

Motion of Parkland Golf Club, Inc. and Certain of its Equity Members to Fix Date by Which Debtor Must Assume or Reject Club Acquisition Agreement, Convey Real Property and Cure Defaults (the “Parkland Motion”)

By the Parkland Motion, five equity members (together, the “Movants”) of Parkland Golf Club, Inc. (the “Equity Club”) seek entry of an order (i) requiring the Debtors to assume or reject a certain Club Acquisition Agreement (the “Agreement”) between the Debtors and the Equity Club within ten days of entry of such order, and (ii) if the Debtors assume the Agreement, (a) directing the Debtors to convey to the Equity Club the land, the golf course built thereon, and the related amenities (the “Real Property”) to the Equity Club by special warranty deed within 30 days of filing a notice of assumption, and (b) authorizing the Debtors to perform their obligations under the Agreement (as described below, the “Obligations”) and incur the costs associated with the conveyance of the Real Property and the completion of construction of certain facilities thereon.

The Equity Club, located in Broward County, Florida, at the Debtors’ Parkland Golf and Country Club Housing Development. The Movants maintain that the Equity Club was formed for the purpose of acquiring the Real Property from the Debtors and providing recreational services to the Equity Club’s members. Prior to August 4, 2008 (the petition date), the Debtors and the Equity Club entered into the Agreement, whereby the Debtors were to contribute the Real Property and certain property related thereto to the Equity Club and to construct improvements thereon in exchange for the Equity Club allowing the Debtors to sell equity memberships (the “Memberships”) in the Equity Club.

The Movants allege that (i) the equity contributions paid for Memberships were paid to the Debtors as compensation for the Debtors performing the Obligations, (ii) the Movants and other Equity Club members (collectively, the “Members”) paid their equity contributions and continue to perform their obligations as Members in reliance on the Debtors’ agreement to convey the Real Property in accordance with the Agreement, (iii) the Equity Club is not in default of the Agreement, (iv) the Debtors defaulted on their Obligations under the Agreement, (v) the Debtors can potentially realize millions of dollars from selling the remaining Memberships, which can only be done through assumption of the Agreement and conveyance of the Real Property to the Equity Club, and (vi) if the Debtors do not convey the Real Property and complete construction of related facilities, the Equity Club will cease to exist, the substantial equity contributions paid to the Debtors will be lost and the Memberships will be rendered worthless.

The Movants allege that if the Debtors do not assume the Agreement, the Members intend to seek the recovery of their equity contributions and other damages through the Bankruptcy Court.