



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
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)

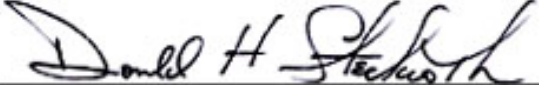
Hearing Date: January 14, 2009

Judge: Donald H. Steckroth

ORDER: (A) AUTHORIZING THE DEBTORS TO CONTINUE USING THEIR EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND BUSINESS FORMS; (B) AUTHORIZING CONTINUED INTERCOMPANY ARRANGEMENTS AND HISTORICAL PRACTICES; AND (C) WAIVING COMPLIANCE WITH INVESTMENT GUIDELINES UNDER 11 U.S.C. § 345(b)

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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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”),¹ upon motion for entry of an Order: (a) authorizing the Debtors to continue using their existing cash management system, bank accounts and business forms; (b) authorizing continued intercompany arrangements and historical practices; (c) waiving compliance with investment guidelines under 11 U.S.C. § 345(b) (the “Motion”); 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 determined that the relief requested in the

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.

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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 are hereby authorized, on an interim basis for the next sixty (60) days, to maintain, in their sole discretion, the Cash Management System² and the Bank Accounts set forth on Exhibit A to Application, instead of opening debtor-in-possession accounts.

2. The Debtors are hereby authorized to continue performing under and honoring their respective obligations and commitments in Intercompany Transactions in the ordinary course of business, including the payment of invoices of non-debtor affiliated entities relating to the pre-Filing Date period.

3. The Debtors are hereby authorized to refund tenant security deposits in the ordinary course of business.

4. The requirements of 11 U.S.C. § 345(b) are hereby waived, on an interim basis for the next sixty (60) days.

² Capitalized terms not otherwise defined in this Order shall have the meaning ascribed in the Verified Application submitted in support of the Motion (the “Application”).

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5. If the Office of the United States Trustee (“UST”) does not file a written objection within sixty (60) days from the date hereof, the Debtors shall be authorized to maintain and utilize the Cash Management System and Bank Accounts on a permanent basis, without compliance with the investment guidelines set forth in 11 U.S.C. § 345(b). If the UST files a written objection within the sixty (60) day period, the Court will schedule the matter for a hearing. In such event, the Debtors shall be authorized to maintain the Cash Management System and Bank Accounts, and shall be excused from opening debtor-in-possession accounts, pending further Order of the Court.

6. If the Debtors open any new bank or other accounts, they shall provide the UST with notice of same within seven (7) days thereof. The UST shall have sixty (60) days to object thereto.

7. The Debtors are authorized to continue using their existing Business Forms without alteration or change. In the event the Debtors purchase new Business Forms during the pendency of the Chapter 11 cases, such forms shall include a legend referring to the Debtors’ status as a debtor-in-possession.

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