

**COLE, SCHOTZ, MEISEL,  
FORMAN & LEONARD, P.A.**  
A Professional Corporation  
Court Plaza North  
25 Main Street  
P. O. Box 800  
Hackensack, New Jersey 07602-0800  
(201) 489-3000  
(201) 489-1536 Facsimile  
Michael D. Sirota, Esq.  
Warren A. Usatine, Esq.  
Proposed Attorneys for Tarragon Corporation, *et al.*,  
Debtors-in-Possession

---

In re:	:	UNITED STATES BANKRUPTCY COURT
	:	FOR THE DISTRICT OF NEW JERSEY
	:	CASE NOS. 09-
TARRAGON CORPORATION, <i>et al.</i> ,	:	
	:	Chapter 11
Debtors-in-Possession.	:	(Joint Administration Pending)
	:	
	:	<b>DEBTORS' APPLICATION FOR ORDERS APPROVING THEIR RETENTION OF COLE, SCHOTZ, MEISEL, FORMAN &amp; LEONARD, P.A., AS BANKRUPTCY COUNSEL ON INTERIM AND FINAL BASES PURSUANT TO 11 U.S.C. § 327(a) AND FED. R. BANKR. P. 6003(a)</b>

---

TO: Honorable Judge of the  
United States Bankruptcy Court

The Application of Tarragon Corporation *et al.*, the within debtors and debtors-in-  
possession (the "Debtors"),<sup>1</sup> in support of their retention of Cole, Schotz, Meisel, Forman &

---

<sup>1</sup> The Debtors are Tarragon Corporation ("Tarragon Corp."), Tarragon Development Company, LLC, Tarragon Development Corporation, Tarragon South Development Corp., Tarragon Management, Inc., Bermuda Island Tarragon LLC, Orion Towers Tarragon, LLP, Orlando Central Park, L.L.C., Fenwick Plantation Tarragon, LLC, One Las Olas, Ltd., The Park Development West LLC, 800 Madison Street Urban Renewal, LLC, 900 Monroe Development LLC, Block 88 Development, LLC, Central Square Tarragon LLC, Charleston Tarragon Manager, LLC, Omni Equities Corporation, Tarragon Edgewater Associates, LLC, The Park Development East LLC, and Vista Lakes Tarragon, LLC.



Leonard, P.A. (“Cole Schotz”) as their bankruptcy counsel on interim and final bases pursuant to 11 U.S.C. § 327(a) and Rule 6003(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), respectfully states as follows:

### **BACKGROUND**

1. On January 12, 2009 (the “Filing Date”), the Debtors filed voluntary petitions for relief pursuant to Chapter 11 of Title 11, United States Code (the “Bankruptcy Code”). Since the Filing Date, the Debtors have remained in possession of their assets and continued in the management of their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

2. A detailed description of the Debtors’ businesses and the facts precipitating the filing of the Debtors’ Chapter 11 proceedings is delineated in the Affidavit of William S. Friedman in support of the Debtors’ various “First Day Motions” (the “Friedman Affidavit”).<sup>2</sup> Those facts are incorporated herein by reference.

3. As set forth in the Friedman Affidavit, Tarragon Corp., a publicly traded company, together with its direct and indirect debtor and non-debtor affiliates (collectively, “Tarragon”), are leading real estate developers, owners and managers. Tarragon operates two (2) business divisions, a real estate development division (the “Development Division”) and an investment division (the “Investment Division”). The Development Division focuses on developing, renovating, building and marketing homes in high-density, urban locations and in master-planned communities. The Investment Division owns and operates a portfolio of stabilized rental apartment communities.

---

<sup>2</sup> Unless otherwise noted, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Friedman Affidavit.

**The Debtors Should Be Authorized to Retain Cole Schotz  
Pursuant to Section 327(a) of the Bankruptcy Code**

4. As set forth in Section 327(a) of the Bankruptcy Code, a debtor-in-possession, with the court's approval, "may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee [debtor-in-possession] in carrying out the trustee's [debtor-in-possession's] duties under this title." 11 U.S.C. § 327(a). Moreover, Section 1107(b) provides that "a person is not disqualified for employment under section 327 of this title by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case." 11 U.S.C. § 1107(b).

5. The Debtors wish to retain Cole Schotz as their bankruptcy counsel in these proceedings to perform the following services:

- (a) advise the Debtors of their rights, powers and duties as debtors-in-possession in continuing to operate and manage their businesses and assets;
- (b) prepare such administrative and procedural applications and motions as may be required for the sound conduct of the cases, including, but not limited to, the Debtors' schedules and statement of financial affairs;
- (c) review and object to claims;
- (d) advise the Debtors concerning, and assisting in the negotiation and documentation of, debtor-in-possession financing, debt restructuring and related transactions;
- (e) review the nature and validity of agreements relating to the Debtors' businesses and properties and advise the Debtors in connection therewith;
- (f) review the nature and validity of liens asserted against the Debtors and advise as to the enforceability of such liens;

(g) advise the Debtors concerning the actions they might take to collect and recover property for the benefit of their estates;

(h) prepare on the Debtors' behalf all necessary and appropriate applications, motions, pleadings, orders, notices, petitions, schedules, and other documents, and review all financial and other reports to be filed in the Debtors' Chapter 11 cases;

(i) advise the Debtors concerning, and preparing responses to, applications, motions, pleadings, notices and other papers which may be filed in the Debtors' Chapter 11 cases;

(j) counsel the Debtors in connection with the formulation, negotiation and promulgation of a plan of reorganization and related documents;

(k) represent the Debtors in their appeal to the Bergen County Board of Taxation of added and omitted assessments for the 2007 tax year imposed on approximately 100-150 units in One Hudson Park, a condominium located in Edgewater, New Jersey, for the period of time that one of the Debtors, Tarragon Edgewater Associates, LLC, owned those units; and

(l) perform all other legal services for and on behalf of the Debtors which may be necessary or appropriate in the administration of their Chapter 11 cases and fulfillment of their duties as debtors-in-possession.

6. The Debtors have selected Cole Schotz because of the firm's considerable experience in business reorganizations and in other areas of law applicable to these Chapter 11 proceedings, as well as Cole Schotz's involvement in the Debtors' pre-petition restructuring efforts and resulting familiarity with the Debtors' businesses, financial affairs and capital structure. As a result, the Debtors believe Cole Schotz is duly qualified to provide them with bankruptcy representation during these proceedings, and that the services of Cole Schotz are necessary and essential to the Debtors' performance of their duties as debtors-in-possession.

7. By separate application, the Debtors have sought the Court's approval to retain and employ the law firm of Jones Day ("Jones Day") as their special corporate, securities and transactional counsel. None of the matters for which Jones Day is being retained involves the conduct of the bankruptcy cases themselves. Accordingly, the services rendered and functions to be performed by Jones Day will not be duplicative of any bankruptcy-related work to be performed by Cole Schotz. Cole Schotz and Jones Day will coordinate with each other so as to prevent needless duplication of effort.

8. The accompanying Affidavit of Michael D. Sirota, Esq. (the "Sirota Affidavit") describes the relationships, if any, that Cole Schotz has with creditors of the Debtors and other interested parties. As set forth in the Sirota Affidavit, Cole Schotz does not believe that any of those relationships would foreclose the Debtors' retention of Cole Schotz under Sections 327(a) and 101(14) of the Bankruptcy Code in that Cole Schotz does not hold or represent any interest adverse to the Debtors, their creditors or estates and is a disinterested person. The Debtors have been informed that Cole Schotz will continue conducting a review of its files when additional material parties are identified to ensure that no disqualifying circumstances arise and, if any new relevant facts or relationships are discovered, Cole Schotz will supplement its disclosure to the Court.

9. As described in the Debtors' "First Day Motion" to approve its existing cash management system, the Debtors utilize a consolidated cash management system where all cash receipts are pooled into Tarragon Corp., regardless of the Debtor or non-Debtor affiliate to whom the funds are attributable and, in turn, Tarragon Corp. funds all disbursements, regardless of the Debtor or non-Debtor affiliate on whose behalf the funds are being paid. These transactions are accounted for using intercompany receivables and payable accounts, and on a consolidated

financial statement basis, eliminated. Cole Schotz will not represent any of the Debtors adverse to any of the other Debtors in connection with any matters.

10. During the ninety (90)-day period before the Filing Date, Cole Schotz received the sum of \$1,355,287.16 from the Debtors for contemporaneous services rendered and disbursements and other charges incurred, all in accordance with the terms and conditions of the Debtors' pre-petition engagement agreement with Cole Schotz. As a result of those payments, Cole Schotz does not hold any claim against the Debtors for pre-petition services rendered.

11. Before the Filing Date, the Debtors provided Cole Schotz with a retainer of \$448,901.19 (the "Bankruptcy Retainer"). It is the Debtors' understanding that Cole Schotz will be submitting detailed statements to the Court setting forth the services rendered and seeking compensation and reimbursement of expenses (including, when appropriate, authority to apply the Bankruptcy Retainer). The Debtors also understand that Cole Schotz will be applying to the Court for authority to be paid its fees and expenses pursuant to its obligation under the Bankruptcy Code or any administrative fee procedure that may be established, to which the Debtors consent.

**Cole Schotz Should Be Retained On an Interim Basis**

12. Pursuant to the recently revised Rule 6003(a) of the Federal Rules of Bankruptcy Procedure, an application to retain a professional cannot be granted within the first twenty (20) days of the filing of a petition except to the extent necessary to avoid "immediate and irreparable harm." According to the Advisory Committee note to Bankruptcy Rule 6003, the standard employed in that Rule is analogous to Bankruptcy Rule 4001(b)(2) and (c)(2), and decisions under those provisions should provide guidance for application of Bankruptcy Rule 6003 to a particular set of circumstances. Bankruptcy Rules 4001(b)(2) and (c)(2) govern motions for the use of cash collateral and debtor-in-possession financing, respectively, and authorize emergency

hearings on such requests to avoid “immediate and irreparable harm.” Thereafter, once all parties-in-interest are accorded the opportunity to consider and object to the requested relief, the court will grant the balance of the relief requested as a final order where appropriate.

13. In In re First NLC Financial Services, LLC, 382 B.R. 547 (Bankr. S.D. Fla. 2008), the court noted Collier’s suggestion that professionals likely would go unharmed “so long as” courts permit full compensation retroactively and reasonable compensation to professionals who ultimately are unexpectedly not retained, but ultimately rejected this reasoning as contradictory. First NLC Financial, 382 B.R. at 550 (referring to 10 COLLIER ON BANKRUPTCY ¶ 6003.02[2] (15th ed. rev. 2007)). The court remained concerned that counsel may not be paid if counsel’s employment was not first approved by the court, as opposed to seeking retroactive approval stating:

[w]hat Collier seemingly overlooks ... is that counsel may not be paid if its employment is not first approved by the court. So, to accomplish Collier's goal of compensating a professional who labors during the first 20 days of a case only to learn at the final hearing that its employment is not approved, the court would have to first enter an order approving the professional's employment back to the petition date, then allow the compensation for the work performed, and then deny approval of further employment. This is a most unwieldy and peculiar procedural two-step, which is ill advised and is unnecessary as this Court reads the Rule.

First NLC Financial, 382 B.R. at 550. To ensure payment of professionals and avoid such inefficient use of judicial resources, the court authorized interim approval of professionals on the first day of the case. Id. Other courts considering this type of relief have granted it. See, e.g., In re Lehman Brothers Holdings, Inc., Case No. 08-13555-JMP (Bankr. S.D.N.Y. 2008); In re Tousa, Inc., Case No. 08-10928-JKO (Bankr. S.D. Fla. 2008).

14. Respectfully, interim relief is amply justified here to avoid immediate and irreparable harm. As described in the Friedman Affidavit, before the Filing Date, the Debtors were engaged in intensive negotiations with Arko regarding Arko’s funding of a plan of

reorganization, which discussions the Debtors anticipate to continue immediately following the Filing Date. The Debtors discussed their restructuring efforts and alternatives with other parties before the Filing Date, albeit to a less rigorous extent, which the Debtors also hope will continue after the Filing Date. Additionally, the Debtors anticipate examining other strategic alternatives that may be available, including a possible sale or other recapitalization or restructuring, during the early stages of these cases. Cole Schotz has been and continues to be intimately involved in those efforts.

15. Moreover, as bankruptcy counsel, Cole Schotz will play an integral role during the foundational stages of the Debtors' Chapter 11 cases. During this initial critical 20-day period, among other things, Cole Schotz will assist the Debtors in stabilizing business operations, negotiate with key creditor constituencies, utilize the tools available in a Chapter 11 proceeding to facilitate the disposition of assets, prosecute "first day" motions and provide advice to the Debtors on numerous other instrumental matters that might arise and require immediate attention. Failure to have Cole Schotz's full resources deployed during the first 20 days of the Debtors' Chapter 11 cases will compromise the Debtors' efforts to have a "soft landing" into Chapter 11.

16. Accordingly, the Debtors submit that they have satisfied the requirements of Bankruptcy Rule 6003 to support immediate entry of an interim order, substantially in the form submitted herewith, authorizing them to retain and employ Cole Schotz on an interim basis and to compensate Cole Schotz for any services rendered during that interim period in accordance with the Bankruptcy Code and the interim compensation procedures that may be established in these cases. This interim form of relief ensures the availability of Cole Schotz's full resources to the Debtors during a critical period in these cases, while preserving the ability of all parties in



interest, including the United States Trustee, to object to this Application on a final basis. Accordingly, no party is prejudiced by the interim relief sought by this Application.

**Notice**

17. The Debtors have served notice of this Application to: (a) the Office of the United States Trustee for the District of New Jersey; (b) their secured creditors or their known counsel; (c) the consolidated list of 30 largest unsecured creditors; and (d) all other known parties in interest as reflected in the accompanying Certificate of Compliance with D.N.J. LBR 2014-1(a). In light of the nature of the relief requested, the Debtors respectfully submit that such service constitutes good and sufficient notice under the circumstances and that no further notice is necessary.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WHEREFORE, the Debtors respectfully request that the Court enter Orders approving their retention of Cole Schotz as their bankruptcy counsel on interim and final bases and granting such other relief as the Court deems just and appropriate under the circumstances.

TARRAGON CORPORATION

By: /s/ William S. Friedman  
William S. Friedman,  
Chief Executive Officer

DATED: January 12, 2009

**COLE, SCHOTZ, MEISEL,  
FORMAN & LEONARD, P.A.**  
A Professional Corporation  
Court Plaza North  
25 Main Street  
P.O. Box 800  
Hackensack, New Jersey 07602-0800  
Michael D. Sirota, Esq.  
Warren A. Usatine, Esq.  
(201) 489-3000  
(201) 489-1536 Facsimile  
Proposed Attorneys for Tarragon Corporation, *et al.*,  
Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY  
CASE NOS. 09-

Chapter 11  
(Joint Administration Pending)

In re:

TARRAGON CORPORATION, *et al.*,  
Debtors-in-Possession.

**AFFIDAVIT OF MICHAEL D. SIROTA,  
ESQ. PURSUANT TO SECTIONS 327,  
329 AND 504 OF THE BANKRUPTCY  
CODE AND DISCLOSURE PURSUANT  
TO FEDERAL RULES OF  
BANKRUPTCY PROCEDURE 2014(a)  
AND 2016(b)**

STATE OF NEW JERSEY    )  
                                          ) ss.  
COUNTY OF BERGEN     )

MICHAEL D. SIROTA, ESQ., of full age, being duly sworn according to law, upon his oath, deposes and states:

1. I am an attorney-at-law of the State of New Jersey and a shareholder of Cole, Schotz, Meisel, Forman & Leonard, P.A. (“Cole Schotz”). I submit this Affidavit pursuant to Sections 327, 329 and 504 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2014(a) and 2016(b) in support of the Application of Tarragon Corporation, *et al.*, the within

debtors and debtors-in-possession (collectively, the “Debtors”),<sup>1</sup> to retain Cole Schotz as their bankruptcy counsel in these Chapter 11 proceedings. I have actual knowledge of the facts set forth herein and am authorized to make this Affidavit on Cole Schotz’s behalf.

**SERVICES TO BE PROVIDED**

2. The legal services which Cole Schotz will provide on the Debtors’ behalf include, but are not limited to, the following:

- (a) advise the Debtors of their rights, powers and duties as debtors-in-possession in continuing to operate and manage their businesses and assets;
- (b) prepare such administrative and procedural applications and motions as may be required for the sound conduct of the cases, including, but not limited to, the Debtors’ schedules and statement of financial affairs;
- (c) review and object to claims;
- (d) advise the Debtors concerning, and assisting in the negotiation and documentation of, debtor-in-possession financing, debt restructuring and related transactions;
- (e) review the nature and validity of agreements relating to the Debtors’ businesses and properties and advise the Debtors in connection therewith;
- (f) review the nature and validity of liens asserted against the Debtors and advise as to the enforceability of such liens;

---

<sup>1</sup> The Debtors are Tarragon Corporation (“Tarragon Corp.”), Tarragon Development Company, LLC, Tarragon Development Corporation, Tarragon South Development Corp., Tarragon Management, Inc., Bermuda Island Tarragon LLC, Orion Towers Tarragon, LLP, Orlando Central Park, L.L.C., Fenwick Plantation Tarragon, LLC, One Las Olas, Ltd., The Park Development West LLC, 800 Madison Street Urban Renewal, LLC, 900 Monroe Development LLC, Block 88 Development, LLC, Central Square Tarragon LLC, Charleston Tarragon Manager, LLC, Omni Equities Corporation, Tarragon Edgewater Associates, LLC, The Park Development East LLC, and Vista Lakes Tarragon, LLC.

(g) advise the Debtors concerning the actions they might take to collect and recover property for the benefit of their estates;

(h) prepare on the Debtors' behalf all necessary and appropriate applications, motions, pleadings, orders, notices, petitions, schedules, and other documents, and review all financial and other reports to be filed in the Debtors' Chapter 11 cases;

(i) advise the Debtors concerning, and preparing responses to, applications, motions, pleadings, notices and other papers which may be filed in the Debtors' Chapter 11 cases;

(j) counsel the Debtors in connection with the formulation, negotiation and promulgation of a plan of reorganization and related documents;

(k) represent the Debtors in their appeal to the Bergen County Board of Taxation of added and omitted assessments for the 2007 tax year imposed on approximately 100-150 units in One Hudson Park, a condominium located in Edgewater, New Jersey, for the period of time that one of the Debtors, Tarragon Edgewater Associates, LLC, owned those units; and

(l) perform all other legal services for and on behalf of the Debtors which may be necessary or appropriate in the administration of their Chapter 11 cases and fulfillment of their duties as debtors-in-possession.

### **DISINTERESTEDNESS OF PROFESSIONALS**

3. Insofar as I have been able to ascertain through diligent inquiry, except as set forth below, neither I, Cole Schotz, nor any principal or professional employee of Cole Schotz have any connection with the Debtors, their creditors, any other party-in-interest, their current respective attorneys or professionals, the United States Trustee or any person employed in the Office of the United States Trustee, nor do we hold or represent any entity having an adverse interest in the Debtors' Chapter 11 cases, although Cole Schotz has in the past worked with,

continues to work with and has mutual clients with certain law firms who may represent parties-in-interest in these cases. Neither I, Cole Schotz, nor any professional employee of Cole Schotz is related professionally to the Debtors, their creditors or any other party-in-interest herein or their respective attorneys in the matter for which Cole Schotz is proposed to be retained.

4. In preparing this Affidavit, I used a set of procedures developed by Cole Schotz to insure full compliance with the requirements of the Bankruptcy Code and the Federal and Local Rules of Bankruptcy Procedure regarding the retention of professionals by a debtor-in-possession (the "Retention Procedures"). Pursuant to the Retention Procedures, and under my direction and supervision, Cole Schotz performed a conflict of interest search to identify any actual or potential conflicts of interest. The Retention Procedures included:

(a) Through conversations with the Debtors' senior management and Cole Schotz attorneys, the Debtors provided Cole Schotz with a list of the following entities (collectively, the "Interested Parties List"): (a) the Debtors and their affiliates; (b) the Debtors' secured creditors; (c) the Debtors' consolidated thirty (30) largest unsecured creditors; (d) the Debtors' officers and directors; and (e) all other parties listed on the attached **Exhibit A** (collectively, the "Interested Parties").

(b) Cole Schotz maintains a data base of current and former clients and related information that has been collected (the "Data Base"). Cole Schotz then: (i) searched the Data Base and compiled a list of those entities which Cole Schotz billed during at least the past five (5) years (the "Client List"); and (ii) circulated, via e-mail, to every attorney in the office the Interested Parties List in order to solicit potential conflicts or connections that might not be uncovered through the Data Base.

(c) Cole Schotz compared the names of the entities identified in the Interested Parties List with the names in its Data Base, the Client List and the responses from the attorney e-mail solicitation to identify potential matches, and to determine whether those matches are current clients and, if so, identify the Cole Schotz personnel responsible for such matters.

(d) Based on the result of that search and by making general and, when applicable, specific inquiries of Cole Schotz personnel, insofar as I have been able to ascertain after diligent inquiry, neither I, nor Cole Schotz, nor any member or associate of the firm has any connection with the Interested Parties except as described below:

(i) Cole Schotz represents Safeco Insurance Company of America (“Safeco”), a party to pre-petition litigation involving the Debtors, in litigation matters unrelated to these cases. The revenue generated from Safeco is less than ½ of 1% of the firm’s annual revenue. To the extent any contested matter develops as to Safeco, Cole Schotz will obtain a waiver and/or ensure that other counsel handles the matter.

(ii) Cole Schotz represents Frank Leanza, as the trustee for the Mia Macri Living Irrevocable Trust (the “Trust”), in matters unrelated to these cases. The Trust is listed as a partner or member of certain of the Debtors on the Interested Parties List. The revenue generated from this representation is less than ½ of 1% of the firm’s annual revenue. To the extent any contested matter develops as to the Trust, Cole Schotz will obtain a waiver and/or ensure that other counsel handles the matter.

(iii) Cole Schotz represents Kwartler Associates, property manager for The Realty Associates Fund VIII, L.P. (“Realty Associates”), a party to pre-petition litigation involving the Debtors, in real estate matters unrelated to these cases. The revenue generated from those matters is less than ½ of 1% of the firm’s annual revenue.

5. Despite the efforts described above to identify and disclose Cole Schotz's connections with the Interested Parties, because the Debtors have numerous creditors and other relationships, Cole Schotz is unable to state with certainty that every client representation or other connection has been disclosed. If Cole Schotz discovers additional information that requires disclosure, Cole Schotz will file supplemental disclosures with the Court as promptly as possible

6. To the best of my knowledge, Cole Schotz has not been retained to assist any entity or person other than the Debtors on matters relating to, or in connection with, these cases. If this Court approves the proposed employment of Cole Schotz as bankruptcy counsel to the Debtors, Cole Schotz will not accept any engagement or perform any services in these cases for any entity or person other than the Debtors. Cole Schotz may, however, continue to provide professional services to, and engage in commercial or professional relationships with, entities or persons that may be creditors of the Debtors or parties-in-interest in these cases; provided, however, that such services do not and will not relate to, or have any direct connection with, these cases.

7. Cole Schotz has represented, and may continue to represent, certain of the Debtors' non-debtor direct and indirect subsidiaries (the "Non-Debtor Subsidiaries") in litigation and other matters. The Non-Debtor Subsidiaries wish to continue their retention of Cole Schotz in connection with any such existing matters due to Cole Schotz's familiarity with the Non-Debtor Subsidiaries and the issues involved, and to avoid incurring unnecessary fees to obtain substitute counsel. The Non-Debtor Subsidiaries also may seek to retain Cole Schotz for matters that may arise in the future because of Cole Schotz's overall knowledge of the enterprise, debt structure and financial affairs of the Non-Debtor Subsidiaries, and Tarragon Corp.'s relationship



with and confidence in Cole Schotz's legal skills. In either case, Cole Schotz will not represent the Non-Debtor Subsidiaries against the Debtors or vice versa. Because Cole Schotz's representation of the Non-Debtor Subsidiaries is designed to preserve the Debtors' enterprise value and maximize stakeholder value and recovery, that representation ultimately benefits the Debtors' estates. Accordingly, Cole Schotz will seek to be compensated by the Debtors' estates, as part of Cole Schotz's periodic fee applications in connection with these cases, for its representation of the Non-Debtor Subsidiaries.

8. During the 90-day period before the commencement of these cases, the Debtors paid Cole Schotz the sum of \$1,355,287.16 for contemporaneous services rendered to and costs incurred on behalf of the Debtors, all in accordance with the pre-petition engagement agreement between the Debtors and Cole Schotz. As a result of those payments, Cole Schotz does not hold any claim against the Debtors for pre-petition services rendered.

9. Lastly, as described in the Debtors' "First Day Motion" to approve its existing cash management system, the Debtors utilize a consolidated cash management system where all cash receipts are pooled into Tarragon Corp., regardless of the Debtor or non-Debtor affiliate to whom the funds are attributable and, in turn, Tarragon Corp. funds all disbursements, regardless of the Debtor or non-Debtor affiliate on whose behalf the funds are being paid. These transactions are accounted for using intercompany receivables and payable accounts, and on a consolidated financial statement basis, eliminated. Cole Schotz will not represent any of the Debtors adverse to any of the other Debtors in connection with any matters.

10. Based on the foregoing, Cole Schotz has no interest adverse to the Debtors or their estates, and is a "disinterested" person within the meaning of Sections 327(a) and 101(14) of the Bankruptcy Code.

**COMPENSATION OF PROFESSIONALS**

11. In connection with this matter, Cole Schotz has received a retainer of \$448,901.19 for services to be rendered by Cole Schotz after the commencement of these cases (the “Bankruptcy Retainer”). Cole Schotz will submit detailed statements to the Court setting forth its services rendered during the Chapter 11 proceedings, seeking an award of compensation and reimbursement of expenses and seeking authority, when appropriate, to apply the Bankruptcy Retainer. It is contemplated that Cole Schotz will be compensated for the services described herein at its ordinary billing rates and in accordance with its customary billing practices with respect to its out-of-pocket expenses, all pursuant to the provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, and subject to this Court’s approval.

12. Cole Schotz will be rendering services on an hourly basis. The current rates of Cole Schotz members, associates and paralegals are as follows:

	<b><u>Rates</u></b>
Members	\$350.00 - \$675.00
Associates	\$240.00 - \$385.00
Paralegals	\$135.00 - \$220.00

13. These rates are subject to periodic review and adjustment. To the extent the services of other (i.e., non-bankruptcy) members, associates and staff of the firm are utilized, their hourly billing rates will be consistent with the rates of those listed above who have similar experience and seniority.

14. In accordance with Section 504 of the Bankruptcy Code, Cole Schotz has not shared or agreed to share any of its compensation with any other person, other than a principal, professional or employee of Cole Schotz. The proposed engagement of Cole Schotz is not prohibited by Bankruptcy Rule 5002.

/s/ Michael D. Sirota  
MICHAEL D. SIROTA

Sworn and subscribed to  
before me this 12<sup>th</sup> day  
of January, 2009.

/s/ Warren A. Usatine  
Warren A. Usatine  
Attorney-at-Law of the  
State of New Jersey

**EXHIBIT A**

**INTERESTED PARTIES LIST**

**LIST OF ENTITIES/AFFILIATES**

1200 Grand Street Urban Renewal, LLC	Choice Home Financing, LLC
1300 Grand Street Urban Renewal, LLC	Cliffside Tarragon, LLC
5600 GP, Inc.	Collegewood Property, Inc.
800 Madison Street Urban Renewal, LLC	Consolidated Capital Properties II
900 Monroe Development LLC	Cordoba Manager, LLC
900 Monroe Street Urban Renewal, LLC	Cordoba Tarragon, LLC
999 Madison Street Urban Renewal, LLC	CR Tarragon Palm Springs, L.L.C.
Acadian Place Apartments, L.L.C.	Creekwood Apartment Owners, LLC
Acadian Place Holdings, L.L.C.	Danforth Apartment Owners, L.L.C.
Adams Street Development, L.L.C.	Delaney Square Tarragon, LLC
Alexandria Pointe, LC	Delaney Square, LLC
Alta Marina, LLC	Dogwood Hills Apartments, L.L.C.
AltaMar Development, LLC	East Hanover Tarragon LLC
Ansonia Acquisitions I, L.L.C.	East Las Olas, Ltd.
Ansonia Apartments, LP.	English Village Partners
Ansonia Liberty, LLC	Exchange Tarragon, LLC
Ansonia MezzCo, LLC	Fenwick Plantation Tarragon, LLC
Arlington Tarragon, LLC	Floresta Tarragon, LLC
Autumn Ridge Apartments, LLC	Forest Park Tarragon, LLC
Aventura Tarragon GP, LLC	Forest Ridge Partners, LC
Aventura Tarragon LP, LLC	Freesia Acquisitions, LLC
Ballantrae Manager, Inc.	French Villa Apartments, L.L.C.
Balsam Acquisitions, L.L.C.	French Villa National Associates Limited
Bayfront National Associates, L.P.	Guardian Alexandria Pointe Holdings
Bermuda Island Tarragon LLC	Guardian Forest Ridge Partners Holdings
Black Pearl Tarragon, LLC	Guardian Rock Springs Road Holdings
Block 102 Development LLC	Guardian Southridge Pointe Holdings
Block 110 Development, LLC	Guardian Venetian Bay Holdings, LLC
Block 112 Development, LLC	Guardian Victoria Hills Holdings, LLC
Block 114 Development, LLC (Casket H)	Guardian Wekiva Crest Holdings, LLC
Block 144 Development LLC	Guardian Woods at Southridge Holding
Block 150 Development, LLC	Guardian-Jupiter Partners LLC
Block 88 Development, L.L.C.	Gull Harbor Apts, L. L. C.
Bradenton Tarragon, LLC	Gull Harbor MGR, Inc.
Calistoga Ranch Owners, L.L.C.	Hamden Centre Apartments, L.L.C.
Capitol Ave. Tarragon, LLC	Heather Limited Partnership
Carlyle Tower National Associates	Heron Cove National, Inc.
CAVEO, L.L.C.	Hoboken Cinema, LLC
Celebration Tarragon LLC	Houston Highway South, L.P.
Central Square Tarragon LLC	Jardin de Belle Development, LLC
Charleston Tarragon Manager, LLC	Keane Stud LLC
	Keane Stud Management LLC
	Kennesaw Tarragon LLC

Lake Lotta Apartments, L.L.C.  
Lake Sherwood Partners, LLC  
Larchmont Development Venture, LLC  
Larchmont Tarragon, LLC  
Las Olas River House Corp.  
Lopo Tarragon GP, Inc.  
Lopo Tarragon LP, Inc.  
Lopo, LP  
M8CP, Inc.  
Madison Tarragon Manager, Inc.  
Manchester Tarragon, LLC  
Manchester Tolland Development LLC  
Marina Park National Partners  
Mariner's Point Tarragon, LLC  
Meadow Brook Apartments, L.L.C.  
Merritt 8 Acquisitions, L.L.C.  
Merritt Stratford, L.L.C.  
Middletown Tarragon LLC  
Midway Mills Partners, L.P.  
Mohegan Hill Development, LLC  
Mohegan Hill Development/Wilson, LLC  
Mohegan Hill Tarragon, LLC  
Monterra Tarragon, Inc.  
Montreux at Deerwood Lake, LLC  
Morningside National, Inc.  
Mountain View National, Inc.  
MSCP, Inc.  
Murfreesboro Gateway Properties, LLC  
Mustang Creek National, L.P.  
Mustang National, Inc.  
National Income Realty Investors, Inc.  
National Omni Associates, L.P.  
Newbury Village Development, LLC  
North Property Tarragon, Ltd.  
North Village Tarragon, LLC  
North Water Street Tarragon, LLC  
Ocala Tarragon, LLC  
Ocean Beach Apartments, LLC  
Omni Equities Corporation  
Omni Equities North Corporation  
Omni-Tivoli, LLC  
One Las Olas, Ltd.  
Orchid Grove, LLC  
Orion Tarragon GP, Inc.  
Orion Tarragon LP, Inc.  
Orion Towers Tarragon, LLP

Orlando Central Park Tarragon, L.L.C.  
Palisades Park East Tarragon LLC  
Palisades Park West Tarragon LLC  
Park Avenue at Metrowest, Ltd.  
Park Avenue GP, LLC  
Park Avenue Metrowest LLC  
Park Avenue Tarragon, LLC  
Park Development East, LLC  
Park Development West, LLC  
Parkdale Gardens National Corp.  
Pinecrest Village Condominium, Inc.  
Plantation Bay Apartments, L.L.C.  
Rancho Sorrento Leasing Corp.  
Reflection Lakes Manager, Inc.  
Regency Green National Corp.  
Regent Circle, L.L.C.  
RI Panama City LLC  
RI Windsor, Ltd.  
River House Tarragon, LLC  
Rock Springs Road, LC  
Rutherford LL Tarragon, LLC  
Rutherford Tarragon Development I, LLC  
Rutherford Tarragon Development II, LLC  
Rutherford Tarragon Development III, LLC  
Sage Residential Connecticut, LLC  
Sage Residential Florida, Inc.  
Sage Residential New Jersey LLC  
Sage Residential Rhode Island, LLC  
Sage Residential Services, Inc.  
Sage Residential Texas, Inc.  
Shefaor/Tarragon, LLLP  
Silver Creek Apartments, Ltd.  
SO. Elms National Associates Limited  
Partnership  
Southampton Pointe Tarragon LLC  
Southampton Tarragon Manager LLC  
Southridge Pointe, LC  
Stamford Tarragon I LLC  
Stewart Square National, Inc.  
Stonington Tarragon, LLC  
Summit / Tarragon Murfreesboro, L.L.C.  
Summit on the Lake Associates, Ltd.  
Tampa Palms Tarragon, L.L.C.  
Tarragon 820, L.P.  
Tarragon Brooks, L.P.  
Tarragon Calistoga, L.L.C.

Tarragon Corporation  
Tarragon Cypress Grove, LLC  
Tarragon Development Company LLC  
Tarragon Development Corporation  
Tarragon Edgewater Associates, LLC  
Tarragon Huntsville Apartments, L.L.C.  
Tarragon Kissimmee, LLC  
Tarragon Limited, Inc.  
Tarragon Management, Inc.  
Tarragon Mariner Plaza, Inc.  
Tarragon Merritt 8, Inc.  
Tarragon Midway Mills, Inc.  
Tarragon Mortgage Capital, LLC  
Tarragon Mortgage LLC  
Tarragon Ocala Development Corp  
Tarragon Savannah I, L.L.C.  
Tarragon Savannah II, L.L.C.  
Tarragon South Development Corp.  
Tarragon Stonecrest LLC  
Tarragon Stoneybrook Apartments, L.L.C.  
Tarragon Stratford, Inc.  
Tarragon Turtle, Inc.  
Tarragon University I, L.P.  
Tarragon University, Inc.  
Tarragon Venetian Bay, Inc.  
Tarragon/URSA Redevelopment Partners  
Tarragon/Voloshin I LLC  
Tarragon/Voloshin Stonington, LLC  
TDC Hanover Holdings LLC  
TDC/Ursa Hoboken Sales Center, LLC  
Texas National Construction, Inc.  
Thirteenth Street Development, L.L.C.  
Tradition Tarragon LLC  
TRI Woodcreek, Inc.  
Tuscany Tarragon, LLC  
UGMC Holdings, LLC  
Upper Grand Realty, LLC  
Uptown Village Tarragon A, LLC  
Uptown Village Tarragon B, LLC  
Uptown Village Tarragon C, LLC  
Venetian Bay Village, LLC  
Victoria Hills, LC  
Vineyard at Eagle Harbor, L.L.C.  
Vinland Aspentree, Inc.  
Vinland Holly House, Inc.  
Vinland Oakbrook, Inc.

Vinland Park 20, Inc.  
Vinland Property Investors, Inc.  
Vintage Legacy Lakes National, L.P.  
Vintage National, Inc.  
Vista Lakes Tarragon, LLC  
Vistas at Lake Worth Limited Partnership  
Warwick Grove Company, LLC  
Wekiva Crest, LC  
West Dale National Associates, L.P.  
Woodcreek Garden Apartments  
Woodcreek National, L.C.  
Woods at Southridge, LC  
Yacht Club Tarragon, LLC  
Yacht Club Tarragon, LLC

### **LIST OF OFFICERS AND DIRECTORS**

Brainard, Newt  
Bridenbaugh, Terrilea  
Burrige, Bob  
Clinton, Chris  
Cobbs, James C.  
English, Michael  
Fagerli, Bud  
Ferranti, Al  
Fletcher, David R.  
Frery, Richard  
Friedman, William S.  
Ginsburg, Alan  
Greene, Eileen  
Hagner, Garth  
Helman, Jamie (James?)  
Hendrix, Scott  
Hsu, Joseph G.  
Huggins, David G.  
Huggins, Garland  
Johnson, Michael  
Kammerman, Marcy H.  
Keltz, Mike  
Liebman, Lance  
Mansfield, Kathryn  
Marshall, Joyce B.  
Miller, Nancy  
Minor, Todd C.  
Muse, Wendy  
Petty, Deborah  
Pickens, Erin D.

Raia, Frank  
Reinert, Kristie  
Rosato, William  
Rothenberg, Robert P.  
Rubenstein, Charles  
Saunier, Mark  
Schafer, Candace  
Schaffer, Richard  
Schafran, Lawrence G.  
Schrag, Raymond V.J.  
Sciarra, Michael J.  
Shassian, Lou  
Stark, Martha E.  
Stern, Richard W.  
Surratt, Jane  
Swenson, Eileen  
Thomas, Hilary A.  
Thompson, William  
Tomlin, Andy  
Travis, Jeffrey  
Weisbrod, Carl B.

#### **PARTNERS/MEMBERS**

1118 Adams Parking, Inc.  
5600 GP, Inc.  
900 Monroe Development, LLC  
999 Madison Street Urban Renewal  
Acadian Place Apartment, LLC  
Acadian Place Holdings, L.L.C.  
Adams Street Development, L.L.C.  
Alta Marina, LLC  
AltaMar Development, LLC  
Ansonia Apartments, L.P.  
Ansonia LLC  
Ansonia MezzCo., LLC  
Arlington Tarragon, LLC  
Asbury Place Development, Ltd.  
Avanti Tarragon, LLC  
Aventura Tarragon GP, LLC  
Aventura Tarragon LP, LLC  
Balsam Acquisitions, LLC  
Bermuda Island Tarragon, LLC  
Black Pearl Tarragon, LLC  
Block 102 Development LLC  
Block 106 Development, LLC  
Block 110 Development, LLC

Block 112 Development, LLC  
Block 114 Development, LLC  
Block 144 Development LLC  
Block 150 Development, LLC  
Block 88 Development, LLC  
Bradenton Tarragon, LLC  
Capitol Avenue Tarragon, LLC  
Carlyle Tower National Associates  
Celebration Tarragon, LLC  
Central Square Tarragon LLC  
Charleston Tarragon Manager, LLC  
Cliffside Tarragon, LLC  
Collegewood Property, Inc.  
Consolidated Capital Properties II  
Cordoba Manager, LLC  
Cordoba Tarragon, LLC  
Coscan Cypress Plaza, LLC  
CR Napa, L.L.C.  
CR Palm Springs, LLC  
Delaney Development L.L.C  
Delaney Square Tarragon, LLC  
Depot Hill Road LLC  
Emerson Center Property  
English Village Apartments, Inc.  
English Village Partners  
EV Partners  
Exchange Tarragon, LLC  
Fenwick Plantation Tarragon, LLC  
French Village Apartments, L.L.C.  
Golden Florida Management, Inc.  
Guardian Alexandria Point  
Guardian Forest Ridge  
Guardian Rock Springs  
Guardian Southridge Pointe Holdings, LLC  
Guardian Venetian Bay Holdings, LLC  
Guardian Victoria Hills  
Guardian Wekiva  
Guardian Woods at Southridge Holdings,  
LLC  
Guardian-Jupiter Partners LLC  
Heron Cove National, Inc.  
Hoboken Cinema, LLC  
Jardin de Belle Development, LLC  
Keane Stud LLC  
Keane Stud Management, LLC  
Kensington Resort Partners, LLC

Larchmont Tarragon, LLC  
Leyland Warwick Associates, LLC  
Liberty Building Mgr., Inc.  
Lopo Tarragon GP, Inc.  
Lopo Tarragon LP, Inc.  
Louis and Leslie Shassian and Shassian Family, L.P  
Manchester Tolland Development LLC  
Marina Park National Partners  
Mariner's Point Tarragon, LLC  
Metrowest Development, L.L.C.  
Mia Macri Living Irrevocable Trust (Frank Leanza)  
Michael J. Sciarrino Revocable Trust  
Middletown Tarragon LLC  
Mohegan Hill Development, LLC  
Mohegan Hill Tarragon, LLC  
Montreaux at Deerwood lake, LLC  
Montville Property Holdings I, LLC  
Morningside National, Inc  
Mountain View National, Inc.  
MSCP, Inc  
Mustang Creek National, LP  
Mustang National, Inc.  
National Income Realty Investors, Inc  
National Omni Associates LP  
Newbury Village Development, LLC  
North Property Tarragon, Ltd. Ave  
North Village Tarragon, LLC  
North Water Street Tarragon LLC  
Omni Equities Corporation  
Omni-Tivoli, LLC  
Orion Tarragon GP, Inc.  
Orion Tarragon LP, Inc.  
Orlando Central Park Tarragon, LLC  
Palisades Park East Tarragon LLC  
Palisades Park West Tarragon LLC  
Palm Court Apartment Owners, Inc.  
Paramus Tarragon, LLC  
Park Avenue GP, LLC  
Park Avenue Metrowest LLC  
Park Avenue Tarragon, LLC  
Pinnacle GP  
Pinnacle LP  
Regency Green National Corp.  
Regent Circle, LLC

River House Tarragon, LLC  
Rutherford Tarragon Development I, LLC  
Rutherford Tarragon Development II, LLC  
Rutherford Tarragon Development III, LLC  
Shefaor GP  
Shefaor LP  
So. Elms National Associates, Ltd.  
Southampton Tarragon Manager, LLC  
Southampton Pointe Tarragon LLC  
Stamford Tarragon I LLC  
Stewart Square National, Inc.  
Stonington Tarragon, LLC  
Summit on the Lake Associates, Ltd.  
Sunvest Lofts, LLC  
Tampa Palms Tarragon, LLC  
Tarragon Calistoga, L.L.C.  
Tarragon Corporation  
Tarragon Cypress Grove, LLC  
Tarragon Cypress Plaza, LLC  
Tarragon Development Company, L.L.C  
Tarragon Development Company, LLC  
Tarragon Development Corporation  
Tarragon Edgewater Associates, LLC  
Tarragon Limited, Inc.  
Tarragon Mariner Plaza, Inc.  
Tarragon Merrit 8, Inc.  
Tarragon Midway Mills, Inc.  
Tarragon Mortgage Capital, LLC  
Tarragon South Development Corp.  
Tarragon Stratford, Inc.  
Tarragon Time Square, Inc.  
Tarragon Turtle, Inc.  
Tarragon University, Inc.  
Tarragon Venetian Bay, Inc.  
Tarragon/URSA Redevelopment Partners  
Tarragon Kissimmee, LLC  
TDC Hanover Holdings LLC  
TDC/Ursa Hoboken Sales Center, LLC  
Texas National Construction, Inc.  
The Shassian Family Limited Partnership  
Thirteenth Street Development, L.L.C.  
Tradition Tarragon LLC  
TRI Woodcreek, Inc.  
Tuscany Tarragon, LLC  
UGMC Holdings, LLC  
Upper Grand Realty, LLC



TRI Woodcreek, Inc.  
Tuscany Tarragon, LLC  
UGMC Holdings, LLC  
Upper Grand Realty, LLC  
Uptown Village Tarragon A, LLC  
Uptown Village Tarragon B, LLC  
URSA Development Group, LLC  
Vinland Holly House, Inc.  
Vinland Oakbrook, Inc.  
Vinland Park 20, Inc.  
Vinland Property Investors, Inc.  
Vintage Legacy Lakes National, LP  
Vintage National, Inc.  
Vista Lakes Tarragon, LLC  
Vista Lakes Tarragon, LLC  
Voloshin Capital Stonington, LLC  
Wachovia Affordable Housing  
Warwick Grove Company, LLC  
Wells Fargo Ventures, LLC  
Woodcreek Garden Apartments  
Woodcreek National, LC  
Wyckoff Tarragon Development, LLC  
Yacht Club Tarragon, LLC  
Yoo LLP

### **THIRTY LARGEST UNSECURED CREDITORS**

AJD Construction Company, LLC  
Assurant Employee Benefits  
Bank Atlantic  
Bank of America  
Christina Stiles Interiors  
ComCast  
Devon Design, LLC  
Direct Cabinet Sales  
EC Enterprise Consultants, LLC  
ESCC  
iStar FM Loans, LLC  
K. Langford Lawn Care Inc.  
Kirst Kosmoski, Inc.  
Lapatka Associates, Inc.  
Las Olas River House Condo. Assn.  
Mahoney Cohen & Company CPA PC  
Mechanical Services of Central FL

NANC Construction Services  
Omni Boys North Ltd.  
Posner Advertising  
Progress Energy Florida, Inc.  
  
Refinish Plus Corporation  
Regions Bank  
Sovor Associates (290 Veterans)  
Steelways Inc.  
Taberna Capital Management LLC  
The Crossings at Fleming Island CDD  
Tricony CFC, LLC  
United Healthcare Insurance Co.  
Winter Management Corp.

### **SECURED DEBT**

La Salle Bank National Association  
Bank of America  
Bank Atlantic  
Regions Bank  
iStar FM Loans/iStar Financial, Inc.  
CNL Bank

### **GUARANTY OBLIGATIONS OF TARRAGON CORPORATION**

ARCS Commercial Mortgage Co., L.P.  
Bank of Atlantic  
Bank of America, N.A.  
Barclays Bank  
CNL Bank  
Commerce Bank  
Fannie Mae  
FNMA/PNC  
FNMA/Wachovia  
FNMA/Wells Fargo  
General Electric Capitol Corporation  
iStar FM Loans  
JP Morgan Chase  
LaSalle/Bank of America, N.A.  
National City  
North Water LLC  
Paradigm Credit Corp.  
Provident Bank  
Regions Bank  
Wachovia

**PROFESSIONALS RETAINED PRE-PETITION BY LENDER**

Sills Cummis & Gross PC (Bank of America)  
Lowenstein Sandler PC (Paradigm)  
Latham & Watkins (GECC)  
Otterbourg, Steindler, Houston & Rosen, P.C.  
(Regions)

**LIST OF INSURANCE COMPANY'S**

United of Omaha Life Insurance Company  
United Healthcare Insurance Company  
Liberty Mutual Insurance Company  
Liberty Insurance Underwriters  
Hartford Life and Accident  
Transamerica Life Insurance Company  
Transamerica Retirement Services  
ConExis  
American Home Assurance Company  
Landmark Insurance Company (Landmark  
American Insurance Company)  
Lexington Insurance Company  
National Union Fire Insurance Company of  
Pittsburgh  
Chubb Insurance  
Federal Insurance Company

**OTHER PROFESSIONALS RETAINED**

Lazard Freres & Co., LLC  
Jones Day  
Cole, Schotz, Meisel, Forman & Leonard, PA  
BDO Seidman LLP  
Travis Wolff & Company, LLP  
Cushman & Wakefield of New Jersey, Inc.

**LIST OF PLAINTIFFS INVOLVED IN LAWSUITS WITH ANY ENTITY**

31-W Insulation Company, Inc.  
Abramson, Cheryl  
Adrulonis, Paul  
Agudo-Abarco, Amilda  
AIG Domestic Claims, Inc.  
Allens Steel Products, Inc.

Alta Mar Condominium Association, Inc.  
Amerisure Mutual Insurance Company  
Andrew General Contractors, Inc.  
Asbury Place Development, Ltd.  
Atkinson, Richard  
Azel, Jose and Lily  
Bailey, Christin  
Bang, Sungmi  
Beckner Painting Southeast, Inc.  
Bluewater Builders, Inc.  
Brushingham, Lee and Ana  
Builders Technical Services, Inc.  
C+N Stucco & Plastering, Inc.  
Cam(p)bell, Scott  
Cape House Properties, Ltd.  
Case, James L. & John  
CDC Drywall, Inc.  
Celebration Residential Owners Association,  
Inc.  
Cesar, Frank  
Czajkowski, Jr., Thomas J.  
Da Pau Enterprises II, Inc.  
Da Pau Enterprises, Inc.  
Davis, Magdalena  
Day, J. Robert  
DeLeon, Isabel  
Development Compliance and Inspections,  
Inc.  
Diaz, Kenneth and Carmen  
Dilodivido, William  
Douglas Partners Construction, LLC  
Duncan, Douglas  
Durso, Mike  
Einheuser, Peter  
Ellsworth, Gary  
Epi-Park Avenue Equity, LLC  
Epoch Construction, Inc.  
Farris Gypsum Floors of Florida, Inc.  
Federal Insurance Company  
Fenwick Hall Property Owners Association,  
Inc.  
Fenwick Tarragon Apartments, LLC  
Figueroa, Arminda  
Fitch, Glenn  
Flynn, Kevin  
Fox Windows & Glass, LLC

Fox, Alan d/b/a Alan Fox Windows  
Fraeter, Florian & Antje  
Francis Engineering, Inc.  
Frank Casserino Construction, Inc.  
Frank Casserino Construction, Inc.  
Franzon, Neri  
Fugleberg Koch Architects, Inc.  
Furgueron, John  
Georgetown at Celebration Condominium  
Association, Inc.  
Gleeson, Kiernan  
Goldsmith, Linda  
Goshorn Plumbing Inc.  
Goss, Kenneth M.  
Graybar Electric Company, Inc.  
Great Divide Insurance Company  
Greene, Joel  
GWL, Inc.  
H.H. Joshi & Associates, Inc.  
Hammond, Geoffrey  
Hampson, Raymond K.  
Hannula Landscaping, Inc.  
Herbst, Douglas C.  
Heritage Realty Advisors  
Hong, Mai Y.  
HSBC Bank  
Iannone, Mark A.  
Insurance Company of the State of  
Pennsylvania  
International Realty  
iStar FM Loans  
Johnson, Douglas J.  
Kantrowitz, William  
Kim, Chae Young and Min Hyung  
Koenig, Robert  
Kurzwell, Howard E.  
Lanahan Lumber Co., Inc.  
LaPlante, John  
LaPlante, Michel  
Las Olas River House Condominium  
Association, Inc.  
Leyland Warwick Associates, LLC  
Leyva, Roddy  
Lion Gables Realty Limited Partnership f/k/a  
Gables Realty Limited Partnership  
Littlejohn Engineering Associates Inc.

Maas, Phillip  
Mariner Club, Ltd.  
McLarand, Vasquez and Partners, Inc.  
Metro West Center, LLC  
MetroWest Boulevard Ltd. Partnership  
Metrowest II Limited Partnership  
MetroWest Partners, Inc.  
Mills, Ralph  
Montecito Enclave  
Montreux at Deerwood Lake Condominium  
Association, Inc.  
Montville Property Holdings V LLC  
Mullins, Gerry D.  
Nesci, Vincent  
Newland Communities, LLC  
Nichols Soffit & Siding, Inc.  
North Water LLC  
Northland Fund II Partners, LLC  
Northland Portfolio LP  
NRT LLC  
Nunenkamp, Val  
O'Neill, Molly M.  
Old Castle Glass, Inc. d/b/a JHS Building  
Products, Inc.  
Pernell, John C.  
Perry, Brian and Cathy, individually and as  
parents and legal guardians of Ryan Perry and  
Amanda Perry  
Pine Crest Village at Victoria Park HOA  
Pine Crest Village at Victoria Park  
Homeowners Association, Inc.  
Pine Crest Village I Condominium  
Association, Inc.  
Pine Crest Village II Condominium  
Association, Inc.  
Platte River Insurance Company  
Premier Sales Group, Inc./100 East Las Olas,  
Ltd.  
Professional Plastering & Stucco, Inc.  
Prudential Real Estate Investors  
Prudential-Park Avenue LLC  
Regency Realty Services, Inc.  
Regions Bank  
Reif, Gary  
Reinen, Mourao & Aida  
Renna, Joseph M.

Rice Insulation and Glass, Inc.  
Riley, Rebecca  
Rodriguez, Lymarie  
Roilnick, Audie & Eileen  
Ryan, Christian and Eric Schake  
Safeco Insurance Company of America  
Schechter, Jerome & Roberta  
Schiller, Donald Eileen  
SCI Holdings Corporation f/k/a Skotty  
Aluminum Products Co.  
Sgarlatto, Anthony  
Silvercore, Inc. d/b/a Criteria  
Skolnick, Martin & Susan  
Soares Da Costa Construction Services, LLC  
Song, Kyong R.  
Spiers, David G.  
Stadler Management Corp.  
Steidle Bros. Construction, Inc.  
Steidle Bros. Construction, LLC  
Summit Construction, Inc.  
Summit Contractors Group, Inc.  
Summit Contractors, Inc.  
SunTech Electrical Contractors, Inc.  
SunVest Communities USA, LLC  
T.C.T. Corp. d/b/a Tamiami Carpet Interiors  
TCR Construction II, Inc.  
TCR Metro II, Inc.  
TCR Metrowest II Limited Partnership  
TDK Construction Company, Inc.  
Terrabrook Vista Lakes GP, LLC  
Terrabrook Vista Lakes, LP  
Teseniar, Mark F. and Nan M.  
The Bordeaux Condominium Association,  
Inc.  
The Celebration Company  
The Condo Store, Inc., NRT The Condo  
Store, LLC  
The Hamptons at Metrowest Condominium  
Association, Inc.  
The Prudential Ins. Co. of America  
The Realty Associates Fund VIII, L.P.  
The Villas at Seven Dwarfs Condominium  
Association, Inc.  
The Walt Disney Company  
The Yacht Club on the Intracoastal  
Condominium Association, Inc.

Tri-City Electrical Contractors, Inc.  
Troll, Oliver  
Twelve Oaks at Fenwick Plantation  
Horizontal Property Regime  
Twelve Oaks at Fenwick Plantation Property  
Owners Association, Inc.  
Tyler, Jamie  
Underwriters at Lloyd's London  
Universal Building Supply, Inc.  
Vorcheimer, Estate of Leonard  
Voso, Dominick  
Waterstreet at Celebration Condominium  
Association, Inc.  
Westerra Management, LLC  
Whirlpool Corporation  
Wolfson, Stephen  
Yancy, James  
ZOM Kensington, Ltd.

#### **LANDLORDS**

West 55th Street Building LLC  
3100 Monticello Investors, L.P.

#### **DIP LENDER**

Arko Holdings Corp.

#### **UNSECURED NOTE HOLDERS**

Robert Rothenberg  
Beachwold Partners, L.P.  
Taberna Capital Management, LLC  
Taberna Preferred Funding II, Ltd.  
Taberna Preferred Funding III, Ltd.  
Taberna Preferred Funding IV, Ltd.  
Taberna Preferred Funding V, Ltd.  
Taberna Preferred Funding VI, Ltd.  
Merrill Lynch International  
JPMorgan Chase Bank, N.A.

#### **AUDITORS OF BOOKS AND RECORDS OF DEBTORS**

Grant Thornton LLP  
Travis Wolff & Company

**PURCHASER OF ASSETS**

MWHF Palisades Park, LLC  
Represented by Wolff & Samson, PC

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(c)

COLE, SCHOTZ, MEISEL,  
FORMAN & LEONARD, P.A.  
A Professional Corporation  
25 Main Street  
P. O. Box 800  
Hackensack, NJ 07602-0800  
(201) 489-3000  
(201) 489-1536 Facsimile  
Michael D. Sirota, Esq.  
Warren A. Usatine, Esq.  
Proposed Attorneys for Tarragon Corporation, *et al.*, Debtors-in-Possession

In Re:

TARRAGON CORPORATION, *et al.*,

Debtors-in-  
Possession.

Case Nos. 09-

Hearing Date:

Judge:

**INTERIM ORDER APPROVING THE DEBTORS' RETENTION  
OF COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. AS BANKRUPTCY  
COUNSEL PURSUANT TO 11 U.S.C. § 327 AND FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 6003(a)**

The relief set forth on the following pages, numbered two (2) through four (4), is hereby  
**ORDERED.**

(Page 2)

Debtor: TARRAGON CORPORATION, *et al.*  
Case Nos: 09-  
Caption of Order: INTERIM ORDER APPROVING THE DEBTORS' RETENTION OF COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. AS BANKRUPTCY COUNSEL PURSUANT TO 11 U.S.C. § 327 AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 6003(a)

---

THIS MATTER having been opened to the Court by Tarragon Corporation, *et al.*, the within debtors and debtors-in-possession (collectively, the “Debtors”),<sup>1</sup> upon an Application for entry of an Interim Order approving the Debtors’ retention of Cole, Schotz, Meisel, Forman & Leonard, P.A. (“Cole Schotz”) as their bankruptcy counsel in these proceedings pursuant to 11 U.S.C. § 327(a) and Federal Rule of Bankruptcy Procedure 6003(a) (the “Application”); and the Court having considered the Application and the Affidavit of Michael D. Sirota, Esq. in support thereof; and the Court being satisfied that Cole Schotz does not hold or represent any interest adverse to the Debtors, their estates or creditors, and is a disinterested person within the meaning of Sections 327 and 101(14) of the Bankruptcy Code, and that said employment would be in the best interest of the estates; and it appearing that the relief requested in the Application is necessary to avoid immediate and irreparable harm to the Debtors and their estates and, therefore, the requirements of Fed. R. Bankr. P. 6003(a) are satisfied; and notice of the proposed retention having been given in accordance with the requirements of D.N.J. LBR 2014-1(a), as

---

<sup>1</sup> The Debtors are Tarragon Corporation, Tarragon Development Company, LLC, Tarragon Development Corporation, Tarragon South Development Corp., Tarragon Management, Inc., Bermuda Island Tarragon LLC, Orion Towers Tarragon, LLP, Orlando Central Park, L.L.C., Fenwick Plantation Tarragon, LLC, One Las Olas, Ltd., The Park Development West LLC, 800 Madison Street Urban Renewal, LLC, 900 Monroe Development LLC, Block 88 Development, LLC, Central Square Tarragon LLC, Charleston Tarragon Manager, LLC, Omni Equities Corporation, Tarragon Edgewater Associates, LLC, The Park Development East LLC, and Vista Lakes Tarragon, LLC.

(Page 3)

Debtor: TARRAGON CORPORATION, *et al.*  
Case Nos: 09-  
Caption of Order: INTERIM ORDER APPROVING THE DEBTORS' RETENTION  
OF COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. AS  
BANKRUPTCY COUNSEL PURSUANT TO 11 U.S.C. § 327 AND  
FEDERAL RULE OF BANKRUPTCY PROCEDURE 6003(a)

---

evidenced by the Certificate of Compliance with D.N.J. LBR 2014-1(a); and for other good cause shown,

IT IS ORDERED as follows:

1. The retention of Cole Schotz as bankruptcy counsel to the Debtors is hereby authorized and approved on an interim basis, effective as of the date of the commencement of these cases, pursuant to 11 U.S.C. § 327(a) and Bankruptcy Rule 2014.
2. Any and all compensation to be paid to Cole Schotz for services rendered on the Debtors' behalf shall be fixed by application to this Court in accordance with Sections 330 and 331 of the Bankruptcy Code and such Rules of Local and Federal Bankruptcy Procedure as may then be applicable, unless an alternate arrangement for interim compensation is authorized by the Court.
3. Entry of this Interim Order is without prejudice to the rights of any party in interest to interpose an objection to the Application. Any such objections, to be considered timely, must: (i) be in writing; (ii) specify with particularity the basis of the objection; and (iii) be filed with the Clerk of the United States Bankruptcy Court electronically by attorneys who regularly practice before the Bankruptcy Court in accordance with the General Order Regarding Electronic Means for Filing, Signing, and Verification of Documents, dated March 27, 2002 (the "General Order") and the Commentary Supplementing Administrative Procedures, dated as of March 2004 (the "Supplemental Commentary") (the General Order, Supplemental Commentary



(Page 4)

Debtor: TARRAGON CORPORATION, *et al.*  
Case Nos: 09-  
Caption of Order: INTERIM ORDER APPROVING THE DEBTORS' RETENTION  
OF COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. AS  
BANKRUPTCY COUNSEL PURSUANT TO 11 U.S.C. § 327 AND  
FEDERAL RULE OF BANKRUPTCY PROCEDURE 6003(a)

---

and the User's Manual for the Electronic Case Filing System can be found at [www.njb.uscourts.gov](http://www.njb.uscourts.gov), the official website for the Bankruptcy Court) and, by all other parties-in-interest, on CD-ROM in Portable Document Format (pdf), and shall be served in accordance with the General Order and the Supplemental Commentary so as to be received by the following parties no later than \_\_\_\_\_, 2009, at \_\_\_\_\_ .m.: (a) Cole Schotz (Cole, Schotz, Meisel, Forman, Leonard, P.A., Court Plaza North, Box 800, 25 Main Street, Hackensack, New Jersey 07602, Attn: Michael D. Sirota, Esq.); (b) the Office of the United States Trustee for the District of New Jersey; (c) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims or counsel for any official committee of unsecured creditors; and (d) all parties that have filed a Notice of Appearance.

4. The Court shall conduct a final hearing on the Application on \_\_\_\_\_, 2009, at \_\_\_\_\_ .m., at the United States Bankruptcy Court, Martin Luther King, Jr. Federal Building and Courthouse, 50 Walnut Street, Third Floor, Newark, New Jersey 07012.

5. A true copy of this Order shall be served on all parties-in-interest within two (2) days hereof.

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

**Caption in Compliance with D.N.J. LBR 9004-2(c)**

COLE, SCHOTZ, MEISEL,  
FORMAN & LEONARD, P.A.  
A Professional Corporation  
25 Main Street  
P. O. Box 800  
Hackensack, NJ 07602-0800  
(201) 489-3000  
(201) 489-1536 Facsimile  
Michael D. Sirota, Esq.  
Warren A. Usatine, Esq.  
Proposed Attorneys for Tarragon Corporation, *et al.*, Debtors-in-Possession

In Re:

TARRAGON CORPORATION, *et al.*,

Debtors-in-  
Possession.

Case Nos. 09-

Hearing Date:

Judge:

**FINAL ORDER APPROVING THE DEBTORS' RETENTION OF COLE, SCHOTZ,  
MEISEL, FORMAN & LEONARD, P.A. AS BANKRUPTCY COUNSEL PURSUANT TO  
11 U.S.C. § 327(a)**

The relief set forth on the following pages, numbered two (2) through three (3), is hereby  
**ORDERED.**

(Page 2)

Debtor: TARRAGON CORPORATION, *et al.*  
Case Nos: 09-  
Caption of Order: FINAL ORDER APPROVING THE DEBTORS' RETENTION OF  
COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. AS  
BANKRUPTCY COUNSEL PURSUANT TO 11 U.S.C. § 327(a)

---

THIS MATTER having been opened to the Court by Tarragon Corporation, *et al.*, the within debtors and debtors-in-possession (collectively, the “Debtors”),<sup>1</sup> upon an Application for entry of an Order approving the Debtors’ retention of Cole, Schotz, Meisel, Forman & Leonard, P.A. (“Cole Schotz”) as their bankruptcy counsel in these proceedings pursuant to 11 U.S.C. § 327(a) (the “Application”); and the Court having considered the Application and the Affidavit of Michael D. Sirota, Esq. in support thereof; and the Court being satisfied that Cole Schotz does not hold or represent any interest adverse to the Debtors, their estates or creditors, and is a disinterested person within the meaning of Sections 327 and 101(14) of the Bankruptcy Code, and that said employment would be in the best interest of the estates; and notice of the proposed retention having been given in accordance with the requirements of D.N.J. LBR 2014-1(a), as evidenced by the Certificate of Compliance with D.N.J. LBR 2014-1(a); and for other good cause shown,

IT IS ORDERED as follows:

---

<sup>1</sup> The Debtors are Tarragon Corporation, Tarragon Development Company, LLC, Tarragon Development Corporation, Tarragon South Development Corp., Tarragon Management, Inc., Bermuda Island Tarragon LLC, Orion Towers Tarragon, LLP, Orlando Central Park, L.L.C., Fenwick Plantation Tarragon, LLC, One Las Olas, Ltd., The Park Development West LLC, 800 Madison Street Urban Renewal, LLC, 900 Monroe Development LLC, Block 88 Development, LLC, Central Square Tarragon LLC, Charleston Tarragon Manager, LLC, Omni Equities Corporation, Tarragon Edgewater Associates, LLC, The Park Development East LLC, and Vista Lakes Tarragon, LLC.

(Page 3)

Debtor: TARRAGON CORPORATION, *et al.*  
Case Nos: 09-  
Caption of Order: FINAL ORDER APPROVING THE DEBTORS' RETENTION OF  
COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A. AS  
BANKRUPTCY COUNSEL PURSUANT TO 11 U.S.C. § 327(a)

---

1. The retention of Cole Schotz as bankruptcy counsel to the Debtors is hereby authorized and approved on a final basis, effective as of the date of the commencement of these cases, pursuant to 11 U.S.C. § 327(a) and Bankruptcy Rule 2014.

2. Any and all compensation to be paid to Cole Schotz for services rendered on the Debtors' behalf shall be fixed by application to this Court in accordance with Sections 330 and 331 of the Bankruptcy Code and such Rules of Local and Federal Bankruptcy Procedure as may then be applicable, unless an alternate arrangement for interim compensation is authorized by the Court.

3. A true copy of this Order shall be served on all parties-in-interest within seven (7) days hereof.