



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)

Judge: Donald H. Steckroth

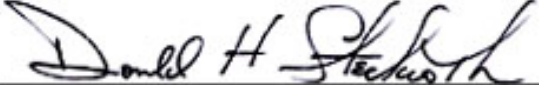
Chapter 11

Hearing Date: January 14, 2009

**ORDER: (A) GRANTING INTERIM RELIEF PURSUANT TO 11 U.S.C. § 366(b);
(B) AUTHORIZING THE PAYMENT OF ADEQUATE ASSURANCE FOR
POSTPETITION UTILITY SERVICES; (C) FIXING FINAL HEARING DATE TO
DETERMINE ADEQUATE ASSURANCE; AND (D) 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 Tarragon Corporation, *et al.*, the within debtors and debtors-in-possession (collectively, the “Debtors”)¹, by and through their proposed attorneys, Cole, Schotz, Meisel, Forman & Leonard, P.A., upon motion for entry of an Order: (a) granting interim relief pursuant to 11 U.S.C. § 366(b); (b) authorizing the payment of adequate assurance for postpetition utility services; (c) fixing final hearing date to determine adequate assurance; and (d) granting other related relief (the “Motion”)² and good and sufficient notice of the hearing on 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 the Motion, the opposition thereto, if any, and the arguments of counsel; and good cause appearing for the entry of this Order,

¹ 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.

² All capitalized terms shall have the meanings ascribed to them in the Verified Application submitted in support of the Motion.

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IT IS ORDERED as follows:

1. Except as set forth herein, within twenty (20) business days hereof, the Debtors shall pay a cash deposit equivalent to ten (10) days of utility service to each of the Utility Companies which shall constitute “adequate assurance of payment” under 11 U.S.C. § 366. Said deposits shall be applicable solely to Utility Services provided from and after the Filing Date and shall not be applied to any prepetition Utility Services.

2. The Deposits paid to Florida Power & Light and Progress Energy by Bermuda Island and Orlando Central Park, respectively, before the Filing Date, shall constitute “adequate assurance of payment” under 11 U.S.C. § 366. Bermuda Island and Orlando Central Park shall not be required to post any additional cash deposit to Florida Power & Light and Progress Energy. The Deposits shall be applicable solely to Utility Services provided from and after the Filing Date and shall not be applied to any prepetition Utility Services.

3. The Debtors shall pay on a timely basis, in accordance with prepetition practices, all undisputed invoices with respect to postpetition Utility Services.

4. A final hearing to consider entry of a final Order fixing the amount of adequate assurance to be paid to the Utility Companies shall be scheduled February 20, 2009, at 10:00 a.m. (the “Final Hearing Date”). Notwithstanding the Final Hearing Date, a Utility Company may seek an earlier hearing date by filing an application for entry of an order shortening time

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with this Court. The Debtors reserve all rights to oppose any request for a hearing on shortened time to consider the amount of adequate assurance to be paid to the Utility Companies.

5. Objections to the proposed adequate assurance amounts may be filed by the Utility Companies so as to be received by counsel to the Debtors no later than seven (7) days prior to the Final Hearing Date. In the event no objection are filed, this Order shall continue in full force and effect and shall be deemed a final Order without further notice or hearing in accordance with Federal Rules of Bankruptcy Procedure.

6. Absent any further Order of this Court, the Utility Companies are hereby enjoined through and including the date of the Final Hearing Date from: (a) altering, refusing, or discontinuing Utility Services to, or discriminating against, the Debtors; or (b) requiring the payment by the Debtors of any deposit or other security for Utility Services, except as provided for herein.

7. Within two (2) business days from the date hereof, the Debtors shall provide notice and a copy of this signed Order and the Motion by first class mail to the Utility Companies; provided further that for Utility Companies that may have been omitted from Exhibit "A" to the Debtors' Verified Application, the Debtors shall promptly provide notice of this Order upon learning of such Utility Company.

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8. Nothing in this Order or the Motion shall be deemed to constitute the postpetition assumption or adoption of any agreement pursuant to Section 365 of the Bankruptcy Code.

9. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

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