

**Debtors' Motion to Reject Unexpired Lease of Non-Residential Real Property in Connection with Office Space Located in Bonita Springs, Florida Pursuant to Section 365(a) of the Bankruptcy Code *Nunc Pro Tunc* to December 31, 2008. (the "Walden Rejection Motion")**

By the Walden Rejection Motion, the Debtors seek entry of an order authorizing them to reject the unexpired lease (the "Walden Lease II") dated August 8, 2002 among Walden Center LLC (the "Lessor") and the Debtors (the "Lessee") *nunc pro tunc* to December 31, 2008. The Lessor is an entity wholly-owned by Don Ackerman, former chairman and current member of WCI Communities, Inc.'s board of directors.

The Walden Lease II relates to approximately 32,000 square feet of office space (the "Premises") in a building located at 24311 Walden Center Drive, Bonita Springs, Florida (the "Walden Center II"). The Debtors pay approximately \$91,000 in monthly rent on account of the Walden Lease II. The Walden Lease II expires on May 18, 2012, and the Debtors assert that they are current on their monthly rental obligations.

WCI and the Lessor are also parties to a second lease agreement (the "Walden Lease I"), which is for the portion of the Walden Center II not covered by the Walden Lease II and the entire building located at 24301 Walden Center Drive (the "Walden Center I"). This motion does not seek to reject the Walden Lease I.

Historically, the Walden Center I and the Walden Center II housed the Debtors' corporate headquarters. However, the Debtors have reduced their corporate headcount at these locations from 325 employees, at the height of their operations, to 141 employees. As a result, the Debtors plan to consolidate their corporate headquarters into the Walden Center I and expect to have fully vacated the Premises by December 31, 2008. Thereafter, the Debtors maintain that they will have no use for the Premises and they have determined that it would be burdensome to continue to pay rent for the unoccupied space.

The Debtors have also determined that their rental obligations under the Walden Lease II, which are approximately \$33 per square foot annually, are well above-market for similar properties, which rent for approximately \$19 per square foot annually. As a result, the Debtors maintain that the sale or assignment of the Walden Lease II is not feasible at this time.

Accordingly, the Debtors have determined that the Walden Lease II is unnecessary to their reorganization and does not hold any value for their estates. The Debtors acknowledge that the effective date of a rejection is normally the date the order approving such rejection is entered. However, the Debtors maintain that in this case, the rejection of the Walden Lease II *nunc pro tunc* to December 31, 2008 is proper because the Walden Rejection Motion constitutes notice that the Debtors unequivocally intend to reject the Walden Lease II on December 31, 2008 and the Debtors fully intend to vacate the Premises by such date. If the rejection of the Walden Lease II is not retroactive to such date, the Debtors will be forced to pay January rent for property that they did not use. Additionally, the Debtors assert that once they vacate the Premises, the Lessor will be able to market the property without interference from the Debtors.