

The five motions (collectively, the “Motions”) summarized below all relate to claims (collectively, the “Drywall Claims”) by owners of homes built by the Debtors (the “Owners”) that may contain tainted drywall imported from China (“Chinese Drywall”).

1. Motion of Certain Florida Chinese Drywall Claimants for Appointment of Committee (the “Drywall Committee Motion”)¹

By the Drywall Committee Motion, approximately 63 Owners (collectively, the “Committee Movants”) seek entry of an order appointing a special committee of Florida Drywall Claimants (the “Drywall Committee”).

The Committee Movants assert that the Drywall Committee is necessary to effectively represent their rights, and the Committee cannot adequately do so because: (i) the Committee Movants may have claims against insurance coverage that is not necessarily an asset of the Debtors’ estates, and there may be unique discovery required and remedies available to the holders of Drywall Claims with respect thereto; (ii) while the Committee Movants may have received notice of the bankruptcy and the deadline established for filing proofs of claim (the “Bar Date”), they may be unaware that they have Drywall Claims; and (iii) any plan of reorganization filed may need to classify the Drywall Claims separately from general unsecured claims because they are not substantially similar.

The Committee Movants propose that the Drywall Committee would assist in the administration of the estates by seeking the extension of the Bar Date for Drywall Claims and moving for the Debtors to provide additional notice and disclosure of the Drywall Claims. Furthermore, the Committee Movants represent that they are specifically opposed to inclusion as members of any yet to be certified class and want to maintain their independence while working with the estates to evaluate insurance coverage, other possible causes of action against parties liable for the production, delivery and installation of the Chinese Drywall and to organize and create viable procedures to manage and ensure the accuracy of Drywall Claims.

2. Motion of the Sound at Waterlefe, a Condominium, for Entry of an Order Requiring Debtors to Identify and Notify All Defective Chinese Drywall Claimants and to Enlarge Time to File Claims Arising From Defective Chinese Drywall (the “Waterlefe Drywall Motion”)²

By the Waterlefe Drywall Motion, the Sound at Waterlefe, a Condominium (the “Waterlefe Movant”), on behalf of Owners of condominiums at the Sound at Waterlefe (the “Homes”), seeks entry of an order (i) requiring the Debtors to identify and notify all owners of Homes containing Chinese Drywall of Drywall Claims and (ii) extending the Bar Date.

The Waterlefe Movant alleges that (i) the Homes were constructed with Chinese Drywall; (ii) the Waterlefe Movant and the Owners were not fully apprised of the Drywall Claims prior to the Bar

¹ On June 5, 2009, the City of Parkland filed an *amicus curiae* brief in support of the Drywall Committee Motion.

² On June 5, 2009, the City of Parkland filed an *amicus curiae* brief in support of the Waterlefe Drywall motion.

Date; (iii) the Debtors did not generally acknowledge the problems of Chinese Drywall prior to the Bar Date; and (iv) the Debtors continued to inspect homes in another condominium community built by the Debtors.

As a result of the foregoing allegations, the Waterlefe Movant asserts that (i) it was not aware of the existence of the Drywall Claims prior to the Bar Date; (ii) the Debtors were generally aware of the assertion of the Drywall Claims prior to the Bar Date; and (ii) allowing the Owners to file their claims would not prejudice other creditors.

3. Motion for Entry of an Order Allowing Late Filed Proof of Claims (the “Individual Late Claim Motion”)

By the Individual Late Claim Motion, eight movants (the “Late Claim Movants”), seek entry of an order allowing them to file proofs of claim (the “Claims”) after expiration of the Bar Date.

On April 21, 2009, each of the Late Claim Movants filed a lawsuit (the “Individual Suit”) against several defendants in the circuit court for Broward County, Florida, relating to Chinese Drywall. The Individual Suit asserts claims against the various defendants for, among other things, negligence, strict liability, breach of warranty, and negligent misrepresentation. The Late Claim Movants assert that the Debtors would have been named as defendants in the Individual Suit but for the Debtors’ bankruptcy filings.

The Late Claim Movants assert that (i) prior to the Bar Date, they had no knowledge that their homes contained Chinese Drywall; (ii) they did not receive adequate notice of the Bar Date because they were not informed of the Debtors’ involvement with Chinese Drywall, the existence of Chinese Drywall in their homes or the potential property damage and health risks related to Chinese Drywall; (iii) the Debtors were generally aware of the assertion of the Drywall Claims prior to the Bar Date; (iv) allowing the late filed Claims would have minimal effect on the bankruptcy proceedings given the present stage of the cases; and (v) allowing the Late Claim Movants to file their claims would not prejudice other creditors.

4. Motion of Cindy A. Goldstein for Leave to File Class Proof of Claim and for Class Certification (the “Class Certification Motion”)

By the Class Certification Motion, Cindy A. Goldstein (“Goldstein”) seeks (i) leave to file a class proof of claim (the “Class Claim”) and (ii) certification of a class of claimants (the “Class”) including owners and residents of homes in Florida allegedly containing Chinese Drywall manufactured, sold, distributed, installed or supplied by the Debtors (and specifically excluding (a) the Debtors and related entities and (b) any parties that timely file a request for exclusion from the proposed Class).³

³ Contemporaneously with the filing of the Class Certification Motion, Goldstein also filed a motion seeking entry of an order allowing her to file the Class Claims, individually and on behalf of similarly situated members of the Class (the “Class Members”) after expiration of the Bar Date (the “Class Bar Date Extension Motion”). The Class

On May 4, 2009, Goldstein initiated a class action lawsuit (the “Class Action”) in the district court of Broward County, Florida against various drywall manufacturers and suppliers, seeking damages including, repair or replacement costs of homes and other property damaged by the Chinese Drywall and any materials contaminated or corroded by the Chinese Drywall. The Class Action also seeks injunctive and/or equitable relief in the form of emergency notice, environmental monitoring and medical monitoring. Goldstein asserts that her home was built and sold to her by the Debtors, so she would have named them as defendants in the Class Action but for the Debtors’ bankruptcy filing.

Goldstein asserts that the Court should exercise its discretion to allow the Class Claim because (i) it is likely that a large number of proposed Class Members did know that they possessed Drywall Claims until after the Bar Date, (ii) while some of the proposed Class Members may have received notice of the Bar Date, such notice was inadequate because it did not explain the Debtors’ involvement with the Chinese Drywall, the existence of Chinese Drywall in the Class Members’ homes, or the property damage and potential health risk related to Chinese Drywall, and (iii) allowing Goldstein to file the Class Claim would not delay the Debtors’ reorganization given the present stage of the cases.

Goldstein also believes the Class Members satisfy the requirements for class certification pursuant to Rule 23 of the Federal Rules of Civil Procedure because (i) the potential number of class members is numerous rendering joinders impractical; (ii) common questions of law and fact exist; (iii) there is a risk of inconsistent or unfair adjudication; (iv) Goldstein, as the proposed class representative, has claims that are typical of the class; and (v) Goldstein, as the proposed class representative, and her counsel will adequately represent the class.

Bar Date Extension Motion contains virtually identical assertions to the Individual Late Claim Motion described above, except that the Class Bar Date Extension Motion seeks a Bar Date for a broad group of undefined Class Members rather than just the specific movants.