount equal to \$4,500,000 to the Plan Administrator to be held by the Plan Administrator in a segregated account (the "Release Fund") to be disbursed as set forth below in connection with the Third Party Release and Injunction, as defined below, (viii) Woodbridge would transfer, gift and carve out the Distribution due Woodbridge in respect of its Allowed Administrative Expense Claim to the Deposit Holders' Fund, which is an amount equal to \$650,000, and (ix) Woodbridge would pay an additional \$300,000 to be used to fund the balance of the Deposit Holders' Fund and to fund the Deposit Holders' Fee Reserve.

(b) The Third Party Release and Injunction in Connection with the Release Fund.

Pursuant to the Woodbridge Settlement Agreement, Woodbridge requires the issuance by the Bankruptcy Court of a third party release and injunction (the Third Party Release and Injunction") in favor of the Woodbridge Parties (as defined in the Woodbridge Settlement Agreement) that would permanently and forever stay, restrain and enjoin the Restrained Parties (as defined in the Woodbridge Settlement Agreement) from instituting, commencing, pursuing prosecuting or furthering any action or proceeding or employing any process against the Woodbridge Parties or collecting, recovering or receiving payment of or on, or otherwise affecting the property or assets of, the Woodbridge Parties with respect to the Settlement Causes of Action, as defined in the Woodbridge Settlement Agreement; provided, however, that the Third Party Release and Injunction specifically shall not and does not include any claim or cause of action arising under a written contract executed by and under which any Woodbridge Party is directly liable. Pursuant to the Woodbridge Settlement Agreement, the Third Party Release and Injunction shall be contained in the Confirmation Order and shall become effective on the Effective Date of the Plan.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Classes LAS-9A and 9B and Classes Tenn-6A and 6B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder's Pro Rata Share

of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor and the Section 502(d) Claim combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as provided below. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

If a Holder elects not to be bound by the Third Party Release and Injunction, any right or claim that such Holder has or may have against Woodbridge is preserved and not barred or enjoined by the Third Party Release and Injunction.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

The Woodbridge Settlement will be consummated on the Effective Date of the Plan. In connection therewith, Woodbridge shall, among the other requirements of the Woodbridge Settlement Agreement, fund (i) the Settlement Payment to the Plan Administrator, and (ii) (a) fund an amount equal to \$4,000,000 of the Release Fund to the Plan Administrator, and (b) retain the balance of the Release Fund of \$500,000 (the "Settlement Holdback") pending a determination of the amount, if any, that is required to be returned to Woodbridge in connection with the provisions dealing with the Distribution of the Release Fund to the Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor as set forth above. As set forth above, if and to the extent any Holder of an Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor elects not to receive an additional Distribution from the Release Fund and opts out of the Third Party Release and

Injunction, then such Holders Pro Rata Share of the Release Fund is to be returned to Woodbridge. Notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge. On or before December 31, 2009 or at such time as all of the General Unsecured Claims and Deposit Holder Claims asserted against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor have been either Allowed or Disallowed by Final Order or otherwise, whichever first occurs, then the Plan Administrator shall determine that portion of the Release Fund that is required to be returned to Woodbridge under the Woodbridge Settlement (the "Amount Due") and shall file such determination with the Bankruptcy Court (the "Release Fund Notice"). If the Amount Due is greater than the Settlement Holdback, then the Plan Administrator shall pay to Woodbridge from the Release Fund the difference between the Amount Due and the Settlement Holdback. If the Amount Due is less than the Settlement Holdback, then Woodbridge shall pay to the Plan Administrator the difference between the Settlement Holdback and the Amount Due up to a maximum of \$500,000. The payments required to be made hereunder by the Plan Administrator or Woodbridge, as applicable, shall be made within 10 business days after the Plan Administrator files the Release Fund Notice; provided, however, that Woodbridge shall have the right to object to the determination of the Amount Due by filing an objection with the Bankruptcy Court prior to the expiration of such 10 day period. If Woodbridge files such an objection, then the deadline to make the payment required hereunder shall be extended until 10 business days after the Bankruptcy Court enters a Final Order on such objection.

(c) The Deposit Holders' Fund and Deposit Holders' Fee Reserve.

In addition, pursuant to the Woodbridge Settlement Agreement, Woodbridge is (i) transferring, carving out and gifting to the Deposit Holders' Fund the Distribution due to it from the LAS Consolidated Debtor in respect of its Allowed Administrative Expense Claim, which amount is equal to \$650,000, and (ii) funding an additional \$300,000 to fund the balance of the Deposit Holders' Fund and to fund the Deposit Holders' Fee Reserve. In order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each Holder of an Allowed Deposit Claim against the LAS Consolidated Debtor or the Tennessee Consolidated Debtor must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the LAS Available Cash. However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class LAS-9B and Class Tenn-6B, as applicable, satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that Holders of the Allowed Deposit Holder Claims in Class LAS-9B or Tenn-

6B, respectively, would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims in LAS-9B and Tenn-6B, respectively, that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the LAS Available Cash.

6.18. Settlement and Compromise Between LAS Consolidated Debtor and the Tennessee Consolidated Debtor. As set forth above, pursuant to the substantive consolidation of the LAS Consolidated Debtor, all Intercompany Claims between and among the Debtors that comprise the LAS Consolidated Debtor will be extinguished on the Effective Date of the Plan with no Distributions being made in respect thereof. In addition, all Intercompany Claims between and among the Debtors that comprise the Tennessee Consolidated Debtor will be extinguished on the Effective Date of the Plan with no Distributions being made in respect thereof.

However, pursuant to the books and records of the Debtors, there exists an Intercompany Claim owed by the Debtors that comprise the Tennessee Consolidated Debtor to the Debtors that comprise the LAS Consolidated Debtor in the amount of approximately \$15,803,500 (the precise amount due from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor may be greater than or less than such amount). Without the benefit of the settlement and compromise set forth herein between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, the LAS Consolidated Debtor would be entitled to an Allowed Claim against the Tennessee Consolidated Debtor in the amount of such Intercompany Claim and would be entitled to share in the Distributions from the Tennessee Consolidated Debtor in respect thereof. Based on the amount of such Intercompany Claim, the Distribution otherwise proposed to be made to the Holders of Allowed General Unsecured Claims in Class Tenn-6A and the Holders of Allowed Deposit Holder Claims in Class Tenn-6B Class would be substantially diluted and reduced.

In addition, the Woodbridge Settlement Payment being made under the Woodbridge Settlement is not and cannot be specifically allocated or directed to any one or more Debtors. Rather, as described in more detail above, the Woodbridge Settlement Payment is being made in consideration of, among other things, Woodbridge and the Woodbridge Parties receiving a full, general release from the Debtors and the Debtors' Estates of any Causes of Action. Notwithstanding the inability of the Debtors to efficiently and effectively allocate the Woodbridge Settlement Payment among themselves, each Debtor arguably has a claim to some portion of the Woodbridge Settlement Payment. Therefore, it is conceivable that the Debtors that comprise the Tennessee Consolidated Debtor would receive a portion of the Woodbridge Settlement Payment if it was allocable, thereby allowing such portion to be distributed to the Holders of Allowed Claims against the Tennessee Consolidated Debtor. However, the Debtors and the Committee do not believe that the Woodbridge Settlement Payment can be allocated by and among each of the Debtors or even by and between the Tennessee Consolidated Debtor and the LAS Consolidated Debtor on any rational basis.

(a) The Terms of the Settlement and Compromise.

As a result of the above, the Plan provides for a settlement and compromise between and the LAS Consolidated Debtor and the Tennessee Consolidated Debtor whereby the LAS

Consolidated Debtor will waive the Intercompany Claim owed to it by the Tennessee Consolidated Debtor in exchange for and in consideration of the Tennessee Consolidated Debtor waiving any right or interest in and to any portion of the Woodbridge Settlement Payment. The Proponents believe that such settlement and compromise is in the best interests of all of the Debtors as it (i) saves significant professional fees and expenses in connection with the (A) determination of the precise amount owing from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor and (B) assertion and objections to the Intercompany Claims between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, (ii) saves significant professional fees and expenses in litigation over the proper method of allocation of the Woodbridge Settlement Payment between and among the Debtors, and (iii) provides for the efficient and effective means of making Distributions to Holders of Allowed Claims without undue delay. However, if the Debtors are required to litigate the issues surrounding the Intercompany Claim and the allocation of the Woodbridge Settlement Payment by and among the Debtors, then the Distributions to all Holders of Allowed Claims will be diminished as a result of the professional fees and expenses that will necessarily have to be incurred in connection therewith, with no attendant benefit resulting therefrom.

ARTICLE VII

PROVISIONS GOVERNING DISTRIBUTION

7.1. **Distributions.** Any Distribution pursuant to the Plan, to the extent posted in the United States mail, shall be deemed made when deposited by the Plan Administrator, or an agent authorized by the Plan Administrator, into the United States mail. Payments of Cash shall be made by check drawn on a U.S. bank or by wire transfer from a U.S. bank.

7.2. **Delivery of Distributions.** Distributions and deliveries to Holders of Allowed Claims shall be made at the addresses set forth on the proofs of claim filed by such Holders (or at the last known addresses of such Holders if no proof of claim is filed; or if the Debtors or the Plan Administrator has been notified in writing of a change of address, at such address). Nothing set forth herein will be deemed a waiver of the Debtors' statutory or common law setoff rights.

7.3. **Unclaimed Property.** If any Distribution remains unclaimed for a period of 90 days after it has been delivered (or attempted to be delivered) in accordance with the Plan to the Holder entitled thereto, such Unclaimed Property shall be forfeited by such Holder whereupon all right, title and interest in and to the Unclaimed Property. Pursuant to Local Rule 3011-1(B), Unclaimed Property shall be donated to the Bankruptcy Bar Foundation, a not-for-profit, non-religious organization dedicated to, among other things, promoting the pro bono legal representation of the indigent. The Plan Administrator shall not attempt to make further distribution to the Holders of such Unclaimed Property.

7.4. **No Interest Unless Otherwise Provided.** No interest shall be paid on any Claim unless, and only to the extent permitted, by applicable bankruptcy law.

7.5. **De Minimis Distributions.** No Distribution of less than fifty dollars (\$50) shall be made to any Holder of an Allowed Claim. Such undistributed amount will be retained by the

Plan Administrator to be distributed pro rata at the time of final distributions to Holders of Claims in accordance with the Plan.

7.6. **Manner of Payment.** At the option of the Plan Administrator, any Cash payment to be made by any Person pursuant to the Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

7.7. **Timing of Distributions.** The timing of Distributions shall be in accordance with the provisions of Articles II through V of the Plan.

7.8. **Fractional Cents.** When any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole cent (rounding down in the case of .50 or less and rounding up in the case of more than .50).

7.9. **Taxpayer Identification Number.** The Plan Administrator may require any holder with an Allowed Claim or holder of an Allowed Interest entitled to a Distribution hereunder to furnish its, his or her employer or taxpayer identification number (the "TIN") assigned by the Internal Revenue Service. Any Distribution hereunder may be conditioned on the receipt of such TIN. If any such holder entitled to a Distribution hereunder fails to provide a requested TIN within forty-five (45) days after the request thereof, then such failure shall be deemed to be a waiver of such holder's interest in any future Distributions, including the right to receive any future Distributions.

ARTICLE VIII

PROCEDURES FOR RESOLVING AND TREATING DISPUTED AND CONTINGENT CLAIMS

8.1. **Prosecution of Objections.** The Plan Administrator shall file objections on or before the 180th day after the Effective Date, or prior to such deadline established by separate order of the Court.

8.2. **Administration of Disputed Claims.** Notwithstanding any other provision of the Plan, no Distribution shall be made with respect to any Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim. In determining the amount of Distributions to be made hereunder to Holders of Allowed Claims, the appropriate Distributions required by the Plan shall be made according to estimates and subject to the provisions of the Plan. To protect the interests of Holders of Disputed Claims, the Plan Administrator shall establish a Disputed Claims Reserve for each Disputed Claim. The Plan Administrator shall fund the Disputed Claims Reserve with Cash in an amount that represents the Pro Rata Share of the Cash that would otherwise be distributed to the Holders of each Disputed Claim if such Claim was Allowed in the amount set forth on the Holder's proof of Claim or as estimated by the Bankruptcy Court. As soon as practicable after a Disputed Claim becomes an Allowed Claim, the Holder of such Allowed Claim shall receive from its Disputed Claims Reserve a Distribution in an amount equal to the Distribution that such Holder would have received had such Disputed Claim been an Allowed Claim on the Effective Date. Distributions to each Holder of a Disputed Claim, to the extent that such Claim becomes an Allowed Claim, shall be made, without interest,

in accordance with the Class of Claims to which such Claim belongs. If and when a Disputed Claim or any portion thereof becomes a Disallowed Claim, the Pro Rata Share of the Distributions to which each Holder of an Allowed Claim in the Class of Claims to which such Claim belongs is entitled, shall increase commensurately. Accordingly, the Plan Administrator shall have the right to make subsequent Distributions in accordance with the provisions of the Plan.

8.3. **Objections to Impaired Claims.** Certain Claims and all Equity Interests are Impaired hereunder and not entitled to any Distribution hereunder. As a result, the Debtors do not intend to object to any such Claims or Equity Interests since the allowance or disallowance of such Claims or Equity Interests will have no impact on the Debtors or their Estates. However, the Debtors (and after the Effective Date, the Plan Administrator) reserve the right to file objections to such Claims and Equity Interests at any time they deem appropriate, if ever, until the closing of these Chapter 11 Cases.

8.4. **Disallowance of Claims.** Under Section 502(d) of the Bankruptcy Code, any Claim asserted by a Creditor shall be disallowed in its entirety if such Creditor has received a transfer that is voidable under the Bankruptcy Code and has failed to repay such transfer.

ARTICLE IX

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1. **General Treatment: Rejected if not Previously Assumed.** Except for those executory contracts and unexpired leases (a) that are the subject of prior orders of the Bankruptcy Court approving their assumption or rejection, or (b) that are the subject of a motion pending as of the Confirmation Date, all executory contracts and unexpired leases are deemed rejected as of the Confirmation Date, but subject to the occurrence of the Effective Date. Provided that Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, any prepetition contract for the purchase of any portion of the Wachovia Collateral that has not been previously rejected by order of the Bankruptcy Court shall not be deemed rejected hereunder. Moreover, if and only if Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, any contract entered into by the Chief Administrator for the Wachovia Collateral after the Petition Date shall not be deemed rejected hereunder. If, however, Wachovia Bank rejects the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, then any liability arising out of such post petition contract with the Chief Administrator shall be limited to the Wachovia Collateral and/or Wachovia.

9.2. **Bar to Rejection Damages Arising as a Result of the Confirmation Order.** If any executory contract or an unexpired lease is rejected by the Debtors in the Confirmation Order, then any Rejection Claim for damages resulting from the rejection of such contract or lease shall be forever barred and shall not be enforceable against the Debtors, the Post Confirmation Debtors or any of them or their properties or agents,

successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon the applicable Plan Administrator by the date which is 30 days after the date of the Confirmation Order.

9.3. **Rejection Claims.** Any Rejection Claim arising from the rejection of an unexpired lease or executory contract not barred by the Plan shall be treated as a General Unsecured Claim. Nothing contained herein shall be deemed an admission by the Debtors or any of them that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors or the Plan Administrator of any objections to such Claim if asserted.

ARTICLE X

CONDITIONS PRECEDENT TO EFFECTIVENESS OF PLAN

10.1. **Conditions to Effectiveness of Plan.** The Effective Date of the Plan shall not occur unless and until the following conditions shall have been satisfied or waived by the Proponents: (a) the Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Proponents, which Confirmation Order shall, among other things, approve the (i) substantive consolidation as set forth herein, and (ii) Woodbridge Settlement pursuant to the terms of the Woodbridge Settlement Agreement; (b) the Bankruptcy Court shall have approved the information contained in the Disclosure Statement as adequate pursuant to section 1125 of the Bankruptcy Code; (c) all documents, instruments and agreements provided for hereunder or necessary to implement the Plan shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby, in form and substance satisfactory to the Proponents; (d) there is sufficient LAS Available Cash and Tennessee Available Cash to pay all Allowed Administrative Claims Allowed Priority Claims and Allowed Priority Tax Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively; and (e) no order of a court restraining the Debtors from consummating the Plan shall have been entered and shall remain in effect.

10.2. **Notice of Confirmation of the Plan.** Notice of entry of the Confirmation Order shall be provided as required by Bankruptcy Rule 3020(c)(2).

ARTICLE XI

RETENTION OF JURISDICTION

11.1. **Retention of Jurisdiction.** Pursuant to Sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain jurisdiction of all matters arising in, arising under, and related to the Chapter 11 Cases and the Plan, for the purposes of Sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

a. to hear and to determine any and all objections to or applications concerning the allowance of Claims or Equity Interests or the allowance, classification, priority, compromise, estimation, or payment of any Claim or Equity Interest;

b. to hear and determine any and all fee applications and any other applications for allowance and/or payment of other fees or expenses to be paid or reimbursed

from the Debtors' Estates, the Post Confirmation Debtors and the Wachovia Collateral under the Bankruptcy Code, and any and all objections thereto;

c. to hear and determine pending applications for the rejection, assumption, or assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect of the assumption or rejection of any executory contract or lease;

d. to hear and determine any and all motions for the use, sale or lease of property pursuant to Section 363 of the Bankruptcy Code and all issues related thereto, which transactions completed after the Confirmation Date shall be deemed to have been made pursuant to the Plan and therefore, exempt from recording and other taxes under Section 1146 of the Bankruptcy Code;

e. to hear and determine any and all adversary proceedings, applications, or contested matters, including Causes of Action, Wachovia Debtor Causes of Action and any remands from any appeals;

f. to hear and to determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan, any documents related to the Plan, including Exhibits to the Plan, if any, or in connection with the enforcement of any remedies made available hereunder;

g. to liquidate any disputed, contingent, or unliquidated Claims or to estimate any Disputed Claims;

h. to ensure that distributions to Holders of Allowed Claims are accomplished as provided herein;

i. to enter, enforce and to implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

j. to enable the Plan Administrator to prosecute any and all Causes of Action, including proceedings which may be brought to set aside Liens or encumbrances and to recover any transfers, assets, properties or damages to which the Post-Confirmation Debtors may be entitled under applicable provisions of the Plan, the Bankruptcy Code or any federal, state or local laws, including controversies, disputes and conflicts between the Debtors and any other party, including but not limited to any objections to Claims, motions for subordination on any grounds and claims preserved hereunder and pursuant to the Confirmation Order;

k. to hear and determine the Wachovia Debtor Causes of Action and claims asserted by the Wachovia Collateral Administrator;

l. to consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission or to reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

m. to enter, enforce and implement such orders (including orders entered prior to the Confirmation Date) as may be necessary or appropriate to execute, interpret, implement, consummate or enforce the terms and conditions of the Plan and the transactions contemplated hereunder;

n. to enter and to implement such orders (including orders entered prior to the Confirmation Date) as may be necessary or appropriate to execute, interpret, implement or enforce the terms and conditions of the Plan;

o. to hear and to determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan; and

p. to enter a final decree closing any and all of the Chapter 11 Cases.

11.2. **Abstention and Other Courts.** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to the Chapter 11 Cases, this section of the Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

ARTICLE XII

LIMITATION OF LIABILITY, RELEASES AND INJUNCTION

12.1. **Exculpation and Limitation of Liability.** Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, the Debtors, the Committee, the Deposit Holders' Committee, the Chief Administrator and their respective officers, directors, members, employees, representatives, counsel, financial advisors or other agents, and their respective successors and assigns (the "Released Parties"), shall be deemed to have released any claims of any type or nature that any of them have or may have against the other, and by all Holders of Claims or Equity Interests, of and from any Claims, obligations, rights, causes of action and liabilities for any act or omission occurring after the Petition Date in connection with, or arising out of, the Chapter 11 Cases, including, without limiting the generality of the foregoing, all sales of assets of the Debtors' Estates, the negotiation of the terms of the Plan and the Disclosure Statement, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed hereunder, except for acts or omissions which constitute bad faith, willful misconduct, self dealing, breach of fiduciary duty or gross negligence, and all such Persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities hereunder and under the Bankruptcy Code. Notwithstanding anything herein to the contrary, the exculpation and limitation of liability provided for herein shall not apply to any acts of omissions that occurred prior to the Petition Date.

12.2. **Injunction.** As of the Confirmation Date, except as otherwise provided herein or the Confirmation Order, all Persons that have held, currently hold or may hold a

Claim, Equity Interest or other debt or liability that is treated pursuant to the terms of the Plan are enjoined from taking any of the following actions on account of any such Claims, Equity Interests, debts or liabilities, other than actions brought to enforce any rights or obligations hereunder, against the Debtors, the Debtors' Estate, the Chief Administrator, the Post Confirmation Debtors, the Wachovia Collateral Administrator, the Plan Administrator, the Post Confirmation Debtor Assets, Estate property or the Wachovia Collateral: (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff or right of recoupment of any kind against any debt, liability or obligation; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order. Notwithstanding the above, none of the Debtors is entitled to and shall not receive a discharge under section 1141(d) of the Bankruptcy Code. In addition, the Plan does not release or waive any Causes of Action or Wachovia Debtor Causes of Action. Notwithstanding anything herein to the contrary, the injunction provided for in this subclause (ii) shall not and does not apply to (a) any assets of the Debtors' Estates that have been sold by the Debtors before or after the Petition Date or abandoned by the Debtors after the Petition Date, and (b) enjoin any actions against any Persons not specifically listed herein.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1. **Severability.** Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest or transaction, the Proponents may modify the Plan in accordance with the Plan, as applicable, so that such provision shall not be applicable to the Holder of any Claim or Equity Interest; provided, however, the Woodbridge Settlement contained herein may not be severed or modified in the Confirmation Order.

13.2. **Setoff and Recoupment.** Any one of the Debtors may, but shall not be required to, set off against or recoup from any Claim and the payments or other distributions to be made pursuant to this Plan in respect of such Claim, Claims of any nature whatsoever that the Debtors or any one of them may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or any one of them of any such Claim that the Debtors or any one of them may have against such Holder.

13.3. **Binding Effect.** Upon the entry of the Confirmation Order, all provisions of the Plan shall be binding upon, and shall inure to the benefit of, the Debtors, the Post Confirmation Debtors, the Plan Administrator, the Wachovia Collateral Administrator, the Holders of Claims and Equity Interests, and such Persons' respective successors and assigns.

13.4. **Governing Law.** Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, or a specific choice of law

provision is provided, the laws of the State of Florida shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, without regard to conflicts of law.

13.5. **Timing of Distributions.** Any Distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

13.6. **Dissolution of Committee.** Upon the Effective Date, the Committee and the Deposit Holders' Committee shall be deemed dissolved, except with respect to any appeal of an order in the Chapter 11 Cases and applications for Professional Claim. Further, the members of the Committee and the Deposit Holders' Committee shall be released and discharged from all rights, duties and liabilities arising from, or related to, the Chapter 11 Cases.

13.7. **Tax Liability.** The Debtors and the Plan Administrator are hereby authorized to request an expedited determination under Section 505(b) of the Bankruptcy Code of the tax liability of any Debtor for all taxable periods ending after the Petition Date through, and including, the Effective Date.

13.8. **Revocation or Withdrawal of Plan.** The Proponents, jointly but not severally, reserve the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order. If the Plan is withdrawn or revoked, then the result shall be the same as if the Confirmation Order had not been entered and the Effective Date had not occurred. If the Plan is revoked or withdrawn prior to the entry of the Confirmation Order, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against any Debtor(s) or any other Person or to prejudice in any manner the rights of the such entity or any Person in any further proceedings involving such entity.

13.9. **Nonmaterial Modifications.** The Proponents may, with the approval of the Bankruptcy Court and without notice to Holders of Claims and Equity Interests, correct any nonmaterial defect, omission, or inconsistency herein in such manner and to such extent as may be necessary or desirable.

13.10. **Material Modifications.** Modifications of the Plan may be proposed in writing by the Proponents, jointly but not severally, at any time prior to Confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Proponents shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after Confirmation and before substantial consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification.

13.11. **No Res Judicata Effect.** Notwithstanding anything to the contrary herein or in the Disclosure Statement, the provisions of the Disclosure Statement and the Plan that permit the Plan Administrator or Wachovia Collateral Administrator to enter into settlements and compromises of any Causes of Action or Wachovia Debtor Causes of Action, shall not have, and are not intended to have, any res judicata or collateral estoppel effect with respect to any Causes of Action or Wachovia Debtor Causes of Action, as the case may be, that are not otherwise

treated hereunder and shall not be deemed a bar to asserting such Causes of Action or Wachovia Debtor Causes of Action, regardless of whether or to what extent such Causes of Action or Wachovia Debtor Causes of Action are specifically described herein or Disclosure Statement relating hereto. Unless any of the Causes of Action and Wachovia Debtor Causes of Action are expressly waived, relinquished, exculpated, released, compromised or settled herein or by Final Order of the Bankruptcy Court, all such Causes of Action and Wachovia Debtor Causes of Action are expressly reserved and preserved for later adjudication and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action or Wachovia Debtor Causes of Action upon or after Confirmation or consummation of the Plan.

Furthermore, notwithstanding any provision or interpretation to the contrary, nothing herein or the Confirmation Order, including the entry thereof, shall be deemed to constitute a release, waiver, impediment, relinquishment or bar, in whole or in part, of or to any recovery rights or any other claim, right or cause of action possessed by the Debtors prior to the Effective Date.

13.12. **Cramdown.** This section shall constitute the Proponents' request, pursuant to Section 1129(b)(1) of the Bankruptcy Code, that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of Section 1129(a)(8) of the Bankruptcy Code may not be met.

13.13. Notices. Any notice required or permitted to be provided hereunder shall be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery or (c) prepaid overnight delivery service and addressed as follows:

(1) Berger Singerman, P.A.
200 South Biscayne Boulevard, Suite 1000
Miami, Florida 33131
Attention: Paul Steven Singerman, Esquire
Jordi Gusó, Esquire
Leslie Gern Cloyd, Esquire

(2) Lawrence E. Young
Chief Restructuring Officer
Levitt and Sons, LLC
c/o Alix Partners
2100 McKinney Avenue, Suite 800
Dallas, TX 75201

and

(3) Genovese Joblove and Battista, P.A.
Bank of America Tower
100 SE 2nd Street
44th Floor
Miami, FL 33131
Attention: Paul J. Battista, Esquire
Heather L. Harmon, Esquire

13.14. Successors and Assigns. The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such Person.

Dated: December 5, 2008

LEVITT AND SONS, LLC, et al.

/s/ John A. Dischner

By: John A. Dischner, Executive Vice President of Each of the Debtors

JOINT COMMITTEE OF UNSECURED CREDITORS FOR
LEVITT AND SONS, LLC, et al.

/s/ Alfred D. Strack

By: Alfred D. Strack, Chairperson for the Joint Committee Of Unsecured Creditors

EXHIBIT 2
Woodbridge Settlement Agreement

AMENDED AND RESTATED SETTLEMENT AGREEMENT

This Amended and Restated Settlement Agreement, dated as of October 27, 2008 (this "Agreement"), is by and among Levitt and Sons, LLC ("LAS") and each of its affiliates who are jointly administered debtors in the Chapter 11 Case (as defined below) (collectively, the "Debtors"),¹ the Joint Committee of Unsecured Creditors appointed in this Chapter 11 Case (the "Committee"), and Woodbridge Holdings Corporation, f/k/a Levitt Corporation ("Woodbridge"), and amends and supersedes the Settlement Agreement entered into by the Debtors, the Committee and Woodbridge dated June 27, 2008 (the "Prior Settlement").

RECITALS

A. On November 9, 2007 (the "Petition Date"), each of the Debtors filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Florida (the "Court"), jointly administered under Case No. 07-19845-BKC-RBR (collectively, the "Chapter 11 Case").

B. On November 27, 2007, the United States Trustee appointed the Committee in the Debtors' Chapter 11 Case.

C. Woodbridge is the sole member of LAS and in turn LAS directly or indirectly owns each of the other Debtors.

D. Woodbridge holds claims scheduled by the Debtors or asserted by it, including without limitation, the following: (i) a claim against LAS in the approximate amount of \$85.5 million related to certain inter-company loans and advances made by Woodbridge to LAS since 2005 (the "Inter-company Loan"), which Woodbridge asserts is partially secured through the right of set off against the 2005 Tax Refund, as hereinafter defined, (ii) a claim against certain of the Debtors in the approximate amount

¹ The term "Debtors" shall include, in addition to LAS, the following: (I) BankAtlantic Venture Partners 5, LLC; (ii) Bellaggio by Levitt and Sons, LLC; (iii) Levitt GP, LLC; (iv) Levitt Construction Corp.-East; (v) Levitt Construction-East, LLC; (vi) Levitt Industries, LLC; (vii) Levitt Homes Bellaggio Partners, LLC; (viii) Levitt Homes, LLC; (ix) Avalon Park by Levitt and Sons, LLC; (x) Levitt and Sons of Lake County, LLC; (xi) Levitt and Sons of Manatee County, LLC; (xii) Levitt and Sons of Hernando County, LLC; (xiii) Regency Hills by Levitt and Sons, LLC; (xiv) Levitt and Sons at Hunter's Creek, LLC; (xv) Levitt and Sons of Seminole County, LLC; (xvi) Levitt and Sons of Osceola County, LLC; (xvii) Levitt and Sons of Lee County, LLC; (xviii) Cascades by Levitt and Sons, LLC; (xix) Levitt and Sons at Hawks Haven, LLC; (xx) Magnolia Lakes by Levitt and Sons, LLC; (xxi) Levitt and Sons at Tradition, LLC; (xxii) Levitt and Sons at World Golf Village, LLC; (xxiii) Levitt and Sons of Flagler County, LLC; (xxiv) Lev-Brn, LLC; (xxv) Summerport by Levitt and Sons, LLC; (xxvi) Levitt and Sons of Georgia, LLC; (xxvii) Levitt and Sons of Cherokee County, LLC; (xxviii) Levitt and Sons of Hall County, LLC; (xxix) Levitt and Sons of Paulding County, LLC; (xxx) Levitt Construction Georgia, LLC; (xxxi) Levitt and Sons of South Carolina, LLC; (xxxii) Levitt and Sons of Horry County, LLC; (xxxiii) Levitt Construction - South Carolina, LLC; (xxxiv) Levitt and Sons of Tennessee, LLC; (xxxv) Bowden Building Corporation; (xxxvi) Levitt and Sons of Nashville, LLC; and (xxxvii) Levitt and Sons of Shelby County, LLC, and any and all other direct or indirectly subsidiaries of LAS that become debtors in bankruptcy.

of \$4.0 million related to various claims assigned to Woodbridge by former employees of the Debtors, (iii) a portion of the Inter-company Loan in the amount of approximately \$7.9 million for which Woodbridge asserts recoupment in relation to certain income taxes which are asserted by Woodbridge to have been paid by Woodbridge for the benefit of and on behalf of the Debtors for the year 2006, which taxes are the subject of the 2006 Tax Refund, as hereinafter defined, (iv) a secured claim in the approximate amount of \$3.3 million in connection with a certain loan (the "HomeBanc Loan") made by Woodbridge to LAS in connection with LAS's acquisition of certain notes and mortgages related to properties sold by the Debtors that were originally to be financed by Home Banc, which loan is secured by a pledge of such notes, mortgages and proceeds from LAS to Woodbridge (the "HomeBanc Collateral"), (v) a contingent claim against certain of the Debtors in the approximate amount of \$13.0 million related to certain liability that Woodbridge may have in respect of certain infrastructure bonds that were issued in favor of the Debtors and that were guaranteed by Woodbridge, and (vi) an administrative claim (the "Administrative Expense Claim") for certain shared services (the "Shared Services") provided by Woodbridge to the Debtors from the inception of the Chapter 11 Case as described in and in accordance with that certain Order of the Bankruptcy Court (C.P.#222) Granting Debtors' Motion for Authority to Incur Chapter 11 Administrative Expense Claim, which Administrative Expense Claim was in the approximate amount of \$1.4 million as of February 29, 2008 and which continued to increase thereafter. Woodbridge hereby represents and warrants to the Debtors and the Committee that it owns all such claims as of the date hereof, that it has not sold, transferred or assigned or agreed to sell, transfer or assign any of such claims, or any other claims or causes of action against the Debtors, to any person or entity, and it will not sell, transfer or assign any such claims to any person or entity pending approval and consummation of the settlement and compromise contained in this Agreement.

E. The Committee has conducted an investigation of certain claims and causes of action against Woodbridge, certain of Woodbridge's non-Debtor affiliates and certain officers and directors of Woodbridge and the Debtors, and as a result of such investigation, asserts the following claims and causes of action against Woodbridge on behalf of the Debtors' bankruptcy estates: (i) a claim in the amount of approximately \$11.0 million related to an income tax refund that is expected to be paid to Woodbridge as the parent holding company for the Debtors in connection with losses generated by the Debtors in 2007 that are being carried back to obtain a refund of taxes paid by the Debtors in 2005 on income earned by the Debtors in 2005 (the "2005 Tax Refund Claim"), (ii) a claim in the amount of approximately \$7.9 million related to an income tax refund that is expected to be paid to Woodbridge as the parent holding company for the Debtors in connection with losses generated by the Debtors in 2007 that are being carried back to obtain a refund in respect of taxes paid on income earned by the Debtors in 2006 (the "2006 Tax Refund Claim"), (iii) a claim for the recharacterization of the Inter-company Loan from debt to equity, and (iv) claims and causes of action under Chapter 5 of the Bankruptcy Code for the avoidance and recovery of certain transfers made by one or more of the Debtors to Woodbridge and certain of its affiliates and former employees. Woodbridge has asserted defenses to all of the Debtors' claims and causes of action. The Debtors and the Committee hereby represent and warrant to Woodbridge that the Debtors owns all such claims as of the date hereof, that the Debtors have not sold, transferred or

assigned or agreed to sell, transfer or assign any of such claims, or any other claims or causes of action against Woodbridge, to any person or entity, and the Debtors will not sell, transfer or assign any such claims to any person or entity pending approval and consummation of the settlement and compromise contained in this Agreement.

F. Woodbridge has filed a consolidated federal income tax return for 2007 which will generate a tax loss carryback to tax years 2005 and 2006. Woodbridge asserts that a portion of this anticipated refund is attributable to the 2007 loss and 2005 and 2006 income of Woodbridge itself and its direct and indirect subsidiaries other than the Debtors. Woodbridge asserts that the Debtors have no claim to such refunds. The remaining portions of the anticipated refund arise from the 2007 losses and 2005 and 2006 income attributable to the Debtors' operations. The relevant income taxes were contributed by the Debtors to Woodbridge for the 2005 tax year. However, for 2006, Woodbridge asserts that it paid approximately \$8.0 million in taxes which were attributable to the Debtors' operations.

G. As set forth below, the terms and conditions of the settlement and compromise contained herein, and the substantial benefits afforded to the Debtors' bankruptcy estates hereunder, are subject to and strictly conditioned on the entry of an order confirming the First Amended Joint Liquidating Chapter 11 Plan, dated October 31, 2008 and filed by the Debtors and the Committee in the Chapter 11 Case (as amended from time to time, the "Plan"),² which order shall contain findings and rulings reasonably acceptable to Woodbridge approving and related to the settlement and compromise memorialized by this Agreement (the "Confirmation Order") which specifically provides for the issuance by the Court of a Third Party Release and Injunction, as hereinafter defined, in favor of the Woodbridge Parties, as hereinafter defined, which Third Party Release and Injunction is a critical and integral part of the settlement and compromise contained herein.

H. After lengthy and complex settlement negotiations, the Committee and Woodbridge, with the substantial assistance of the Debtors and the Debtors' professionals, have agreed to enter into this Agreement and are prepared to consummate the settlement and compromise contained herein pursuant to the terms and subject to the conditions hereof.

I. The parties hereto also each agree and acknowledge that consideration flowing to the Debtors' estates hereunder constitutes reasonably equivalent value for the release granted to the Woodbridge Parties under this Agreement by the Debtors and the Debtors' Estates, the Third Party Release and Injunction granted in favor of Woodbridge Parties under this Agreement, and the settlement and compromise contained herein.

J. Nothing in the Agreement shall constitute an admission by any party of any fact relating to any matter or any liability relating to any matter, including without limitation, the claims asserted against Woodbridge as described above and the claims asserted against the Debtors described above.

² All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

K. In connection with the Prior Settlement, Woodbridge, in good faith and in anticipation of the execution and delivery of the Prior Settlement, caused an amount equal to \$12,500,000.00 to be deposited into a segregated interest bearing account denominated the "Levitt Corporation – Settlement Fund" account (which together with any interest accrued thereon from and after May 22, 2008 will be for the benefit of the Debtors' Estates in the event the settlement and compromise contained herein is approved by the Court)(collectively referred to herein as the "Initial Settlement Payment");

L. In connection with the settlement and compromise contained herein, Woodbridge shall cause the Initial Settlement Payment on deposit in the Levitt Corporation – Settlement Fund to be increased by \$300,000 to a total of \$12,800,000 in principal as provided in Recital K above (collectively, the "Total Settlement Payment") plus interest accrued thereon;

M. Upon execution and delivery of this Agreement, (i) \$12,300,000 of the Total Settlement Payment plus all accrued interest thereon in the Levitt Corporation – Settlement Fund shall be transferred to an escrow account with Stearns Weaver Miller Weissler Alhadeff and Sitterson, P.A. ("Stearns Weaver") acting as Escrow Agent (the "Escrow Account"), which shall hold it pursuant to an escrow agreement, substantially in the form attached as Exhibit "A" (the "Escrow Agreement"), and (ii) \$500,000 (the "Settlement Holdback") shall continue to be held by Woodbridge subject to its continuing obligation to fund the Settlement Holdback as set forth herein.

N. It is the intent of the Debtors, the Committee and Woodbridge that all persons and entities included within the meaning of the terms "Debtors", "Woodbridge" and "Woodbridge Parties" as used in this Agreement are to be (even if not signatories) beneficiaries of the terms of this Agreement.

O. The Debtors and Woodbridge entities which are signatories to this Agreement represent and warrant that each has the authority and capacity to execute this Agreement, subject to approval of the Court in respect of the Debtors.

NOW THEREFORE, in consideration of the terms and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The recitals set forth above are true, correct and accurate in all respects.

2. In consideration of the settlement and compromise contained herein, and upon execution of this Agreement by the parties hereto, Woodbridge agrees to transfer \$12,300,000 of the Total Settlement Payment plus all accrued interest on the Total Settlement Payment to the Escrow Account pending approval of this Agreement by the Court pursuant to the terms hereof and satisfaction of all other conditions precedent to the disbursement of the Total Settlement Payment pursuant hereto. The remaining \$500,000 of the Total Settlement Payment shall be held by Woodbridge subject to Woodbridge's obligation to pay any difference between the Settlement Holdback and the Amount Due

as these terms are defined in and as contemplated by the provisions of 3.(h) below, from the Levitt Corporation – Settlement Fund account. Subject to and conditioned upon the entry of the Confirmation Order and the Confirmation Order becoming a Final Order (as hereinafter defined), Woodbridge agrees, and the Escrow Agreement shall provide, that Stearns Weaver shall disburse the payments contemplated to be made pursuant to Section 3.(b), 3.(h) and 3.(i) below to the Plan Administrator (as defined in the Plan) on the Effective Date of the Plan, (or at such other time as contemplated by Section 3.(h) below), or such other place as directed in writing jointly signed by counsel to the Debtors and counsel to the Committee. The term “Final Order” as used in this Agreement means an order issued by the Court that is not subject of rehearing or appeal, or if an appeal of any such order has been taken, that all appellate proceedings have terminated resulting in the affirmation of the order entered by the Court from which the appeal was taken or if an appeal or rehearing has not been taken, that all applicable rehearing or appeal periods have expired. In its sole and absolute discretion, Woodbridge shall have the right to waive the requirement that the Confirmation Order must become a Final Order for purposes of paying the Total Settlement Payment pursuant to this paragraph.

3. In consideration of the settlement and compromise contained herein, Woodbridge, the Debtors and the Committee have agreed that the Confirmation Order shall provide that:

- (a) Woodbridge has provided the Shared Services to the Debtors and the Debtors’ bankruptcy estates through July 31, 2008;
- (b) An amount equal to \$8,000,000 of the Total Settlement Payment plus all accrued interest on the Total Settlement Payment shall be transferred out of the Escrow Account to the Plan Administrator upon the Effective Date of the Plan and upon the satisfaction of all of terms and conditions contained herein, including the entry of the Confirmation Order for distribution to Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor under and pursuant to the terms of the Plan in consideration of the release set forth in paragraph 8 below;
- (c) Woodbridge has (a) an Allowed General Unsecured Claim in Class LAS-9A in the amount of \$85.5 million in respect of the Inter-company Loan and (b) an Allowed General Unsecured Claim in Class LAS-9A in the amount of \$4.0 million in respect of the Employee Claim (collectively, the “Woodbridge Claims”), but Woodbridge agrees to waive any right to receive a Distribution in respect of such Woodbridge Claims;
- (d) Woodbridge has an Allowed Secured Claim for the HomeBanc Loan;
- (e) in full satisfaction of its Administrative Expense Claim for Shared Services, Woodbridge has an Allowed Administrative Expense Claim against the LAS Consolidated Debtor in the amount of \$650,000;

- (f) except for the Woodbridge Claims, the Allowed Secured Claim for the HomeBanc Loan and the Allowed Administrative Expense Claim for Shared Services in the amount of \$650,000, Woodbridge waives any and all other claims asserted by Woodbridge against the Debtors' Estates;
- (g) Woodbridge, on the one hand, and the Debtors, the Debtors' Estates and the Committee, on the other hand, shall exchange mutual general releases of all claims, except for the obligations of each party hereunder;
- (h) An amount equal to \$4,500,000 of the Total Settlement Payment shall be transferred out of the Escrow Account to the Plan Administrator upon the satisfaction of all of the terms and conditions contained herein, including the entry of the Confirmation Order, to be held by the Plan Administrator in a segregated account (the "Release Fund") to be disbursed as set forth below in connection with the Third Party Release and Injunction, as follows:

\$4,000,000 shall be transferred from the Escrow Account to the Plan Administrator on the Effective Date of the Plan, and the balance of the Release Fund of \$500,000 (the "Settlement Holdback") shall be retained by Woodbridge pending a determination of the amount, if any, that is required to be returned to Woodbridge in connection with the provisions dealing with the Distribution of the Release Fund to the Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor as set forth above and in the Plan. If and to the extent any Holder of an Allowed General Unsecured Claim and an Allowed Deposit Holder Claim against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor elects not to receive an additional Distribution from the Release Fund and opts out of the Third Party Release and Injunction under the Plan, then such Holders Pro Rata Share of the Release Fund is to be released and returned to Woodbridge. Notwithstanding any provision to the contrary herein, Distributions from the Release Fund under the Plan on account of Section 502(d) Claims, as defined below, shall be returned and transferred to Woodbridge. "Section 502(d) Claims" shall mean those Claims (i) for which the Holder of such Claim elected to opt out of the Release Fund on the Ballot, and (ii) that have been Disallowed by the Court as a result of either the settlement of any claim under Chapter 5 of the Bankruptcy Code or an objection to such Claim based on Section 502(d) of the Bankruptcy Code where the transfer of money or property that forms the basis of such objection or settlement exceeds \$5,000,000; provided however, that the amount of such Claim for purposes of the Release Fund shall be an amount equal to 10 percent

of the Claim that would have been Allowed to such Holder but for such settlement or objection. On or before December 31, 2009 or at such time as all of the General Unsecured Claims and Deposit Holder Claims asserted against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor have been either Allowed or Disallowed by Final Order or otherwise, whichever first occurs, then the Plan Administrator shall determine that portion of the Release Fund that is required to be returned to Woodbridge (the "Amount Due") and shall file such determination with the Bankruptcy Court (the Release Fund Notice"). If the Amount Due is greater than the Settlement Holdback, then the Plan Administrator shall pay to Woodbridge from the Release Fund the difference between the Amount Due and the Settlement Holdback. If the Amount Due is less than the Settlement Holdback, then Woodbridge shall pay to the Plan Administrator the difference between the Settlement Holdback and the Amount Due up to a maximum of \$500,000. The payments required to be made hereunder by the Plan Administrator or Woodbridge, as applicable, shall be made within 10 business days after the Plan Administrator files the Release Fund Notice; provided, however, that Woodbridge shall have the right to object to the determination of the Amount Due by filing an objection with the Bankruptcy Court prior to the expiration of such 10 day period. If Woodbridge files such an objection, then the deadline to make the payment required hereunder shall be extended until 10 business days after the Bankruptcy Court enters a Final Order on such objection.

- (i) Woodbridge shall transfer and gift to the Deposit Holders' Fund the Distribution due Woodbridge in respect of its Allowed Administrative Expense Claim, which is an amount equal to \$650,000, and an additional \$300,000 shall be transferred from the Escrow Account to the Plan Administrator on the Effective Date of the Plan to fund the balance of the Deposit Holders' Fund and to fund the Deposit Holders Fee Reserve, as more fully set forth in paragraph 5 hereinbelow.

4. The Third Party Release and Injunction in Connection with the Release Fund.

The Confirmation Order shall include a third party release and injunction in favor of the Woodbridge Parties (as defined herein) and each of the Debtors' current or former officers and directors (the "Third Party Release and Injunction") that permanently and forever stays, restrains and enjoins the Restrained Parties (as defined herein) from instituting, commencing, pursuing prosecuting or furthering any action or proceeding or employing any process against the Woodbridge Parties or collecting, recovering or receiving payment of or on, or otherwise affecting the property or assets of, the Woodbridge Parties with respect to any direct or derivative claim against the Woodbridge Parties and each of the Debtors' current or former officers and directors, including without limitation, the Settlement Causes of Action, as defined herein; provided,

however, that the Third Party Release and Injunction specifically shall not and does not include any claim or cause of action arising under a written contract executed by and under which any Woodbridge Party is directly liable. The Third Party Release and Injunction shall be contained in the Confirmation Order and shall become effective on the Effective Date of the Plan.

Specifically, any and all Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims who agree or are deemed to agree to and are bound by the Third Party Release and Injunction shall receive an additional Distribution under the Plan equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims, all Allowed Deposit Holder Claims and all Section 502(d) Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor combined. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution from the Release Fund and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms of the Plan and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction, as provided herein, by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above and in the Plan. Rather, such Distribution that would otherwise have been made to such Holder, including in respect of the Section 502(d) Claims shall instead be released and returned to Woodbridge as provided herein. Notwithstanding anything herein to the contrary, the Woodbridge Claims Allowed as General Unsecured Claims herein shall not be included in the calculation of the denominator for purposes of Distributions under the Plan from the Release Fund or the Total Settlement Payment.

If any such Holder of an Allowed Claim either does not return a Ballot on the Plan or returns the Ballot and does not affirmatively opt-out of the Third Party Release and Injunction by checking the respective box on the Ballot, then the Confirmation Order shall provide that each such Holder shall be deemed to be a Restrained Party and shall be deemed to have consented to the Third Party Release and Injunction described herein and in the Plan and contained in the Confirmation Order, and each such Holder shall be entitled to its Pro Rata additional Distribution from the Release Fund.

5. The Deposit Holders' Fund and Deposit Holders Fee Reserve.

In addition to Woodbridge transferring and gifting to the Deposit Holders' Fund the Distribution due to Woodbridge from the LAS Consolidated Debtor in respect of its Allowed Administrative Expense Claim, which amount is equal to \$650,000, the Plan Administrator or its successor under the Plan shall transfer to the Deposit Holders' Fund an additional \$300,000 received from the Escrow Account in accordance with paragraph 3.(i) above to fund the balance of the Deposit Holders' Fund and to fund the Deposit Holders' Fee Reserve. In order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth in the Plan, each Holder of an Allowed

Deposit Claim against the LAS Consolidated Debtor or the Tennessee Consolidated Debtor must (a) vote to accept the Plan by completing and submitting a Ballot and (b) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a) and (b) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder (the "Excess Distribution") shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the LAS Available Cash, provided however, that in the event greater than 68% in number of Holders of Allowed Deposit Holder Claims file Ballots accepting the Plan, then the Excess Distribution shall be re-distributed to the those Holders of Allowed Deposit Holder Claims that voted to accept the Plan.

6. The settlement and compromise contained herein, including specifically the payment of the Total Settlement Payment or any portion thereof hereunder, is strictly conditioned on and subject to the entry of the Confirmation Order (which becomes a Final Order) which contains provisions providing for the release granted to the Woodbridge Parties by the Debtors' Estates contemplated by the provisions of Section 8 below and the Third Party Release and Injunction as set forth hereinabove which permanently and forever stays, restrains and enjoins the Restrained Parties, as hereinafter defined, from instituting, commencing, pursuing, prosecuting or furthering any action or proceeding or employing any process against the Woodbridge Parties, as hereinafter defined, or any of the Debtors' current or former officers and directors, or collecting, recovering or receiving payment of or on, or otherwise affecting the property or assets of, the Woodbridge Parties with respect to any direct or derivative claim against the Woodbridge Parties or any of the Debtors' current or former officers and directors, including without limitation, the Settlement Causes of Action, as hereinafter defined, which is based in whole or in part on the authority granted the Court by (i) Section 105 of the Bankruptcy Code, (ii) Rule 16(c)(2)(I) (formerly Rule 16(c)(9)) of the Federal Rules of Civil Procedure, (iii) Rule 9019 of the Federal Rules of Bankruptcy Procedure, and (iv) the decision of the United States Court of Appeals for the Eleventh Circuit in *Matter of Munford*, 97 F.3d. 449 (11th Cir. 1996), in a form approved by each of the parties hereto. Notwithstanding anything herein to the contrary, the Third Party Release and Injunction shall not preclude the Debtors, the Committee, the Restrained Parties, or any successor thereto from objecting to any Claims filed by any Woodbridge Party in the Chapter 11 Case excepting only the Woodbridge Claims, the Allowed Secured Claim held by Woodbridge against LAS in connection with the HomeBanc Loan and the Allowed Administrative Expense Claim of Woodbridge, each as described in paragraph 3 above.

7. As set forth in and for the purposes of this Agreement, the following terms shall have the following meanings:

“Restrained Parties” shall mean any and all creditors, as defined in 11 U.S.C. § 101(10), and other parties in interest of the Debtors under Section 1109 of the Bankruptcy Code and any and all persons or entities with a claim against or interest in any Debtor (“Claimants”) who are entitled to receive a Ballot in respect of the Plan, including any Claimant whose claim is or may be the subject of an objection pending when the Plan was filed on November 2, 2008 or as of the hearing before the Bankruptcy Court to consider confirmation of the Plan, whether such Claimants vote to accept the Plan, reject the Plan or fail to file a Ballot in respect of the Plan, which in each instance have agreed or are deemed to have agreed to be and are bound by the Third Party Release and Injunction in accordance with the terms hereof and the Plan; provided however that Restrained Parties shall not include those Claimants who opt out of the Third Party Release and Injunction by checking the appropriate box on the Ballot and who do not receive any payment from the Release Fund.

“Woodbridge Parties” shall mean (i) each of Woodbridge Holdings Corporation, f/k/a Levitt Corp., Core Communities, and all of their direct and indirect subsidiaries and Affiliates (as hereinafter defined), whether in the form of partnerships, corporations, limited liability companies or joint ventures, and their respective predecessors, successors, assigns and subsidiaries and (ii) all of their respective or joint members, managers, directors, officers, current or former employees, agents, advisors and shareholders, provided however that notwithstanding anything herein to the contrary, the Woodbridge Parties shall specifically not include the Debtors, the Debtors’ current and former officers and directors, Bank of America, N.A., KeyBank, N.A., any person or entity who is not a Woodbridge Party or any of the parties specifically listed on Exhibit B attached hereto and made a part hereof. For purposes of this Agreement, the term “Affiliate” shall have the meaning set forth in the federal securities laws.

“Settlement Causes of Action” shall mean any claim or cause of action in connection with, related to, arising out of or related to any of the Woodbridge Parties involving the Debtors or the Debtors’ property, including, but not limited to, any intentional tort, negligence, gross negligence, willful misconduct, intentional misrepresentation, negligent misrepresentation, breach of fiduciary duty, breach of any duty of fair dealing, breach of confidence, bad faith, intentional or negligent infliction of mental distress, tortious interference with contractual relations, fraud, deceptive trade practices, libel, slander or conspiracy, and any claims of any creditors of the Debtors against the Woodbridge Parties; provided however, that the Settlement Causes of Action specifically shall not and does not include any claim or cause of action arising under a written contract executed by and under which any Woodbridge Party is directly liable to a Restrained Party.

8. Except with respect to the rights and obligations of Woodbridge contained in this Agreement, the Debtors and the Committee, on behalf of the Debtors and the Debtors' Estates, and their successors, agents, employees, servants, associates, predecessors, assigns and representatives, including any subsequently appointed Chapter 7 or Chapter 11 bankruptcy trustee for any of the Debtors, hereby release and forever discharge the Woodbridge Parties from and against any and all claims, causes of action, liabilities, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies and rights to payments, whether known or unknown, of whatsoever kind or nature, whether absolute, contingent, known unknown, suspected or otherwise, that the Debtors or the Committee, on behalf of the Debtors and the Debtors' Estates, have had, now have or in the future may have against the Woodbridge Parties as a result of any matter, event, act, omission or occurrence of any kind through the date hereof, including without limitation, (i) any claim or cause of action that constitutes property of the estate of any Debtor under and pursuant to Section 541 of the Bankruptcy Code, (ii) any claim or cause of action that arises under Chapter 5 of the Bankruptcy Code or applicable state law, (iii) any claim of surcharge under section 506(c) of the Bankruptcy Code or similar law or right, (iv) any claim for subordination, including under section 510 of the Bankruptcy Code, or any claim to recharacterize the claims of the Woodbridge Parties to equity, (v) the 2005 Tax Refund Claim and the 2006 Tax Refund Claim, and any prospective tax benefits, (vi) any claim arising under that certain Tax Sharing Agreement between Woodbridge and the Debtors dated as of January 1, 2006, and (vii) the Settlement Causes of Action.

9. The Confirmation Order shall provide that, except with respect to the rights and obligations of the Debtors and the Committee contained in this Agreement and the Woodbridge Claims, the Allowed Secured Claim for the HomeBanc Loan and the Allowed Administrative Expense Claim in the amount of \$650,000 described in paragraph 3 above, Woodbridge, on behalf of itself, the Woodbridge Parties and their successors, agents, employees, servants, associates, predecessors, assigns and representatives will irrevocably and forever release, acquit and discharge the Debtors, the Debtors' Estates and the Committee, and their respective members, agents, assigns, attorneys, predecessors, successors, servants, employees, officers, directors and insurers from and against any and all claims, causes of action, liabilities, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies and rights to payments, whether known or unknown, of whatsoever kind or nature, whether absolute, contingent, known unknown, suspected or otherwise, that Woodbridge has had, now has or in the future may have against the Debtors, the Debtors' Estates or the Committee as a result of any matter, event, act, omission or occurrence of any kind through the date hereof, including, without limitation, the claims asserted by Woodbridge in Recital D above and any claim arising under that certain Tax Sharing Agreement between Woodbridge and the Debtors dated as of January 1, 2006. Notwithstanding the foregoing, the parties agree that the above release shall not release non-debtor owners of properties previously owned by the Debtors from any claims by Woodbridge associated with improvements to or assessments on such properties to the extent Woodbridge pays such amounts pursuant to direct contractual obligations or guarantees in connection therewith.

10. The parties agree to prepare and file and seek confirmation of the Plan that gives effect to this Agreement, and agree to cooperate fully with each other in good faith to obtain the entry of the Confirmation Order as soon as reasonably practical.

11. In the event that (i) the Court does not enter a Confirmation Order on or before May 31, 2009, approving the settlement and compromise contained herein, including specifically the Third Party Release and Injunction provided for herein, or (ii) the Confirmation Order does not become a Final Order on or before December 31, 2009, then Woodbridge, on the one hand, and the Debtors, with the consent of the Committee, on the other hand, shall each have the right to terminate this Agreement by providing written notice to the other parties hereto. In the event this Agreement is terminated pursuant hereto, then this Agreement and the settlement and compromise contained herein shall be null and void and the parties shall have no further obligations to each other hereunder. In addition, upon such termination, Woodbridge shall be entitled to the return of the Total Settlement Payment held in the Escrow Account and Stearns Weaver, as Escrow Agent, shall be authorized to deliver the Total Settlement Payment to Woodbridge.

12. If within one year after the date of the Confirmation Order Section 172 of the Internal Revenue Code of 1986, as amended (the "IRC"), is amended so as to permit taxpayers to carry back tax losses from calendar years 2007 and/or 2008 to one or more years preceding the calendar year 2005 (the "New Carryback Years"), then:

- (a) Woodbridge shall calculate, as though each of the Debtors was a C corporation under the IRC the following:
 - (1) The aggregate amount of net operating losses incurred by the Debtors for each of the calendar years 2007 and 2008,
 - (2) The aggregate amount of taxable income of the Debtors for each of the New Carryback Years, and
 - (3) The aggregate amount of funds directly or indirectly contributed by the Debtors toward the aggregate amount of federal income taxes attributable to their taxable incomes for the New Carryback Years, (such aggregate amount of income taxes, the "Debtors' Taxes").
- (b) Woodbridge shall use all reasonable efforts to obtain refunds (the "Additional Refunds") of the Debtors' Taxes that result from carrybacks of the 2007 and 2008 net operating losses of the Debtors; calculated in accordance with paragraph (a)(1) above, to the New Carryback Years.
- (c) Upon receipt of the Additional Refunds, Woodbridge agrees to and shall pay to the Debtors, or any successor to the Debtors under a confirmed chapter 11 plan of liquidation, as applicable, an amount

equal to fifty (50%) of any such Additional Refunds resulting from the carryback portion of such losses which are described in clause (a)(1) above against the portion of income in the New Carryback Years described in clause (a)(2) above, but only to the extent of the amount of funds directly or indirectly contributed by the Debtors toward the aggregate amount of federal income taxes as described in clause (a)(3) above.

13. Each Party hereby acknowledges that Stearns Weaver is legal counsel to Woodbridge and the Woodbridge Parties and represents Woodbridge and the Woodbridge Parties in connection with the transactions described herein, the Debtors' Chapter 11 Case and this Agreement, and even though Stearns Weaver has agreed to serve as escrow agent and to hold the Escrow Account, each party consents to Stearns Weaver representing any of the Woodbridge Parties in all claims, disputes, matters and things directly or indirectly arising from or related to this Agreement, or any claim or cause of action involving Woodbridge or any of the Woodbridge Parties in this Chapter 11 Case; it being specifically understood and agreed that Stearns Weaver can represent Woodbridge and any of the Woodbridge Parties in any dispute with, or claim, arbitration or legal proceeding against any party hereto or any other person hereafter arising notwithstanding then acting as the holder of the Escrow Account hereunder.

14. The parties agree that this Agreement and the obligations of the parties hereunder are subject to and strictly conditioned upon the entry of the Confirmation Order, including the Third Party Release and Injunction as provided in the Plan, and the Confirmation Order becoming a Final Order. The issuance of the Third Party Release and Injunction is integral and critical to the settlement and compromise contained herein. The form and content of the Confirmation Order shall be subject to the reasonable approval of the Debtors, the Committee and Woodbridge, which approval shall not be unreasonably withheld or delayed.

15. Woodbridge's intent in entering into this Agreement is to channel all Settlement Causes of Action of the Restrained Parties to the Release Fund. Woodbridge has agreed to the payment of the Total Settlement Payment, a sum in excess of what it believes it would have paid to settle and resolve the Settlement Causes of Action, including in order to obtain the global relief contemplated to be provided to it by entry of the Third Party Release and Injunction through the Release Fund.

16. The parties hereto agree that the Court shall retain jurisdiction to enforce the terms and conditions of this Agreement and to otherwise resolve any disputes arising under, related or pertaining to this Agreement and all parties hereto consent and submit to the jurisdiction of the Court for all such matters.

17. Any notices or other communications required or permitted hereunder shall be in writing and shall be considered to have been duly given, when received, if delivered by hand, electronic mail, overnight courier, telex or telecopy, and, when deposited, if placed in the mails for delivery by air mail, postage prepaid, addressed to the appropriate party at his or its address provided in writing to the parties to this Agreement

at any time as set forth below (however, any such notice shall not be effective, if mailed, until three (3) working days after depositing in the mails or when actually received, whichever occurs first):

- (a) If to the Committee, to:
c/o Paul J. Battista, Esq.
Genovese Joblove & Battista, P.A.
100 S.E. Second Street, 44th Floor
Miami, Florida 33131
Fax (305) 349-2310
E-mail: pbattista@gjb-law.com
- (b) If to the Debtors, to:
c/o Paul Steven. Singerman, Esq.
Berger Singerman, P.A.
200 South Biscayne Blvd., Suite 1000
Miami, FL 33131
E-mail: Singerman@bergersingerman.com
- (c) If to Woodbridge, to:
c/o Patricia A. Redmond, Esq.
Stearns Weaver Miller Weissler Alhadeff and Sitterson, P.A.
150 W. Flagler Street, 22nd Floor
Miami, FL 33131
E-mail: predmond@swmwas.com

18. Each of the parties hereto hereby agrees and acknowledges that the rights and benefits granted to each of them, subject to their respective obligations hereunder, constitute full and adequate consideration to each such party to enter into this Agreement and the ancillary documents contemplated to be delivered by each such party hereunder, and each such party has expressly bargained for and agreed that the rights afforded them constitute a material inducement to agree to settle these matters in accordance with the terms and conditions of this Agreement.

19. This Agreement may be executed in one or more counterparts and by different parties in separate counterparts. All such counterparts shall constitute one and the same agreement and shall become effective when one or more of the counterparts of this Agreement have been signed by each of the signatories. The parties may execute this Agreement in any number of actual or telecopied counterparts and by the different parties on separate counterparts, each of which when so executed shall be an original.

20. The parties hereto have had the full opportunity to consult with legal counsel and have reached this Agreement to resolve the matters set forth herein so as to avoid the cost, risk and delay of litigation and agree to enter into this Agreement as evidence of that resolution.

21. This Agreement may only be modified by a written modification signed by each party hereto. This Agreement contains the entire understanding between and among the parties with respect to the matters set forth herein. There are no representations, warranties, agreements, undertakings, either oral or written, between or among the parties hereto related to the subject matter of this Agreement which are not fully expressed within this Agreement. This Agreement supersedes any and all prior drafts of this Agreement and the Prior Settlement, none of which prior drafts or other writings relating to this Agreement shall be admissible in any court in any case or proceeding to evidence the intention of any of the parties in making this Agreement. There shall not be any presumption hereto as each party has been represented by independent competent legal counsel who has participated in the negotiation and drafting of this Agreement.

22. The terms and provisions of this Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and permitted assigns. Each of the Woodbridge Parties shall be an intended third party beneficiary under this Agreement and shall be entitled to fully enforce the terms of this Agreement to the same extent as if it were a direct signatory hereto.

23. The parties each represent and warrant that they are represented by legal counsel of their choice, are fully aware of the terms contained in this Agreement and have the authority to enter into this Agreement and voluntarily and without coercion or duress of any kind entered into this Agreement and the documents executed in connection with this Agreement to which they are a party.

24. At any time from and after the date hereof, the parties hereto shall promptly execute and deliver such further documents and instruments, and take such other actions as may be reasonable to carry out the purpose and intent of this Agreement.

25. This Agreement, the transactions contemplated hereby and the documents required to consummate the transactions contemplated hereby shall all be governed by the laws of the State of Florida without regard to its choice of law provisions.

IN WITNESS WHEREOF, the parties have executed and deliver this Agreement as of the date first written above.

JOINT COMMITTEE OF UNSECURED CREDITORS

By: Alfred D. Strack
Name: Alfred D. Strack
Title: Chairman

[Signatures Continued on Next Page]

[Signatures Continued from Previous Page]

WOODBIDGE HOLDINGS CORPORATION, f/k/a LEVITT CORPORATION

By: 

Name: *Seth M. Wise*

Title: *President*

LEVITT AND SONS, LLC, on behalf
of itself and each of the Debtors

By: _____

Name:

Title:

[Signatures Continued from Previous Page]

WOODBIDGE HOLDINGS CORPORATION, f/k/a LEVITT CORPORATION

By: _____
Name:
Title:

LEVITT AND SONS, LLC, on behalf
of itself and each of the Debtors


By:  _____
Name: Lawrence E. Young
Title: Chief Restructuring Officer

Exhibit A

*to Amended and Restated Settlement Agreement By and Among
Levitt and Sons, LLC and its Affiliate Debtors, the Joint
Committee of Unsecured Creditors and Woodbridge Holdings
Corporation f/k/a Levitt Corporation*

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Escrow Agreement") is effective as of this ____ day of December, 2008, by and among Levitt and Sons, LLC ("LAS") and each of its affiliates who are jointly administered debtors in the Chapter 11 Case (collectively, the "Debtors"), the Joint Committee of Unsecured Creditors appointed in the Chapter 11 Case (the "Committee"), Woodbridge Holdings Corporation (f/k/a Levitt Corporation) ("Woodbridge") and Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., as escrow agent ("Escrow Agent"). Capitalized terms used in this Escrow Agreement shall have the same meaning and definition as set forth in the Amended and Restated Settlement Agreement (as hereinafter defined), unless the term is specifically defined in this Escrow Agreement.

RECITALS

WHEREAS, Woodbridge entered into an Amended and Restated Settlement Agreement (the "Settlement Agreement") dated as of October 27, 2008 with the Debtors and the Committee; and

WHEREAS, pursuant to the terms of the Settlement Agreement, Woodbridge has agreed to cause a sum equal to U.S. \$12,300,000, together with any interest accrued thereon from May 22, 2008, currently being held in an interest bearing account at Northern Trust Bank, to be deposited into escrow with Escrow Agent.

AGREEMENT

NOW, THEREFORE, pursuant to the terms of the Settlement Agreement and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. Delivery to Escrow Agent. Pursuant to the Settlement Agreement, Woodbridge shall cause the sum of U.S. \$12,300,000, together with any interest accrued thereon from and after May 22, 2008 currently being held in a segregated interest bearing account at Northern Trust Bank denominated the "Levitt Corporation - Settlement Fund" (together with all accrued interest, the "Escrow Amount"), to be deposited with Escrow Agent. Escrow Agent shall deposit the Escrow Amount in an interest bearing account(s) (the "Escrow Account").

2. Disbursement by Escrow Agent. Subject to and conditioned upon the entry of the Confirmation Order and the Confirmation Order becoming a Final Order and upon the delivery to Escrow Agent of written disbursement instructions described below, Escrow Agent shall disburse the Escrow Amount, or portions thereof, to either (a) the Plan Administrator; (b) any successor to the Plan Administrator under the Plan; or (c) such other place as directed in writing jointly signed by counsel to the Debtors and counsel to the Committee. Alternatively, if the Settlement Agreement is terminated pursuant to Section 11 thereof and upon the delivery to

Escrow Agent of written disbursement instructions described below, Escrow Agent shall disburse the Escrow Account to Woodbridge.

(a) If disbursement of the Escrow Account is to be made to the Plan Administrator, Berger Singerman, P.A. ("Debtors Counsel") or Genovese Joblove & Battista, P.A. ("Committee Counsel") shall provide written instructions to the Escrow Agent (and provide to Woodbridge a copy of such instructions) specifying the manner of delivery of the Escrow Amount or portions thereof, shall certify that the Confirmation Order has become a Final Order, and shall provide a copy of the Confirmation Order to the Escrow Agent;

(b) If disbursement of the Escrow Amount is to be made to any successor to the Plan Administrator under the Plan, the Debtors Counsel or Committee Counsel shall provide written instructions to the Escrow Agent (and provide to Woodbridge a copy of such instructions) specifying the manner of delivery of the Escrow Amount or portions thereof, shall certify that the Confirmation Order has become a Final Order, shall certify that the party to whom the Escrow Amount or portions thereof is to be delivered is a successor to the Plan Administrator under the Plan, and shall provide a copy of the Plan, and the Confirmation Order to the Escrow Agent;

(c) If disbursement of the Escrow Amount is to be made to such other place as directed in writing jointly signed by Debtors Counsel and Committee Counsel, then Debtors Counsel and Committee Counsel shall provide joint written instructions to the Escrow Agent (and provide to Woodbridge a copy of such instructions) specifying the manner of delivery of the Escrow Amount or portions thereof, shall identify the entity to whom the Escrow Amount or portions thereof is to be delivered, shall certify that the Confirmation Order has become a Final Order, and shall provide a copy of the Confirmation Order to the Escrow Agent;

(d) Upon termination of the Settlement Agreement pursuant to Section 11 thereof, Escrow Agent shall provide written notice of its intent to pay the Escrow Amount to Woodbridge via overnight delivery with a copy by facsimile. Escrow Agent shall make such disbursement to Woodbridge within five business days after such notice has been sent by Escrow Agent to the other parties, unless such other parties object in writing thereto. If any other party delivers a writing to the Escrow Agent objecting to the request to pay the Escrow Amount to Woodbridge, the Escrow Agent shall follow the procedures set forth in Section 3 of this Escrow Agreement.

(e) Notwithstanding the foregoing, if Woodbridge has waived the condition that the Confirmation Order be a Final Order, the certification by Debtors Counsel or Committee Counsel that the Confirmation has become a Final Order as

described in sub-paragraphs (a), (b) and (c) above shall not be required to be made to the Escrow Agent to cause the disbursement of the Escrow Amount.

3. Dispute or Uncertainty. In the event of a dispute among the parties hereto, or if Escrow Agent shall be uncertain as to the proper action to be taken under this Escrow Agreement, Escrow Agent shall be entitled (but not required) to (a) retain the Escrow Amount pending direction as to the disposition thereof by a final order, from which no further appeal may be taken, of a court having jurisdiction or (b) deliver the Escrow Amount into the custody of the Court presiding over the Chapter 11 Case and interplead the parties hereto and, upon giving notice to the parties hereto of such action, shall thereupon be relieved of all further responsibility.

4. Deposit of Funds. Escrow Agent shall have no duty to maximize the return on the Escrow Amount; provided that the Escrow Amount is deposited in an interest bearing account(s).

5. Escrow Agent's Expenses; Indemnification. The parties hereto, jointly and severally, agree to indemnify and hold harmless Escrow Agent from and against any and all losses, liabilities and expenses, including without limitation reasonable attorneys' fees and expenses whether or not Escrow Agent's attorneys' fees and expenses are incurred in connection with litigation under this Escrow Agreement, incurred without willful negligence or bad faith on its part, arising out of or in connection with this Escrow Agreement, including, but not limited to, the losses, liabilities and expenses incurred in defending any claim of liability. The obligations contained in this Section 5 shall survive any termination of this Agreement or Escrow Agent's duties hereunder.

6. Resignation and Removal of Escrow Agent.

(a) Escrow Agent may at any time resign as Escrow Agent hereunder by giving 10 days written notice thereof to the parties hereto or upon such shorter notice as shall be acceptable to the parties hereto. Escrow Agent may be removed at any time as Escrow Agent upon 10 days written notice from the Debtors, the Committee and Woodbridge or upon such shorter notice as may be acceptable to all of the parties hereto. No resignation or removal of Escrow Agent as Escrow Agent and no appointment of a successor Escrow Agent shall become effective until acceptance of such appointment by a successor Escrow Agent. If an instrument of acceptance by an approved successor Escrow Agent shall not have been delivered to the parties hereto within 20 days after such notice of resignation or removal, Escrow Agent may petition the Court presiding over the Chapter 11 Case for the appointment of a successor Escrow Agent.

(b) Each successor Escrow Agent shall have the powers and duties conferred upon Escrow Agent in this Agreement, and, except as the context otherwise requires, the term "Escrow Agent" as used in this Agreement shall be deemed to include any successor Escrow Agent. Upon acceptance of appointment by a successor Escrow Agent, Escrow Agent shall transfer and deliver the Escrow Amount to the successor Escrow Agent, Escrow Agent shall be released and discharged from all further accountability or liability for the Escrow Amount and

shall not be responsible for the further disposition of the Escrow Amount or any part thereof.

7. Notices. Any notice, request, demand or other communication required or permitted under this Escrow Agreement shall be in writing and shall be delivered personally or sent by certified United States mail, return receipt requested, postage prepaid, sent by facsimile, or sent by nationally recognized overnight courier service with guaranteed next day delivery, in each case, to the parties hereto at the names, addresses and numbers set forth below (or at such other addresses or numbers as shall be specified by the parties hereto by like notice). If to the Committee, to: c/o Paul J. Battista, Esq. Genovese Joblove & Battista, P.A., 100 S.E. Second Street, 44th Floor, Miami, Florida 33131, Facsimile: (305) 349-2310. If to the Debtors, to: c/o Paul Steven Singerman, Esq. Berger Singerman, P.A., 200 South Biscayne Blvd., Suite 1000, Miami, Florida 33131, Facsimile: (305) 714-4340. If to Woodbridge, to: c/o Patricia A. Redmond, Esq. Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., 150 West Flagler Street, Suite 2200, Miami, FL 33130 Facsimile: (305) 789-3395. If to Escrow Agent, to: Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., 150 West Flagler Street, Suite 2200, Miami, FL 33130, Attention: Alison Miller, Esq., Facsimile: (305) 789-3395. Such notices, requests, demands and other communications shall be deemed given when actually received, or (a) in the case of delivery by nationally recognized overnight courier service with guaranteed next day delivery, the next day or the day designated for delivery, (b) in the case of certified United States mail, return receipt requested, postage prepaid, five (5) days after deposit in the United States mail or (c) in the case of facsimile, upon receipt by the sender of a confirmation report for the number designated above.

8. Escrow Agent's Duties Ministerial. Escrow Agent will hold the Escrow Amount in accordance with the terms of this Escrow Agreement. The duties of Escrow Agent are only such as are specifically provided in this Escrow Agreement, being purely ministerial in nature, and no implied duties or obligations may be read into this Escrow Agreement against Escrow Agent. The parties hereto release Escrow Agent from any act done or omitted to be done in good faith in the performance of Escrow Agent's duties under this Escrow Agreement, and Escrow Agent shall incur no liability whatsoever for any error of judgment or for any action taken or omitted by Escrow Agent in good faith and reasonably believed by Escrow Agent to be authorized or within the rights or powers conferred by this Escrow Agreement. Escrow Agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent will not be required to defend any legal proceedings that may be instituted against Escrow Agent in respect of this Escrow Agreement, unless required to do so by the parties hereto and indemnified to the Escrow Agent's satisfaction against the cost and expense of a defense. Escrow Agent will not be required to institute legal proceedings of any kind. Upon release of the Escrow Amount in accordance with this Escrow Agreement, Escrow Agent will be released from all further liability or obligation under this Escrow Agreement.

9. Miscellaneous. This Escrow Agreement: (a) contains every obligation and understanding between the parties hereto relating to the subject matter hereof and merges all

prior discussions, negotiations and agreements, if any, between them, and none of the parties hereto shall be bound by any representation, warranty, covenant, agreement or other understandings, other than as expressly provided or referred to herein; (b) shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns; (c) shall not be assigned, in whole or in part, without the prior written consent of all of the parties hereto; (d) shall not be amended without the written consent of all of the parties hereto; (e) shall not be waived, in whole or in part, without the written consent of the party hereto granting such waiver; (f) shall not confer upon or give any individual or entity other than the parties hereto and their respective successors or permitted assigns, any rights or remedies under or by reason of this Escrow Agreement; (g) shall be severable in the event that any provision contained in this Escrow Agreement shall be declared invalid, void or unenforceable, in which case the remainder of the provisions of this Escrow Agreement shall be unaffected and shall remain in full force and effect, and such invalid, void or unenforceable provision shall be interpreted as closely as possible to the manner in which it was written; (h) contains article, section and other headings which are for reference purposes only and shall not affect the meaning or interpretation of any provisions of this Escrow Agreement; (i) may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument; (j) shall be governed by and construed and enforced in accordance with the laws of the State of Florida without regard to the conflict of laws principles thereof.

10. Legal Representation. The Debtors and the Committee each acknowledge that Escrow Agent has acted as counsel to Woodbridge in connection with the Settlement Agreement, the transactions therein and the Debtors' Chapter 11 Case. The Debtors and the Committee each agree that the fact that Escrow Agent has acted as the escrow agent hereunder shall not preclude it or any member or employee of such firm from providing legal representation to Woodbridge or any of the Woodbridge Parties in the Chapter 11 Case in connection with any matter (including without limitation any dispute or legal proceeding between the parties hereto) arising from, or in any way connected with, the transactions contemplated by this Escrow Agreement or the Settlement Agreement; it being specifically understood and agreed that Stearns Weaver can represent Woodbridge and any of the Woodbridge Parties in any dispute with, or claim, arbitration or legal proceeding against any party hereto or any other person hereafter arising notwithstanding then acting as the holder of the Escrow Account hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each party hereto has duly executed this Escrow Agreement as of the date first written above.

JOINT COMMITTEE OF UNSECURED CREDITORS

By: _____
Name:
Title:

WOODBIDGE HOLDINGS CORPORATION, f/k/a
LEVITT CORPORATION

By: _____
Name:
Title:

LEVITT AND SONS, LLC, on behalf of itself and each
of the Debtors

By: _____
Name:
Title:

STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A., as Escrow Agent

By: _____
Name:
Title:

Exhibit B

*to Amended and Restated Settlement Agreement By and Among
Levitt and Sons, LLC and its Affiliate Debtors, the Joint Committee
of Unsecured Creditors and Woodbridge Holdings Corporation
f/k/a Levitt Corporation*

Payee	Payment Amount
3E COMPANY	
84 COMPONENTS CO	
84 LUMBER COMPANY	
84 LUMBER COMPANY LP-CENTRAL FLORIDA	
84 LUMBER COMPANY-NORTH FLORIDA	
A & B STUCCO INC-CENTRAL FLORIDA	
A & F WASTE SERVICES INC	
A & H IRON WORKS	
A BETTER CHOICE PLUMBING	
A.B. DESIGN GROUP, INC	
A+ EROSION CONTROL, INC	
A-1 BUILDING COMPONENTS	
AAA DIGITAL IMAGING	
AARMADA PROTECTION SYSTEMS 2000 INC	
AB MANSELL WEST LLC	
ABSOLUTE ALUMINUM INC-CENTRAL FLORIDA	
ACADIA COFFEE SERVICE INC	
ACCELERATED SECURITY MANAGEMENT INC	
ACCURATE FENCE LLC	
ACE DESIGN STUCCO INC-NORTH FLORIDA	
ACME BRICK COMPANY	
ADAMS REMCO INC	
ADT SECURITY SERVICES INC	
ADVANCED DISPOSAL SRVCS	
ADVANCED DRILLING & BLASTING LLC	
ADVANCED WRAPPING OF CENTRAL FLORIDA	
ADVANTAGE GLASS-CENTRAL FLORIDA	
AERIAL PHOTOGRAPHY, INC	
AERO PHOTO	
AEROTEK INC	
AFFORDABLE QUALITY PRESSURE CLEANING	
AFLAC	
AGENT DIRECT NEWS	
ALICE HERRERA	
ALIE KANU	
ALIX PARTNERS LLP	
ALL ABOUT ENCLOSURES INC-NORTH FLORIDA	
ALL AMERICAN EXCAVATING	
ALL GEORGIA EXTERIORS INC	
ALL IN ONE RESURFACING	
ALL STAR WASTE SYSTEMS L	
ALL TERRAIN TRACTOR SERVICE INC	
ALLIED ALUMINUM INC	
ALLIED BARTON SECURITY SERVICES LLC	
ALLIED DOORS INC	
ALLIED TRAILER SALES AND RENTALS	
ALOHA SWIMMING POOL COMPANY	
ALPHA DOOR AND HARDWARE INC.	
ALPINE FARMS BEE REMOVAL	
ALS DESIGN & DRAFTING SERVICES INC	
ALUMA TRIM-CENTRAL FLORIDA	

AMERICAN DOOR & MILL CO-CENTRAL FLORIDA
AMERICAN DOOR & MILL CO-NORTH FLORIDA
AMERICAN EXPRESS
AMERICAN HOME GUIDE - DNU
AMERICAN INSULATORS INC-NORTH FLORIDA
AMERICAN KITCHENS INC-CENTRAL FLORIDA
AMERICAN MANAGEMENT
AMERICAN POOL CONSTRUCTION INC
AMERICAN PORTABLE TOILETS INC
AMERICAN RESIDENTIAL PRODUCTS
AMERICAN RESIDENTIAL PRODUCTS-NORTH FL
AMERICAN WOODMARK CORP DBA TIMBERLAKE-CF
AMERICAN WOODMARK CORP.
AMERICAN WOODMARK DBA TIMBERLAKE CABINET
AMERICAN WOODMARK DBA TIMBERLAKE-SF
Amis, Delbert & Carolyn
AMY H GOLDIN P.A.
ANDERSEN BROTHERS INC
ANDERSON RENTALS INC.
ANDRADE'S CLEAN UP INC.
ANDREA SHERMAN EVENTS INC
ANDREWS CLEANING INC
ANGLES WOOD & GRAPHICS,
APEX CONCRETE & ASPHALT
APPLIED IMAGES INC
AQUATIC WEED CONTROL, INC
ARCADIS G&M INC
ARCADIS G&M INC-CENTRAL FLORIDA
ARCHER EXTERIORS INC
ARCHITECTURAL AMENITIES-CENTRAL FLORIDA
ARCHITECTURAL ARTS BY VATHAUER STUDIO IN
ARCHIVESONE, INC.
ARGO CONSTRUCTION CORP
ARMSTRONG RELOCATION CO.
ASP FRAMING CORPORATION-CENTRAL FLORIDA
AT & T
AT&T
AT&T ADVERTISING & PUBLISHING
AT&T BUSINESS SYSTEMS
AT&T BUSINESS SYSTEMS ATLANTA
AT&T LONG DISTANCE SERVI
AT&T MOBILITY
ATLANTA BOARD OF ATLANTA BOARD OF REALTOR
ATLANTA BREAD COMPANY
ATLANTA NEW HOMES
ATMOS ENERGY
ATMOS ENERGY INC
AURORA ROAD BILLIARD SUPPLIES
B & B EXTERMINATING CO-NORTH FLORIDA
B SHEA INC-CENTRAL FLORIDA
BABER INC
BAILEY INDUSTRIES INC

BAILEY PUBLISHING & COMMUNICATIONS INC
Baker, Theodore A. and Catherine J.
Baker, Donald & Frances
BALLOONS OVER FORT MYERS
BANK OF AMERICA
BANK OF AMERICA,N.A.
BANK OF BARTLETT
BANKCARD CENTER VISA
BANKO OVERHEAD DOORS
Barber, Charley E. and Judith A. Barber
BARRACO & ASSOCIATES INC
BARTIMAEUS INC
BARTLETT LANDSCAPE DBA
BARTLETT LANDSCAPE SPRAY
BARTOLOMEI, THOMAS
BASHAM LANDSCAPING
BEAUTIFUL MAILBOX
BEAUTIFUL MAILBOX-CENTRAL FLORIDA
BECKY'S CLEANING ENTERPRISES INC
BELLSOUTH LONG DISTANCE
BELVEDERE CONTRACTING,
BEMCI ELECTRIC INC
Bendriss, Rachid & Jennifer
BERTRAND, MARIELLE
BEST WELDING&FABRICATION
BEYEL BROTHERS, INC.
BIANCHI & COMPANY INC
BIG JOHNS PORTABLES AKA MBA WASTE SVCS
BIG TREE, INC.
BILL AULT SYSTEMS INC-CENTRAL FLORIDA
BILL PECK PHOTOGRAPHY
BLATTNER BRUNNER INC
BLICK ART MATERIALS
BLUE SKY COURIERS LLC
BLU-JOHN PORTABLE
BOBBY EUGENE BENNETT
BOBCAT EXCAVATING INC.
BONDED BUILDERS
BONITA SPRINGS UTILITIES
BOOKER PROMOTIONS
BORAL BRICKS INC
BOWYER-SINGLETON-CENTRAL FLORIDA
BRAD McDONALD ROOFING & CONSTRUCTION INC
BRANCO LATH & STUCCO-CENTRAL FLORIDA
Brannan, Jr. James G. & Judy R.
BRAUER, ALBERT
BRENDA'S HOUSE OF FLOWERS
BRETT W THRASH
BRICKMAN, HARRIETTE L
BRINKS HOME SECURITY
BROADSTAR HOLDINGS LLP-CENTRAL FLORIDA
BROOKS GROUP, THE

BRUCE HAGE IRRIGATION CO
BUCHANAN SIGN & FLAG
BUCKEYE PLUMBING INC
BUDGET BLINDS OF MEMPHIS
BUILDER HOMESITE INC
BUILDERS FIRSTSOURCE
BUILDERS FIRSTSOURCE-NORTH FLORIDA
BUILDING INDUSTRY ASSOC
BUILDING PREP SERVICES LLC
Burgston, Richard C. & Charen I. Trust
Burns, Robert J. & Kathleen A.
BURRELLESLUCE
BUSINESS EQUIPMENT CTR I
BUSINESS PRINTING
C&C RIPOLL MASONRY OF GEORGIA LLC
Cahill, Nelson J. & Marlene L.
CALICO CORNERS
CALIPER MANAGEMENT INC
CAMPBELL, SHARON
CANIN ASSOCIATES
Cantor, Sheldon G. & Marlene R.
CAPITOL ARCHITECTURE & ENGINEERING, INC.
CAPRI ENGINEERING-CENTRAL FLORIDA
CAPRI ENGINEERING-NORTH FLORIDA
CAPRI ENGINEERING-SW FL
Carhart, Lucille M
CAROLINA HOME EXTERIORS-NORTH FLORIDA
CARR ROOFING INC-NORTH FLORIDA
CARROL LASHORNE INC,
CARROLLWOOD WINDOW & DOOR INC-CF
CARTER-PRITCHETT
CASCADES @ RIVER HALL
CASCADES AT GROVELAND
CASCADES AT SARASOTA
Catania, Dominick & Frances
CAWLEY & ASSOCIATES
CBS BUILDERS SUPPLY INC-CENTRAL FLORIDA
CBS OUTDOOR
CCI SITE DEVELOPMENT
CENTERLINE SURVEYING
CENTURY CONCRETE PARTNERS INC
CENWOOD APPL/MEMPHIS
CERTIFIED BUILDING CONTRACTORS
CERTIFIED FRAMERS LLC
CHEROKEE ASSOCIATION
CHRISTENSON SASH & DOOR
CIA ACCESS-CENTRAL FLORIDA
CIN'S PRO CLEANING, INC.
CINTAS FIRE PROTECTION
CIT TECHNOLOGY
CITICORP VENDOR FINANCE
CITY FURNITURE

CITY OF ARLINGTON
CITY OF BROOKSVILLE
CITY OF CANTON
CITY OF CANTON BUILDING
CITY OF CLERMONT
CITY OF FORT LAUDERDALE
CITY OF FORT MYERS UTILITIES DEPARTMENT
CITY OF GAINESVILLE
CITY OF GERMANTOWN
CITY OF GROVELAND
CITY OF MEMPHIS
CITY OF PORT SAINT LUCIE UTILITY SYSTEMS
CITY OF PORT ST LUCIE
CITY OF ROSWELL
CITY OF ST.CLOUD
CITY OF WINTER SPRINGS
CLASSIC CULTURED MARBLE INC
CLASSIC PARTY RENTALS
CLASSIC PAVERS OF CENTRAL FLORIDA LLC
CLAUSEN GROUP REALTORS
CLAYTON,ROPER &
CLEAN FIRST TIME INC-CENTRAL FL
CLEAR CHANNEL COMMUNICAT
CLEAR CHANNEL OUTDOOR
CLERK OF CIRCUIT CRT ST LUCIE CTY
CLERK OF THE CIRCUIT
CLERMONT POOL & SPA
CLERMONT SECURITY & SOUND
CLOSETS ETC., INC.
CLOUD 9 SERVICES INC
CLYDE PINKSTON
COAKLEY PIERPAN DOLAN
COAST TO COAST MARBLE
COASTAL ENERGY LLC-NORTH FLORIDA
COASTAL OUTDOOR ADVERTISING
COASTAL RESIDENTIAL SERVICES LLC
COBB EMC
COFFMAN GRADING INC
COHEN DRYWALL CO INC
COLE INDUSTRIAL & TECH
COLEMAN FLOORS COMPANY-SE FL
COLEMAN FLOORS-CENTRAL FLORIDA
COLEMAN FLOORS-NORTH FLORIDA
COLEMAN FLOORS-SW FL
COLLIS ROOFING INC-CENTRAL FLORIDA
COMCAST
COMCAST BUSINESS SERVICE
COMCAST COMMERCIAL
COMCAST SPOTLIGHT
COMET ELECTRIC
COMFORT SUITES - WORLD GOLF VILLAGE
COMMON GROUNDS INC

COMMUNITY ENGINEERING SERVICES INC
COMPLEAT STAIR CO INC
COMPLETE FLOOR MAINT.
CONCEPTS IN GREENERY INC
CONFERENCE CALL.COM
CONNECTING JACKSONVILLE
CONSTRUCTION CODE ENFCMT
CONSTRUCTION MANAGEMENT PLUS INC
CONSUMER SOURCE INC
COOGAN WINDOW & DOOR
COPPER ELECTRIC INC
CORDERO, CHARLES
COUNTER SINK TUB REPAIR
COUNTER SOLUTIONS
COUTERTOP STORE, THE
COVERALL WINDOWS OF FLORIDA -SFL
COX LUMBER CO DBA HD SUPPLY LBM
COX LUMBER CO DBA HD SUPPLY LBM -DNU
CPT.OF S FLA, INC .
CRACK O DAWN LAWN SERVICE
CREASIE PLUMBING
CREATIVE CATERING
CREATIVE CURBS DRIVES
CREATIVE MAILBOX & SIGN-CENTRAL FLORIDA
CREATIVE TOUCH INTERIORS
Creviston, Dennis
CRISCUOLO, MR & MRS
Cross, David and Regina
CROWN BATH CORP-CENTRAL FLORIDA
CROWNE PLAZA FORT MYERS
CRYSTAL SPRINGS WATER
CSI SEARCH GROUP INC
CUCCULELLI, RAYMOND
CURLINDA BROWNS CLEANING .
CUSTOM CONTRACTORS
CUSTOM GLASS & DOORS INC
CUSTOM GLAZE OF FLORIDA
CUSTOM MARBLE, INC
CUSTOM PLASTERING INC
CUSTOM PLASTERING INC-CENTRAL FLORIDA
CUSTOMER VELOCITY INC
D & L ENTERPRISES OF NORTH EAST FLORIDA
D & S DIVERSIFIED INC
DACOSTA SERVICES INC
DALTON FLOYD FAMILY
DANNY VIA PLUMBING INC-CENTRAL FLORIDA
DARLEYS PLUMBING-NORTH FLORIDA
DAUSON SUPPLY CORP
DAVID SCHEUERMANN
DAVIS ENGINEERING CO INC
DAVY FIRE PROTECTION INC
DEAN CUSTOM AIR

DEBRA A BURNETTE
DEL-AIR ELECTRICAL
DEL-AIR-CENTRAL FLORIDA
DELTA FIRE PROTECTION SYSTEM
Deluca, Allen F. & Kathleen M.
DENT, ANN
DESIGN A SIGN
DIGISCRIBE INC
DIGITAL TECHNOGRAPHICS
DILBECK DRYALL INC
DILIGENT-CENTRAL FLORIDA
DISCOVERTEC LLC-NORTH FLORIDA
DISTINCTIVE KITCHENS AND BATHS INC
DNU HOLIDAY POOLS
DOOR PRO INC
DORTON AIR CONCEPTS INC-CENTRAL FLORIDA
DOUBLE A EROSION CONTROL CORP
DOYLES MASONRY
DRIRITE - CENTRAL FLORIDA
DRIRITE OF NE FL
DUNCAN-PARNELL CORPORATE
Dupcak, Joe and Guya
DYKE INDUSTRIES INC
DYNAFIRE INC
DZIERZYNSKI, JOHN
E W STEWART LUMBER CO IN
EAST COAST BOBCAT INC.
EASTON INDUSTRIES
ECAMSECURE INC
EDGARDO & LANA TIONGCO
EDMONSON ELECTRIC INC
EDP SUPPLY SOUTH INC.
EISENBERG, BARRY
ELECTRIC CONNECTION
ELECTRO GRAPHIC PRODUCTS INC
ELIANT, INC.
ELITE EXTERIORS LLC-NORTH FLORIDA
ELITE PROTECTION SERVICE
ELITE ROOFING & SUPPLY INC
ELLIS & ASSOCIATES INC- NORTH FLORIDA
ELNER WILSON
ELVIS SERVICE CO., INC.
EMBARQ
EMC SECURITY
ENERGY AIR INC-CENTRAL FLORIDA
ENVIRON INTERNATIONAL CORPORATION
ENVIRONMENTAL RESOURCE
ERIC'S LOCKS INC
ESSENTIAL PROTECTIVE COATINGS
ESTERO BAY FLORIST
Evans, Thomas and Christina
Ewald, Kai John and Jacobsen, Linda B.

EXCEL STAFFING INC
EXTERIORS PLUS-NORTH FLORIDA
FACFIND INC
FAIRWAY OUTDOOR
FALSE ALARM REDUCTION UNIT (LCSO)
FAST
FCC HOLDINGS CORPORATION
FEDERAL COMM. CONT. INC
FEDERAL EXPRESS CORP
FEDEX KINKO'S
FERGUSON ENTERPRISES INC
FERRELL ENTERPRISES
FINANCIAL FEDERAL SVGS
FIRE SPRINKLER SVCS, INC
FIRST COAST RAINGUARD-NORTH FLORIDA
First Impressions Realty
FIRST MULTIPLE LISTING
FISHER, TODD & MARSHA
FITNESS FLOORING INC DBA EXERFLEX
FLAMMER RELATIONS INC
FLGRAPHIX INC
FLORIDA CITY GAS
FLORIDA CURB SPECIALISTS INC
FLORIDA LANDSCAPE-CENTRAL FLORIDA
FLORIDA LIFTS
FLORIDA POWER AND LIGHT CO
FLORIDA SILT FENCING INC
FOCAL POINT LLC
FOGLEMAN BUILDERS SUPPLY-NORTH FLORIDA
FOUR SEASONS GAS-CENTRAL FLORIDA
FOX MARKETING INC
FRANKLIN, HART AND REID
Frates, Kenneth S. & Linda D.
G & R ROOFING LLC
G W ACRYLIC DECK
GALE INSULATION-CENTRAL FLORIDA
GALLATIN PUBLIC UTILITIE
GALUPPO, RONALD S
GAMETIME
GARAGE DOOR SALES
GARY RODGERS PLUMBING CO
GASKINS SURVEYING CO INC
GATOR DOOR & SUPPLY CO INC
GE CAPITAL MODULAR SPACE
GENERAL ELECTRIC CO
GENERAL ELECTRIC CO-ATLANTA
GENERAL ELECTRIC CO-CENTRAL FLORIDA
GENERAL ELECTRIC CO-NORTH FLORIDA
GEOMETRICS INC
GEORGE LYON
GEORGIA FLOORS, INC.
GEORGIA MLS

GEORGIA NATURAL GAS
GEORGIA POWER COMPANY
GERTRUDE E ALCHOKHACHI
GFA INTERNATIONAL
GHB CONTRACTORS, INC.
GIFTBUSTERS, INC.
GIRL SCOUTS OF BROWARD COUNTY
GLOBAL CROSSING TELECOMMUNICATIONS INC
GLOBAL HOME CONSTRUCTION
GLORIA HARMON & ASSOCIATES INC
Go, Jason
GOLDEN TRIANGLE DBA
Goldman, Robert and Sue Ann
GOODWIN BROS. CONSTRUCT-
GRAHAM'S LIGHTING INC
GRAND STRAND NEW HOME
GRAND STRAND PERSONNEL
GRAND STRAND WATER & SEWER AUTHORITY
GRAVES FIREPLACES INC
GRAVES OVERHEAD DOORS
GREATER SOUTHERN HOME RECREATION
GREENCARE LANDSCAPE SERVICES INC
GREENE'S BLUEPRINTING
GREENSCAPES OF SW FLORIDA INC
GREYSTONE POWER CORPORATION
GRIMES GOEBEL HAWKINS
GS2 ENGINEERING & ENVIRONMENTAL
GULF WESTERN ROOFING
Gutierrez, William A. and Betty Robbye
GUTTER KING, INC.
GUTTERSMITH INC, THE
H & H OF JACKSONVILLE
H2COOL
H2O PROOF LLC
HALL ELECTRIC INC
HAMPTON INN & SUITES
HARBIN LUMBER COMPANY INC DBA LOADSTAR
HARTSHORN CUSTOM-CENTRAL FLORIDA
HASTING GARAGE DOOR-CENTRAL FLORIDA
HAYSLIP LANDSCAPE
HCONTROL CORPORATION
HD SUPPLY CONST SUPPLY (HARDWARE)
HD SUPPLY CONST SUPPLY (LUMBER)
HD SUPPLY CONSTRUCTION SUPPLY LTD
HD SUPPLY ELECTRICAL FKA HUGHES
HECTOR & MABEL PAINTING & CLEANING SER
Hege, Joseph
HEIDT & ASSOCIATES, INC
Henderson, Brian M. & Margorie L.
HENDERSON, FRANKLIN
HENRY D ROSENTHAL JR
HERB FERRELL & SONS INC

HERITAGE FIREPLACES, INC
HERITAGE PLUMBING LLC
HERITAGE ROOF TRUSS, INC.
Herr, John & Brenda
HEWITT ENVIRONMENTAL-CENTRAL FLORIDA
HFS ORLANDO INC
HGO DOOR & TRIM INC-CENTRAL FLORIDA
HICO HELIUM AND BALLOONS
HIGH AND LOW ELECTRIC-CENTRAL FLORIDA
Hikmet, Hatice & Neset
HIS CABINETRY INC
HIS CABINETRY INC-CENTRAL FLORIDA
HI-TECH POOLS &
HOGAN CONSTRUCTION, INC
HOLIDAY INN LAKEWOOD RANCH
HOLIDAY INN SELECT-ORLANDO
HOLIDAY POOLS OF WEST FLORIDA INC
HOLLIS STONEWORKS INC
HOLLY SIGN CO INC
HOME BUILDER REAL ESTATE SVCS INC/HBRES
HOME BUILDERS ASSOC OF METRO ORLANDO INC
HOME BUILDING PRODUCTS I
HOME DEPOT CREDIT SVCS
HOME TOWN CABLE PLUS
HOMEBUILDER MRKTG SYSTM
HOPPING GREEN & SAMS
HORIZON CASUAL, INC - CFL
HORRY CTY CODE ENFORCEMENT
HORRY ELECTRIC COOPERATIVE INC
HORRY TELEPHONE COOPERATIVE INC
HOUSE WALL GARAGE SYSTEMS-SW FL
HOUSTON STAFFORD ELECTRIC-DNU
HSA GOLDEN
HTC-PLUS / HOME TOWN TELEPHONE
HULETT ENVIRON SERVICES-CENTRAL FLORIDA
HYDRO KLEEN POWERWASHING INC
HYDROSPEC, INC.
HYPHEN SOLUTIONS LTD
IMEC
IMPERIAL OFFICE SYSTEMS INC
IMPIRE CORPORATION
INCOGNITO INC
INFINITEE COMMUNICATIONS
INFINITY STAIRS FINCON-CENTRAL FLORIDA
INTECH PRINTING & DIRECT
INTER TEL LEASING INC
INTERACTIVE SECURITY ELE
INTERIORS GROUP, THE
INTERNATIONAL MARBLE INDUSTRIES INC
INTERNET BROADCASTING SYSTEMS
INTER-TEL NETSOLUTIONS
INTER-TEL TECHNOLOGIES

IRON MOUNTAIN RECORDS
IT LAND ASSOCIATES LLC
J S ELITE FLOORING CO
J SWEENEY HOMES LLC
JACK M OTTO ELECTRIC
JACKSON EMC
JADE HOME DECOR INC-CENTRAL FL
JADE HOME DECOR, INC-SOUTH FL
JAMES EDDIE BLEDSOE
JAMIE RUOCO-DAURITY
JASPER LUMBER&COMPONENTS
JDS GLASSWORKS INC
JEFFCOAT BLUEPRINTS
Jeffers, Dion T. & Tara M. McCoy-Jeffer
JERRY POWERS
JESSIE ETHRIDGE POOLS INC
JESUS MARIA TREJO-ORTIZ
JETSCAPE LASER SERVICES
JJR CONSTRUCTION CO
JM CARRIGAN CORP
JNJ FOUNDATION SPECIALISTS INC
Jobin, Jean-Pierre and Carole
JOHN A KOONS LOCKSMITHS
JOHN FITZGERALD INC
JOHN R BEACH & ASSOC. INC
JOHNATHAN R JONES
JONES AND HALL VENTURES INC
Jones, Richard C. & Donna R.
JPH SERVICES INC
JTM CONCRETE INC-NORTH FLORIDA
JULIA ANN MCCALL
JUNIPER LANDSCAPING INC
K & L GRADING INC-CENTRAL FLORIDA
K&B DRYWALL & PAINTING-CENTRAL FLORIDA
KABLELINK ELECTRIC LLC-CENTRAL FLORIDA
Kameron Kaviani
KAPPES ELECTRIC CORPORATION
KAPREE TRINITY LLC
KAREN'S PROFESSIONAL
KARST OUTDOOR DISPLAYS
KC FRAMING-CENTRAL FLORIDA
KEEN GRAPHICS, LLC
Kelley, Marcia
KELLY SERVICES INC
Kenton, James H. & Martin, Mary K.
KEVIN C. SCOTT, AIA, FLLC
KEVIN L DIRLAM
KEYBANK
KEYBANK NATIONAL ASSOC.
Kimball, Jerome K. & Barbara T.
KING PAINTING CONTRACTORS
KINNEY KLEANING KORP

KIRKLYN ENTERPRISES INC-NORTH FLORIDA
KIRKSEY CONSTRUCTION
KIRKSEY CONSTRUCTION AKA S&S BOBCAT SVC
KITCHEN WORKS, THE-NORTH FLORIDA
KLEIN ELITE MILLWORK INC
KNIGHT IMAGES INC DBA MOVE MAGAZINE
KOLDROK WATERS & COFFEE
Koolstra, Alan and Susan
Kreider, Robert B and Rosalea B
KURTZMAN CARSON CONSULTANTS
LABOR FINDERS-SAINT AUGUSTINE
LABOR READY SOUTHEAST
LAFONTE SPENCER
LAKE APOPKA NATURAL
LAKE CTY BD OF CTY COMMISSIONERS
LAMAR COMPANIES, THE
LAND DEVELOPMENT & CONSTRUCTION SERVICES
LANE'S PROFESSIONAL PEST ELIMINATION
LANIER CONTRACTING COMPANY
Laux, Michael A.
LAWSON INDUSTRIES INC
LDI REPROPRINTING CTRS
LEE COUNTY BOARD OF COUNTY COMMISSIONERS
LEE COUNTY UTILITIES
LEE WAYNE CORPORATION
LEGRANDE'S PLUMBING
LEONARD F TRIA JR
Levy, Howard and Susan
LIFESTYLE TRANSITIONS
LIGHTSCAPES OF NORTH
LINDA BRYSON
LINDEMANN BENTZON
Link, Robert and Sharon
Lippman, Sheldon & Ann
Little, James Larkin & Ruby H.
LOGO EXPRESS INC
LORMAN EDUCATION SERVICES
Losby, Julia & Peterson, Douglas
LOWES HOME IMPROVEMENTS
LUMBERMEN'S
M & N CONSTRUCTION-CENTRAL FLORIDA
M SPACE HOLDINGS, LLC
MACTEC ENGINEERING
MAGNO CONSTRUCTION
MAID MY DAY INC
MANATEE CHAMBER OF
MANATEE COUNTY BUILDING DEPARTMENT
MANATEE COUNTY CLERK
MANATEE COUNTY UTILITY
MANCILL INC
MANER BUILDERS SUPPLY CO INC
MAP GUIDE COMPANY, THE

MARKET4SITE, LLC
MARLIN LEASING
MAROTTA ENTERPRISES INC-CENTRAL FLORIDA
MARSH FURNITURE COMPANY
MARTIN MEMORIAL HEALTH SYSTEMS
MARTYS DRYWALL SERVICE INC-CF
MASTERED PAINT & DECO
MATTHEW BROADUS-NORTH FLORIDA
Maya, Gabriel
MAYNARD GRAY GLASS
MAZDA AMERICAN CREDIT
MCCOLLUM'S ALUMINUM
MCGOWAN'S HEATING & A/C-NORTH FLORIDA
MCI
MCI BUSINESS GOLD
MCI COMM SERVICE
MCLEOD LAND SERVICES INC-CENTRAL FLORIDA
McRae, David C. & Patricia W.
MDG ADVERTISING
Meade, Phillip and Priscilla
Melhofer, Ruth H.
MELCO ELECTRIC INC
MELCO ELECTRIC INC-CENTRAL FLORIDA
MEMPHIS CERAMIC TILE INC
MENDEZ BROTHERS CONST
MERSINO DEWATERING, INC.
METALAIRE LOUVER CO
METRO STUDY
MEYERS CONSTRUCTION LLC-CENTRAL FLORIDA
MICROSHIELD ENVIRONMENTAL SERVICES
MID CONTINENT CABINETRY-CENTRAL FLORIDA
MID FLORIDA POOLS &
MID SOUTH POLY TUB
MID STATE TRUSS COMPANY-CENTRAL FLORIDA
MIKE HOGAN TAX COLLECTOR
Milazzo, Christine
MILLENNIUM ELECTRICAL-NORTH FLORIDA
MILLER SELLEN CONNER
Miller, Jack and Varda
Miller, Sr., James A. & Amelia G.
MILLINGTON FLOOR COV INC
MITCHELL & STARK CONST.
MITCHELL AND BERTERA
MITCHELL IVEY TAYLOR
MITECH SYSTEMS INC
MJ LAND DEVELOPMENT INC
MJC INC
MOBILE MINI, INC.
MODEL HOME INTERIORS
MODERN GRANITE & MARBLE
MODSPACE
MODULAR SPACE CORPORATION

MONA LISA
MOORE CONTRACTORS
MPHS LIGHT GAS & WATER
MULCH WORKS INC
MURRELL'S CONSTRUCTION
MW GOLF PROPERTIES LLC
MY FRIENDS PLACE
MYERS COMPANY INC
MYRTLE BEACH AREA CHAMBER OF COMMERCE
NAD SPECIALTY CONTRACTOR
NAPLES DAILY NEWS
NASHVILLE ELECTRIC SERVI
NATIONAL ASSOCIATION OF
NATIONAL FLOOD INSURANCE
NATIONAL SECURITY& TRUST
NCG ARCHITECTS, INC.
NEARING, CHRIS
NEOPOST
Nevins, Joel & Linda
NEW CENTURY SIGNS, INC
NEW HOME REALTY LLC
NEWBANKS, INC RALEIGH
NEWBERG IRRIGATION INC
NEXTEL
NEXTMEDIA OUTDOOR INC
Nguyen, Xuay & Hoa Thi
NORTH GEORGIA BRICK
NORTHWEST EXTERMINATING
NOVA COPY INC
NOVINS, MICHAEL H.
NUCCIO HEATING & AIRCONDITIONING INC-CF
O C TANNER RECOGNITION
OASIS IRRIGATION
OASIS POOLS INC-CENTRAL FLORIDA
OFFICE DEPOT
OFFICE DEPOT A/K/A
OFFICE DEPOT, INC.
OFFICE FURNITURE USA
OFFICE TEAM
OFFICE TECHNOLOGY
OHIO SAVINGS BANK FSB
OMNI ELECTRICAL SRVCS
ONSITE SAFETY SYSTEM-CENTRAL FLORIDA
ORANGE COUNTY UTILITIES
ORLANDO REGIONAL REALTOR ASSOCIATION INC
ORLANDO UTILITIES
OSCEOLA CTY CLERK OF THE COURT
OTIS SPUNKMEYER, INC.
OUTDOOR EXPRESSIONS-CENTRAL FLORIDA
OUTLOOK MASONRY
OVERHEAD DOOR COMPANY OF JACKSONVILLE
OWEN LUMBER & MILLWORK

Owens, Dean and Glenda
P K AUSTIN INC
P&C PRINTING AND COPYING
PACESETTER PERSONNEL SRV
PAINT COVERS INC
PALMER ELECTRIC COMPANY
PALMETTO BRICK COMPANY
PANACHE GIFTS & PROMO
PARADISE STEEL INC
PARK ROW PRINTING
Parsons, Thomas F.
PARTRIDGE PLASTERING INC
PAULA MOSS
PAULDING COUNTY WATER
PAVING STONE CONCEPTS INC
PC CONNECTION
Pennington, John & Lauren
PENNY ESTES
PERMIT EXPEDITERS
Peterson, Samuel and Dorothy M.
PGA COUNTRY CLUB
PGA GOLF PROPERTIES
PHILLIPS AND JORDAN INC-NORTH FL
Piccolo, John & Maria
Picot, Elizabeth & Dan
PIEDMONT GRADING CO. INC
PIEDMONT LANDSCAPE
PIERCE ARCHITECTURAL
PITNEY BOWES GLOBAL FINANCIAL SERVICES
PITNEY BOWES POSTAGE BY
PITNEY BOWES PURCHASE POWER
PIXELCREEK TECHNOLOGIES
Plotkin, Irwin and Harriet
PLYMARTS, INC.
POOL PEOPLE EAST INC, THE
POOL PEOPLE WEST INC, THE
POOLS OF JADE, INC.
POOLS PLUS INC OF MYRTLE BEACH
PORTABLE SANITATION
PRECAST WALL SYSTEMS, INC
PRECISION DRYWALL
PRESTIGE CLEANING OF SW FLORIDA
PRESTIGE LUMBER & SUPPLIES INC
PRIME DRYWALL & PAINTING INC
PRINT SHACK
PRIVATE GARDEN GREENHOUSE SYSTEMS INC
PRO FRAME CONT INC
PROFESSIONAL INSULATORS
PROGRESS ENERGY FLORIDA
PROGRESSIVE LIGHTING INC
PROJECT CONSULTANTS &
PROLINE VACTOR SERVICES

PROMAXIMA MANUFACTURING LTD
PROSIDE EXTERIOR OF JAX-NORTH FLORIDA
PUBLIC STORAGE
QORE, INC A/K/A QORE
QUALITY CONSTRUCTION
QUALITY INSULATION INC
QUALITY SOD OF THE
QUANTUM UNDERGROUND
QUILL CORPORATION
R & R SUPERIOR PLUMBING INC
R & W MAINTENANCE INC-CENTRAL FLORIDA
R W WILKERSON HEATING
RACHEL GARDNER
RAMPART SECURITY SYSTEM-CENTRAL FLORIDA
RANDAL LOWE ENTERPRISES
RANDALL RATHJEN INC-NORTH FLORIDA
RANDSTAD
RAPID BLUEPRINT & SUPPLY
RAYDEO ENTERPRISES INC
RBB-PUBLIC RELATIONS,
REAL FOUNDATIONS
REGAL KITCHENS
REGIONS BANK
RELIABLE ROOFING
RELIABLE ROOFING-CENTRAL FLORIDA
RELIANT BUILDING PRDTS-CENTRAL FLORIDA
RENEW CONSTRUCTION
RENS PLUMBING INC-CENTRAL FLORIDA
REPROGRAPHIC SOLUTIONS INC
REPROGRAPHIC SYSTEMS INC
RESERVES NETWORK,THE
RESIDENTIAL DRYWALL INC
REYNOLDS,SMITH & HILLS,
RICH, ELTON & KATHIE
RICHARD A MILLER-NORTH FLORIDA
RICHARDS LIGHTING CENTER INC
RIDDLE OFFICE PRODUCTS
RIDGESIDE ETHERIDGE ENTERPRISES LLC
RIKMAR CONSTRUCTION-CENTRAL FLORIDA
Ritter, Joseph & Sherry
RITZ CONSTRUCTION CO OF
RIZZO ROOFING LLC-CENTRAL FLORIDA
RJ KIELTY PLUMBING INC-CENTRAL FLORIDA
RJM ELECTRIC
RJM PLUMBING
ROB FLO PORCELAIN REPAIR
Robbins, Terry and Hana
ROBERT DAVIS
ROBERT HALF INTERNATIONAL
ROCHESTER & ASSOCIATES,
RODNEY ROBINSON
ROGER FRY, ARCHITECT

ROGERS TOWNSEND THOMAS
Romano, Pilar M. and Deborah Mae McGury
ROOF TILE SPECIALISTS IN
ROSEANN KOHNERT
ROSSIER, MARILYN
ROSZEL, NORMAN F
ROYAL BATHS MFG CO LTD
ROYAL CONST. GROUP, INC.
ROYAL CONST. GROUP, INC.-CENTRAL FL
ROYAL PALM ALUMINUM, INC
RP CLEANING SERVICE-CENTRAL FLORIDA
RPI MEDIA INC
RT MOORE COMPANY INC-CENTRAL FLORIDA
RUSSELL CORPORATE GROUPS INC
Russo, Albert and Bernice
RUTKOWSKI, RON
SABAL SIGNS, INC.
SAFETY QUIP INC
SAINT JOHN'S COUNTY CLERK OF THE COURTS
SAINT JOHN'S COUNTY UTILITY DEPT
SAINT LUCIE COUNTY
SAINT LUCIE COUNTY CHAMBER OF COMMERCE
SAINT LUCIE FIRE
SAINT LUCIE WEST SERVICE
SALVATORE MASTRELLI
SAMUEL & BRENDA OSUNDE
SANDMAN INC
SANSONE, CORP
SANTEE COOPER ELECTRIC
SARASOTA MANATEE JEWISH NEWS
SAWYER GAS JACKSONVILLE
Scott, James R. & Diane E.
SCREENCO NORTH, INC.
SCRIPPS TREAS COAST NEWSPAPER
SEASONS @TRADITIONS RESIDENTS ASSOCIATIO
SEASONS AT PRINCE CREEK WEST COMMUNITY
SEAVIN INC DBA LAKERIDGE WINERY
SECURITY SELF STORAGE
SECURITY VISION OF MYRTLE BEACH
SEMINOLE CANS INC
SEMINOLE MASONRY, INC.
SENICA AIR CONDITIONING
SENIOR OUTLOOK
SENTRY MANAGEMENT, INC.
SERVICEMASTER OF SW SEMINOLE
SERVPRO OF BRADENTON/
SERVPRO OF JACKSONVILLE SOUTH
SERVPRO OF ST LUCIE COUNTY
Shapiro, Arline & Schwartz, Sondra
SHEFFIELD OFFICE PRODUCT
SHELBY COUNTY
SHELBY COUNTY REGISTER

SHELBY COUNTY TRUSTEE
SHEPPARD ELECTRIC-CENTRAL FLORIDA
SHERRY BYRD dba
SHERWIN-WILLIAMS COMPANY, THE
SHUHAM & SHUHAM P.A.
SHUNTAY STEWART
SIGN STUDIO & GRAPHICS
SIGN WAY INC
SIGNATURE CLOSETS INC
SIGNATURE CONTRACTORS INC
SIGNS NOW
SIMONIK TRANSPORTATION & WAREHOUSEING LL
SITE FX, INC.
SJ MATRANGOS CONSTRUCTION
SKY GENERAL CONTRACTING
SLB CONSTRUCTION
SLP CONTRACTORS, INC.
SMALLWOOD SIGN CO., INC.
SMITH METAL & DRYWALL-CENTRAL FLORIDA
Smith, Fredrick R. & Anne G.
SMITH, GAMBRELL & RUSSELL
SMITH-MANUS SURETY BONDS
SOLID SURFACE SPECIALTIES
SOLIDTOP SPECIALISTS INC
SOTO, FELICIA & LUIS
SOUTH FLORIDA COURIER
SOUTHEAST FIRE PROTECTION LLC
SOUTHEASTERN PRESENTNS
SOUTHERN BUILDING PRODUCTS
SOUTHERN CURB, INC
SOUTHERN DISPLAYS LLLP
SOUTHERN FASTENING MPS
SOUTHERN LIVING
SOUTHERN SECURITY & COMM
SOUTHERN STYLE CONSTRUC-CENTRAL FLORIDA
SOUTHERN TRADE
SOUTHERN TURF
SOUTHTRUST BANK
SOUTHWEST FLORIDA SWEEPERS INC
SPEEDY COURIER
SPIVEY BUILDERS LLC
SPRAGGINS BUILDER SERVICES-CF
SPRINT
STAINBUSTERS CARPET
STANDARD COFFEE SERVICE
STAPLES CREDIT PLAN
STARR GASKINS
Starr, Edith S.
STATE OF FL COMMISSIONS ON HUMAN RELATIO
STATON HEATING & AIR
STEVEN STRATTON INC
STEVENS, DENISE

STOCK BUILDING SUPPLY-CENTRAL FLORIDA
STOCKTON TENNIS, INC.
STONE FUZION, INC
STONE PRODUCTS LLC-CENTRAL FLORIDA
Stovall, Norma and Compton, Joyce
STRACK, INC.
STRAIGHT UP FENCE
STRATEGIC INSULATION
STRUCTURED DRYWALL INC
SUN NEWS
SUN STATE LANDSCAPING-CENTRAL FLORIDA
SUNBELT RENTALS INC
SUNRISE BUILDERS SUPPLY
SUNSET DRYWALL-CENTRAL FLORIDA
SUN-TECH WINDOWS INC-CENTRAL FLORIDA
SUPERIOR FENCE & RAIL-CENTRAL FLORIDA
SUPERIOR POOLS, SPAS & WATERFALLS INC
SURFACE SPECIALISTS OF JACKSONVILLE INC
SURFACE SPECIALISTS OF MYRTLE BEACH
SUTHERLAND ASBILL & BRENNAN LLP
SUTTON CONTRACTING SOLUTIONS INC-OF
SWELL CONSTRUCTION CO.
T & M PORTABLE RESTROOMS INC
T&T MASONRY
TAILORED FOAM OF FL-CENTRAL FLORIDA
TAILORED FOAM OF FL-SOUTH FLORIDA
TAURUS PAINTING INC
Taylor, Jim & DiFazio, Carol
TECO PEOPLES GAS
TEEL APPRAISALS AND ADVISORY INC
TELETOUCH
THE NEWS-PRESS
THE RIGHT DIRECTION SIGN
THOMAS & HUTTON
THOMAS J TWOMEY, P.E.
Thompson, William
THRIFTY BUILDING SUPPLY
TILE & MARBLE BY VALENTIN INC
TIMO BROTHERS INC
TIPPINS CONTRACTING CO INC
TN DEPT OF REVENUE
Tolles, Harry & Ranieri, Martha
TOM BELL LEASING INC
TOM MILLER GRADING, INC.
TOMMY & CAROLYN JONES
TONECHIA & ERIC HOWARD
Tooke, Michael S. & Francine S.
TOP SOUTH, INC.
TOPS UNLIMITED LLC
TOSHIBA AMERICA INFO SYS
TOSHIBA BUSINESS SOLUTIONS GA
TOTAL BRICK PAVERS INC

TOWN HALL AMENITIES CENTER ASSOC INC
TRAVIS PRUITT & ASSOCIATES INC
TREASURE COAST MATS
TREBOR INDUSTRIES, INC
TRIANGLE REPROGRAPHICS
TRICITY INSULATION-NORTH FLORIDA
TRI-COUNTY BLUE PRINT
TRIMCRAFT
TRIM-PAK
TROPIC FLOORS
TROUBLE SHOOTERS CLEANING SERVICE
TROUT, JAMES & JUDY
TUB GUYS INC, THE
TURFMASTERS LAWN SERVICES INC
UNIFIRST CORPORATION
UNIQUE SPECIAL SERVICES-NORTH FLORIDA
UNITED INTERIORS
UNITED PARCEL SERVICE
UNIVERSAL ENG SCIENCES-CENTRAL FLORIDA
UNIVERSAL FOREST PRODUCT
U-STORE-IT LP
V&V CONST SERVICES INC-CENTRAL FLORIDA
VALLEYCREST LANDSCAPE
Van den Broeck, Peter and Van den Bergh
VANASSE HANGEN BRUSTLIN
VARIAN ASSOCIATES, PA
VERGASON SOJOURNER & MCWATERS INC
VERIZON FLORIDA INC.
VERIZON WIRELESS
VICTORY RECYCLING
VINCENT PRINTING CO
VISUAL THUNDER INC
VOLUNTEER PRODUCTS INC
WACCAMAW LANDSCAPING & CONSTRUCTION
WACHOVIA BANK
WACHOVIA BANK, N.A.
WANHA NEW CONSTRUCTION SERVICES
WASTE CONNECTIONS OF TN
WASTE INDUSTRIES-NORTH FLORIDA
WASTE PRO OF FL-CENTRAL FLORIDA
WASTE PRO-FORT PIERCE
WATKINS QUALITY ROOFING
WAYNE WILES FLOOR COVERING
WCA WASTE CORPORATION-CENTRAL FLORIDA
WEBCONCEPTS INC
WELCH TENNIS COURTS, INC
WEST COBB BUILDING
WEST ORANGE NURSERIES
WHISTLE CLEAN INC
WHITE HOUSE UTILITY
White, Karen & Dean
WHO'S CALLING

WILKINS ELECTRIC CO INC
WILLIAM R WHITE ARCHITECT
WILLIAM T YARBROUGH JR
WILLIAMS SCOTSMAN, INC.
Williams, Donald and Marion
WILSON INSULATION GROUP
WINDSTREAM
Witt, Daniel C. & Janice L.
Wittes, Alan & Faye
WOMACK EXTERMINATORS
WOODMAN GUTTERS
WOODMAN INSULATION
WOODSMAN KITCHEN-NORTH FLORIDA
WOODSON & BOZEMAN INC
XEROX CORPORATION
Youngeiman, Herbert and Rochelle
YOUR GIFTED BASKETS INC
YULETIDE OFFICE SUPPLY
ZEE MEDICAL, INC
ZENO OFFICE SOLUTIONS
ZEPHYRHILLS
ZNS ENGINEERING LC

EXHIBIT 3
The Debtors' Cash Management Systems

Cash Management System



Levitt and Sons at Tradition, LLC
5488119819
Levitt and Sons of Hawks Haven, LLC
5488119849
Levitt and Sons of Lee County, LLC
5488119835
Levitt and Sons of Lake County, LLC
5488119822
Levitt and Sons of Hernando County, LLC
5488119851
Levitt and Sons of Seminole County, LLC
5488119880
Levitt and Sons of Osceola County, LLC
5488119893
Levitt and Sons of Orange County, LLC
5488119916
Levitt and Sons at W/GV, LLC
5488119932
Levitt and Sons of Henry County, LLC
5488119958
Levitt and Sons of Flagler County, LLC
5488119961
Levitt and Sons of Cherokee County, LLC
5507480665
Levitt and Sons of Hall County, LLC
5488119770
Levitt and Sons of Paulding County, LLC
5488119783
Levitt and Sons Realty South Carolina, LLC
898005970936
Levitt and Sons, LLC
5505521047

16 Bank of America
Customer Deposit Accounts
Swept Daily

Levitt and Sons, LLC
City National Bank Of Florida
Escrow
1953 86 8168
Levitt and Sons of South Carolina, LLC
City National Bank Of South Carolina
Escrow
1953 86 8142
Levitt and Sons of Georgia, LLC
City National Bank Of Georgia
Escrow
1953 86 8155
Levitt and Sons of Tennessee, LLC
City National Bank Of TN
Escrow
1953 86 8139
Broad and Cassel
Bank Atlantic
Escrow
306729881
Bank of America
UFC Title Depository
1611899230
Bank of America
South Carolina
Escrow
779633724
UFC Title
Escrow
Bank of America
1611642691

Levitt Homes, LLC
Bank of America
Master Funding
1611601881
Levitt and Sons, LLC
Wachovia
Investment Account
200707054755

Levitt Homes, LLC
Bank of America
Controlled Disbursement
5486008922

Levitt Construction Corp-East, LLC
Bank of America
Controlled Disbursement
5486008935

Levitt and Sons, LLC
City National Bank of Florida
Cash Account
1953868087

Levitt and Sons, LLC
Regions Bank
BBF Conduit
8021124935

Levitt Construction East, LLC
Bank of America
Checking-GC License
5481580092

Levitt Construction SC, LLC
Bank of America
Checking-GC License
5507486517

Levitt and Sons, LLC
Bank of America
Payroll
1611601873
Levitt and Sons of South Carolina, LLC
Bank of America
South Carolina Payroll
782638237
Levitt and Sons of GA, LLC
B of A
GA Payroll
3262655220

Periodic funding to Tennessee operations (Next Page)

Cash Management System Tennessee Operations

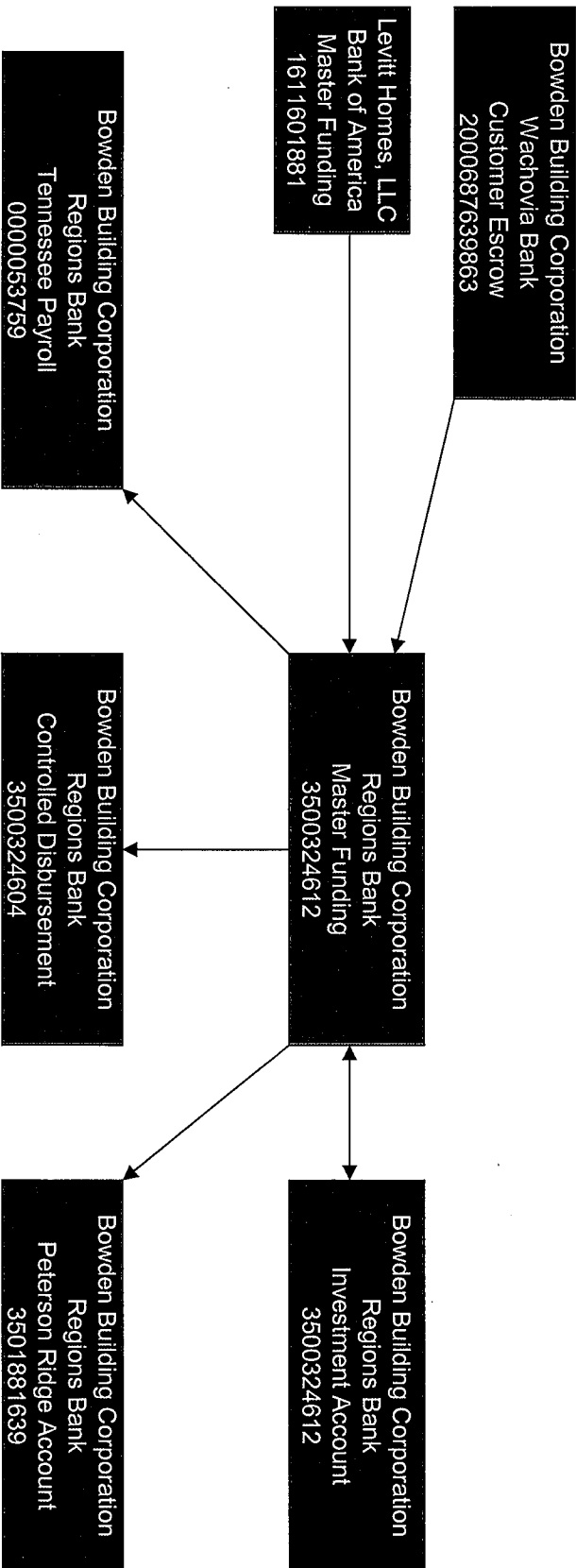


EXHIBIT 4
Liquidation Analysis

EXHIBIT 4
Tennessee Consolidated Debtor Chapter 7 & Chapter 11 Recovery Analysis
Claims Payout Comparison - Summary (5000s)
As of October 23rd, 2008

Tennessee Consolidated Debtor Chapter 7 Recovery *		Tennessee Consolidated Debtor Chapter 11 Recovery	
High Case Recovery	< Delta >	Low Case Recovery	
Distributable Value			
Cash Balance	2,833	-	2,833
City National Tennessee Escrow	19	-	19
Woodbridge "Release Fund"	-	-	-
Care out for General Unsecured Creditors	250	-	250
Proceeds Home Sales Unencumbered	-	-	-
Total Distributable Value	3,102	3,102	3,102
Administrative Claims			
G&A to Wind-Down	-	-	-
Chapter 7 Trustee Fee	116	-	116
Professional Fees	171	-	171
Professional Fees - Post Conversion	250	100	350
Total Administrative Claims	538	100	638
Distributable Proceeds	2,564	(100)	2,464
Total Secured Claims			
Recovery to Secured Vendors	-	-	-
Proceeds to Secured Vendors	100.00%	-	100.00%
Total Priority Unsecured Claims			
Recovery to Priority Unsecured Vendors	135	381	381
Proceeds to Priority Unsecured Vendors	100.00%	100.00%	100.00%
Cash Available for General Unsecured Creditors	2,429	2,083	2,233
Debt - Regions Deficiency			
Remaining General Unsecured Claims	2,839	2,839	2,839
	2,191	2,982	2,982
General Unsecured Creditors			
Total General Unsecured Claims	5,030	5,821	5,821
LAS Claim	15,804	15,804	15,804
Recovery to General Unsecured Creditors	11.69%	9.63%	9.63%
Proceeds to General Unsecured Creditors	2,429	2,083	2,233

General Notes

Analysis is exclusive of recoveries related to litigation claims, preference claims or other causes of action.

* Claims values are the Debtor's best estimates, do not represent the Debtor's litigation position and should not be taken as an acknowledgment, admission, or agreement with respect to any claim amount.

* This analysis assumes that the estates will be substantively consolidated as provided in the plan. In the event the estates are not substantively consolidated, the amount of post-conversion professional fees will likely be substantially higher than reflected herein due to, among other things, the possibility of multiple trustees and professionals engaged by those trustees.

Notes

- 1 Tennessee cash balance and escrow balance (net of customer deposit claims) are as of 10/31/2008.
- 2 Administrative Expenses are based on forecasts related to non-household expenses.
- 3 Chapter 7 Trustee and Plan Administrator fees are based on section 336 of the Code.
- 4 Balances represent all professional fees forecasted through 1/31/2009 and may be subject to change.
- 5 Allowed Secured Claims have been satisfied per prior Order of the Court.
- 6 Per LAS books and records
- 7 Assumes all creditors participate in the Release Fund in the High Case and no creditors participate in the Release Fund in the Low Case. The Release Fund value is based on a percentage derived from total unsecured claims for each estate. □

EXHIBIT 4
LAS Consolidated Debtor Chapter 7 & Chapter 11 Recovery Analysis
 Claims Payable Components (6/30/09)
 As of October 23rd, 2008

	LAS Consolidated Debtor Chapter 7 Recovery *		LAS Consolidated Debtor Chapter 11 Recovery	
	High Case Recovery	< DINA >	Low Case Recovery	
Distributable Value				
Cash and cash equivalents (Excluding the Admin Cap Claim)	503	-	503	f
Woodbridge Settlement Payment	-	-	8,600	
Woodbridge "Release Fund"	-	-	4,193	
City National LAS Escrow	172	-	172	f
Wichita "Guaranteed Amount" Admin Cap	4,000	-	4,000	4,000
Proceeds from TX Intercompany Claim	1,842	(470)	1,372	17
Marshburn Assets	10	-	10	2
Intermed NRV Total	900	(415)	650	
Total Distributable Value	7,417	(635)	6,793	
Administrative Claims				
Post Petition O&A	41	-	41	f
Estimated Woodbridge Admin Claim	1,400	630	2,030	12
Chapter 7 Trustee Fee	246	(19)	227	6
Professional Fees - Chapter 11	2,448	-	2,448	7
Professional Fees - Post Confirmation	1,000	-	2,000	
Total Administrative Claims	5,135	1,601	6,766	
Distributable Proceeds	2,282	(2,690)	36	
Total Secured Claims				
Recovery to Secured Creditors	-	-	-	
Proceeds to Secured Creditors	100.00%	-	100.00%	
Total Priority Unsecured Claims				
Recovery to Priority Unsecured Creditors	1,519	-	1,691	
Proceeds to Priority Unsecured Creditors	100.00%	-	1,691	
Cash Available for General Unsecured Creditors	1,519	-	26	
Total General Unsecured Claims	15,415		396,613	14
Cash Available for General Unsecured Creditors (Excludes Wichita "Guaranteed Amount" Admin Cap)				
	-	-	-	
Wichita Unsecured Claims Recovery:				
Total Wichita General Unsecured Deficiency Claim	26,800	-	55,000	4
Recovery to Wichita General Unsecured Deficiency Claim	0.00%	-	0.00%	
Proceeds to Wichita General Unsecured Deficiency Claim	-	-	-	
Total Distributable Value for Non-Wichita Creditors	773		-	
Deposit Holder's Fund Transfer to LAS Available Cash (High Case Assumes NO Deposit Holders Opt Out and Low Case Assumes All Deposit Holders Opt Out)	NA	-	NA	
Total Distributable Value for Non-Wichita Creditors including Fund Transfer	773		-	
Non-Wichita Creditors				
Total Non-Wichita General Unsecured Claims	138,415	-	361,613	
Recovery to Non-Wichita General Unsecured Creditors	0.57%	-	0.00%	
Proceeds to Non-Wichita General Unsecured Creditors	773	-	-	
Additional Value for Deposit Holders	NA		NA	
Total Recovery to Deposit Holders, General Unsecured Creditors (High Case Assumes NO Deposit Holders Opt Out and Low Case Assumes All Deposit Holders Opt Out)	NA		NA	
Total Deposit Holder General Unsecured Creditors	NA		NA	
Total Recovery to Deposit Holders General Unsecured Creditors	NA		NA	

	LAS Consolidated Debtor Chapter 7 Recovery *		LAS Consolidated Debtor Chapter 11 Recovery	
	High Case Recovery	< DINA >	Low Case Recovery	
Distributable Value				
Cash and cash equivalents (Excluding the Admin Cap Claim)	503	-	503	f
Woodbridge Settlement Payment	-	-	8,600	
Woodbridge "Release Fund"	-	-	4,193	
City National LAS Escrow	172	-	172	f
Wichita "Guaranteed Amount" Admin Cap	4,000	-	4,000	4,000
Proceeds from TX Intercompany Claim	1,842	(470)	1,372	17
Marshburn Assets	10	-	10	2
Intermed NRV Total	900	(415)	650	
Total Distributable Value	7,417	(635)	6,793	
Administrative Claims				
Post Petition O&A	41	-	41	f
Estimated Woodbridge Admin Claim	1,400	630	2,030	12
Chapter 7 Trustee Fee	246	(19)	227	6
Professional Fees - Chapter 11	2,448	-	2,448	7
Professional Fees - Post Confirmation	1,000	-	2,000	
Total Administrative Claims	5,135	1,601	6,766	
Distributable Proceeds	2,282	(2,690)	36	
Total Secured Claims				
Recovery to Secured Creditors	-	-	-	
Proceeds to Secured Creditors	100.00%	-	100.00%	
Total Priority Unsecured Claims				
Recovery to Priority Unsecured Creditors	1,519	-	1,691	
Proceeds to Priority Unsecured Creditors	100.00%	-	1,691	
Cash Available for General Unsecured Creditors	1,519	-	7,982	
Total General Unsecured Claims	66,915		334,113	14
Cash Available for General Unsecured Creditors (Excludes Wichita "Guaranteed Amount" Admin Cap)				
	8,811	-	3,982	
Wichita Unsecured Claims Recovery:				
Total Wichita General Unsecured Deficiency Claim	26,800	-	55,000	4
Recovery to Wichita General Unsecured Deficiency Claim	11.79%	-	1,193%	
Proceeds to Wichita General Unsecured Deficiency Claim	2,587	-	691	9
Total Distributable Value for Non-Wichita Creditors	10,254		7,291	
Deposit Holder's Fund Transfer to LAS Available Cash (High Case Assumes NO Deposit Holders Opt Out and Low Case Assumes All Deposit Holders Opt Out)	-	-	750	
Total Distributable Value for Non-Wichita Creditors including Fund Transfer	10,254		8,041	
Non-Wichita Creditors				
Total Non-Wichita General Unsecured Claims	48,915	-	276,113	
Recovery to Non-Wichita General Unsecured Creditors	20.96%	-	2.91%	
Proceeds to Non-Wichita General Unsecured Creditors	10,254	-	8,041	
Additional Value for Deposit Holders	750		-	
Total Recovery to Deposit Holders, General Unsecured Creditors (High Case Assumes NO Deposit Holders Opt Out and Low Case Assumes All Deposit Holders Opt Out)	7,946		9,866	
Total Deposit Holder General Unsecured Creditors	38,486		2,919	
Total Recovery to Deposit Holders General Unsecured Creditors	7,416		287	

General Notes:

* Analysis is available of recoveries related to litigation claims, preference claims or other causes of action.

* Claims which are the Debtor's best estimates, do not represent the Debtor's litigation position and should not be taken as an acknowledgment, admission or agreement with respect to any claim amount.

* This analysis assumes that the claims will be substantively consolidated as provided in the plan. In the event the claims are not substantively consolidated, the amount of post-confirmation professional fees will likely be substantially higher than reflected herein due to, among other things, the possibility of multiple trustees and professionals engaged by those trustees.

* **Notes**

1. **Late & Slow cash balance and accrued balance (including utility deposit recovery) are as of 10/31/2008.**

2. **Marshburn assets include computer equipment and office supplies.**

3. **Balance represents estimated proceeds based on current offer on Marshburn assets and of 10/31/2008. The Chapter 7 Recovery Analysis reflects a 10% discount of the Chapter 11 Recovery Analysis.**

4. **Per the Wichita DIP loan agreement.**

5. **Balance represents Post Petition O&A, forecloses and US Trustee fees through 12/31/2008.**

6. **Chapter 7 Trustee and Plan Administrator fees are based on section 316 of the Code.**

7. **Balance represents all professional fees forecasted through 12/31/2009 and may be subject to change.**

8. **Amounts based on information provided by Wichita's counsel.**

9. **The \$400,000 Guarantee Amount and Admin Cap stated in the term sheet will not be used to pay Wichita's deficiency, if any. To the extent there are other recoveries related to litigation claims, preference claims or other causes of action, then Wichita would be entitled to share in such recoveries in respect of its deficiency claim.**

10. **The distribution is estimated for the holders of unsecured claims based on the Wichita term sheet. In a Chapter 7 liquidation, the Wichita's Guaranteed Amount is not due and payable to the estates with the collateral has been monetized in accordance with the term sheet. Under the plan, Wichita is required to fund the Guaranteed Amount as confirmation.**

11. **Assumes all creditors participate in the Release Fund in the High Case and no creditors participate in the Release Fund in the Low Case. The Release Fund value is based on a percentage derived from total unsecured claims for each estate. D**

12. **However, the action to accept the additional distribution which does not require all creditors to participate in the Release Fund.**

13. **Assumes the Woodbridge claims (estimated at \$1,400K - \$2,030K administrative and \$85,540K general unsecured) would be asserted against the LAS estate in a Chapter 7 scenario.**

14. **Per LAS books and records**

EXHIBIT 4
Disco Liquidation Summary (\$000s)
As of October 23rd, 2008

	High Case Recovery	Low Case Recovery
Multi-debtor claims		
LAS	\$ 981,910,976	\$ 981,910,976
TN	\$ 115,605,560	\$ 115,605,560
Cash		
LAS	\$ 503,315	\$ 503,315
TN	\$ 2,833,047	\$ 2,833,047
Total	\$ 3,336,362	\$ 3,336,362
Total Claims		
LAS	\$ 70,434,098	\$ 335,803,167
TN	\$ 5,165,229	\$ 6,201,702
Total Recovery		
LAS		
Secured	100.00%	100.00%
Administrative	100.00%	100.00%
Priority Unsecured	100.00%	100.00%
Unsecured	20.96%	2.91%
TN		
Secured	100.00%	100.00%
Administrative	100.00%	100.00%
Priority Unsecured	100.00%	100.00%
Unsecured	57.17%	38.37%
DHC		
Secured	100.00%	100.00%

Administrative	100.00%
Priority Unsecured	100.00%
Unsecured	30.40%

100.00%
100.00%
2.91%

Total Priority Claims

LAS	\$ 1,519,154
TN	\$ 135,230

\$ 1,690,645
\$ 380,517

Total Unsecured Claims

LAS	\$ 68,914,944
TN	\$ 5,030,000

\$ 334,112,522
\$ 5,821,185

Total Depositor Claims

LAS	\$ 7,945,985
-----	--------------

\$ 9,865,578

Intercompany Claim

\$ 15,803,500

Cash	\$ 3,336,362
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EXHIBIT 5

Curriculum Vitae of James S. Feltman – Plan Administrator



JAMES S. FELTMAN, CFE, CPA

**Senior Managing Director
Mesirow Financial Consulting, LLC**



One Biscayne Tower
Suite 1800
Miami, FL 33131

direct 305-416-3344
fax 305-349-2025
jfeltman@mesirrowfinancial.com

Education

Cornell University, M.P.S.
University of Wisconsin Madison, B.A.

**Professional
Profile**

Mr. Feltman is a Senior Managing Director at Mesirow Financial Consulting, LLC. Mr. Feltman was a partner with Arthur Andersen LLP and KPMG LLP prior to joining Mesirow Financial Consulting, LLC. He brings to this firm approximately 25 years of extensive corporate recovery and litigation experience, including engagements involving business turnarounds, debt restructuring, bankruptcy and reorganization, misappropriation of funds, lender liability, securities fraud and breach of contract. Mr. Feltman has extensive industry experience within retail, manufacturing, real estate, aviation, healthcare, and financial services. He has provided expert witness testimony on a variety of issues, including solvency, valuation, lost profits and fraud.

**Selected
Relevant
Experience/
Engagements**

Since the 1980's, Mr. Feltman has been the Trustee or forensic advisor in unwinding and recovering assets within the U.S. and around the world. These cases include in re: Henry Gherman, College Bound, Cascade, 25 Travel Inc., Angel Food, CGF Electrical, Paramount Payphones International, Phoenix Continental, Worldwide Web Systems, as well as numerous confidential matters. In his Ponzi and fraud case relationships, Mr. Feltman has successfully worked with various Federal and State investigative agencies to maximize creditor recoveries. Other prominent assignments are described below:

Certified HR Services, Inc.: As a Chapter 11 Trustee in a matter currently pending in the Southern District of Florida, Mr. Feltman and his firm are investigating and pursuing recoveries and causes of action against numerous parties of Certified HR Services, Inc., a publicly traded entity. Litigation is currently pending against a number of individuals and entities, and a number of US governmental agencies are presently investigating the activities of this group of companies. Mr. Feltman has testified extensively in this matter concerning asset tracing and financial related issues, and is now serving as the liquidating trustee post confirmation.

Friedman's Inc.: Acting as forensic accountant to the unsecured creditors' committee of Friedman's, the third largest retail jeweler in the U.S. and a publicly traded company. Services performed include tracking and tracing tens of millions of cash between related entities including captive offshore insurance company and investigating various causes of actions, investigating alleged accounting and financial statement reporting issues, evaluating exit strategies and alternatives, and enterprise valuations. Various Federal investigations are underway.

Kmart Corporation: Acted as financial advisors to the unsecured creditors' committee of Kmart Corporation, the nation's third largest general merchandise retailer. Mr. Feltman provided the lead investigative and forensic role in the Stewardship Investigation, working with multiple creditor constituencies, the Debtor in Possession and its legal and financial advisors. The Stewardship Investigation has focused on analyzing and evaluating complex commercial claims and assertions of alleged improprieties, potential causes of action against certain current and former officers, directors and third parties. The subject matter of the Stewardship Investigation is part of various US governmental agency investigations.

Integrated Health Services: Acted as financial advisor to the Official Committee of Unsecured Creditors in the Chapter 11 bankruptcy and related restructuring of a provider of post-acute and related specialty

healthcare services and products through over 1,450 service locations in 47 states and the District of Columbia. Services of Mr. Feltman included analysis, investigation and testimony concerning acts and omissions of former officers and directors. Mr. Feltman also assisted counsel for the Committee in the development of director and officer litigation, currently being litigated in Delaware. Mr. Feltman also assisted in the investigation of claims associated with various merger and acquisition transactions by former management.

American Financial Group Inc.: Acted as financial advisor and expert witness to the SEC Receiver in the Chapter 11 Bankruptcy/SEC Receivership of a group of investment and advisory providers in a major Ponzi scheme. Mr. Feltman has led the forensic investigation, litigation support and provided expert testimony for actions against the companies former officers and certain third parties. Allegations include securities fraud, misrepresentation of valuations, alleged hedging and trading in restricted securities, torts and other claims which are currently under investigation. Mr. Feltman tracked and traced hundreds of millions of dollars in Ponzi scheme funds throughout the western hemisphere.

Trustee/Fiduciary: Acted as a Chapter 11 Trustee, Examiner, Panel Trustee and in a variety of other Federal and State Court appointments over the last fifteen years. Mr. Feltman has investigated, settled or prosecuted literally hundreds of claims including bankruptcy avoidance matters, Director and Officer claims, breach of contract and a variety of breach of duty claims and fraud schemes of every variety.

**Other
Relevant
Experience**

<u>Case Style</u>	<u>Role</u>	<u>Nature of Testimony</u>
Empresa de Transporte Aero del Peru, S.A., Debtor	Trustee	International investigation into claims against former partners and insiders, transfer of funds, money laundering for the national flag airline of Peru.
American Way Service Corp., Debtor	Expert witness re: financial matters trustee/insurance Co. related	Unwind national group of related insurance companies; provided testimony in criminal proceedings on behalf of US Attorney's office.
Banco BFA, n/k/a Banco Cuscatlan de Costa Rica, SA v. Manuel Haito, Estefano Isaías	Expert witness / forensics	Investigated and provided expert testimony on international fraud scheme and money laundering operation in Central America.
Banco Latino	Financial advisor	Assisted government of Venezuela in connection with seizure of and preliminary takeover of Banco Latino SA, unwinding systematic fraud in loan portfolios.
Carrington Financial Corporation	Investigative; CFTC Receiver	Forensic analysis of fraudulent sales of futures trading including heating oil and other commodities; securities fraud, traced tens of millions in cumulative Ponzi scheme.
Central Bank of Ecuador Banco Continental v. Ortega, et al.	Experts for Plaintiff regarding fraudulent transfer and insolvency	Investigated and provided expert testimony on bank looting scheme, foreign trust and securities transactions in various Caribbean countries.
Fogade et al. v. Bancor	Forensic / expert witness	Forensic and expert witness roles for alleged bank looting activities, Latin America and Caribbean entities.

Fogade <i>et al.</i> v. Union Planters Corp., <i>et al.</i>	Forensic / expert witness	Forensic and expert witness roles for alleged bank looting activities, Latin America and Caribbean entities.
Sopwith Holdings, <i>et al.</i> , v. Banque Indosuez, <i>et al.</i>	Expert for Plaintiff – securities / business damages / forensics	Forensic and expert witness involving the analysis of billions of dollars in foreign currency trades hedges and swap transactions in the U.S. and South America.
General Trading, Inc. v. Yale Materials Handling Corp.	Federal Receiver – sale of real estate – fraudulent transfer	Recovery of assets in the U.S. and Caribbean as a U.S. District Court receiver.

**Selected
Speaking
Engagements**

VALCON – January 2008
Restructuring Options for Homebuilders - What's Different This Time?
 American Bankruptcy Institute – December 2007
Current Topics for Creditor Committees
 National Conference of Bankruptcy Judges – October 2007
Where Will Bankruptcy Work Come From in 2008?
 American Bankruptcy Institute – July 2007
Effective Pre-Bankruptcy Negotiating and Packaging
 American Bankruptcy Institute – July 2007
Drivers Impacting Credit and Capital Marketplace
 Association of Commercial Finance Attorneys – June 2007
Asset Based Lending
 American Bankruptcy Institute - Annual Spring Meeting, April 2007
Pensions and Benefits in Bankruptcy
 American Bankruptcy Institute – Caribbean Insolvency Symposium, February 2007
Liquidating Cross-Border Assets and Recovering Cross-Border Claims
 National Association of Credit Management, January 2007
Deepening Insolvency
 13th Annual Aircraft Financing Forum, October 2006
The Bankruptcy & Restructuring Process: Current Airline and Creditor Issues
 American Bankruptcy Institute, September 2006
London International Insolvency Symposium – Aviation Panel
 National Association of Credit Management, January 2006
2006 Outlook and Current Topics (regarding distressed retailers)
 American Bankruptcy Institute, December 2005
Solemn Promise or Past Sin? Implications of Pension Terminations
 The Distressed Debt Summit, October 2005
Examining the Airline Industry: Where Does the Opportunity Lie?
 The Distressed Debt Summit, October 2005
Probing the Emerging Theory of Deepening Insolvency
 National Association of Credit Management, July 2004
Retailing Update
 National Association of Certified Valuation Analysts, June 2004
Exploring Investigative Techniques in Bankruptcy Fraud Cases
 American Conference Institute – Chapter 11 Finance, April 2004
Structuring Exit Financing & Post Confirmation Arrangements
 American Bankruptcy Institute, February 2004
Section 363 and the Emperor's New Cloths – the Good, the Bad, and the Ugly of Asset Sales
 American Bankruptcy Institute, December 2003
Turf Wars Among Restructuring Professionals
 LatinFinance, November 2003
Turnaround Management and Corporate Restructuring in Latin America

American Bankruptcy Institute, July 2003
Workout and Turnaround Skills
2003 Multi-Discipline Conference, July 2003
Bankruptcy / The Ins and Outs / New Developments and Solutions for Preferences
American Bankruptcy Institute, January 2003
New Developments in Corporate Fraud
American Institute of CPA's, November 2002
Advanced Litigation Issues In Bankruptcy
American Bankruptcy Institute, April 2002
Various Topics In Bankruptcy
Renaissance American Management, Inc. & Beard Group, March 2002
Distressed Companies In Healthcare
Association of Insolvency & Restructuring Advisors, August 2001
Business Valuation in Bankruptcy
Renaissance American Management, Inc. & Beard Group, March, 2000
Healthcare Restructurings

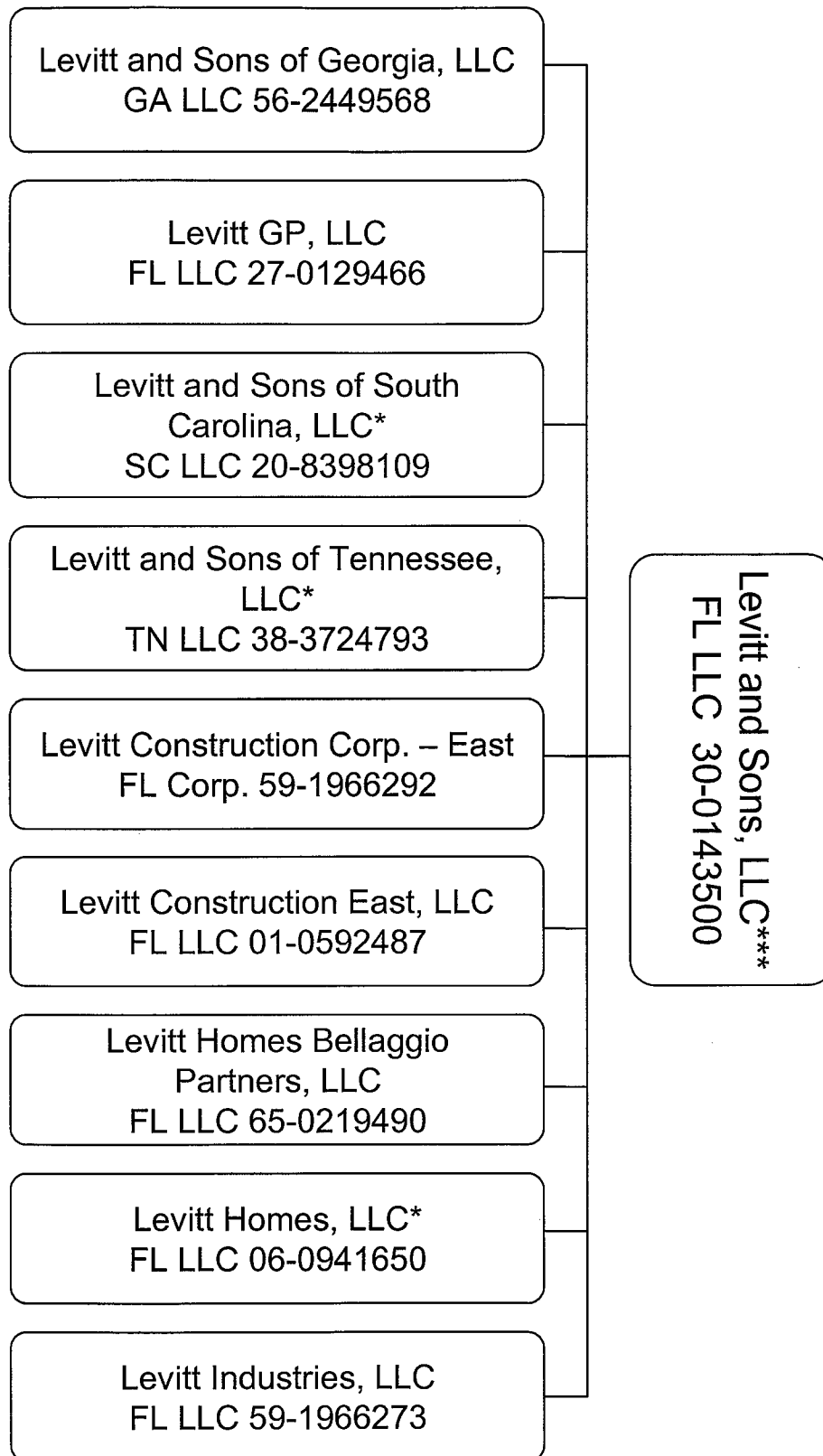
**Other
Information**

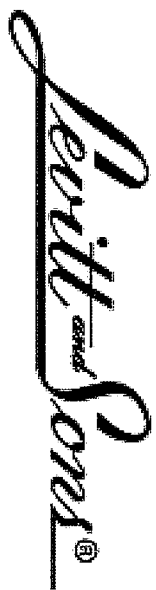
Mr. Feltman is a Fellow of the American College of Bankruptcy. From 2002-2008, Jim was a member of the Board of Directors of the American Bankruptcy Institute. He is also a member of the American Institute of Certified Public Accountants and Florida Institute of Certified Public Accountants. He is a Certified Public Accountant in the State of Florida.

EXHIBIT 6
Corporate Chart of the Debtors

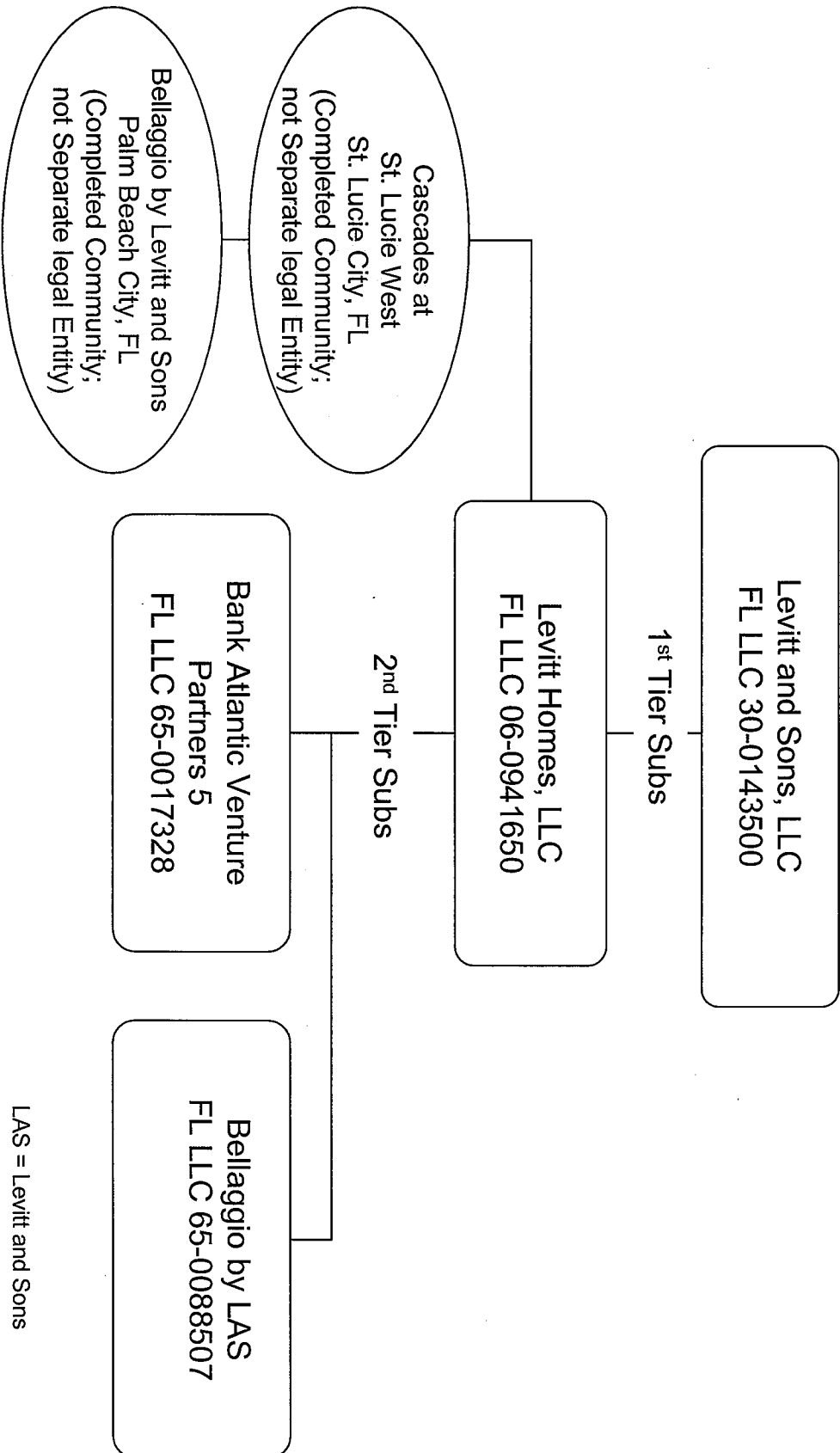


Corporate Organizational Chart





Corporate Organizational Chart



LAS = Levitt and Sons

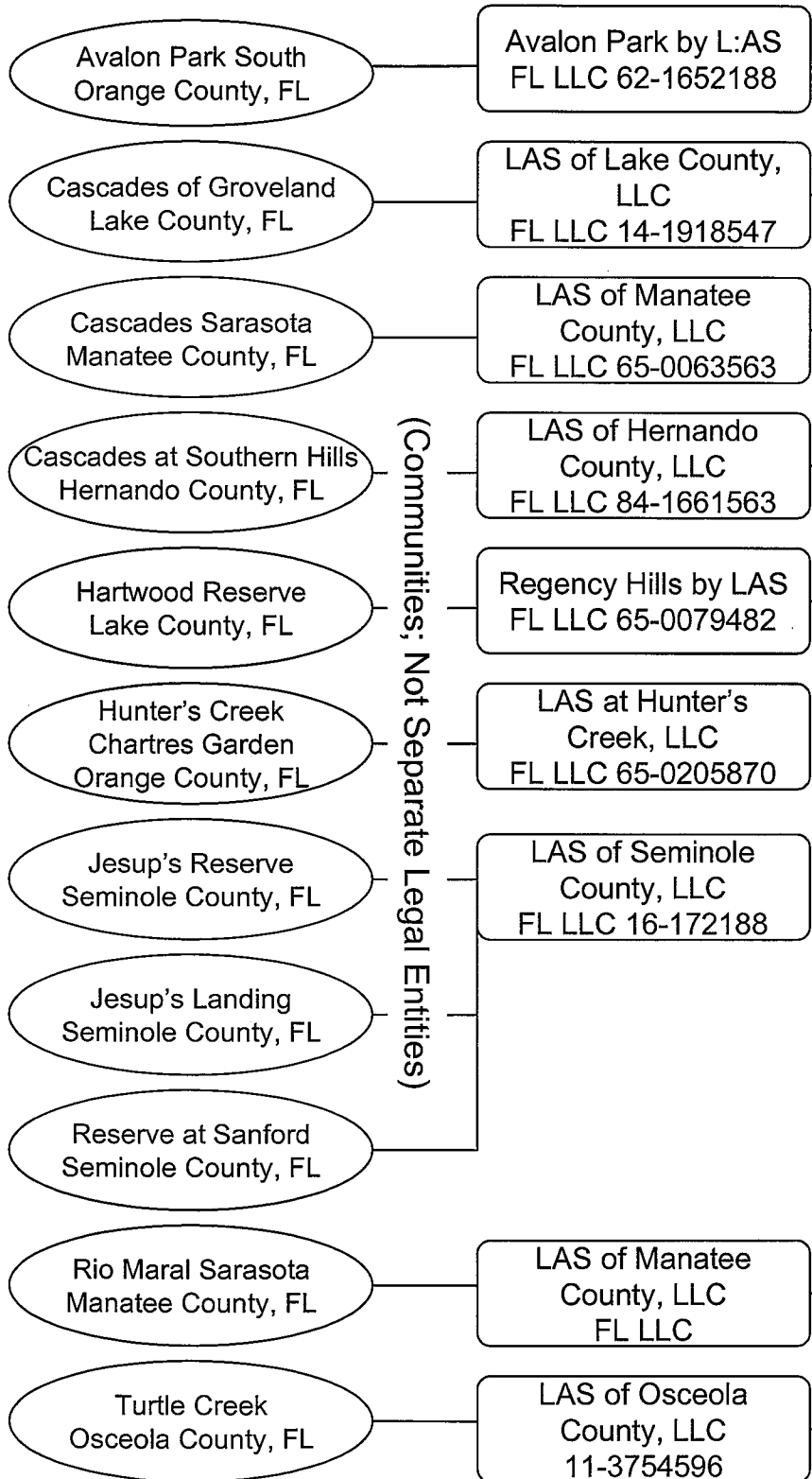


Subsidiaries & Communities by Geographic Region Central Florida

Levitt and Sons, LLC
FL LLC 30-0143500

1st Tier Subs

LAS = Levitt and Sons





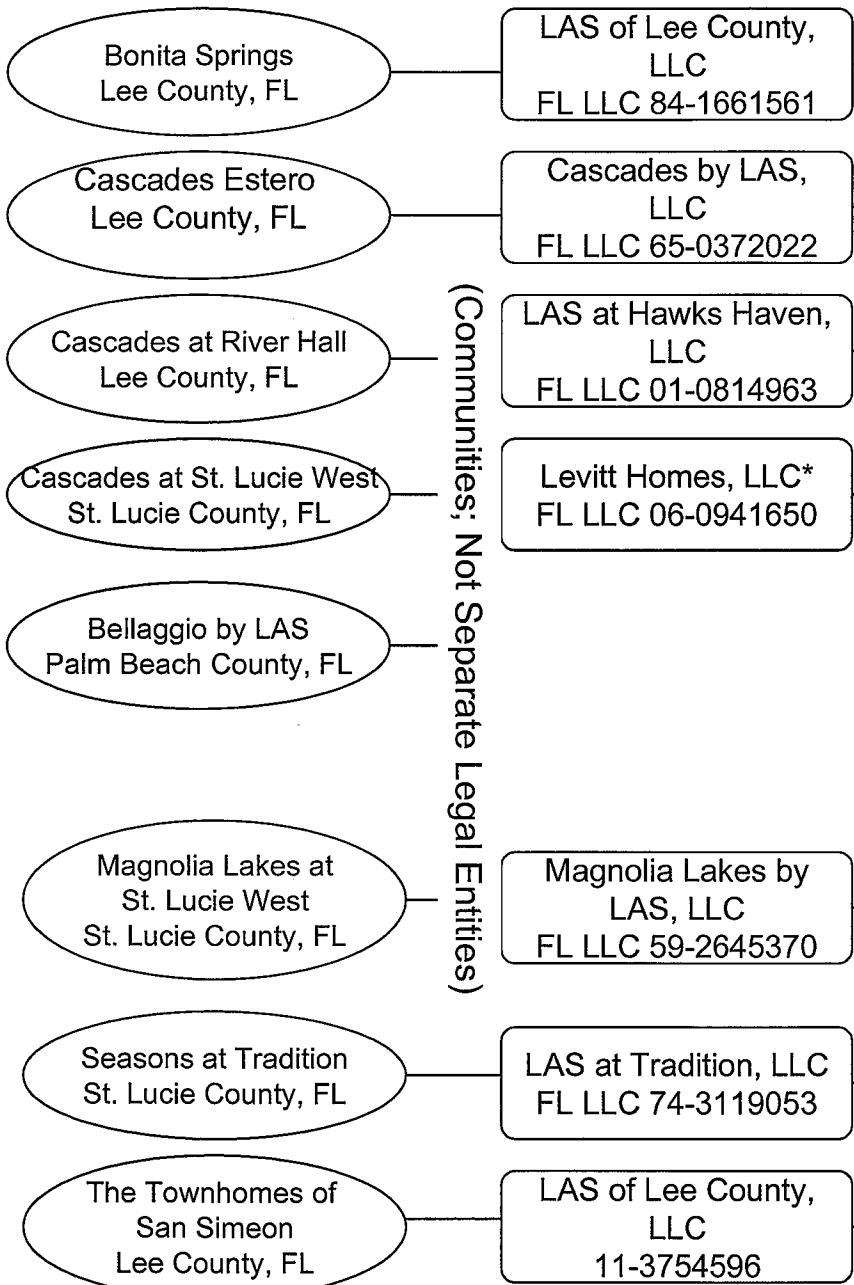
Subsidiaries & Communities by Geographic Region South Florida

LAS = Levitt and Sons

Levitt and Sons, LLC
FL LLC 30-0143500

1st Tier Subs

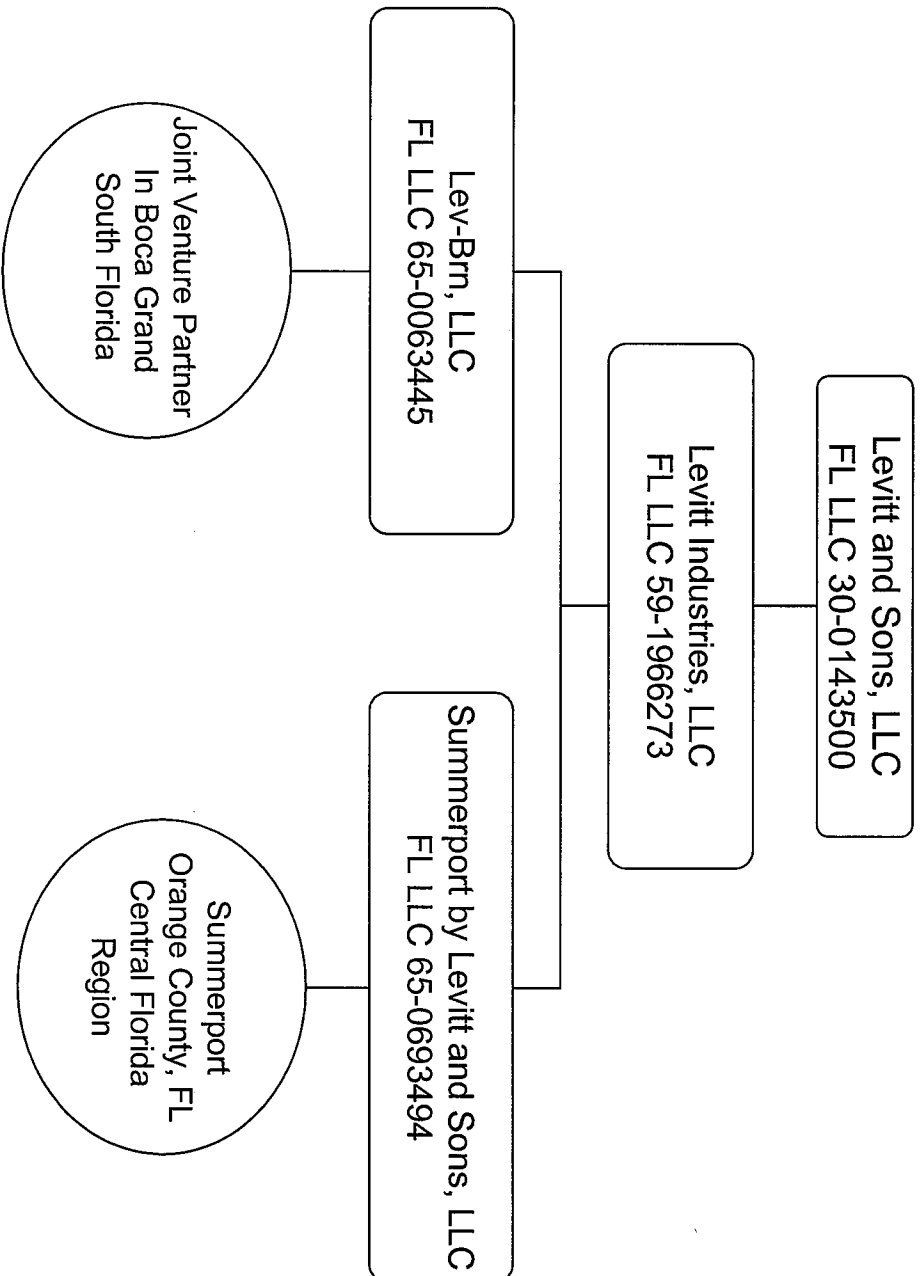
(Communities; Not Separate Legal Entities)



* See page 2 of the Corporate
Organizational Chart

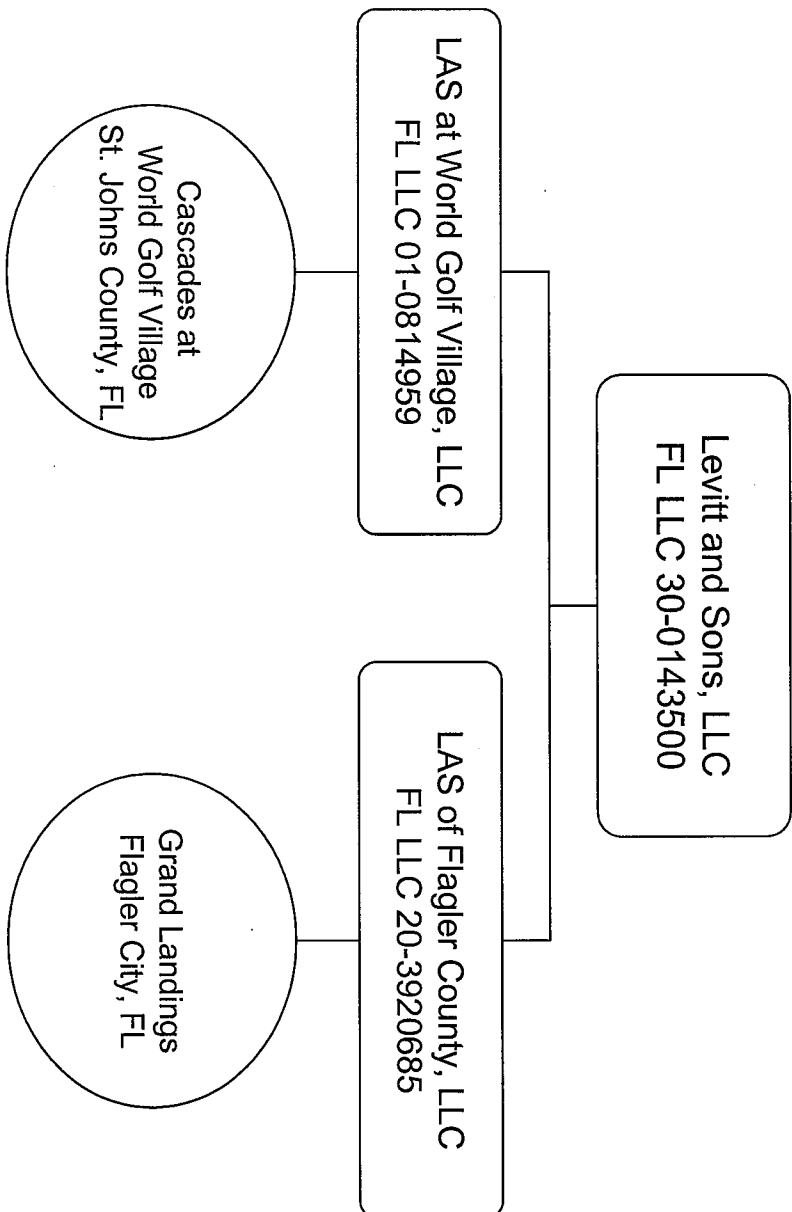


Subsidiaries & Communities by Geographic Region
Central and South Florida





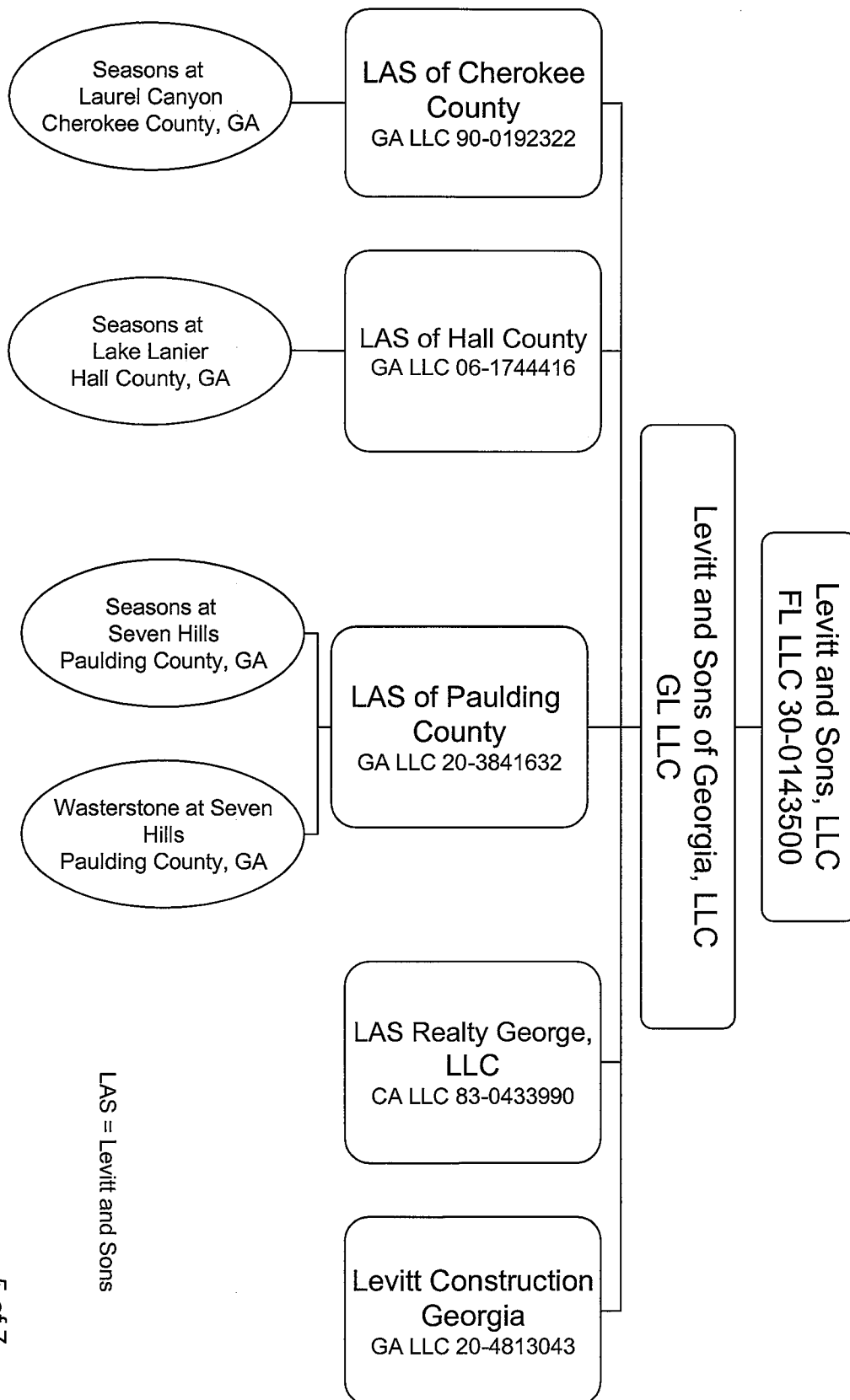
Subsidiaries & Communities by Geographic Region
North Florida



LAS = Levitt and Sons

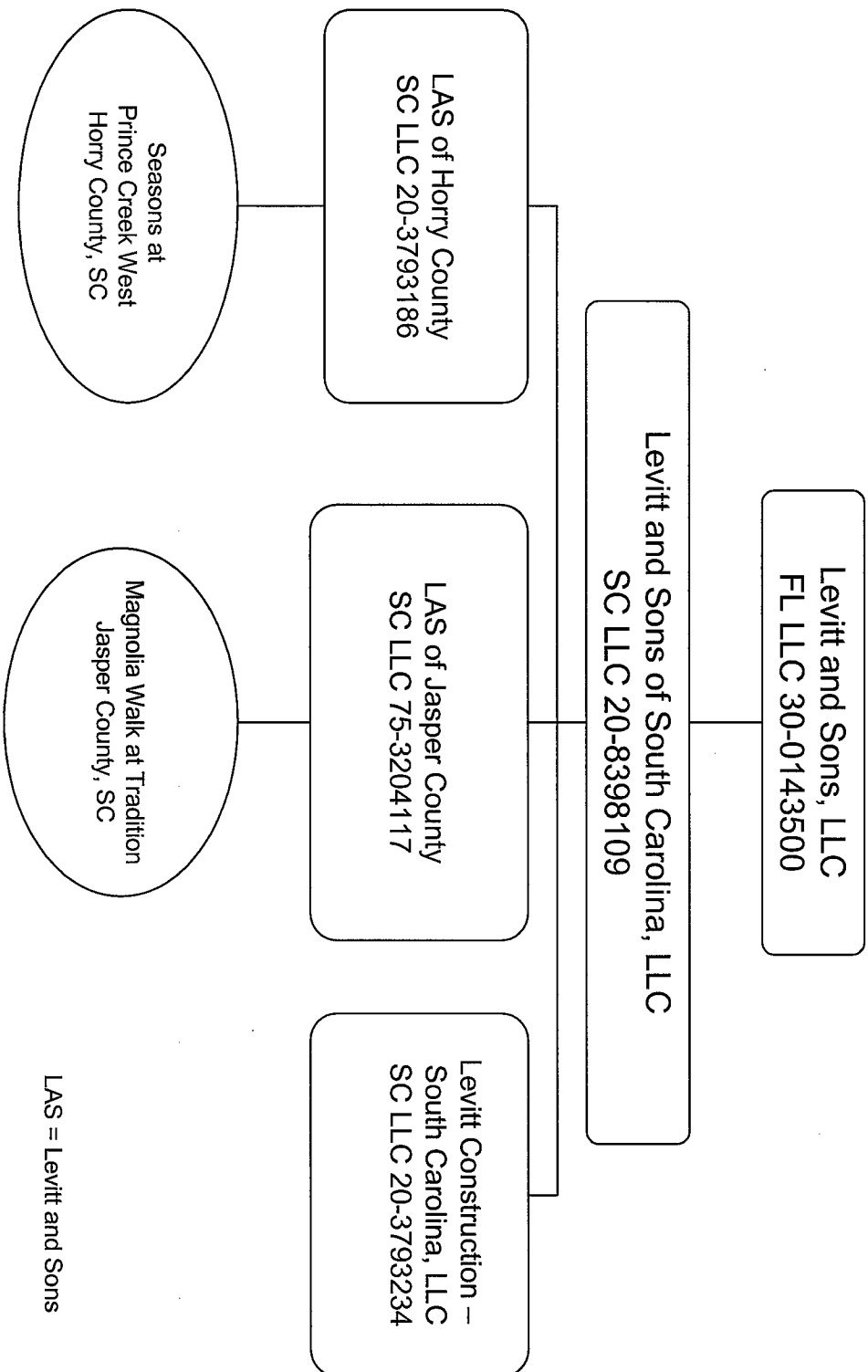


Subsidiaries & Communities by Geographic Region
Georgia



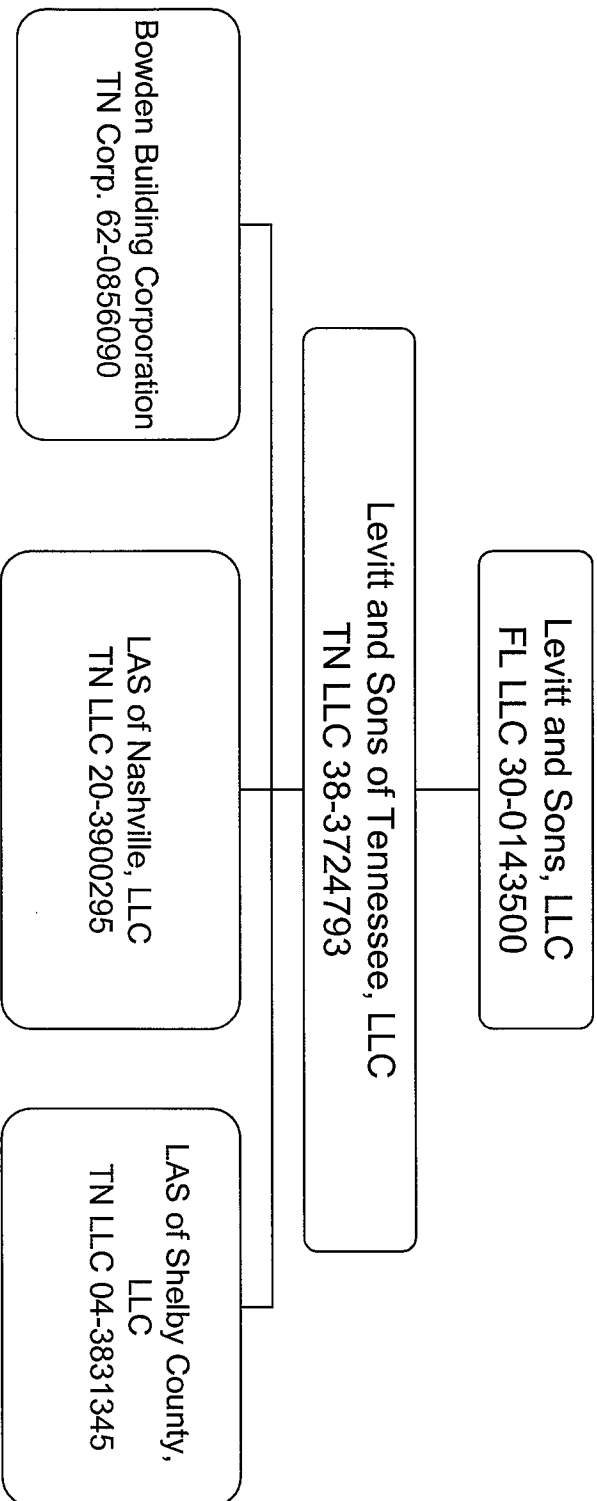


Subsidiaries & Communities by Geographic Region
South Carolina





Subsidiaries & Communities by Geographic Region Tennessee



LAS = Levitt and Sons

EXHIBIT 7
Composite Claims Analysis

Levitt & Sons, LLC, et al.

Exhibit 8

LAS Consolidated Debtors High/Low Case Claims Summary

	High Case (Based on Proposed Amounts)					Low Case (Based on Proposed Amounts)				
	Secured	Admin	Priority	Unsecured	Total *	Secured	Admin	Priority	Unsecured	Total *
Scheduled Only	\$0	\$0	\$805,798	\$16,029,257	\$16,835,055	\$0	\$0	\$805,798	\$16,029,257	\$16,835,055
Matched: Filed LT Scheduled	\$0	\$0	\$184,959	\$4,847,108	\$5,032,067	\$0	\$0	\$127,747	\$4,145,907	\$4,273,654
Matched	\$0	\$0	\$638,492	\$236,492,533	\$237,131,026	\$0	\$0	\$585,609	\$48,739,781	\$49,325,390
Filed Only	\$0	\$0	\$61,396	\$53,743,624	\$53,805,020	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$1,690,645	\$311,112,522	\$312,803,167	\$0	\$0	\$1,519,154	\$68,914,944	\$70,434,098

* - Totals do not always foot due to claimant footing errors on proofs of claim.
 Matched: Filed LT Scheduled (Scheduled amounts are listed as high and low case for creditors with unliquidated filed claims)

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Levitt & Sons, LLC, et al.

Exhibit 8

Tennessee Consolidated Debtors High/Low Case Claims Summary

	High Case (Based on Proposed Amounts)					Low Case (Based on Proposed Amounts)				
	Secured	Admin	Priority	Unsecured	Total *	Secured	Admin	Priority	Unsecured	Total *
Scheduled Only	\$0	\$0	\$125,287	\$1,622,377	\$1,747,664	\$0	\$0	\$125,287	\$1,622,377	\$1,747,664
Matched: Filed L.T. Scheduled	\$0	\$0	\$10,700	\$195,108	\$205,808	\$0	\$0	\$5,973	\$177,044	\$183,017
Matched	\$0	\$0	\$1,092	\$3,635,649	\$3,636,741	\$0	\$0	\$3,970	\$3,230,578	\$3,234,548
Filed Only	\$0	\$0	\$243,438	\$368,051	\$622,265	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$380,517	\$5,821,185	\$6,212,478	\$0	\$0	\$135,230	\$5,030,000	\$5,165,229

* - Totals do not always foot due to claimant footing errors on proofs of claim.
 Matched: Filed L.T. Scheduled (Scheduled amounts are listed as high and low case for creditors with unliquidated filed claims)

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EXHIBIT 8
Litigation Schedule

In re: Levitt and Sons, LLC
Case No. 07-19845
Attachment 4a
General Litigation Suits and Administrative Proceedings

Legal Name of Affected Levitt & Sons Entity	Name/Description	Venue	Case Number	Nature of Processing	Status
Avalon Park By Levitt and Sons, LLC	A&B Stucco, Inc.: Mer's Construction Management, Inc.	N/A	N/A	Claims of defect in stucco in community center and homes	Pending
Avalon Park By Levitt and Sons, LLC	Ami Haley and Nancy Wells v. Levitt and Sons, LLC, Levitt Construction-East, LLC, Avalon Park by Levitt and Sons, LLC, First Florida Auto and Homeowners Ins. Co.	9th Judicial Circuit in and for Orange County	07-CA-7830	Breach of Contract; Negligence; Trespass; Promissory Estoppel; Fraud	Pending
Avalon Park By Levitt and Sons, LLC	Sunshine Kitchens, Inc. v. Avalon Park By Levitt and Sons, LLC, iWaa LHBC Holdings, LLC, and Laxon Insurance Company	11th Judicial Circuit in and for Miami-Dade County	07-7211 CA 06	Lien Foreclosures	Pending
Avalon Park By Levitt and Sons, LLC	Aurora Loan Services, LLC v. Lysandro O. Taprio, Avalon Park by Levitt and Sons, LLC, Nicca P. Taprio, John Doe, Jane Doe, as Unknown Tenant(s) in Possession of the Subject Property	9th Judicial Circuit in and for Orange County	08 CA 17982	Foreclose Mortgage	Pending
Levitt and Sons, LLC	Chase Home Finance, LLC v. Shelly Ann-Marie Edwards aka Shelly Ann-Marie Edwards, Avalon Park by Levitt and Sons, LLC; Mortgage Electronic Registration Systems, Incorporated, as Nominee for Bay Hundred Mortgage Corp.; Unknown Spouse of Shelly Ann-Marie Edwards; John Doe, Jane Doe as Unknown Tenant(s) in Possession of the Subject Property	9th Judicial Circuit in and for Orange County	08 CA12873	Foreclosure Mortgage,	Pending
Bellagio by Levitt and Sons, LLC	Anthony Gurico	Florida	N/A	Workers' Compensation Benefits	Pending
Bellagio by Levitt and Sons, LLC	Talbert Barnett v. Levitt and Sons, LLC	Palm Beach County Court	SD 2007 SC012317XXXXMB	Flood surface defect	Pending
Bowden Building Corporation	Fort Knox Security, LLC and Turfco Pest Control, LLC v. Bowden Homes, Inc.	13th Judicial Circuit in and for Memphis, TN	CT-006036-05 Div. II	Breach of Contract	Pending
Bowden Building Corporation	Glen Darrell Warren v. Bowden Building Corp.	Chancery Court of Shelby County, TN	CH-07-1875-3	Recession	Pending
Bowden Building Corporation	In the Matter of: Durelle Sharpe and Charlotte P. Carrell d/b/a Bowden-Sharpe JV and Bowden Building Corp. and Jean P. Leasene and Dorothy P. Banker d/b/a Dorothy B. Peterson Enterprises and Algo Construction Corp.	No Info	No Info	No Info	Pending
Bowden Building Corporation	Joseph Lavelle Woods and Vicki Lynn Woods v. Bowden Building Corp.	Circuit Court in and for Desoto County, MS	CV2003-0054FD		Pending
Bowden Building Corporation	Paul Warrington v. Bowden Building, Bowden Building Corporation et al	13th Judicial Circuit in and for Memphis, Shelby County, TN	CR-000084-05 Div. 4	Workers' Compensation Benefits	Pending
Bowden Building Corporation	Paul Warrington v. Memphis Roofing Co., Jerry Clay d/b/a Memphis Roofing Co., Jerry Clay d/b/a Memphis Roofing Co., Inc., Maurice Starnes d/b/a Memphis Roofing Co., Inc., Travelers Property Casualty Insurance and/or The Travelers Insurance, Bowden Building, Bowden Building Corp., and Caidon National Insurance Co.	Circuit Court of Tennessee for the 13th District at Memphis, Shelby County	CT-00-0084-05, Div. 4	personal injury at work	Pending
Bowden Building Corporation	Residential Warranty Corporation and Western Pacific Mutual Insurance Co. v. First Indemnity of America Insurance Co.; First Indemnity of America Insurance Co. v. Bowden Building Corp., Donald L. Bowden, Helen E. Bowden, Fireside Builders, LLC, Larry D. Polts, and Diane J. Polts	Morris County, NJ Superior Court	MRS-L-841-06	Subrogation; Indemnification	Pending
Bowden Building Corporation	Robert Beattie and Angela Beattie, individually and as parents and next friends of Logan Beattie, Presley Beattie and Dean Beattie v. Bowden Building Corporation	13th Judicial Circuit in and for Memphis, Shelby County, TN and Chancery Court, 13th Judicial Circuit in and for Memphis, Shelby County, TN	CT-001751-04; CH-04-1137	Breach of Contract; Fraud; Procurement of Breach of Contract;	Pending
Bowden Building Corporation	Sherrita Barr and Debbie Burgess v. Bowden Building Corporation	Shelby County, TN Chancery Court	CH-061632-2	Rescission; Fraudulent Misrep.; Negligent Misrep.; Breach of Warranty; IIED; NIED	Pending
Bowden Building Corporation	Spring Lake Homeowners Association, Spring Lake Association, Inc., Eddie and Beverly Perkins v. Bowden Building Corp.	Shelby County, TN Chancery Court	CH-05-0132-2	Enslave retained to monitor construction site, pollution, damage to lake & aquatic life resulting from silt runoff	Pending
Bowden Building Corporation	Willie L. Jeffries and Rena Jeffries v. W. Rusty Hyman aka William R. Hyman, Rusco Co., David Miller, LLC, Bowden Building Co., John H. Jones, II, Horace L. Harris, Alva Harris, Bobby Evin, Jr. and Norma J. Evin, Gerald W. Becker and Jacqueline M. Becker	13th Judicial Circuit in and for Memphis, TN Chancery Court	CH-061425-3		Pending
Bowden Building Corporation	Elbert Mangum v. Bowden Building Corporation	Board for Licensing Contractors - Nashville, Tennessee	200801456	Complaint filed with Department of Commerce and Insurance - Board for Licensing Contractors, Nashville, Tennessee	Pending

In re: Levitt and Sons, LLC
Case No. 07-19845
Attachment 4a
General Litigation Suits and Administrative Proceedings

Legal Name of Affected Levitt & Sons Entity	Name/Description	Venue	Case Number	Nature of Proceeding	Status
Cascades by Levitt and Sons, LLC	Sunshine Kitchens, Inc. v. Cascades By Levitt and Sons, LLC and Lexon Insurance Company	11th Judicial Circuit in and for Miami-Dade County	XXXX 07-7261	Lien Foreclosures	Pending
Levitt and Sons at Lake County, LLC	Bryan Dickson and Jennifer Dickson, his wife v. Edward Eugene Johnson, Diamond Playerville, LLC, Levitt and Sons, Inc. and Levitt and Sons at Lake County, LLC	5th Judicial Circuit in and for Lake County	2004-CA-4109	personal injury	Pending
Levitt and Sons at Tradition, LLC	Barbara Clafone v. Levitt and Sons at Tradition, LLC	17th Judicial Circuit in and for Broward County	07-225023-08	Rescission FDUPTA	Pending
Levitt and Sons at Tradition, LLC	Erwin C. Ches v. Levitt and Sons at Tradition, LLC, Levitt and Sons, LLC and Joan Mylon	19th Judicial Circuit in and for St. Lucie County	56-2007-CA-002903	Rescission, ILSA Violation, FDUPTA	Pending
Levitt and Sons at Tradition, LLC	Peter & Inge Traha v. Levitt and Sons at Tradition, LLC	19th Judicial Circuit in and for St. Lucie County	56-2007-CA-002103AXXXHC	Declaratory Judgment	Pending
Levitt and Sons at Tradition, LLC	William Hudock and Angela Hudock v. Levitt and Sons at Tradition, LLC	19th Circuit in and for St. Lucie County	56-2007-CA-000615AXXXHC	Rescission for Fraud; Rescission for Mistake; Rescission for Breach of Contract; Rescission \$720,401	Pending
Levitt and Sons at Tradition, LLC	Countrywide Home Loans, Inc. v. Martin Felner, Donna Felner, any and all unknown parties claiming by, through, under and against the herein named individual defendant(s) who are not known to be dead or alive, whether said unknown parties may claim an interest as spouses, heirs, devisees, grantees or other claimants; Seasons at Tradition Residents' Association, Inc., Tradition Community Association, Inc., Mortgage Electronic Registration Systems, Inc., Levitt and Sons at Tradition, LLC; John Doe and Jane Doe, as unknown tenants in possession	19th Judicial Circuit in and for Saint Lucie County, Florida	562008 CA 006903	Foreclose mortgage and enforce a lost, destroyed or stolen promissory note and mortgage under Fla. Stat. Section 673.3081	Pending
Levitt and Sons at World Golf Village, LLC	All Star Building Materials, Ltd. v. Levitt and Sons at World Golf Village, LLC, Levitt Construction-East, LLC, and Dorothy L. Smith	7th Judicial Circuit in and for St. John's County	2007-32389 CICI	Breach of Contract; unjust enrichment	Pending
Levitt and Sons at World Golf Village, LLC	Sunbelt Rentals, Inc. v. Berni Electric, Inc., Levitt and Sons at World Golf Village, LLC	County Court in and for St. Johns County, Florida	CC08-2536	Foreclose construction lien	Pending
Levitt and Sons of Cherokee County, LLC	Marlex Interior Systems, Inc. v. Levitt and Sons of Cherokee County, LLC, Levitt and Sons of Georgia, LLC, Levitt Construction of Cherokee County, LLC, and Levitt and Sons of Atlanta Region, LLC	Fulton County, GA Superior Court	2007 CV 131 970	Breach of Contract	Pending
Levitt and Sons of Hall County, LLC	Frank Karidan and Barbara Karidan v. Levitt and Sons of Hall County, LLC	Hall County, GA Superior Court	2007 CV 3752 A	Breach of Contract	Pending
Levitt and Sons of Hall County, LLC	Andy Lewis Heating and Air Conditioning, LLC v. Levitt and Sons of Hall County, LLC	Magistrate Court of Gwinnett County, Georgia	08 M 23943	Foreclose Lien	Pending
Levitt and Sons of Henry County, LLC	James and Joanna McPhee v. Levitt and Sons of Henry County, LLC	Henry County Court of Common Pleas 15th Circuit	2007-CP-26-5443	Negligent Misrep.; Fraudulent Misrep.; Violation of Good Faith and Fair Dealing; Violation of Unfair Trade Practices; Civil Conspiracy; Promissory Estoppel; Declaratory Judgment	Pending
Levitt and Sons of Hunters Creek, LLC	HSBC Bank USA, N.A. v. Joao A. Teixeira aka Joao Teixeira, Levitt and Sons at Hunters Creek, LLC, Suntrust Bank, Evelise E. Teixeira aka Evelise E. Teixeira aka Evelise Teixeira, John Doe, Jane Doe, as Unknown Tenants in Possession of the Subject Property	9th Judicial Circuit in and for Orange County	08-CA-21667	Foreclose Mortgage	Pending
Levitt and Sons of Lake County, LLC	FPL Fidenet, LLC v. Levitt and Sons of Lake County, LLC, Seth Wise, The Cascades of Groveland Homeowners' Association, Inc. Douglas Guy, Alfred West, Larry Pitman, Curt Hooper, Kevin Cronin	17th Judicial Circuit in and for Broward County	07-22139-12	Defamation/libel	Pending
Levitt and Sons of Lake County, LLC	Levitt and Sons of Lake County, LLC, The Cascades of Groveland Homeowners Association, Inc. v. Groveland Services, LLC, HControl Corporation and Optical Telecommunications, Inc.	11th Judicial Circuit in and for Miami-Dade County	07-21184 CA 23	Breach of MDU Contract; Breach of Services Contract; Breach of Contract	Pending
Levitt and Sons of Lee County, LLC	Royal Construction Group, Inc. v. San Simeon Phase I Residents Association, Inc., Levitt and Sons of Lee County, LLC	20th Judicial Circuit in and for Lee County, Florida	08-CA-008423	Foreclosure of Lien, Breach of Contract, Quantum Meruit, Unjust Enrichment	Pending
Levitt and Sons of Lee County, LLC	Melco Electric, LLC v. Levitt and Sons of Lee County, LLC, Levitt and Sons of Manatee County, LLC, Levitt and Sons of Haws Haven, LLC, and Levitt Construction-East, LLC	17th Judicial Circuit in and for Broward County	07238339 03	Breach of Contract; Account Stated; open account services rendered; unjust enrichment;	Pending

In re: Levitt and Sons, LLC
Case No. 07-19845
Attachment 4a
General Litigation Suits and Administrative Proceedings

Legal Name of Affected Levitt & Sons Entity	Name/Description	Venue	Case Number	Nature of Proceeding	Status
Levitt and Sons of Osceola County, LLC	SunTrust Mortgage, Inc. v. Raul Aldarondo, Builder Services Group, Inc. dba Gale Insulation; Levitt and Sons of Osceola County, LLC, Mortgage Electronic Registration Systems, Inc., as Nominee for SunTrust Mortgage, Inc., Maria J. De La Rosa, John Doe, Jane Doe as Unknown Tenant(s) in Possession of the Subject Property	9th Judicial Circuit in and for Orange County	08 CA 6665 MG	Foreclose Mortgage	Pending
Levitt and Sons of Seminole County, LLC	Collis Roofing, Inc v Levitt and Sons of Seminole County, LLC	Seminole County County Court	07-CC-4713-21-S	Construction Lien; Breach of Contract; Account Stated;	Pending
Levitt and Sons, LLC	Cascade Lakes Residents' Association v. Levitt and Sons	Palm Beach County Court	N/A	Pre-suit Fla. Stat. Ch. 558 (construction defect) claims	Pending
Levitt and Sons, LLC	Collis Roofing, Inc. v. Levitt and Sons, LLC and Levitt Construction Corp.-East	19th Judicial Circuit in and for St. Lucie County	CC 07 CL 2717	Construction Lien; Breach of Contract; Account Stated;	Pending
Levitt and Sons, LLC	Collis Roofing, Inc. v. Levitt and Sons, LLC, Levitt Construction Corp.-East and Summit Greens Residents' Association, Inc.	5th Judicial Circuit in and for Lake County	07CA2427	Construction Lien; Breach of Contract; Account Stated;	Pending
Levitt and Sons, LLC	Daniel Wenk & Julianna Makuch v. Levitt and Sons, LLC	5th Judicial Circuit in and for Lake County	07-CA-1879	Negligence ; Breach of Express Warranty; Breach of Implied Warranty of Fitness and Merchantability; Violation of Building Code	Pending
Levitt and Sons, LLC	Frank Albert, Dorothy Albert, Anthony Allieri, Diane Allieri, Deborah Anderson, Patricia Blackwell, William Britton, Sheila Britton, et. al. v. Levitt and Sons, LLC, Levitt Homes, LLC, Levitt Corp., Levitt Construction Corp.-East, Levitt and Sons, Inc. and John Doe(s)	9th Judicial Circuit in and for Orange County	05-CA4016 Div. 37	Breach of Contract; Breach of Implied Covenant of Good Faith and Fair Dealing; Failure to Disclose latent Defect; Breach of Express Warranty; Breach of Implied Warranty; Violation of Building Code; FDUPTA; Negligent Construction	Pending
Levitt and Sons, LLC	JC Contractors, Inc. v. Certified Building Contractors, Inc., Summerport by Levitt and Sons, LLC and Avalon Park by Levitt and Sons, LLC	9th Judicial Circuit in and for Orange County	N/A	Breach of Implied Contract	Pending
Levitt and Sons, LLC	Kenneth A. Gore and J. Michael Grogan v. Levitt and Sons, LLC	N/A	CA-07-0416	Unpaid Wages Whistleblower Violations	Pending
Levitt and Sons, LLC	Levitt and Sons, LLC v. William Britton	5th Judicial Circuit in and for Lake County	2006-CA-830	Defamation	Pending
Levitt and Sons, LLC	Lifestyles Properties LLC v. Levitt and Sons, LLC	N.D. GA	07-CV-1398-MHS	Federal Trademark and Service Mark Infringement; Federal Unfair Competition; Common Law Unfair Competition; Violation of Georgia Uniform Deceptive Trade Practices Act	Pending
Levitt and Sons, LLC	Masco Builder Services Group, Inc dba Contractor Services of GA v. Levitt and Sons of Cherokee County, LLC, Levitt Construction of Georgia, LLC and Levitt and Sons, LLC	Fulton County State County, GA	07 US 125635E	breach of contract	Pending
Levitt and Sons, LLC	Max Cohen and Beatrice Cohen, his wife v. GRS management Associates, Inc. and Northstar Holdings, Inc.; GRS management Associates, Inc. v. Levitt and Sons, Inc.	15th Judicial Circuit in and for Palm Beach County, FL	50 2004 CA 012019XXXX MB AD	personal injury	Pending
Levitt and Sons, LLC	MW Golf Properties, LLC, as successor to Brian Cous Golf Venture, Ltd. V. Levitt and Sons, LLC	7th Judicial Circuit in and for St. Johns County	CA 07-1443 55	breach of lease	Pending
Levitt and Sons, LLC	Prestige Cleaning of SW Fla, LLC v. Levitt and Sons, Inc.	Lee County Small Claims Court	07-SC-000460	failure to pay for completed contractual duties	Pending
Levitt and Sons, LLC	Reine Jesti v. Levitt and Sons, LLC	Manatee County Equal Employment Opportunity Commission	511-2007-02496	EEOC	Pending
Levitt and Sons, LLC	Summit Greens Residents' Association, Inc. v. Levitt and Sons, LLC	N/A	N/A	Constructions defects, mold in clubhouse	Pending
Levitt and Sons, LLC	Sunshine Kitchens, Inc. v. Summerport By Levitt and Sons, LLC, f/k/a LD Financial Management, LLC, and Lexon Insurance Company	11th Judicial Circuit in and for Miami-Dade County	07-7873 CA 06	Lien Foreclosures	Pending
Levitt and Sons, LLC	Tower Hill Insurance Group, Inc. f/k/a Regency Insurance Co. also Nino Calabrese and Diane Calabrese v/ Han's Plumbing and Levitt and Sons	5th Judicial Circuit in and for Lake County	2006-CA-1782; H-27-CA-2006 1125-DM	No info	Pending
Levitt and Sons, LLC	Tri-Star Enterprises, Inc v LAS	12th Circuit in and for Manatee County	2007 CA 6974 Div-B	Breach of Oral Contract; Open Account; Unjust Enrichment;	Pending
Levitt and Sons, LLC	United States v. Levitt and Sons, LLC	Lee County	N/A	Damage to bald eagle's nest while clearing land	Pending

In re: Levitt and Sons, LLC
Case No. 07-19845
Attachment 4a
General Litigation Suits and Administrative Proceedings

Legal Name of Affected Levitt & Sons Entity	Name/Description	Venue	Case Number	Nature of Proceeding	Status
Levitt Construction-East, LLC	All Star Building Materials, Ltd. v. Levitt and Sons at World Golf Village, LLC, Levitt Construction-East, LLC, and Dorothy L. Smith	N/A	N/A	Breach of Contract; unjust enrichment	Pending
Levitt Construction-East, LLC	Crystal Clear Irrigation & Landscaping, Inc. v. Levitt Construction-East, LLC and Sirmion Land Company f/k/a Florida Custom Landscapers, Inc.	4th Judicial Circuit in and for Duval County	16-2007-CA-000334	Quantum Meruit; Unjust Enrichment	Pending
Levitt Construction-East, LLC	John Francis, Linda Francis & Keith Francis v. Levitt and Sons at World Golf Village, LLC	7th Judicial Circuit in and for St. John's County	CA-07-0220 DW, 55	Fraudulent Inducement; Fraudulent Misrep.; Rescission; Failure to Disclose	Pending
Levitt Homes Bellagio Partners, LLC	Carole Pollack and Richard Pollack, her husband v. Levitt Homes Bellagio Partners, LLC and Wells Brothers Construction Co., Inc.	17th Judicial Circuit in and for Broward County	7011153	personal injury	Pending
Levitt Homes, LLC	Andrew S. Canterbury and Deborah L. Canterbury f/k/a Deborah L. Flatow v. Levitt Homes, LLC, Levitt and Sons, LLC a/k/a Levitt Construction Corp. East a/k/a Levitt Construction-East, LLC and Ronald Ring	5th Judicial Circuit in and for Lake County	05-CA-1472-7	Breach of Contract; Breach of Warranty; Fraudulent Inducement	Pending
Levitt Homes, LLC	Gloria Davies and Phil Davies, husband and wife v. Levitt Homes, LLC	19th Judicial Circuit in and for St. Lucie County	No Info	personal injury	Pending
Levitt Homes, LLC	Gloria Siegel v. Levitt Homes, LLC and Sheppard Electric Company	5th Judicial Circuit in and for Lake County	07CA1871	personal injury	Pending
Levitt Homes, LLC	Levitt Homes, Inc., Levitt Construction Corp. East, Avalon Park by Levitt and Sons, LLC, Bellagio by Levitt Homes, Inc., Cascades by Levitt and Sons, LLC, Magnolia Lakes by Levitt and Sons, LLC, Levitt Homes, LLC, Summerport by Levitt and Sons, LLC, Levitt Construction East, LLC v. Sunshine Kitchens, Inc.	11th Judicial Circuit in and for Miami-Dade County	05-19065-CA-06	Breach of Contract	Pending
Levitt Homes, LLC	Louise Monast and George Monast v. Cascades at St. Lucie West Residents' Association, Inc., a Florida corporation and Land management company, Barton Protective Services, LLC, Mary Davis v. Levitt Homes, LLC and Cascades at St. Lucie West Residents' Association, Inc.	19th Judicial Circuit in and for St. Lucie County	56 2005 CA001705A XXXHC (ON)	personal injury	Pending
Levitt Homes, LLC	Sunshine Kitchens, Inc. v. Levitt Homes, LLC and Lexon Insurance Company	11th Judicial Circuit in and for Miami-Dade County	XXXX 07-6241	Lien Foreclosures	Pending
Levitt Homes, LLC	The Cascades Residents' Association, Inc., a Florida non-profit corporation v. Levitt at Amherst, LLC, a Florida limited liability company, and Levitt and Sons, Inc., a Florida corporation	15th Judicial Circuit in and for Palm Beach County	50-06-CA-10712-XXXX MB	subrogation personal injury	Pending
Levitt Homes, LLC	Wall Street Mortgage Bankers v. Lester Morris, Levitt Homes, LLC, Carolina Morris, John Doe, Jane Doe as Unknown Tenant(s) in Possession of the Subject Property	19th Judicial Circuit in and for St. Lucie County	582007CA002667AXXXHC		Pending
Magnolia Lakes by Levitt and Sons, LLC	Sunshine Kitchens, Inc. v. Magnolia Lakes By Levitt and Sons, LLC	11th Judicial Circuit in and for Miami-Dade County	07-7793 CA 06	Lien Foreclosures	Pending
No Info	Robert Mack	No Info	EEOC Charge No: 15FFA600123; FEPA Charge No. 461A6107-083	No Info	Pending
Summerport by Levitt and Sons, LLC	A & B Stucco, Inc.; Branco Lath & Stucco, Inc.	N/A	N/A	Claims of defect in stucco in community center and homes	Pending

EXHIBIT 9
Schedule of Potential Preference Payments

EXHIBIT 9
Schedule of Potential Preference Payments

<u>Vendor</u>	<u>Amount Paid</u>
BANK OF AMERICA,N.A.	\$10,752,132.44
KEYBANK NATIONAL ASSOC.	8,728,077.83
STRACK, INC.	1,398,055.95
REGIONS BANK	1,118,287.84
QUALITY CONSTRUCTION	901,683.81
PHILLIPS AND JORDAN INC-NORTH FL	653,662.28
GEORGIA FLOORS, INC.	566,551.53
AMERICAN WOODMARK CORP.	559,436.11
HD SUPPLY CONST SUPPLY (LUMBER)	542,769.89
MITCHELL & STARK CONST.	517,492.21
CORE COMMUNITIES	487,070.88
JNJ FOUNDATION SPECIALISTS INC	471,102.12
R & R SUPERIOR PLUMBING INC	469,608.78
C&C RIPOLL MASONRY OF GEORGIA LLC	369,685.50
STATON HEATING & AIR	365,307.01
LEVITT CORPORATION	327,346.96
84 LUMBER COMPANY-NORTH FLORIDA	309,338.06
CONSTRUCTION MANAGEMENT PLUS INC	297,078.00
CENTURY CONCRETE PARTNERS INC	291,887.00
HOGAN CONSTRUCTION, INC	275,689.05
PIEDMONT LANDSCAPE	268,255.52
WACCAMAW LANDSCAPING & CONSTRUCTION	259,585.48

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EXHIBIT 9
Schedule of Potential Preference Payments

OHIO SAVINGS BANK FSB	253,025.54
PLYMARTS,INC.	245,825.90
HAYSLIP LANDSCAPE	217,149.42
M & N CONSTRUCTION-CENTRAL FLORIDA	211,897.92
FLORIDA POWER AND LIGHT CO	203,237.82
ANDERSEN BROTHERS INC	201,227.47
INTERIORS GROUP, THE	194,324.98
DILBECK DRYALL INC	181,498.46
HD SUPPLY CONSTRUCTION SUPPLY LTD	179,408.67
JTM CONCRETE INC-NORTH FLORIDA	173,390.00
GOODWIN BROS. CONSTRUCT-	161,989.55
WILKINS ELECTRIC CO INC	161,854.76
RESIDENTIAL DRYWALL INC	159,169.67
COHEN DRYWALL CO INC	154,486.00
VERGASON SOJOURNER & MCWATERS INC	152,755.60
ARCHER EXTERIORS INC	152,589.00
BUILDERS FIRSTSOURCE-NORTH FLORIDA	150,083.44
APEX CONCRETE & ASPHALT	149,908.94
CITY OF GROVELAND	149,196.50
SLP CONTRACTORS, INC.	144,618.75
R & W MAINTENANCE INC-CENTRAL FLORIDA	144,236.10
HYDROSPEC,INC.	137,403.47
SKY GENERAL CONTRACTING	136,715.21

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EXHIBIT 9
Schedule of Potential Preference Payments

GEORGIA POWER COMPANY	134,295.66
KLEIN ELITE MILLWORK INC	130,707.20
GENERAL ELECTRIC CO-ATLANTA	128,845.62
GENERAL ELECTRIC CO-CENTRAL FLORIDA	128,390.57
A+ EROSION CONTROL, INC	125,975.91
PRECISION DRYWALL	125,399.82
CUSTOM CONTRACTORS	125,111.00
TREBOR INDUSTRIES, INC	124,332.60
ROYAL CONST. GROUP, INC.	123,154.45
J S ELITE FLOORING CO	121,467.48
COFFMAN GRADING INC	118,184.90
SPRAGGINS BUILDER SERVICES-CF	117,500.99
HOUSTON STAFFORD ELECTRIC-DNU	112,845.46
MCLEOD LAND SERVICES INC-CENTRAL FLORIDA	111,573.06
WOODMAN INSULATION	111,365.52
JUNIPER LANDSCAPING INC	109,707.21
TRIM-PAK	109,617.82
CONCEPTS IN GREENERY INC	109,496.90
PROGRESS ENERGY FLORIDA	108,030.30
COX LUMBER CO DBA HD SUPPLY LBM -DNU	107,949.47
COASTAL RESIDENTIAL SERVICES LLC	107,727.10
RENEW CONSTRUCTION	103,538.00
TOP SOUTH, INC.	101,574.52

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Schedule of Potential Preference Payments

A BETTER CHOICE PLUMBING	98,790.80
BUCKEYE PLUMBING INC	96,253.00
COLEMAN FLOORS COMPANY-SE FL	95,169.49
DEAN CUSTOM AIR	94,038.00
HCONTROL CORPORATION	93,867.97
CUSTOM GLASS & DOORS INC	93,247.08
WEINSTOCK AND SCAVO PC	91,824.74
ALL TERRAIN TRACTOR SERVICE INC	90,735.00
COMET ELECTRIC	90,630.66
STRUCTURED DRYWALL INC	88,030.00
MAGNO CONSTRUCTION	87,614.91
GREENCARE LANDSCAPE SERVICES INC	83,758.07
OMNI ELECTRICAL SRVCS	83,004.00
HARBIN LUMBER COMPANY INC DBA LOADSTAR	80,863.10
WOODSMAN KITCHEN-NORTH FLORIDA	79,817.00
EAST COAST BOBCAT INC.	79,808.15
TROPIC FLOORS	79,107.70
HOLLIS STONEWORKS INC	78,567.49
GENERAL ELECTRIC CO	77,342.79
REGAL KITCHENS	77,134.32
STEARNS WEAVER MILLER	76,635.69
HIGH AND LOW ELECTRIC-CENTRAL FLORIDA	76,472.50
CERTIFIED BUILDING CONTRACTORS	76,118.68

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EXHIBIT 9
Schedule of Potential Preference Payments

PRECAST WALL SYSTEMS,INC	75,825.36
DEL-AIR-CENTRAL FLORIDA	74,987.45
POOL PEOPLE EAST INC, THE	74,357.00
ASP FRAMING CORPORATION-CENTRAL FLORIDA	74,166.60
REAL FOUNDATIONS	73,504.70
PRO FRAME CONT INC	72,997.56
SENTRY MANAGEMENT,INC.	71,428.58
ROYAL PALM ALUMINUM, INC	71,355.00
CITY OF CLERMONT	70,520.84
ELITE EXTERIORS LLC-NORTH FLORIDA	67,835.00
SANSONE CORP	67,730.95
COLLIS ROOFING INC-CENTRAL FLORIDA	67,071.10
PAINT COVERS INC	66,842.00
BLATTNER BRUNNER INC	65,576.37
LEGRANDE'S PLUMBING	65,314.00
H & H OF JACKSONVILLE	65,300.00
ANDRADE'S CLEAN UP INC.	64,392.50
KIRKLYN ENTERPRISES INC-NORTH FLORIDA	63,597.95
DARLEYS PLUMBING-NORTH FLORIDA	62,365.51
HERITAGE ROOF TRUSS, INC.	62,299.70
CUSTOM PLASTERING INC	62,085.70
EMC SECURITY	61,771.80
SUN STATE LANDSCAPING-CENTRAL FLORIDA	61,398.85

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EXHIBIT 9
Schedule of Potential Preference Payments

COLEMAN FLOORS-CENTRAL FLORIDA	60,907.57
CITY OF CANTON	58,871.51
SEASONS AT PRINCE CREEK WEST COMMUNITY	57,069.50
DORTON AIR CONCEPTS INC-CENTRAL FLORIDA	56,074.79
EXTERIORS PLUS-NORTH FLORIDA	55,923.00
COLEMAN FLOORS-NORTH FLORIDA	55,591.49
MDG ADVERTISING	55,386.20
JESSIE ETHRIDGE POOLS INC	55,350.00
BRUCE HAGE IRRIGATION CO	54,541.51
ALPHA DOOR AND HARDWARE INC.	53,297.63
PIEDMONT GRADING CO. INC	53,075.25
ROOF TILE SPECIALISTS IN	52,997.00
BELVEDERE CONTRACTING,	52,765.16
BIG TREE, INC.	52,707.62
SMITH-MANUS SURETY BONDS	51,963.49
AT&T BUSINESS SYSTEMS	51,492.76
TRADITION COMMUNITY ASSOC.	49,329.00
CITY OF GAINESVILLE	48,562.91
TIPPINS CONTRACTING CO INC	48,269.29
A & B STUCCO INC-CENTRAL FLORIDA	48,230.00
RENS PLUMBING INC-CENTRAL FLORIDA	48,220.55
SIGNATURE CONTRACTORS INC	47,570.20
B SHEA INC-CENTRAL FLORIDA	47,450.00

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EXHIBIT 9
Schedule of Potential Preference Payments

DIGISCRIBE INC	47,383.43
AMERICAN WOODMARK DBA TIMBERLAKE CABINET	47,263.00
DACOSTA SERVICES INC	45,959.22
PALMER ELECTRIC COMPANY	45,444.60
AMERICAN DOOR & MILL CO-CENTRAL FLORIDA	45,363.31
TOTAL BRICK PAVERS INC	44,832.60
MODULAR SPACE CORPORATION	44,393.84
SHEPPARD ELECTRIC-CENTRAL FLORIDA	44,378.80
COUNTERTOP STORE, THE	43,890.50
RELIABLE ROOFING	43,025.00
THOMAS & HUTTON	42,507.45
TRADITION DEVELOPMENT	42,000.00
SOUTHERN STYLE CONSTRUC-CENTRAL FLORIDA	41,914.00
CCI SITE DEVELOPMENT	40,789.00
QUALITY SOD OF THE	39,495.00
GROSSWALD, DANIEL	39,298.08
MACTEC ENGINEERING	38,524.61
MARTYS DRYWALL SERVICE INC-CF	38,500.40
NEXTEL	38,267.02
GRAVES FIREPLACES INC	37,676.58
STONE PRODUCTS LLC-CENTRAL FLORIDA	37,385.00
PRIVATE GARDEN GREENHOUSE SYSTEMS INC	37,122.50
SOUTHERN BUILDING PRODUCTS	36,872.00

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EXHIBIT 9
Schedule of Potential Preference Payments

SOLID SURFACE SPECIALTIES	36,615.00
MILLENNIUM ELECTRICAL-NORTH FLORIDA	36,418.00
WANHA NEW CONSTRUCTION SERVICES	36,403.00
HGO DOOR & TRIM INC-CENTRAL FLORIDA	36,255.79
T&T MASONRY	36,234.06
SHENDELL & POLLOCK P L	36,042.45
VERIZON WIRELESS	35,854.88
MCGOWAN'S HEATING & A/C-NORTH FLORIDA	35,678.20
BARTIMAEUS INC	35,435.46
GALE INSULATION-CENTRAL FLORIDA	35,342.05
FOGLEMEN BUILDERS SUPPLY-NORTH FLORIDA	35,253.00
TRICITY INSULATION-NORTH FLORIDA	35,250.00
IMPIRE CORPORATION	34,660.00
SAINT JOHN'S COUNTY UTILITY DEPT	33,701.12
AB MANSELL WEST LLC	33,404.50
GHB CONTRACTORS, INC.	33,395.00
PROMAXIMA MANUFACTURING LTD	33,062.90
WILSON INSULATION GROUP	32,893.00
LAKE CTY BD OF CTY COMMISSIONERS	32,373.02
AMERICAN DOOR & MILL CO-NORTH FLORIDA	32,195.23
INTERNATIONAL MARBLE INDUSTRIES INC	31,981.80
LANIER CONTRACTING COMPANY	31,770.00
GENERAL ELECTRIC CO-NORTH FLORIDA	31,503.68

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EXHIBIT 9
Schedule of Potential Preference Payments

KING PAINTING CONTRACTORS	31,394.23
GAMETIME	31,137.00
HD SUPPLY CONST SUPPLY (HARDWARE)	31,088.56
ROGER FRY, ARCHITECT	30,610.62
CREATIVE MAILBOX & SIGN-CENTRAL FLORIDA	30,151.20
TRAVIS PRUITT & ASSOCIATES INC	30,100.00
ADVANTAGE GLASS-CENTRAL FLORIDA	30,011.50
CASCADES AT SARASOTA	30,000.00
K&B DRYWALL & PAINTING-CENTRAL FLORIDA	29,792.25
ENERGY AIR INC-CENTRAL FLORIDA	29,756.31
IT LAND ASSOCIATES LLC	29,492.00
RELIABLE ROOFING-CENTRAL FLORIDA	29,083.00
CITY OF PORT ST LUCIE	28,523.24
ZENO OFFICE SOLUTIONS	28,207.85
AMERICAN KITCHENS INC-CENTRAL FLORIDA	28,112.50
GARAGE DOOR SALES	28,095.10
ADVANCED DRILLING & BLASTING LLC	27,843.00
NORTH GEORGIA BRICK	27,783.64
JACKSON EMC	27,729.00
WEST ORANGE NURSERIES	27,337.49
GULF WESTERN ROOFING	27,197.00
EMBARQ	27,057.34
WCA WASTE CORPORATION-CENTRAL FLORIDA	26,932.05

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Schedule of Potential Preference Payments

RJM PLUMBING	26,891.50
MELCO ELECTRIC INC	26,874.00
BUILDING PREP SERVICES LLC	26,589.36
MID FLORIDA POOLS &	26,053.50
FERGUSON ENTERPRISES INC	25,854.17
STRAIGHT UP FENCE	25,849.00
HD SUPPLY ELECTRICAL FKA HUGHES	25,597.69
AMERICAN WOODMARK CORP DBA TIMBERLAKE-CF	25,393.90
CPT OF S FLA, INC	25,312.88
A.B. DESIGN GROUP, INC	25,236.25
SOLIDTOP SPECIALISTS INC	25,232.16
HOLIDAY POOLS OF WEST FLORIDA INC	25,221.00
CLEAR CHANNEL OUTDOOR	25,027.84
POOL PEOPLE WEST INC, THE	24,861.00
SOUTHEAST FIRE PROTECTION LLC	24,762.62
KAPPES ELECTRIC CORPORATION	24,431.00
HERITAGE FIREPLACES, INC	24,376.00
LEE COUNTY BOARD OF COUNTY COMMISSIONERS	24,330.60
MCCOLLUM'S ALUMINUM	24,264.35
RT MOORE COMPANY INC-CENTRAL FLORIDA	24,187.63
BIANCHI & COMPANY INC	23,921.00
WEINSTOCK & SCAVO, PC	23,773.00
PRIME DRYWALL & PAINTING INC	23,356.60

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EXHIBIT 9
Schedule of Potential Preference Payments

CITY OF ST.CLOUD	22,900.08
WOODMAN GUTTERS	22,557.00
A-1 BUILDING COMPONENTS	21,999.00
PIERCE	
ARCHITECTURAL	21,809.00
FEDERAL EXPRESS CORP	21,792.79
COLEMAN FLOORS-SW FL	21,373.00
STONE FUZION, INC	21,244.00
TRADITION IRRIGATION	21,170.37
CREATIVE CURBS DRIVES	21,081.60
ALL GEORGIA EXTERIORS INC	21,055.00
GRAVES OVERHEAD DOORS	20,421.49
CBS OUTDOOR	20,183.00
BUSINESS PRINTING	20,127.71
ZNS ENGINEERING LC	19,959.71
RITZ CONSTRUCTION CO OF	19,383.55
FIRST COAST RAINGUARD-NORTH FLORIDA	19,284.00
HEWITT ENVIRONMENTAL-CENTRAL FLORIDA	19,260.00
SALVATORE MASTRELLI	19,141.20
PAVING STONE CONCEPTS INC	19,104.00
SOUTHERN CURB, INC	19,077.20
MID CONTINENT CABINETRY-CENTRAL FLORIDA	18,903.30
JADE HOME DECOR, INC-SOUTH FL	18,801.50
NUCCIO HEATING & AIRCONDITIONING INC-CF	18,599.86

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Schedule of Potential Preference Payments

DEL-AIR ELECTRICAL	18,507.83
ORLANDO UTILITIES	17,950.34
GRAND STRAND WATER & SEWER AUTHORITY	17,748.96
RUDEN, MCCLOSKEY, SMITH	17,713.34
COX LUMBER CO DBA HD SUPPLY LBM	17,549.00
HORRY TELEPHONE COOPERATIVE INC	17,468.09
ADAMS REMCO INC	17,285.56
SIMONIK TRANSPORTATION & WAREHOUSEING LL	17,096.22
INTERNET BROADCASTING SYSTEMS	17,090.70
KIRKSEY CONSTRUCTION	17,030.00
AMERICAN EXPRESS	17,006.96
PROLINE VACTOR SERVICES	16,972.50
AMERICAN RESIDENTIAL PRODUCTS-NORTH FL	16,928.29
CARTER-PRITCHETT	16,760.00
CARR ROOFING INC-NORTH FLORIDA	16,416.00
SAINT LUCIE COUNTY	16,405.20
TOWN HALL AMENITIES CENTER ASSOC INC	16,370.00
SUNBELT RENTALS INC	16,154.22
COMMON GROUNDS INC	16,153.00
CBS BUILDERS SUPPLY INC-CENTRAL FLORIDA	16,041.56
RIKMAR CONSTRUCTION-CENTRAL FLORIDA	15,967.25
CITY OF PORT SAINT LUCIE UTILITY SYSTEMS	15,939.22
Kameron Kaviani	15,812.00

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Schedule of Potential Preference Payments

SIGNATURE CLOSETS INC	15,758.09
GASKINS SURVEYING CO INC	15,743.16
STEVEN STRATTON INC	15,675.00
SUPERIOR POOLS, SPAS & WATERFALLS INC	15,660.00
JJR CONSTRUCTION CO	15,644.00
LAMAR COMPANIES, THE	15,539.25
PROGRESSIVE LIGHTING INC	15,452.44
84 LUMBER COMPANY LP-CENTRAL FLORIDA	15,360.92
STOCK BUILDING SUPPLY-CENTRAL FLORIDA	15,116.21
BAILEY INDUSTRIES INC	15,115.00
WASTE PRO OF FL-CENTRAL FLORIDA	14,936.77
DISTINCTIVE KITCHENS AND BATHS INC	14,664.00
HOME TOWN CABLE PLUS	14,466.71
CLEAN FIRST TIME INC-CENTRAL FL	14,409.31
MARKET4SITE, LLC	14,400.00
COVERALL WINDOWS OF FLORIDA -SFL	14,388.00
AMERICAN RESIDENTIAL PRODUCTS	14,169.99
A & F WASTE SERVICES INC	14,101.50
BUILDING INDUSTRY ASSOC	14,000.00
RANDAL LOWE ENTERPRISES	13,985.42
SUPERIOR FENCE & RAIL-CENTRAL FLORIDA	13,925.00
D & S DIVERSIFIED INC	13,879.60
MAROTTA ENTERPRISES INC-CENTRAL FLORIDA	13,686.40

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LAWSON INDUSTRIES INC	13,440.00
CLASSIC CULTURED MARBLE INC	13,287.00
DOYLES MASONRY	13,173.00
ADVANCED DISPOSAL SRVCS	13,157.66
RP CLEANING SERVICE-CENTRAL FLORIDA	13,084.00
HASTING GARAGE DOOR-CENTRAL FLORIDA	13,041.00
NCG ARCHITECTS,INC.	12,909.00
TRIMCRAFT	12,733.53
HFS ORLANDO INC	12,724.20
PACESETTER PERSONNEL SRV	12,293.43
KC FRAMING-CENTRAL FLORIDA	12,151.00
BOBCAT EXCAVATING INC.	12,075.00
TILE & MARBLE BY VALENTIN INC	12,030.00
GREATER SOUTHERN HOME RECREATION	11,838.52
ARCADIS G&M INC	11,832.37
PRESTIGE LUMBER & SUPPLIES INC	11,674.56
JADE HOME DECOR INC-CENTRAL FL	11,593.14
CREATIVE TOUCH INTERIORS	11,569.37
SABAL SIGNS, INC.	11,320.80
ALLIED DOORS INC	11,256.50
LEVITT CORP FLEXIBLE	11,214.07
RANDALL RATHJEN INC-NORTH FLORIDA	11,173.00
CAROLINA HOME EXTERIORS-NORTH FLORIDA	11,165.00

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ACCURATE FENCE LLC	10,904.00
FEDERAL COMM. CONT. INC	10,867.50
ATMOS ENERGY INC	10,800.00
OUTLOOK MASONRY	10,687.92
MID STATE TRUSS COMPANY-CENTRAL FLORIDA	10,625.26
FLGRAPHIX INC	10,594.24
SWELL CONSTRUCTION CO.	10,500.00
DAUSON SUPPLY CORP	10,351.00
ROCHESTER & ASSOCIATES,	10,037.47
MERSINO DEWATERING, INC.	<u>10,000.00</u>
Total Payments	\$45,972,705.99

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