

**COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD**
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

In re:

TARRAGON CORPORATION,

Debtor-in-Possession.

In re:

TARRAGON DEVELOPMENT
CORPORATION,

Debtor-in-Possession.

In re:

TARRAGON SOUTH DEVELOPMENT
CORP.,

Debtor-in-Possession.

In re:

TARRAGON DEVELOPMENT COMPANY
LLC,

Debtor-in-Possession.

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

Chapter 11

**NOTICE OF MOTION FOR AN ORDER
DIRECTING THE JOINT
ADMINISTRATION OF DEBTORS'
CHAPTER 11 CASES PURSUANT TO
FED. R. BANKR. P. 1015(b) AND
GRANTING OTHER RELATED RELIEF**

HEARING DATE AND TIME:
January ____, 2009, at __: __.m.

ORAL ARGUMENT REQUESTED



In re:

TARRAGON MANAGEMENT, INC.,
Debtor-in-Possession.

In re:

BERMUDA ISLAND TARRAGON LLC,
Debtor-in-Possession.

In re:

ORION TOWERS TARRAGON, LLP,
Debtor-in-Possession.

In re:

ORLANDO CENTRAL PARK TARRAGON
L.L.C.,
Debtor-in-Possession.

In re:

FENWICK PLANTATION TARRAGON
LLC,
Debtor-in-Possession.

In re:

ONE LAS OLAS, LTD.,
Debtor-in-Possession.

In re:

THE PARK DEVELOPMENT WEST, LLC,
Debtor-in-Possession.

In re:

800 MADISON STREET URBAN
RENEWAL, LLC,

Debtor-in-Possession.

In re:

900 MONROE DEVELOPMENT LLC,

Debtor-in-Possession.

In re:

BLOCK 88 DEVELOPMENT, LLC,

Debtor-in-Possession.

In re:

CENTRAL SQUARE TARRAGON LLC,

Debtor-in-Possession.

In re:

CHARLESTON TARRAGON MANAGER,
LLC,

Debtor-in-Possession.

In re:

OMNI EQUITIES CORPORATION,

Debtor-in-Possession.

In re:

TARRAGON EDGEWATER
ASSOCIATES, LLC,

Debtor-in-Possession.

In re:

THE PARK DEVELOPMENT EAST, LLC,
Debtor-in-Possession.

In re:

VISTA LAKES TARRAGON, LLC,
Debtor-in-Possession.

TO: All Parties-in-Interest

PLEASE TAKE NOTICE that pursuant to an Order Regarding Application For Expedited Consideration of First Day Matters served herewith, on the ___ day of January, 2009, at ____ .m., or as soon thereafter as counsel may be heard, the undersigned, proposed attorneys for 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, and Vista Lakes Tarragon, LLC, the within debtors and debtors-in-possession (collectively, the “Debtors”), shall move before the assigned United States Bankruptcy Judge, at the United States Bankruptcy Court, Martin Luther King, Jr. Federal Building, 50 Walnut Street, Third Floor, Newark, New Jersey, 07102, for entry of an Order directing the joint administration of the Debtors’ Chapter 11 cases pursuant to Fed. R. Bankr. P. 1015(b) (the “Motion”) .

PLEASE TAKE FURTHER NOTICE that in support of the Motion, the undersigned shall rely on the Affidavit of William S. Friedman, and the accompanying Application, which collectively set forth the relevant factual and legal bases upon which the relief requested should be granted. A proposed Order granting the relief requested in the Motion is also being submitted.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Motion shall be presented in accordance with the Order Regarding Application for Expedited Consideration of First Day Matters.

PLEASE TAKE FURTHER NOTICE that unless objections are timely presented, the Motion shall be deemed uncontested in accordance with D.N.J. LBR 9013-1(a) and the relief requested may be granted without a hearing.

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UNITED STATES BANKRUPTCY COURT
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Chapter 11

**APPLICATION IN SUPPORT OF
MOTION FOR AN ORDER DIRECTING
THE JOINT ADMINISTRATION OF
DEBTORS' CHAPTER 11 CASES
PURSUANT TO FED. R. BANKR. P. 1015(b)
AND GRANTING OTHER RELATED
RELIEF**

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In re:

THE PARK DEVELOPMENT EAST LLC,
Debtor-in-Possession.

In re:

VISTA LAKES TARRAGON, LLC,
Debtor-in-Possession.

TO: Honorable Judge of the
United States Bankruptcy Court

The Application of Tarragon Corporation (“Tarragon Corp.”), Tarragon Development Corporation (“Tarragon Dev. Corp”), Tarragon South Development Corp. (“Tarragon South Dev. Corp.”), Tarragon Development Company LLC (“Tarragon Dev. Co. LLC”), Tarragon Management, Inc. (“TMI”), Bermuda Island Tarragon LLC (“Bermuda Island”), Orion Towers Tarragon, LLP (“Orion”), Orlando Central Park Tarragon LLC (“Orlando Central”), Fenwick Plantation Tarragon LLC (“Fenwick”), One Las Olas, Ltd. (“Las Olas”), The Park Development West LLC (“Trio West”), 800 Madison Street Urban Renewal, LLC (“800 Madison”), 900 Monroe Development LLC (“900 Monroe”), Block 88 Development, LLC (“Block 88”), Central

Square Tarragon LLC (“Central Square”), Charleston Tarragon Manager, LLC (“Charleston Tarragon”), Omni Equities Corporation (“Omni Equities”), Tarragon Edgewater Associates, LLC (“Tarragon Edgewater”), The Park Development East LLC (“Trio East”) and Vista Lakes Tarragon, LLC (“Vista Lakes”), the within debtors and debtors-in-possession (collectively, the “Debtors”), by and through their proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., respectfully represent:

I. INTRODUCTION AND JURISDICTION

1. This Application seeks entry of an Order directing the joint administration of the Debtors’ Chapter 11 cases pursuant to Fed. R. Bankr. P. 1015(b) (the “Motion”).
2. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 1334 and 157(b). This is a “core” proceeding pursuant to 28 U.S.C. § 157(b)(2)(a).
3. Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).

II. BACKGROUND

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

5. A detailed description of the Debtors’ businesses and the facts precipitating the filing of the Debtors’ Chapter 11 proceedings is set forth in the Affidavit of William S. Friedman (the “Friedman Affidavit”). Those facts are incorporated herein by reference.

III. RELIEF REQUESTED AND BASIS THEREFOR

6. The Debtors respectfully request entry of an Order directing that their Chapter 11 cases be jointly administered pursuant to Fed. R. Bankr. P. 1015(b). As set forth herein, each of

the Debtors are “affiliates” of each other within the meaning of 11 U.S.C. § 101(2)(B). Moreover, as detailed below, joint administration will result in a more economical and efficient administration of these Chapter 11 cases than would be achieved if each of the Debtors’ Chapter 11 proceedings were administered separately.

7. Rule 1015 of the Federal Rules of Bankruptcy Procedure governs the joint administration of Chapter 11 cases. That rule provides in pertinent part:

(b) Case Involving Two or More Related Debtors. If a joint petition or two or more petitions are pending in the same court by or against . . . (4) a debtor and an affiliate, the court may order a joint administration of the estates. Prior to entering an order the court shall give consideration to protecting creditors of different estates against potential conflicts of interest.

Fed. R. Bankr. P. 1015(b).

8. The Advisory Committee Note to Rule 1015 recognizes that the joint administration of bankruptcy cases can promote expedience and cost-efficiency by “using a single docket for the matters occurring in the administration, including the listing of filed claims, the combining of notices to creditors of the different estates, and the joint handling of other purely administrative matters[.]” Advisory Committee Note to Fed. R. Bankr. P. 1015(b).

9. Joint administration is particularly appropriate when an affiliated group of corporations files for bankruptcy relief. See 9 Collier on Bankruptcy, 1015.03, p. 1015-6 (15th ed. rev. 1999). Where closely related corporations file for relief under Chapter 11, “the success of one affiliate’s reorganization effort may depend largely on the success of the other affiliate’s efforts.” Id.

10. The term “affiliate” is defined broadly in the Bankruptcy Code. Section 101(2) of the Bankruptcy Code defines an affiliate as:

(A) [an] entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor...[or]

(B) [a] corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor, or by an entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor.

11 U.S.C. § 101(2).

11. That broad definition of affiliate is designed “to help the Bankruptcy Court to administer economically and efficiently different estates with substantial interests in common.”

In re A&S Transp. Co., Inc., 55 B.R. 786, 791 (Bankr. M.D. Tenn. 1982) (quoting In re Brookhollow Assocs., 435 F.Supp. 763, 766 (D. Mass. 1977), aff’d, 575 F.2d 1003 (1st Cir. 1978)).

12. As set forth in the organizational chart annexed as Exhibit A to the Friedman Affidavit, Tarragon Corp. owns 100% of the equity interests in all of the Debtors, except Block 88. Specifically, Tarragon Corp. directly owns 100% of the interests in Tarragon Dev. Corp., Tarragon South Dev. Corp., TMI, Bermuda Island, Orlando Central, Central Square and Vista Lakes. Tarragon Corp. also owns (a) 81.53% of Tarragon Dev. Co. LLC, (b) 100% of River House Tarragon LLC, the 99% owner of Las Olas, (c) 40% of Block 88, and (d) 87.5% of 900 Monroe. Block 88, in turn, owns 100% of 800 Madison.

13. Tarragon Dev. Corp. owns (a) 99% of the interest in Fenwick, (b) 100% of the interest in Charleston Tarragon, (c) 100% of the interest in Tarragon Edgewater, and (d) 30% of the interest in Block 88. Tarragon Dev. Corp. also owns (a) 100% of the interest in Palisades Park West Tarragon LLC, the 100% owner of Trio West and (b) 100% of Palisades Park East Tarragon LLC, the 100% owner of Trio East.

14. Tarragon South Dev. Corp. owns (a) 100% of Orion Tarragon LP, Inc. and Orion Tarragon GP, Inc., the 69.9% and .10% owner of Orion, respectively, and (b) 100% of Omni Equities.

15. Based on the foregoing, the Debtors clearly are “affiliates” under the Bankruptcy Code, and their bankruptcy cases are appropriate for joint administration under Fed. R. Bankr. P. 1015(b). The Debtors believe joint administration of their Chapter 11 cases will allow the cases to be administered more efficiently, expeditiously and economically, and will not prejudice any creditors of the Debtors’ individual estates. Accordingly, the Debtors respectfully submit that joint administration of the within Chapter 11 cases pursuant to Federal Rule of Bankruptcy Procedure 1015 is necessary and appropriate.

WHEREFORE, the Debtors respectfully request that the Court enter the accompanying Order directing that their Chapter 11 cases be jointly administered.

Respectfully submitted,

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.
Proposed Attorneys for Tarragon Corporation
et al., Debtors-in Possession

By: /s/ Warren A. Usatine
Michael D. Sirota
Warren A. Usatine

DATED: January 12, 2009

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

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

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In re:

TARRAGON CORPORATION,

Debtor-in-Possession.

Judge:
Chapter 11
Hearing Date: January __, 2009

In re:

TARRAGON DEVELOPMENT CORPORATION,

Debtor-in-Possession.

Case Nos. 09-

In re:

TARRAGON SOUTH DEVELOPMENT CORP.,

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In re:

VISTA LAKES TARRAGON, LLC,

Debtor-in-Possession.

**ORDER DIRECTING JOINT ADMINISTRATION OF THE DEBTORS' CHAPTER 11
CASES PURSUANT TO FED. R. BANKR. P. 1015(b)**

The relief set forth on the following pages, numbered five (5) and six (6), is hereby **ORDERED**.

(Page 5)

Debtors: TARRAGON CORPORATION, *et al.*
Case Nos. 09-
Caption of Order: ORDER DIRECTING JOINT ADMINISTRATION OF THE DEBTORS'
CHAPTER 11 CASES PURSUANT TO FED. R. BANKR. 1015(b)

THIS MATTER having been opened to the Court by Tarragon Corporation, Tarragon Development Corporation, Tarragon South Development Corp., Tarragon Development Company LLC, Tarragon Management, Inc., Bermuda Island Tarragon LLC, Orion Towers Tarragon, LLP, Mohegan Hill Development Company LLC, 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 and Vista Lakes Tarragon, LLC, the within debtors and debtors-in-possession (collectively, the “Debtors”), by and through their proposed counsel, Cole, Schotz, Meisel, Forman & Leonard, P.A., upon motion for entry of an Order directing joint administration of the Debtors’ Chapter 11 cases pursuant to Fed. R. Bankr. P. 1015(b) (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’ Chapter 11 cases shall be jointly administered.
2. The caption of the Debtors’ jointly administered cases shall read:

(Page 6)

Debtors: TARRAGON CORPORATION, *et al.*
Case Nos. 09-
Caption of Order: ORDER DIRECTING JOINT ADMINISTRATION OF THE DEBTORS'
CHAPTER 11 CASES PURSUANT TO FED. R. BANKR. 1015(b)

In re:

TARRAGON CORPORATION, *et al.*,

Debtors-in-Possession.

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
HONORABLE
CASE NO. _____

Chapter 11
(Jointly Administered)

3. An entry on the docket for each of the Debtors' cases shall be made noting that the cases are being jointly administered and that parties should consult the docket for Case No. _____ for all matters relevant to the within jointly-administered cases.

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