



UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

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

In re:

TARRAGON CORPORATION, *et al.*,

Debtors-in-Possession.

Case No. 09-10555 (DHS)

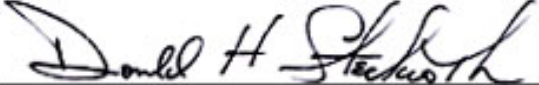
Chapter 11

Hearing Date: January 14, 2009

**FINAL ORDER: (I) AUTHORIZING THE DEBTORS TO (A) SATISFY, AND TO THE EXTENT APPLICABLE, DIRECT ADP AND ANY PAYROLL BANKS TO HONOR, PRE-PETITION GROSS SALARIES, PAYROLL TAXES AND RELATED EMPLOYEE BENEFIT OBLIGATIONS TO THE DEBTORS' EMPLOYEES, AND (B) HONOR, IN THEIR DISCRETION, PRE-PETITION SICK, VACATION AND PERSONAL DAYS; AND (II) GRANTING OTHER RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through five (5), is hereby **ORDERED**.

**DATED: 1/15/2009**

  
Honorable Donald H. Steckroth  
United States Bankruptcy Judge



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THIS MATTER having been opened to the Court by Cole, Schotz, Meisel, Forman & Leonard, P.A., proposed counsel for Tarragon Corporation, *et al.*, the within debtors and debtors-in-possession (collectively, the "Debtors"),<sup>1</sup> upon a motion for entry of an Emergency Order and Final Order: (i) authorizing the Debtors to (a) satisfy, and to the extent applicable, direct ADP and any payroll banks to honor, pre-petition gross salaries, payroll taxes and related employee benefit obligations to the Debtors' employees, and (b) honor, in their discretion, pre-petition sick, vacation and personal days; and (ii) granting other related relief (the "Motion");<sup>2</sup> and it appearing that good and sufficient notice of the Motion having been provided in accordance with the Order Regarding Application for Expedited Consideration of First Day Matters previously entered by the Court, as evidenced by the Affidavit of Service filed with the Court; and the Court

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<sup>1</sup> The Debtors are Tarragon Corporation, Tarragon Development Corporation, Tarragon South Development Corp., Tarragon Development Company LLC, Tarragon Management, Inc., Bermuda Island Tarragon LLC, Orion Towers Tarragon, LLP, Orlando Central Park Tarragon 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, Vista Lakes Tarragon, LLC, Murfreesboro Gateway Properties, LLC and Tarragon Stonecrest, LLC.

<sup>2</sup> All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Verified Application submitted in support of the Motion (the "Application")

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having considered all the motion papers, the opposition thereto, if any, and the arguments of counsel, if any; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estate and creditors and is necessary to avoid immediate and irreparable harm to the Debtors; and other good cause having been shown,

IT IS ORDERED as follows:

1. To the extent the relief set forth in this paragraph previously has not been approved by that Emergency Interim Order Authorizing the Debtors to Satisfy, and, to the Extent Applicable, Directing ADP and Any Payroll Banks to Honor, Certain Pre-Petition Gross Salaries and Payroll Taxes of their Employees Pending Hearing on "First Day" Motions entered by the Court on January 12, 2009, the Debtors hereby are authorized and empowered, but not directed, in their sole and absolute discretion, on a case by case basis, to satisfy in the ordinary course of business the Payroll Obligations including, but not limited to the Pre-Petition Payroll, Payroll Taxes and Reimbursement Obligations.

2. The Debtors hereby are authorized and empowered, but not directed, in their sole and absolute discretion, on a case by case basis, to honor the Employees' earned pre-petition personal days, sick time, vacation, and holiday pay (the "Total Benefit Days") by allowing the Employees to use, in the Debtors' sole discretion and consistent with the Debtors' policies and

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procedures, all or portions of their pre-petition Total Benefit Days post-petition in the ordinary course.

3. Notwithstanding the relief granted in the preceding paragraph, nothing herein shall be construed to create or impose any administrative expense liability on the Debtors with regard to the pre-petition Total Benefit Days or to obligate the Debtors to compensate their Employees for pre-petition Total Benefit Days in cash.

4. The relief granted herein shall not be deemed or construed as an assumption or an authorization to assume any of the employee compensation, benefits or reimbursement policies, plans, or programs of the Debtors or the Executive Agreements pursuant to Section 365 of the Bankruptcy Code.

5. Any and all financial institutions honoring the aforementioned obligations to the Debtors' Employees, including ADP, are authorized and directed to receive, process, honor and pay all checks, drafts, and automatic clearing house and wire transfers drawn on bank accounts of the Debtors or ADP to the extent authorized herein or directed by the Debtors, whether presented, drawn or issued before or after the commencement of the bankruptcy case for payment by the holder thereof, provided that sufficient funds, whether deposited prior to or subsequent to the commencement of the bankruptcy case, are in, or otherwise are available

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pursuant to the Debtors' cash management system to fund, the relevant bank accounts to cover and permit payment thereof.

6. The Debtors be and are hereby authorized (consistent with this Order) to issue post-petition checks (or electronic fund transfers) in payment of pre-petition obligations to their employees, including, but not limited, to wage garnishments, child support payments, and alimony, covered by a check that is dishonored or rejected as a consequence of the commencement of these bankruptcy cases.

7. The Debtors' proposed counsel shall serve a copy of this Order on all parties-in-interest by regular mail within seven (7) days hereof.