



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 No. 09-10555 (DHS)

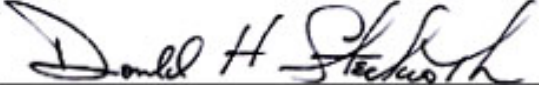
Hearing Date: January 14, 2009

Judge: Donald H. Steckroth

**ORDER AUTHORIZING THE DEBTORS AND THEIR NON-DEBTOR AFFILIATES  
TO CONTINUE TO SELL RESIDENTIAL INVENTORY IN THE ORDINARY  
COURSE OF BUSINESS AND TO CONTINUE TO TRANSFER THE SALE PROCEEDS  
IN ACCORDANCE WITH THEIR CASH MANAGEMENT SYSTEM**

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

**DATED: 1/15/2009**

  
Honorable Donald H. Steckroth  
United States Bankruptcy Judge



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Debtor: TARRAGON CORPORATION, *et al.*,  
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THIS MATTER having been opened to the Court by Cole, Schotz, Meisel, Forman & Leonard, P.A., proposed attorneys to Tarragon Corporation, *et al.*, the within debtors and debtors-in-possession (collectively, the “Debtors”),<sup>1</sup> upon motion for entry of an Order authorizing the Debtors and their non-debtor affiliates to continue to sell residential inventory in the ordinary course of business and to continue to transfer the sale proceeds in accordance with their cash management system (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 having considered all the motion papers, the opposition thereto, if any, and the arguments of counsel, if any; and the Court having

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

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determined that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and other good cause having been shown,

IT IS ORDERED as follows:

1. The Debtors and Non-Debtor Affiliates are authorized, but not directed, in the exercise of their business judgment to continue to close on the sale of Residential Inventory pursuant to the Pre-Petition Sales Contracts, perform all obligations under the Pre-Petition Sales Contracts and to take any other reasonable actions that may be necessary to effectuate closings under the Pre-Petition Sales Contracts including, but not limited to, the execution of Seller Affidavits.

2. The Debtors and Non-Debtor Affiliates are authorized, but not directed, to continue to enter into contracts post-petition for the sale of Residential Inventory and to sell Residential Inventory in the ordinary course of business and perform all obligations related thereto including, but not limited to, the execution of Seller Affidavits.

3. With regard to the Residential Inventory that is the collateral of a pre-petition lender, the Debtors are directed, pending further Order of the Court, to satisfy release prices, if any, and otherwise comply with any pre-petition loan documents of such pre-petition lender in connection with sales of such Residential Inventory.

4. The requirements set forth in Rule 6003(b) of the Federal Rules of Bankruptcy Procedure are satisfied by the contents of the Motion or otherwise deemed waived.

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5. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this order.

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