



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  
Court Plaza North  
25 Main Street  
P.O. Box 800  
Hackensack, NJ 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

In re:

TARRAGON CORPORATION, *et al.*

Debtors-in-Possession.

Case No. 09-10555 (DHS)

Judge: Donald H. Steckroth

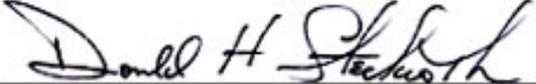
Chapter 11

Hearing Date: January 14, 2009

**ORDER AUTHORIZING THE DEBTORS' RETENTION AND COMPENSATION OF  
PROFESSIONALS UTILIZED BY THE DEBTORS IN ORDINARY COURSE OF  
BUSINESS**

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



(Page 2)

Debtors: TARRAGON CORPORATION, *et al.*  
Case No. 09-10555 (DHS)  
Caption of Order: ORDER AUTHORIZING THE DEBTORS' RETENTION AND  
COMPENSATION OF PROFESSIONALS UTILIZED BY THE  
DEBTORS IN THE ORDINARY COURSE OF BUSINESS

---

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> by and through their proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., upon motion for entry of an Order authorizing the Debtors' retention and compensation of professionals utilized by the Debtors in the ordinary course of business (the "Motion"); 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 moving papers, the opposition thereto, if any, and the arguments of counsel; and good cause appearing for the entry of this Order,

IT IS ORDERED as follows:

1. The Debtors are authorized, but not required, to retain and pay reasonable fees and expenses for the services of the Ordinary Course Professionals (as that term is defined in the Application submitted in support of the Motion (the "Application")) to assist and advise the

---

<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.

(Page 3)

Debtors: TARRAGON CORPORATION, *et al.*  
Case No. 09-10555 (DHS)  
Caption of Order: ORDER AUTHORIZING THE DEBTORS' RETENTION AND  
COMPENSATION OF PROFESSIONALS UTILIZED BY THE  
DEBTORS IN THE ORDINARY COURSE OF BUSINESS

---

Debtors in the operation of their business and to defend the Debtors in matters arising in the ordinary course of the Debtors' business.

2. The Debtors are authorized, but not required, to employ and pay reasonable fees and expenses for the services of Service Providers (as that term is defined in the Application).

3. The following procedures for the retention of Ordinary Course Professionals are hereby approved:

(a) The Debtors shall be authorized to pay, without formal application to the Court by an Ordinary Course Professional, 100% of fees and disbursements to each of the Ordinary Course Professionals retained by the Debtors upon (i) each Ordinary Course Professionals' submission of a Declaration of Disinterestedness (as defined below) and (ii) upon the submission of an appropriate invoice setting forth in reasonable detail the nature of the services rendered after the Filing Date; *provided, however,* that each Ordinary Course Professionals' fees excluding costs and disbursements, do not exceed \$50,000 per month on average over a rolling three-month period (the "Fee Cap") while these Chapter 11 cases are pending, *provided, however,* that the Office of the United States Trustee and the Official Committee of Unsecured Creditors shall have the right to object solely to the reasonableness of the Fee Cap by no later than February 24, 2009.

(b) Any payments to an Ordinary Course Professional in excess of the Fee Cap shall be subject to prior approval of the Court in accordance with Sections 330 and 331 of the Bankruptcy Code.

(c) Not later than twenty (20) days after the entry of this Order, each Ordinary Course Professional on the list annexed as Exhibit A shall file with the Court and serve upon (i) the Office of the United States Trustee for the District of New Jersey, (ii) counsel to the Official Committee of Unsecured Creditors, (iii) counsel to Arko Holdings, Ltd., the Debtors' post-petition lender and (iv) all parties that filed a Notice of Appearance in these cases (collectively, the

(Page 4)

Debtors: TARRAGON CORPORATION, *et al.*  
Case No. 09-10555 (DHS)  
Caption of Order: ORDER AUTHORIZING THE DEBTORS' RETENTION AND  
COMPENSATION OF PROFESSIONALS UTILIZED BY THE  
DEBTORS IN THE ORDINARY COURSE OF BUSINESS

---

“Notice Parties”) a declaration of disinterestedness substantially similar to the form annexed as **Exhibit B** to the Application (the “Declaration of Disinterestedness”).

(d) The Notice Parties shall have ten (10) days after the service of each Ordinary Course Professional’s Declaration of Disinterestedness (the “Objection Deadline”) to object to the retention of such Ordinary Course Professional. The objecting party shall serve any such objection on the Notice Parties and the respective Ordinary Course Professional on or before the Objection Deadline. If any such objection cannot be resolved within ten (10) days of its receipt, the matter shall be scheduled for hearing before the Court at the next regularly scheduled omnibus hearing date or other date otherwise agreed to by the parties. If no objection is received from any of the Notice Parties by the Objection Deadline, the Debtors shall be authorized as a final matter to retain and pay such Ordinary Course Professionals to whom an objection was not filed.

(e) Beginning on March 1, 2009, and on the first day of each quarter thereafter in which these Chapter 11 cases are pending, the Debtors shall file with the Court and serve on the Notice Parties a statement with respect to each Ordinary Course Professional paid during the immediately preceding three-month period. Each Ordinary Course Professional’s statement shall include the following information: (i) the name of the Ordinary Course Professional; (ii) the aggregate amount paid as compensation for services rendered and reimbursement of expenses incurred by that Ordinary Course Professional during the reported quarter and (iii) a general description of the services rendered by that Ordinary Course Professional.

(f) The Debtors reserve the right to supplement the list of Ordinary Course Professionals as necessary to add or remove Ordinary Course Professionals, without the need to file individual retention applications for newly added Ordinary Course Professionals. In such event, the Debtors propose to file a notice with the Court listing the additional Ordinary Course Professionals that the Debtors intend to employ (the “OCP Notice”) and to serve notice on the Notice Parties. Additionally, each additional

(Page 5)

Debtors: TARRAGON CORPORATION, *et al.*  
Case No. 09-10555 (DHS)  
Caption of Order: ORDER AUTHORIZING THE DEBTORS' RETENTION AND  
COMPENSATION OF PROFESSIONALS UTILIZED BY THE  
DEBTORS IN THE ORDINARY COURSE OF BUSINESS

---

Ordinary Course Professional listed on the OCP Notice shall serve a Declaration of Disinterestedness on the Notice Parties. If, within ten (10) days of service of the Declaration of Disinterestedness, no objections are filed to any such additional Ordinary Course Professional, then retention of the Ordinary Course Professionals shall be deemed approved by the Court without a hearing or further order.

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.

5. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062 or 9014, the terms and conditions of this order shall be immediately effective and enforceable upon its entry.

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.