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TOUSA, Inc.
4000 Hollywood Boulevard, Suite 400N
Hollywood, Florida 33021
Attn: Ms. Sorana Georgescu
Vice President, Legal Affairs

April 30, 2010

Dear Ms. Georgescu:

1. This agreement (together with all attachments hereto, the "Agreement") confirms the engagement of Ernst & Young LLP ("we" or "EY") by TOUSA, Inc. (the "Plan Sponsor") to audit and report on the financial statements and supplemental schedules of its defined contribution plan (the "Plan") for the year ended December 31, 2009 as well as the six months ended June 30, 2010, which are to be included in the Plan's Form 5500 filing with the Employee Benefits Security Administration of the Department of Labor (the "DOL"), subsequent to the Company's filing of a petition under chapter 11 of the United States Bankruptcy Code ("Chapter 11") on or about January 29, 2008 in the United States Bankruptcy Court for the Southern District of Florida, Fort Lauderdale Division (the "Bankruptcy Court"). The parties intend that this Agreement supersede all prior agreements between the Company and EY with respect to its subject matter.

We have agreed to provide such services contingent upon the Bankruptcy Court approving our retention in accordance with the terms and conditions which are set forth in this Agreement.

Scope of Services

Subject to the provisions of this Agreement, including the Dispute Resolution Procedures, which are set forth in Attachment 1 hereto, we will provide to the Company the Audit Services (as defined below), which may be modified from time to time by our mutual written agreement and approval by the Bankruptcy Court.

Audit responsibilities and limitations

2. We will conduct the engagement to audit the financial statements in accordance with auditing standards generally accepted in the United States, as established by the American Institute of Certified Public Accountants (the "AICPA"), except that, as permitted by Regulation 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and as instructed by you, we will not perform any auditing procedures with respect to investment information prepared and certified by Fidelity Management Trust Company, the custodian, other than comparing that information with the related information included in the financial statements and supplemental schedules. Because of the significance of the information that we will not audit, we will not express an opinion on the



financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the investment information certified by Fidelity Management Trust Company, will be audited by us in accordance with AICPA auditing standards generally accepted in the United States and will be subjected to tests of your accounting records and other procedures as we consider necessary to enable us to express an opinion as to whether they are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Should conditions not now anticipated preclude us from completing the engagement and issuing a report, we will advise management and Bankruptcy Court promptly and take such action as we deem appropriate.

3. AICPA auditing standards require that we obtain reasonable rather than absolute assurance that the financial statements are free of material misstatement whether caused by error or fraud. As management is aware, there are inherent limitations in the audit process, including, for example, selective testing and the possibility that collusion or forgery may preclude the detection of material error, fraud, or illegal acts, including prohibited transactions with parties in interest and other violations of the DOL's Rules and Regulations under ERISA. Accordingly, there is some risk that a material misstatement of the financial statements may remain undetected. Also, our engagement is not designed to detect error or fraud that is immaterial to the financial statements.
4. As a part of our engagement to audit the financial statements of the Plan, we will perform certain procedures, as required by AICPA auditing standards, directed at considering the Plan's compliance with applicable Internal Revenue Code ("IRC") requirements for tax-exempt status, including reading the Plan's latest tax determination letter from the Internal Revenue Service ("IRS"). As we conduct our engagement, we may become aware of the possibility that events affecting the Plan's tax status may have occurred. Similarly, we may become aware of the possibility that events affecting the Plan's compliance with the requirements of ERISA may have occurred. We will inform you of any instances of tax or ERISA noncompliance that come to our attention during the course of our engagement. You should recognize, however, that the engagement is not designed to nor is it intended to verify the Plan's overall compliance with applicable provisions of the IRC or ERISA, including but not limited to the Plan Sponsor's deduction limits, and, accordingly, we assume no responsibility for failure to detect instances of noncompliance with applicable provisions of the IRC or ERISA.
5. As part of our engagement to audit the financial statements of the Plan, we will consider, solely for the purpose of planning the engagement and determining the nature, timing, and extent of our procedures, the Plan's internal control, except for the investment information which is excluded as described in paragraph 2. This consideration will not be sufficient to enable us to provide assurance on internal control or to identify all significant deficiencies and material weaknesses.
6. In accordance with professional standards, we will communicate certain matters related to the conduct and results of the engagement to audit the Plan to management.



7. If we determine that there is evidence that fraud or possible illegal acts may have occurred, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving senior management or fraud (whether committed by senior management or other employees) that causes a material misstatement of the financial statements, we will report this matter directly to management. We will determine that the appropriate members of management are adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the appropriate members of management of significant adjustments noted during our procedures.
8. We will communicate in writing to management all significant deficiencies and material weaknesses identified during our engagement, as well as any significant deficiencies and material weaknesses communicated to management in previous engagements that have not yet been remediated.
9. We also may communicate other opportunities we observe for economies in or improved controls over the Plan's operations.

Management's responsibilities and representations

10. The financial statements and supplemental schedules are the responsibility of management. Management also is responsible for establishing and maintaining effective internal control, for properly recording transactions in the accounting records, for safeguarding assets, and for the overall fair presentation of the financial statements and supplemental schedules. Management also is responsible for the identification of, and for the Plan's compliance with, the laws and regulations applicable to its activities.
11. Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded differences accumulated by us during the current engagement to audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
12. Management is responsible for apprising us of all allegations involving financial improprieties received by management (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and providing us full access to these allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Plan. If management limits the information



otherwise available to us under this paragraph (based on management's claims of attorney/client privilege, work product doctrine, or otherwise), management will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of our engagement and may prevent us from opining on the Plan's financial statements; alter the form of report we may issue on such financial statements; or otherwise affect our ability to continue as the Plan's independent auditors.

13. As required by AICPA auditing standards, we will make specific inquiries of management about the representations contained in the financial statements and supplemental schedules. AICPA auditing standards also require that, at the conclusion of the engagement, we obtain representation letters from certain members of management about these matters. The responses to those inquiries, the written representations, and the results of our procedures comprise evidence on which we will rely in reporting on the financial statements and supplemental schedules. Management is responsible for providing us with all financial records and related information on a timely basis, and its failure to do so may cause us to delay our report, modify our procedures, or even terminate the Services.
14. Management is responsible for informing EY about any related party transactions, including transactions with parties in interest, as defined in ERISA section 3(14) and the regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties. We will assess whether all identified prohibited party-in-interest transactions are included in the supplemental schedule of nonexempt transactions.
15. Management shall make appropriate inquiries to determine whether the Plan or Plan Sponsor has a capital lease, material cooperative arrangement, or other business relationship with EY or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm") other than one pursuant to which an EY Firm performs professional services.
16. Management shall discuss any independence matters with EY that, in management's judgment, could bear upon EY's independence.
17. The Plan Sponsor shall be responsible for its personnel's compliance with the Plan Sponsor's obligations under this Agreement.

Fees and billings

The hourly billing rates, on which the services applicable to this Agreement are based and which shall be subject to Bankruptcy Court approval and adjusted annually on July 1 during the term of this Agreement, are as set forth below.



	<u>Rate per hour range</u>
Partner and Principal	\$470 - \$600
Executive Director	\$370 - \$500
Senior Manager	\$365 - \$490
Manager	\$295 - \$395
Senior	\$210 - \$285
Staff	\$145 - \$195

Fees relating to audits, quarterly reviews and consultations in connection therewith, will be based on the hourly billing rates.

If we are requested or authorized by the Company or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests. In addition, the Company shall reimburse us for actual expenses related to this engagement. EY may receive rebates in connection with certain purchases, which are used to reduce overhead charges that EY would otherwise pass on to its clients.

EY will submit its invoices as the work progresses and payment of them will be made upon receipt, or as promptly as the United States Bankruptcy Code ("Bankruptcy Code"), the Federal Rules of Bankruptcy Procedures ("Bankruptcy Rules"), local bankruptcy rules for the Southern District of Florida, Fort Lauderdale Division ("Local Rules") and any relevant administrative orders allow. We will request payment of our fees and expenses in accordance with the Bankruptcy Code, the Bankruptcy Rules, Local Rules and any relevant orders of the Bankruptcy Court.

We acknowledge that payment of fees and expenses hereunder is subject to (i) the jurisdiction and approval of the Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code, and any order of the Bankruptcy Court approving the retention of EY, (ii) any applicable fee and expense guidelines and/or orders of the Bankruptcy Court and (iii) any other applicable requirements or guidelines governing interim and final fee applications in the Company's Chapter 11 proceedings, including the U.S. Trustee Guidelines.



Staffing for Provision of Audit Services

Peter Wellman will be the Audit Partner responsible for the provision of our audit services. Pete Wellman, Partner, and Steven Davis, Senior Manager, will work closely with management in performing all required audit services. If one or more of these individuals ceases to provide audit services to the Company pursuant to this Agreement, EY will so advise the Company and, if that professional is replaced, provide the Company with the name of that professional's replacement. Other partners and staff, not identified herein, may be utilized as required to conduct our work in an efficient manner.

Other matters

22. The financial statements of the Plan are required to be filed with the Form 5500. AICPA auditing standards require that we read the Plan's Form 5500 prior to its filing. The purpose of this procedure is to consider whether such information, or the manner of its presentation in the Form 5500, is materially inconsistent with the information, or the manner of its presentation, appearing in the financial statements and supplemental schedules. These procedures are not sufficient nor are they intended to determine that the Form 5500 is completely and accurately prepared. Accordingly, you understand and agree that we do not assume any responsibility for the completeness and/or accuracy of the Form 5500 as part of the Services. In the event that our auditor's report is issued prior to our having read the Plan's Form 5500, you agree not to attach such auditor's report to the financial statements included with the Form 5500 filing until we have read the completed Form 5500.
23. From time to time, and depending on the circumstances, (1) we may subcontract portions of the Services to other EY Firms, who may deal with the Plan Sponsor or its affiliates directly, although EY alone will remain responsible to you for the Services, and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY Firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Services. In addition, third-party service providers may perform services for EY in connection with the Services. Unless prohibited by applicable law, we may disclose Plan information to other EY Firms and their personnel to facilitate performance of the Services, to comply with regulatory requirements, or for quality, risk management or financial accounting purposes. Either EY or the Plan Sponsor may use electronic media to correspond or transmit information relating to the Services, and such use will not, in itself, constitute a breach of any confidentiality obligations.
24. We may be requested to make certain workpapers available to the DOL pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of



selected workpapers to the DOL. We will label all workpapers as confidential and maintain control over their duplication.

25. The Plan Sponsor shall not, during the term of this Agreement and for 12 months following its termination for any reason, without the prior written consent of EY, solicit for employment or a position on its Plan Sponsor's Board of Directors, or hire or appoint to the Plan Sponsor's Board of Directors any current or former partner, principal, or professional employee of EY, any affiliate thereof, or other EY Firm or any of their respective affiliates, if any such professional either: (i) performed any audit, review, attest, or related service for or relating to the Plan or Plan Sponsor at any time (a) during the then current fiscal year of the Plan up to and including the date of the report for that year, or (b) in the 12 months ended on the report date for the immediately preceding fiscal year; or (ii) influences EY's operations or financial policies or has any capital balances or any other continuing financial arrangement with EY.
26. The Plan Sponsor may not, on behalf of the Plan or otherwise, make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees (all of whom, "EY Persons"). The Plan Sponsor shall make any claim or bring proceedings only against EY. This paragraph is intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce it. Each EY Firm is a separate legal entity.
27. We may collect, use, transfer, store or otherwise process (collectively, "Process") Plan information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in which EY and the other EY Firms operate (which are listed at www.ey.com). We will Process the Personal Data in accordance with applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the US Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Plan information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information. The Plan Sponsor warrants that it has the authority to provide the Personal Data to EY in connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law.
28. By your signature below, you confirm that the Plan Sponsor, has authorized management to enter into this Agreement in the name of the Plan Sponsor, and that you have been expressly authorized to execute this Agreement on behalf of, and to bind, the Plan Sponsor. Either EY or the Plan Sponsor may execute this Agreement (and any supplements or modifications hereto) by electronic means, and each of EY and the Plan Sponsor may sign a different copy of the same document.



29. EY retains ownership in the workpapers compiled in connection with the performance of the Services.
30. Any controversy or claim with respect to, in connection with arising out of, or in any way related to this Agreement or the services provided hereunder (including any such matter involving any parent, subsidiary, affiliate, successor in interest or agent of the Company or of EY) shall be brought in the Bankruptcy Court or the applicable district court (if such district court withdraws the reference) and the parties to this Agreement, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole and exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, causes of action or lawsuits. The parties to this Agreement, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court, or the district court upon withdrawal of the reference, does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Agreement and any and all successors and assigns thereof, agree to submit first to nonbinding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures set forth in the Attachment 1 to this Agreement. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon the Company, EY and any all successors and assigns thereof.
31. If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect. This Agreement applies to all Services performed at any time (including before the date of this Agreement).
32. This Agreement may be terminated at any time by the Company or EY but in any event this Agreement will expire upon the effective date of the Company's confirmed plan of reorganization, or liquidation of the Company's assets, under Chapter 11 or 7 of the Bankruptcy Code, or otherwise. The provisions of this Agreement set forth in the sections entitled "Fees and billings" and "Other matters", including, but not limited to the alternative dispute provision in this Agreement, will remain operative and in full force and effect regardless of any termination or expiration of this Agreement and shall survive completion of the Company's bankruptcy whether through a confirmed plan of reorganization or liquidation of the Company's assets, under Chapter 11 or 7 of the Bankruptcy Code, or otherwise.

By agreement to the provisions of the services set forth in this Agreement, EY is not providing a guarantee to the Company that EY's performance of those services pursuant to the terms and conditions set forth in this Agreement will guarantee the Company's successful reorganization under Chapter 11 of the Bankruptcy Code.

EY appreciates the opportunity to be of assistance to the Plan and Plan Sponsor. If this Agreement accurately reflects the terms on which the Plan Sponsor has agreed to engage EY, please sign below



on behalf of the Plan Sponsor and return it to Peter N. Wellman, One Clearlake Centre, Suite 900, 250 South Australian Avenue, West Palm Beach, Florida 33401.

Yours very truly,

Ernst + Young LLP

Agreed and accepted by:

TOUSA, Inc.

By: _____
Ms. Sorana Georgescu
Vice President, Legal Affairs



Dispute Resolution Procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”) shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any Ernst & Young audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator’s assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration (“Rules”) as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the



arbitration, an employee, partner, executive officer, director, or substantial equity owner of any Ernst & Young audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.