

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

WCI COMMUNITIES, INC., et al.,¹

Debtors.

)
) Chapter 11

)
) Case No. 08-11643 (KJC)

)
) Jointly Administered

)
) Re: Docket No. 12

**ORDER (I) AUTHORIZING THE DEBTORS TO DELIVER TITLE TO
HOMES, TOWER RESIDENCES AND CERTAIN OTHER REAL PROPERTY
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER
INTERESTS, (II) AUTHORIZING THE DEBTORS TO SATISFY CERTAIN
PREPETITION OBLIGATIONS IN CONNECTION WITH THE SALE OF
SUCH PROPERTY, (III) ESTABLISHING PROCEDURES FOR THE
RESOLUTION AND PAYMENT OF CERTAIN LIEN
CLAIMS AND (IV) GRANTING RELATED RELIEF**

Upon the motion, dated August 4, 2008 (the "Motion"), of WCI Communities, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors") for entry of an order pursuant to 11 U.S.C. §§ 105(a), 361, 363(b), 363(f), and 546(b) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") (i) authorizing the Debtors to deliver title to Homes,² Residences and Other Real Property free and clear of liens, claims, encumbrances and other interests, (ii) authorizing the Debtors to satisfy certain prepetition obligations in connection with the sale of such property, (iii) establishing procedures for the resolution and payment of certain lien claims and (iv) granting certain other related relief, all as more fully set out in the Motion; and upon consideration of the Affidavit of Ernest J. Scheidemann in Support of First Day Motions and Applications, sworn to on the 4th day of

¹ The List of the Debtors Tax Identification Numbers is located on the docket for Case No. 08-11643 (KJC) and <http://chapter11.epiqsystems.com/WCICommunities>.

² Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Motion.

August, 2008; it appearing that the Debtors will suffer immediate and irreparable harm if the relief requested in the Motion is not granted; and it appearing that the Court has jurisdiction over this matter; and it appearing that due notice of this Motion has been provided as set forth in the Motion and that no other or further notice need be provided; and it further appearing that the relief requested in the Motion is in the best interest of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause therefor, it is hereby

ORDERED that the Motion is granted; and it is further

ORDERED that the Debtors are authorized, but not directed, to sell Homes, Residences and Other Real Property pursuant to the prepetition Contracts and to perform all obligations under the Contracts and to take any other actions that may be necessary in the exercise of their business judgment to effectuate closings under the Contracts, including application of Deposits, paying Closing Costs and modifying the Contracts at or before closing; and it is further

ORDERED that the Debtors are authorized to enter into and perform obligations under new contracts for the design, construction and sale of Homes, Residences and Other Real Property and to close upon the sale of such Homes, Residences and Other Real Property in the ordinary course of business; and it is further

ORDERED that all sales of Homes, Residences and Other Real Property by the Debtors shall be free and clear of any and all liens, claims, interests and encumbrances, including, without limitation, all Lien Claims, whether asserted or unasserted, known or unknown, with all such liens attaching to the proceeds of such sales in the same force, effect and priority as such liens had immediately prior to the closing of such sale, subject to the rights and

defenses of the Debtors and any party in interest provided, however, that with respect to Construction Lien Claims this decretal provision applies only to the sale of a Home, Residence or Other Real Property if the Debtors believe the value of the property to be sold exceeds the aggregate amount of Construction Liens on such property to be sold; and it is further

ORDERED that, upon a reasonable request by the Debtors, the holders of any Lien Claims shall promptly provide to the Debtors documents necessary to evidence a release of lien on a particular Home or Residence or Other Real Property; and it is further

ORDERED that to the extent any Tax Liens are attached to a Home or Residence or Other Real Property, the Debtors are authorized, but not directed, to satisfy any obligations necessary to release such Tax Liens from such property, provided that, the release of such Tax Liens is necessary to effectuate the closing of a sale of a Home or Residence or Other Real Property; and it is further

ORDERED that any Construction Lien Claimant who believes it has a valid Construction Lien against a particular property sold by the Debtors and who has not been paid by the Debtors may send to the Debtors a written Demand (i) setting forth the location(s) of the property sold, (ii) stating the amount of its asserted claim(s), (iii) describing, with particularity, the reason(s) the Construction Lien Claimant believes it has a valid Construction Lien against the property sold and (iv) attaching documentation (e.g., invoices or purchase orders) or other information sufficient to demonstrate that a valid Construction Lien Claim existed as of the closing date with respect to such property; and it is further

ORDERED that any Demand must be mailed to (i) the Debtors, at WCI Communities, Inc., Legal Department, 24301 Walden Center Drive, Bonita Springs, Florida 34134-4920, Attn: Vivien Hastings, Esq. and (ii) Debtors' counsel, White & Case LLP,

Wachovia Financial Center, 200 South Biscayne Boulevard, Suite 4900, Miami, Florida 33131,
Attn: Linda Leali, Esq.; and it is further

ORDERED that the Debtors must respond to each Demand within twenty (20) business days after receipt of such Demand, and if the Debtors determine, upon consultation with any official committee appointed in these cases, that a Demand is valid or that litigating resolution of the dispute will be more costly than honoring the Demand, the Debtors may pay the Construction Lien Claim reflected in the Demand without further order of the Court; and it is further

ORDERED that if the Debtors dispute the validity or extent of a Construction Lien Claim asserted in a Demand, the parties shall negotiate in good faith to resolve the dispute, and if the Debtors resolve the dispute at an amount lower than the amount reflected in the Demand, the Debtors may pay such amount without further order of the Court; if the dispute is not resolved within thirty (30) business days after receipt of the Demand (the "Resolution Period"), either party may file a motion (a "Demand Resolution Motion") seeking a determination from the Court as to the validity and extent of the underlying Construction Lien; provided, however, that if the Debtors determine during the Resolution Period that the Demand is not likely to be resolved, the Debtors may file a Demand Resolution Motion at any time before the expiration of the Resolution Period and may seek an expedited hearing with respect thereto; and it is further

ORDERED that, except as otherwise provided in any orders of the Court entered with respect to the authority of the Debtors to use cash collateral or obtain debtor in possession financing, the Debtors are authorized to use proceeds from the sale of Homes, Residences and Other Real Property for general corporate purposes in the ordinary course of business without

being required to escrow such proceeds; provided, however, that, subject to the provisions of any order entered with respect to the authority of the Debtors to use cash collateral or obtain debtor in possession financing, if a Demand or Demands have been served in accordance with this Order, the Debtors shall maintain cash proceeds on hand in an aggregate amount sufficient to satisfy all unresolved Demands against Homes, Residences and Other Real Property that have been sold; provided, further, however, that (i) in no event shall the Debtors be required to maintain cash on hand for unresolved Demands in an amount greater than the proceeds received by the Debtors from the sale of the particular Homes or Residences or Other Real Property to which such Demands relate and (ii) with respect to any Demand that asserts a lien applicable to more than one property, the Debtors shall be required to reserve only for the portion of the Construction Lien Claim allocable to the particular Homes or Residences or Other Real Property sold pursuant to this Order; and it is further

ORDERED that no Construction Lien Claimant shall have any claim against the Debtors' Title Insurers or any buyer of a Home, Residence or Other Real Property with respect to any asserted lien or other claim arising from services performed for or goods delivered to the Debtors; and it is further

ORDERED that, any Construction Lien Claimant affected by the Lien Procedures described in the Motion and set forth herein may file an objection to such Lien Procedures on or before August 20, 2008 at 4:00 p.m., Prevailing Eastern Time; and if a Construction Lien Claimant files and serves a written objection as provided above, the Court will hold a hearing on such objection on August 27, 2008, at 10:00 a.m. Prevailing Eastern Time; and it is further

ORDERED that the Court may enter additional orders from time to time as may be required to implement these procedures. Among other things, at the request of the Debtors or

a Title Insurer, the Court may enter a supplemental implementation order in form and substance reasonably satisfactory to the Debtors and such Debtors' Title Insurer specifically identifying a particular Home, Residence or parcel of Other Real Property and indicating that such Home, Residence or parcel of Other Real Property is subject to the Lien Procedures, including, without limitation, those set forth in clause (a) of the Lien Procedures; and it is further

ORDERED that the Debtors and any other authorized intermediary participating in any postpetition closing of sales of Homes, Residences or Other Real Property are authorized to transfer title, deed property and take any other actions necessary to transfer ownership to the buyer of such Home, Residence or Other Real Property; and it is further

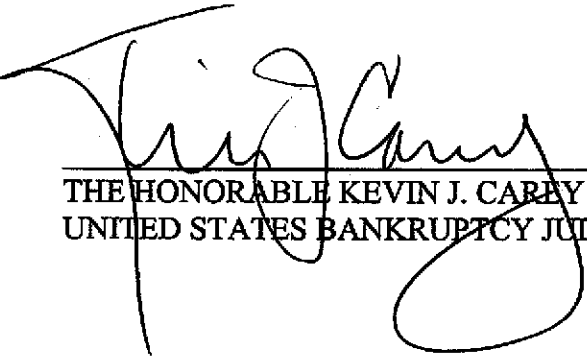
ORDERED that any intermediary participating in any postpetition closing of sales of Homes, Residences or Other Real Property, including escrow agents and closing agents, are authorized and directed to disburse all funds at the closing of such sales of Homes, Residences or Other Real Property pursuant to the applicable settlement statement or escrow instructions provided by the parties to such sale; and it is further

ORDERED that, with respect to the closing of sales of Homes, Residences and Other Real Property, the Debtors' Title Insurers are authorized to provide title insurance without exceptions notwithstanding any statutory requirements requiring a "gap affidavit," owners certificate or other documentation as a condition to closing, and each Title Insurer shall use this Order in lieu of, and to replace and satisfy any such requirements requiring a "gap affidavit," owners certificate or other documentation as a condition to closing; and it is further

ORDERED that, notwithstanding the applicability of Bankruptcy Rule 6004(h), the terms and conditions of this order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that this Court shall, and hereby does, retain jurisdiction with respect
to all matters arising from or related to the implementation and interpretation of this Order.

Dated: August 5, 2008
Wilmington, Delaware



THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE