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In re:

TARRAGON CORPORATION, *et al.*,

Debtors-in-Possession.

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY  
HONORABLE DONALD H. STECKROTH  
CASE NO. 09-10555 (DHS)

Chapter 11

**(Jointly Administered)**

**SECOND AMENDED AND RESTATED JOINT PLAN OF REORGANIZATION**  
**UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

Dated: May 11, 2010



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## INTRODUCTION TO PLAN

Tarragon Corporation (“Tarragon Corp.”) and its affiliated debtors, as the debtors and debtors-in-possession in the above-captioned Chapter 11 Cases, propose the following Second Amended Plan of Reorganization pursuant to Chapter 11 of the Bankruptcy Code.

On January 12, 2009, Tarragon Corp. and certain of its affiliates (collectively, the “January 12, 2009 Debtors”) filed petitions for relief under the Bankruptcy Code. In addition to Tarragon Corp., the affiliated entities that filed for Chapter 11 protection on January 12, 2009 were: Tarragon Development Corporation (“Tarragon Dev. Corp.”), Tarragon South Development Corp. (“Tarragon South”), Tarragon Development Company LLC (“Tarragon Dev. LLC”), Tarragon Management, Inc. (“TMI”), Bermuda Island Tarragon LLC (“Bermuda Island”), Orion Towers Tarragon, LLP (“Orion”), Orlando Central Park Tarragon L.L.C. (“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”), Omni Equities Corporation (“Omni”), Tarragon Edgewater Associates, LLC (“Tarragon Edgewater”), The Park Development East LLC (“Trio East”), and Vista Lakes Tarragon, LLC (“Vista”).

On January 13, 2009, Murfreesboro Gateway Properties, LLC (“Murfreesboro”) and Tarragon Stonecrest, LLC (“Stonecrest,” and together with Murfreesboro, the “January 13, 2009 Debtors”) filed petitions for Chapter 11 bankruptcy protection as well. Finally, on February 5, 2009, Tarragon Stratford, Inc. (“Stratford”), MSCP, Inc. (“MSCP”) and TDC Hanover Holdings LLC (“Hanover” and collectively with Stratford and MSCP, the “February 5, 2009 Debtors”, and

together with the January 12, 2009 Debtors and the January 13, 2009 Debtors, the “Debtors “) filed their petitions for Chapter 11 bankruptcy protection.

This document is the Plan proposed by the Debtors. Filed contemporaneously with this Plan is the Debtors’ Disclosure Statement, which is provided to help you understand this Plan.<sup>1</sup> The Disclosure Statement contains, among other things, a discussion of the Debtors’ history, a description of the Debtors’ business, a summary of the material events that have occurred during the Chapter 11 proceedings and a summary of the Plan.

THE DEBTORS URGE ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY. NO SOLICITATION MATERIALS OTHER THAN THE DISCLOSURE STATEMENT AND ANY DOCUMENTS, SCHEDULES, EXHIBITS OR LETTERS ATTACHED THERETO OR REFERENCED THEREIN HAVE BEEN AUTHORIZED BY THE DEBTORS OR THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

The Distributions to be made to Holders of Claims and Interests, in each of the Classes of Claims and Equity Interests for the Debtor, are set forth in Article II herein.

## **ARTICLE I.**

### **RULES OF INTERPRETATION, COMPUTATION OF TIME AND DEFINED TERMS**

#### **Rules of Interpretation**

For purposes of interpreting the Plan: (i) any reference herein to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular

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<sup>1</sup>If you would like a copy of the Disclosure Statement sent to you at the Debtors’ expense, please make such request in writing to Cole, Schotz, Meisel, Forman & Leonard P.A., c/o Frances Pisano, 25 Main Street, Hackensack, New Jersey 07601, or email to fpisano@coleschotz.com.

terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (ii) any reference herein to an existing document or exhibit filed, or to be filed, shall mean such document or exhibit, as it may have been or may be amended, modified or supplemented from time to time; (iii) unless otherwise specified, all references herein to articles and sections are references to articles and sections of this Plan; (iv) the words “herein,” “hereof,” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (v) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (vi) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (vii) all exhibits to this Plan are incorporated into this Plan, and shall be deemed to be included in this Plan, regardless of when filed with the Bankruptcy Court; and (viii) whenever a distribution of property is required to be made on a particular date, the distribution shall be made on such date, or as soon as practicable thereafter.

1.1. Computation of Time

In computing any period of time prescribed or allowed hereby, the provisions of Bankruptcy Rule 9006(a) shall apply.

1.2. Defined Terms

For purposes of this Plan, unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them below. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or Bankruptcy Rules, as applicable.

1.3. “800 Madison Property” shall mean that certain real property and all improvements thereon commonly known and referred to as 800 Madison Street, Hoboken, New Jersey.

1.4. “Administrative Expense Claim” means any right to payment constituting a cost or expense of administration of the Chapter 11 Cases under sections 503(b) and 507(a)(2) of the Bankruptcy Code including, without limitation, any Claims arising under the UTA Term Loan, Section 503(b)(9) Administrative Claims, any actual and necessary costs and expenses of preserving the Estate of any Debtor, any actual and necessary costs and expenses of operating the business of the Debtors, any indebtedness or obligations incurred or assumed by the Debtors-in-Possession in connection with the conduct of its business including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation and reimbursement of expenses to the extent Allowed by the Bankruptcy Court under section 330 or 503(b) of the Bankruptcy Code, and any fees or charges assessed against the Estates of the Debtors under section 1930 of chapter 123 of Title 28 of the United States Code.

1.5. “Administrative Expense Claim Bar Date” means the date fixed by an Order of the Bankruptcy Court, by which all applications or requests for treatment of an Administrative Expense Claim as an Allowed Administrative Expense Claim, other than (i) Administrative Expense Claims of Professionals retained pursuant to Sections 327, 328 or 1103 of the Bankruptcy Code, (ii) all fees payable and unpaid pursuant to 28 U.S.C. § 1930, (iii) a liability incurred and payable in the ordinary course of business by any Debtor (and not past due); (iv) Administrative Expense Claims of all employees (other than insiders as that term is defined in section 101(31) of the Bankruptcy Code) that are or were employed by the Debtors as of January

12, 2009, including claims for wages, salaries and commissions and for accrued but unused vacation, sick or personal days of such employees; (v) any Administrative Expense Claims that have already been paid by the Debtors; and (vi) Section 503(b)(9) Administrative Claims, must be filed with the Bankruptcy Court.

1.6. “Affiliate” shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

1.7. “Affiliate Notes” means certain promissory notes dated January 7, 2008 in the approximate amount of \$40 million given by Tarragon Corp. to Beachwold Partners, L.P. and Robert P. Rothenberg.

1.8. “Affiliated Debt Holders” shall collectively mean Beachwold Partners L.P. and Robert Rothenberg.

1.9. “Allowed” means, with reference to any Claim or Equity Interest, proof of which was timely and properly filed or, if no proof of a Claim or Equity Interest was filed, which has been or hereafter is listed by the Debtors in their Schedules, as liquidated in amount and not disputed or contingent and, in each case, as to which: (i) no objection to allowance has been interposed within the applicable period fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (ii) an objection has been interposed and such Claim has been allowed, in whole or in part, by a Final Order; provided, however, that any Claims allowed solely for the purpose of voting to accept or reject this Plan pursuant to an Order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder. Unless otherwise specified herein or by Order of the Bankruptcy Court, “Allowed Administrative Expense Claim,” or “Allowed Claim,” shall not, for purposes of computation of distributions under this Plan, include interest on such Administrative Expense Claim or Claim from and after the Commencement Date. The

allowance of Equity Interests in Block 88 and 800 Madison and Intercompany Claims against Block 88 and 800 Madison (as defined in the Block 88/800 Madison Stipulation and Order) shall be determined in accordance with the Block 88 Dispute Resolution Provisions.

1.10. “Ansonia” means Ansonia LLC.

1.11. “Ansonia LP” means Ansonia Apartments, L.P., a Delaware limited partnership.

1.12. “Ansonia Properties” shall mean those properties owned by certain subsidiaries of Ansonia LP and Tarragon which are encumbered by the GECC Ansonia Loan.

1.13. “Assets” means all assets and property (real, personal and mixed) of the Estates of the Debtors, regardless of whether reflected in the financial records of the Debtors or on the Schedules, including but not limited to: equipment, Cash, deposits, refunds, rebates, abatements, fixtures, real property interests, contractual interests, intangibles, Claims, Causes of Action, suits, setoffs, recoupments, equitable or legal rights, interests and remedies.

1.14. “Avoidance Actions” means any and all Causes of Action that any Debtor may assert under Chapter 5 of the Bankruptcy Code or any similar applicable law, regardless of whether or not such Causes of Action are commenced as of the Effective Date

1.15. “Ballot” means each of the ballot forms distributed by the Debtors to each member of an impaired Class entitled to vote under Article II hereof in connection with the solicitation of acceptances or rejections of the Plan.

1.16. “Bankruptcy Code” means Title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

1.17. “Bankruptcy Court” means the United States Bankruptcy Court for the District of New Jersey, having jurisdiction over the Chapter 11 Cases, or if such Court ceases to exercise jurisdiction over the Chapter 11 Cases, such court or adjunct thereof that exercises jurisdiction



over the Chapter 11 Cases in lieu of the United States Bankruptcy Court for the District of New Jersey.

1.18. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of Title 28 of the United States Code, and any Local Rules of the Bankruptcy Court, as amended from time to time, and as applicable to the Chapter 11 Cases.

1.19. “Bar Date” means May 4, 2009, the last date fixed by an order of the Bankruptcy Court for Creditors and Governmental Units, respectively, to file proofs of Claim in the Chapter 11 Cases.

1.20. “Beachwold” shall mean Beachwold Partners, L.P.

1.21. “Block 88 Dispute Resolution Provisions” shall mean the dispute resolution provision of Article XVI of the Block 88 Operating Agreement, and is intended to have the same meaning as the term “Dispute Resolution Provisions” as such term is defined in the Block 88/800 Madison Stipulation and Order.

1.22. “Block 88 Operating Agreement” shall mean that certain Block 88 Development, LLC Operating Agreement dated effective as of December 6, 2002.

1.23. “Block 88/800 Madison Stipulation and Order” shall mean that certain Stipulation and Consent Order Resolving Objection of Mia M. Macri Irrevocable Living Trust (“Macri Trust”) and Frank Raia (“Raia”) to the Debtors’ Motion: (A) for an Order Approving a Settlement Agreement with BofA Pursuant to Fed. R. Bankr. P. 9019; (B) for a Final Order (I) Approving Post-Petition Financing for 800 Madison Street Urban Renewal LLC, (II) Granting Liens and Superpriority Administrative Expense Status Pursuant to 11 U.S.C. §§ 363 and 364 and (III) Modifying Automatic Stay Pursuant to 11 U.S.C. § 362; and

(C) Granting Related Relief, as entered by the Bankruptcy Court on October 14, 2009 as Docket No. 1151.

1.24. “BofA” shall mean Bank of America, N.A.

1.25. “BofA 800 Madison DIP Loan” shall mean the post-petition financing provided by BofA to 800 Madison approved by Final Order of the Bankruptcy Court entered on October 14, 2009.

1.26. “BofA Documents” means collectively (i) the Block 88/800 Madison Stipulation and Order, (ii) the BofA Settlement Agreement and the BofA Settlement Approval Order, (iii) that certain Final Order (A) Authorizing 800 Madison Street Urban Renewal, LLC to Obtain Post-Petition Financing and Grant Liens, Security Interests and Superpriority Administrative Claims Pursuant to 11 U.S.C. § 364(c) and (d); (B) Granting Adequate Protection; (C) Modifying the Automatic Stay Pursuant to 11 U.S.C. § 362; and (D) Granting Related Relief, as entered by the Bankruptcy Court on October 14, 2009, and (iv) that certain Super-Priority Debtor in Possession Building Loan Agreement, dated as of August 20, 2009, by and among 800 Madison and BofA.

1.27. “BofA Guaranty” shall mean the Guaranty made as of August 20, 2009 by Tarragon Corp. and Tarragon Dev. Corp. and all documents related thereto in favor of BofA in connection with the BofA Settlement Agreement.

1.28. “BofA Settlement Agreement” shall mean the Settlement Agreement entered on August 20, 2009 between certain Debtors and BofA, and all documents related thereto, as approved by the BofA Settlement Approval Order.

1.29. “BofA Settlement Approval Order” shall mean that certain Order Pursuant to Fed. R. Bankr.P.9019 Approving Settlement and Entry into a Settlement Agreement with BofA, as entered by the Bankruptcy Court on October 14, 2009 as Docket No. 1152.

1.30. “Borrowers” shall having the meaning set forth in the Term Loan.

1.31. “Business Day” means any day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

1.32. “Cash” means legal tender of the United States of America or the equivalent thereof, including bank deposits, checks and wire transfers.

1.33. “Causes of Action” means any and all causes of action, grievances, arbitrations, actions, suits, demands, demand letters, Claims, complaints, notices of non-compliance or violation, enforcement actions, investigations or proceedings of the Debtors and/or their Estates that are or may be pending on the Effective Date or that could be instituted or prosecuted by the Debtors.

1.34. “Chapter 11 Cases” means the cases under Chapter 11 of the Bankruptcy Code commenced by (i) the following Debtors on January 12, 2009: Tarragon Corp., Tarragon Dev. Corp., Tarragon South, Tarragon Dev. LLC, TMI, Bermuda Island, Orion, Orlando Central, Fenwick, Las Olas, Trio West, 800 Madison, 900 Monroe, Block 88, Central Square, Charleston, Omni, Tarragon Edgewater, Trio East, and Vista; (ii) the following Debtors on January 13, 2009: Murfreesboro and Stonecrest; and (iii) the following Debtors on February 5, 2009: Stratford, MSCP and Hanover.

1.35. “Claim” shall mean a “claim” against any Debtor, as that term is defined in section 101(5) of the Bankruptcy Code.

1.36. “Class” means any group of substantially similar Claims or Equity Interests classified by this Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

1.37. “Clerk” means the clerk of the Bankruptcy Court.

1.38. “Closing Date” means the date on which the transactions with Reorganized Tarragon and New Ansonia as set forth in this Plan are consummated.

1.39. “Collateral” means any property or interest in property of the Estate of any Debtor subject to a lien, charge, or other encumbrance to secure the payment or performance of a Claim, which lien, charge or other, encumbrance is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code.

1.40. “Commencement Date” means January 12, 2009 with respect to the January 12, 2009 Debtors, January 13, 2009 with respect to the January 13, 2009 Debtors, and February 5, 2009 with respect to the February 5, 2009 Debtors, the respective dates on which the Debtors commenced their Chapter 11 Cases.

1.41. “Confirmation Date” means the date upon which the Bankruptcy Court enters the Confirmation Order on its docket.

1.42. “Confirmation Hearing” means the duly noticed hearing to be held in accordance with section 1128(a) of the Bankruptcy Code at which confirmation of this Plan is considered by the Bankruptcy Court, as such hearing may be adjourned or continued from time to time.

1.43. “Confirmation Order” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

1.44. “Credit Agreement” means that certain Secured, Super-Priority Debtor-in-Possession and Exit Financing Credit and Security Agreement dated as of March 24, 2010, by and among the Borrowers and UTA, as Lender.

1.45. “Creditor” means any Person that is the Holder of a Claim against a Debtor or Debtors.

1.46. “Creditors’ Committee” means the statutory committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

1.47. “Cure” means with respect to the assumption of an Executory Contract or unexpired lease pursuant to Section 365(b) of the Bankruptcy Code, (i) the distribution of Cash, or the distribution of such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties under an Executory Contract or unexpired lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law or (ii) the taking of such other actions as may be agreed upon by the parties or ordered by the Bankruptcy Court.

1.48. “Debtors” has the meaning set forth in the Introduction to the Plan.

1.49. “Debtors-in-Possession” means the Debtors in their capacity as debtors-in-possession in the Chapter 11 Cases pursuant to sections 1101, 1107(a) and 1108 of the Bankruptcy Code.

1.50. “Deferred Confirmation Expenses” shall mean, to the extent not already paid on or before the Effective Date of the Plan, (i) all Allowed Administrative and Priority Claims in the Chapter 11 Cases of Tarragon Corp., Tarragon Dev. Corp., Tarragon Dev. LLC and Tarragon South, including any fees and expenses of Professionals and all costs associated with the Tarragon Creditor Entity, except as otherwise specifically set forth herein or in the Credit Agreement, and (ii) all pre-confirmation and post-confirmation fees due to the Office of the UST.

1.51. “Disbursing Agent” means either (i) Reorganized Tarragon with respect to any Distributions that are to be made pursuant to the Plan for Allowed Administrative Expense Claims and Priority Claims, (ii) Reorganized Tarragon with respect to any Distributions that are to be made pursuant to the BofA Settlement Agreement, the BofA Settlement Approval Order and/or the Block 88 Operating Agreement to Holders of Allowed Claims against or Equity Interests in 800 Madison or Block 88, or (iii) the Tarragon Creditor Entity or Reorganized Tarragon, as applicable, with respect to all other Distributions that are to be made pursuant to the Plan.

1.52. “Disclosure Statement” means the Debtors’ Second Amended and Restated Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code relating to this Plan including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

1.53. “Disputed” means, with reference to any Claim or Equity Interest, any Claim or Equity Interest proof of which was timely and properly filed and that has been or hereafter is listed on the Schedules as unliquidated, disputed or contingent and, in either case, or in the case of an Administrative Expense Claim, any Administrative Expense Claim, Claim or Equity Interest which is disputed under this Plan or as to which any of the Debtors or, if not prohibited by this Plan, any other party in interest has interposed a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, and any Claim or Equity Interest proof of which was required to be filed by Order of the Bankruptcy Court but as to which a proof of claim or interest was not timely or properly filed. With reference to the Equity Interests in Block 88 or 800 Madison and Intercompany Claims

against Block 88 and 800 Madison (as defined in the Block 88/800 Madison Stipulation and Order), whether such Equity Interests and Intercompany Claims are disputed shall be determined and resolved in accordance with the Block 88/800 Madison Stipulation and Order and the Block 88 Dispute Resolution Provisions.

1.54. “Disputed Claim” means that portion (including, when appropriate, the whole) of a Claim to which an objection has been filed by the applicable deadline for bringing such objection and which objection has not been resolved in accordance with the procedures set forth in this Plan. To the extent that a Disputed Claim might refer to the Equity Interests in Block 88 or 800 Madison or Intercompany Claims against Block 88 or 800 Madison (as defined in the Block 88/800 Madison Stipulation and Order), such Equity Interests and Intercompany Claims shall be determined and resolved in accordance with the Block 88/800 Madison Stipulation and Order and the Block 88 Dispute Resolution Provisions. To the extent that a Disputed Claim might refer to the Equity Interests in any of the Ursa LLCs or Intercompany Claims against an Ursa LLC, such Equity Interests and Intercompany Claims shall be determined and resolved in accordance with the Ursa Documents and the Ursa Dispute Resolution Provisions.

1.55. “Disputed Claim Amount” means the amount set forth in the proof of Claim relating to a Disputed Claim or, if an amount is estimated with respect to a Disputed Claim in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, the amount so estimated pursuant to an Order of the Bankruptcy Court. To the extent that a Disputed Claim Amount might refer to the Equity Interests in Block 88 or 800 Madison or Intercompany Claims against Block 88 and 800 Madison (as defined in the Block 88/800 Madison Stipulation and Order), such Equity Interests and Intercompany Claims shall be determined and resolved in accordance with the Block 88/800 Madison Stipulation and Order and the Block 88 Dispute

Resolution Provisions. To the extent that a Disputed Claim might refer to the Equity Interests in any of the Ursa LLCs or Intercompany Claims against an Ursa LLC, such Equity Interests and Intercompany Claims shall be determined and resolved in accordance with the Ursa Documents and the Ursa Dispute Resolution Provisions.

1.56. “Distribution” means any distribution by Reorganized Tarragon or the Tarragon Creditor Entity, as applicable, to the Holders of Allowed Claims and Holders of Allowed Equity Interests as of the Commencement Date.

1.57. “Docket” means the dockets in the Chapter 11 Cases maintained by the Clerk of the Bankruptcy Court.

1.58. “Effective Date” means the date which is (i) at least one (1) day after the Confirmation Order becomes a Final Order, and (ii) all conditions to the Effective Date as set forth in Article 9.2 of this Plan have been satisfied or, if waivable, waived.

1.59. “Entity” means an entity as defined in section 101(15) of the Bankruptcy Code.

1.60. “Equity Interests” or “Interests” means all equity interests in the Debtors including, but not limited to, all issued, unissued, authorized or outstanding shares of stock together with any warrants, options or contract rights to purchase or acquire such interests at any time or membership interests in a limited liability corporation or partnership interests.

1.61. “Estate” means the estates created upon the commencement of the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

1.62. “Executory Contract” means any executory contract or unexpired lease as of the Commencement Date, subject to section 365 of the Bankruptcy Code, between a Debtor and any other Person or Persons, specifically excluding contracts and agreements entered into pursuant to this Plan or subject to section 1113 of the Bankruptcy Code.



1.63. “Fee Application” means an application by a Professional for a Professional Compensation and Reimbursement Claim.

1.64. “Final Order” means an Order of the Bankruptcy Court or a Court of competent jurisdiction to hear appeals from the Bankruptcy Court, that has not been reversed, stayed, modified or amended and as to which the time to appeal, to petition for certiorari, or to move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or, if pending, as to which any right to appeal, petition for certiorari, reargue, or rehear shall have been waived in writing, provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rules under the Bankruptcy Rules or applicable state court rules of civil procedure, may be filed with respect to such Order shall not cause such Order to not be a Final Order.

1.65. “Friedman” shall mean William S. Friedman.

1.66. “GECC Ansonia Loan” shall mean those certain loans made by GECC that are secured by the Ansonia Properties.

1.67. “General Unsecured Claim” means any Unsecured Claim against a Debtor that is not a Secured Claim, UTA Term Loan Claim, Administrative Expense Claim, Priority Tax Claim, or Other Priority Claim, but including, without limitation, Claims arising from the rejection of an unexpired lease or Executory Contract pursuant to this Plan or otherwise.

1.68. “Governmental Unit” shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

1.69. “Holder” means the beneficial holder of any Claim or Equity Interest.

1.70. “Indenture Trustee” means The Bank of New York Mellon Trust Company, N.A., as successor to JP Morgan Chase Bank, National Association.

1.71. “Indenture Trustee Charging Lien” shall mean the charging liens granted to secure Tarragon Corp.’s payment obligations under the Indentures and authorized pursuant to §6.6 of the Indentures, granting the Indenture Trustee a lien prior to the securities issued pursuant to the Indentures on all money or property held or collected by the Indenture Trustee, other than money or property held in trust to pay principal and interest on particular securities.

1.72. “Indentures” shall mean the Junior Subordinated Indentures, dated as of June 14, 2005, September 12, 2005 and March 1, 2006 (as amended and supplemented) between Tarragon Corp. and JPMorgan Chase Bank, National Association, as Trustee, pursuant to which subordinated notes in the aggregate principal amount of \$125,000,000.00 were issued, which are now owned or controlled by Taberna.

1.73. “Intercompany Claim” means a Claim by a Debtor against another Debtor. When used herein in connection with the Block 88/800 Madison Stipulation and Order, “Intercompany Claims” shall and is intended to have the meaning ascribed to such term in the Block 88/800 Madison Stipulation and Order.

1.74. “Lien” shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

1.75. “Order” means an order or judgment of the Bankruptcy Court as entered on the Docket.

1.76. “Other Priority Claim” means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

1.77. “Other Secured Claim” means any Secured Claim arising prior to the Commencement Date against any of the Debtors, other than a Secured Claim of a claimant separately classified under this Plan and not otherwise paid or satisfied by an other Order authorizing the payment of such Other Secured Claim before the Effective Date.

1.78. “Person” shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

1.79. “Plan” means this Second Amended and Restated Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, including, without limitation, the Plan Supplement and all exhibits, supplements, appendices and schedules hereto, either in their present form or as the same may be altered, amended or modified from time to time.

1.80. “Plan Documents” mean the agreements, documents and instruments entered into on or as of the Effective Date as contemplated by, and in furtherance of, the Plan.

1.81. “Plan Supplement” means the forms of documents specified in Article 11.12 of this Plan.

1.82. “Post-Petition Administrative Trade Claims” means all liabilities of the Debtors for post-Commencement Date ordinary course obligations and trade payables of the Debtors’ business as of the Effective Date (excluding any expenses incurred with respect to the administration of the Cases such as Professional Compensation and Reimbursement Claims) which would qualify as Allowed Administrative Expense Claims under Section 503(b) of the Bankruptcy Code.

1.83. “Priority Claim” means a Priority Tax Claim or Other Priority Claim.

1.84. “Priority Tax Claim” means any Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.85. “Professional” means a Person or Entity employed pursuant to a Final Order in accordance with sections 327 or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Confirmation Date, pursuant to sections 327, 328, 329, 330 and/or 331 of the Bankruptcy Code, or for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

1.86. “Professional Compensation and Reimbursement Claim” means a Claim of a Professional for compensation or reimbursement of costs and expenses relating to services incurred after the Commencement Date and prior to and including the Effective Date.

1.87. “Pro Rata, Ratable or Ratable Share” each mean a number (expressed as a percentage) equal to the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of or number of: (i) Allowed Claims plus (ii) Disputed Claims (in their aggregate face or, if applicable, estimated amount) in such Class as of the date of determination.

1.88. “Reorganized Tarragon” means Tarragon Corp. on and after the Effective Date.

1.89. “Record Date” shall have the meaning set forth in the Disclosure Statement.

1.90. “Reinstated” means (i) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Holder of such Claim so as to leave such Claim unimpaired or (ii) notwithstanding any contractual provision or applicable law that entitles the Holder of a Claim to demand or receive accelerated payment of such Claim after the occurrence of a default: (a) curing any such default that occurred before or after the Commencement Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (b) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim as such maturity existed before such default; (c) compensating the Holder of such Claim for any damages incurred

as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (d) if such Claim arises from a failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim (other than a Debtor or an Insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (e) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Holder.

1.91. “Retained Actions” means the Ridgefield Claim and any Cause of Action which any of the Debtors may hold against any Person that is pending before a court of competent jurisdiction or through arbitration as of the Effective Date, including without limitation, (i) that certain litigation entitled *Tarragon Development Corp. v. Brown’s Farm et al.* Adv. Pro No. 09-1867 (DHS), (ii) that certain demand for arbitration filed by Soares Da Costa Construction Services, LLC against Alta Mar Development LLC, Balsam Acquisition, LLC and Tarragon Dev. Corp. with the American Arbitration Association, bearing case number 50 110 S 00346 06, (iii) that certain litigation commenced by Central Square against Great Divide Insurance Company in the Circuit Court of the 17<sup>th</sup> Judicial Circuit, Broward County, Florida, bearing Case No. 07000612, and (iv) that certain litigation filed by Tarragon Stoneybrook Apartments, LLC against Summitt Contractors, Inc. and its bonding company Federal Insurance Company in the Circuit Court for Orange County, Florida.

1.92. “Ridgefield Claim” means any claim of Tarragon Corp. for the return of a \$1,000,000 deposit paid in conjunction with an Agreement of Sale to purchase property located at 1 Bell Drive, Ridgefield Borough, New Jersey.

1.93. “Rothenberg” shall mean Robert P. Rothenberg.

1.94. “Schedules” means the schedules of assets and liabilities, the list of Holders of Equity Interests and the statements of financial affairs filed by the Debtors under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments pursuant to Bankruptcy Rule 1009 and modifications thereto through the Confirmation Date.

1.95. “Section 503(b)(9) Administrative Claim” means a Claim against a Debtor alleged to be entitled to an administrative expense priority under 11 U.S.C. §503(b)(9) for goods sold to such Debtor in the ordinary course of the Debtor’s business and received by such Debtor within 20 days before the Commencement Date.

1.96. “Secured Claim” means a Claim that is secured by a lien on property in which the Estate has an interest, which lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Creditor’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code, provided, however, that a Secured Claim shall not include any portion of the Claim to the extent that the value of such entity’s Collateral is less than the amount of such Claim.

1.97. “Securities Action Plaintiff” means the plaintiff in the consolidated securities putative class action lawsuit entitled *In re Tarragon Corporation Securities Litigation*, Civil Action No. 07-7972, pending in the United States District Court for the Southern District of New York.

1.98. “Sponsor” shall mean the Plan funder and sponsor of the Debtors.

1.99. “Surplus Cash” means all cash on hand of Reorganized Tarragon and the other Borrowers under the Term Loan in excess of \$500,000 other than proceeds of the Term Loan.

1.100. “Taberna” shall mean Taberna Capital Management LLC and certain of its affiliates

1.101. “Taberna Claims” shall mean those certain Claims of Taberna against Tarragon Corp.

1.102. “Unsecured Claim” means any Claim against a Debtor that arose or is deemed by the Bankruptcy Code or Bankruptcy Court, as the case may be, to have arisen before the Commencement Date and that is not a Secured Claim, Other Secured Claim, Administrative Expense Claim, Priority Tax Claim or Other Priority Claim.

1.103. “Ursa Dispute Resolution Provisions” shall mean the dispute resolution provision of the applicable Ursa Operating Agreement.

1.104. “Ursa Documents” means that certain (i) Order (A) Authorizing the Debtors to Sell Their Interests in Block 112 Development, LLC Free and Clear of Liens, Claims and Interests; (B) Waiving the Ten Day Stay Pursuant to Fed.R.Bankr.P. 6004(h); and (C) Granting Other Related Relief, as entered by the Bankruptcy Court on September 10, 2009, and (ii) Agreement by and among Tarragon Corp., Tarragon Dev. Corp., URSA Development Group, LLC and Block 112 Development, LLC dated August, 2009.

1.105. “Ursa LLCs” shall have the meaning set forth in the Disclosure Statement.

1.106. “Ursa Operating Agreement” shall have the meaning set forth in the Disclosure Statement.

1.107. “UST” means the United States Trustee.

1.108. “UTA” means UTA Capital LLC.

1.109. “UTA Term Loan Claims” means all Claims of UTA arising under or pursuant to the Term Loan, including, without limitation, principal and interest on the Term Loan, plus all reasonable fees and expenses arising under the Term Loan.

1.110. “Voting Deadline” means the date fixed by the Court pursuant to an Order: (i) Approving the Disclosure Statement Pursuant to 11 U.S.C. § 1125(b); (ii) Fixing a Record Date for Voting and Procedures for Filing Objections to the Plan and Temporary Allowance of Claims; (iii) Scheduling a Hearing and Approving Notice and Objection Procedures in Respect of Plan Confirmation; (iv) Approving Solicitation Packages and Procedures for Distribution Thereof; and (v) Approving the Form of Ballot and Establishment of Procedures for Voting on the Plan.

**ARTICLE II.**

**CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

2.1. Overview

This section classifies Claims and Equity Interests -- except for Administrative Expense Claims and Priority Tax Claims, which are not classified -- for all purposes, including voting, confirmation and distribution under this Plan. This section also provides whether each Class of Claims or Equity Interests is impaired or unimpaired, and provides the treatment each Class will receive under this Plan. References in this Plan to the amount of Claims are based on information reflected in the Debtor’s Schedules or in filed proofs of Claim, and are not intended to be admissions regarding the Allowed amount of the Claims or waivers of the Debtors or their respective successors’ rights to assert any otherwise available objection, defense, recoupment, setoff, claim, or counterclaim against any Claim. The following table (“Claims Treatment Table”) summarizes the Classes of Claims and Equity Interests under this Plan:

CLASS	DESCRIPTION	IMPAIRED/UNIMPAIRED	VOTING STATUS
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None	Administrative Expense Claims	Unimpaired	Not Entitled to Vote
None	Priority Tax Claims	Unimpaired	Not Entitled to Vote
Class 1	UTA Term Loan Claims	Unimpaired	Not Entitled to Vote
Class 2	BofA 800 Madison DIP Loan Claims	Unimpaired	Not Entitled to Vote
<b>2. Claims Against Tarragon Corp.</b>			
Class 2A	Secured Claims	Unimpaired	Not Entitled to Vote
Class 2B(i)	Unsecured Priority Claims	Unimpaired	Not Entitled to Vote
Class 2B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 2B(iii)	Federal Home Loan Mortgage Corporation Claims	Impaired	Entitled to Vote
Class 2B(iv)	Fannie Mae Claims	Impaired	Entitled to Vote
Class 2B(v)	GECC Claims	Impaired	Entitled to Vote
Class 2B(vi)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 2B(vii)	Unsecured Affiliated Debt Holders Claims	Impaired	Not Entitled to Vote
Class 2C	Equity Interests	Impaired	Deemed to Reject Plan
<b>3. Claims Against Tarragon Dev. Corp.</b>			
Class 3A	Secured Claims	Unimpaired	Not Entitled to Vote
Class 3B(i)	Unsecured Priority Claims	Unimpaired	Not Entitled to Vote
Class 3B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 3B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 3C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>4. Claims Against Tarragon South</b>			
Class 4A	Secured Claims	Not Applicable	Not Applicable
Class 4B(i)	Unsecured Priority Claims	Unimpaired	Not Entitled to Vote
Class 4B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 4B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 4C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>5. Claims Against Tarragon Dev. LLC</b>			
Class 5A	Secured Claims	Not Applicable	Not Applicable

Class 5B(i)	Unsecured Priority Claims	Unimpaired	Not Entitled to Vote
Class 5B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 5B(iii)	GECC Claims	Impaired	Entitled to Vote
Class 5B(iv)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 5C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>6. Intentionally Deleted.</b>			
<b>7. Claims Against Bermuda Island</b>			
Class 7A	Secured Claims	Impaired	Entitled to Vote
Class 7B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 7B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 7B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 7C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>8. Claims Against Orion</b>			
Class 8A	Secured Claims	Impaired	Entitled to Vote
Class 8B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 8B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 8B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 8C	Equity Interests of Debtors and/or Affiliates of Debtors	Unimpaired	Not Entitled to Vote
Class 8D	Equity Interests of non-Debtors and/or non-Affiliates of Debtors	Unimpaired	Not Entitled to Vote
<b>9. Claims Against Orlando Central</b>			
Class 9A	Secured Claims	Not Applicable	Not Applicable
Class 9B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 9B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 9B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 9C	Equity Interests	Impaired	Deemed to Reject Plan
<b>10. Claims Against Fenwick</b>			
Class 10A	Secured Claims	Not Applicable	Not Applicable

Class 10B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 10B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 10B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 10C	Equity Interests	Impaired	Deemed to Reject Plan
<b>11. Claims Against Las Olas</b>			
Class 11A(i)	Secured Claims (Bank Atlantic)	Impaired	Entitled to Vote
Class 11A(ii)	Secured Claims (Regions Bank)	Impaired	Entitled to Vote
Class 11B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 11B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 11B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 11C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>12. Claims Against Trio West</b>			
Class 12A	Secured Claims	Not Applicable	Not Applicable
Class 12B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 12B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 12B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 12C	Equity Interests	Impaired	Deemed to Reject Plan
<b>13. Claims Against 800 Madison</b>			
Class 13A	Secured Claims	Impaired	Entitled to Vote
Class 13B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 13B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 13B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 13C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>14. Claims Against 900 Monroe</b>			
Class 14A	Secured Claims	Impaired	Entitled to Vote
Class 14B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 14B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote

Class 14B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 14C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>15. Claims Against Block 88</b>			
Class 15A	Secured Claims	Not Applicable	Not Applicable
Class 15B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 15B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 15B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 15C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>16. Claims Against Central Square</b>			
Class 16A	Secured Claims	Impaired	Entitled to Vote
Class 16B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 16B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 16B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 16C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>17. Claims Against Charleston</b>			
Class 17A	Secured Claims	Not Applicable	Not Applicable
Class 17B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 17B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 17B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 17C	Equity Interests	Impaired	Deemed to Reject Plan
<b>18. Claims Against Omni</b>			
Class 18A	Secured Claims	Not Applicable	Not Applicable
Class 18B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 18B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 18B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 18C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>19. Claims Against Tarragon Edgewater</b>			
Class 19A	Secured Claims	Not Applicable	Not Applicable
Class 19B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 19B(ii)	Unsecured Non-Priority	Impaired	Entitled to Vote

	Claims		
Class 19B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 19C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>20. Claims Against Trio East</b>			
Class 20A	Secured Claims	Impaired	Entitled to Vote
Class 20B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 20B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 20B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 20C	Equity Interests	Unimpaired	Not Entitled to Vote
<b>21. Claims Against Vista</b>			
Class 21A	Secured Claims	Not Applicable	Not Applicable
Class 21B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 21B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 21B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 21C	Equity Interests	Impaired	Deemed to Reject Plan
<b>22. Claims Against Murfreesboro</b>			
Class 22A	Secured Claims	Not Applicable	Not Applicable
Class 22B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 22B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 22B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 22C	Equity Interests	Impaired	Deemed to Reject Plan
<b>23. Claims Against Stonecrest</b>			
Class 23A	Secured Claims	Not Applicable	Not Applicable
Class 23B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 23B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 23B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 23C	Equity Interests	Impaired	Deemed to Reject Plan
<b>24. Claims Against Stratford</b>			
Class 24A	Secured Claims	Not Applicable	Not Applicable

Class 24B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 24B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 24B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 24C	Equity Interests	Impaired	Deemed to Reject Plan
<b>25. Claims Against MSCP</b>			
Class 25A	Secured Claims	Not Applicable	Not Applicable
Class 25B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 25B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 25B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 25C	Equity Interests	Impaired	Deemed to Reject Plan
<b>26. Claims Against Hanover</b>			
Class 26A	Secured Claims	Not Applicable	Not Applicable
Class 26B(i)	Unsecured Priority Claims	Impaired	Entitled to Vote
Class 26B(ii)	Unsecured Non-Priority Claims	Impaired	Entitled to Vote
Class 26B(iii)	Intercompany Claims	Impaired	Not Entitled to Vote
Class 26C	Equity Interests	Impaired	Deemed to Reject Plan

2.2. Unclassified Claims

Certain types of Claims are not placed into voting classes; instead, they are unclassified. Such Claims are not considered impaired, and Holders of such Claims do not vote on this Plan because their claims are automatically entitled to specific treatment provided under the Bankruptcy Code. As such, the Debtors have not placed such Claims in a Class. The treatment of these Claims is provided below:

2.3. Administrative Expense Claims

Administrative Expense Claims are Claims against the Debtors constituting a cost or expense of administration of the Chapter 11 Cases allowed under sections 503(b) and 507(a)(2)

of the Bankruptcy Code, including any actual and necessary costs and expenses of operating the Debtors' business, any indebtedness or obligations incurred or assumed by the Debtors in connection with the conduct of its business, any allowance of compensation or reimbursement of expenses for Professionals to the extent allowed by the Bankruptcy Court under sections 330 and 331 of the Bankruptcy Code, and fees or charges assessed against the Debtors' Estates under section 1930, chapter 12, title 28, United States Code ("Statutory Fees", which are treated separately below) and Allowed 503(b)(9) Administrative Claims.

Subject to the allowance procedures and the deadlines provided herein, and except (i) to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees to a different treatment, or (ii) with respect to Deferred Confirmation Expenses which shall be paid in accordance with the specific terms of the Plan, Allowed Administrative Expense Claims (excluding Assumed liabilities, which include but are not limited to Allowed 503(b)(9) Administrative Claims and Post-Petition Administrative Trade Claims) shall be paid Cash without interest in full by the Debtors on the later of: (i) twenty days after the Effective Date; or (ii) thirty days from the date of entry of a Final Order determining and Allowing such Claim as an Administrative Expense Claim, or as soon thereafter as is practicable.

Allowed Administrative Expense Claims representing Post-Petition Administrative Trade Claims shall be paid in full and/or performed by the Debtors in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements or Bankruptcy Court Orders governing, instruments evidencing or other documents relating to, such transactions.

Allowed 503(b)(9) Administrative Claims shall be paid in full and/or performed by the Debtors within 120 days from the later of the Closing Date or the date such Allowed 503(b)(9) Administrative Claims are Allowed by the Bankruptcy Court.

2.4. Professional Compensation and Reimbursement Claims

Except with respect to Deferred Confirmation Expenses which shall be paid in accordance with the specific terms of the Plan, any Person seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code: (i) shall file respective final Fee Applications for services rendered and reimbursement of expenses incurred through the Confirmation Date no later than sixty days after the Confirmation Date or such other date as may be fixed by the Bankruptcy Court and, (ii) if granted such an award by the Bankruptcy Court, shall be paid by Reorganized Tarragon in full in such amounts as are Allowed by the Bankruptcy Court (a) seven days after such Professional Compensation and Reimbursement Claim becomes an Allowed Professional Compensation and Reimbursement Claim, or as soon thereafter as is practicable, or (b) upon such other terms as may be mutually agreed upon between such Holder of an Allowed Professional Compensation and Reimbursement Claim and the Debtor, on and after the Effective Date; provided, however, that Deferred Confirmation Expenses shall be paid in accordance with the specific terms of the Plan. Failure to file a final Fee Application timely shall result in the Professional Compensation and Reimbursement Claim being forever barred and discharged.

Notwithstanding anything herein to the contrary, and except as otherwise provided by prior Order of the Bankruptcy Court or with respect to Deferred Compensation Expenses: (i) payment of a Professional Compensation and Reimbursement Claim that is an Allowed Claim as of the Confirmation Date shall be made on the Effective Date; and (ii) payment of a Professional Compensation and Reimbursement Claim that becomes an Allowed Claim following the Effective Date shall be made on or before the date that is the earlier of (a) the date such



Professional Compensation and Reimbursement Claim is required to be paid in accordance with the Administrative Order or (b) seven days after an Order deeming such Professional Compensation and Reimbursement Claim an Allowed Claim is entered by the Bankruptcy Court.

2.5. Payment of Statutory Fees

Notwithstanding anything herein to the contrary, except for Deferred Confirmation Expenses which shall be paid in accordance with the specific terms of the Plan, all fees due and payable to the Clerk's Office pursuant to section 1930 of title 28 of the United States Code, including, without limitation, any United States Trustee quarterly fees incurred pursuant to section 1930(a)(6) of title 28 of the United States Code shall be paid on the Effective Date.

2.6. Priority Tax Claims

Each Holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of such Allowed Priority Tax Claim, (a) payment in Cash equal to the amount of such Claim on the later of (i) the Effective Date, or (ii) seven Business Days after entry of a Final Order Allowing such Priority Tax Claim, or as soon thereafter as is practicable, but in no event later than thirty days after entry of such Final Order, unless such Holder shall have agreed to different treatment of such Allowed Claim, or (b) pursuant to Section 1129(a)(9)(C) of the Bankruptcy Code, in regular quarterly installments over a period of five (5) years with interest at the rate permitted under the Internal Revenue Code; provided, however, that any Claim or demand for payment of a penalty (other than a penalty of the type specified in section 507(a)(8)(G) of the Bankruptcy Code) shall be disallowed pursuant to this Plan and the Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such penalty from the Debtors, their Estates, or any property of such Entities.

**ARTICLE III.**

**CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS**

Claims, other than Administrative Expense Claims, Professional Compensation and Reimbursement Claims and Priority Tax Claims are classified for all purposes, including voting, confirmation and distribution pursuant to the Plan, as follows:

Except for the Administrative Expense Claims and Priority Tax Claims discussed above, all Claims against, and Equity Interests in, the Debtors and with respect to all property of the Debtors and their Estates, are defined and hereinafter designated in respective Classes. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class, and is classified in another Class or Classes, to the extent that any remainder of the Claim or Equity Interest qualifies within the description of such other Class or Classes. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest is an Allowed Claim<sup>2</sup> or Allowed Equity Interest in that Class and has not been paid, released or otherwise satisfied or waived before the Effective Date. Notwithstanding anything to the contrary contained in this Plan, no Distribution shall be made on account of any Claim that is not an Allowed Claim.

This Plan is intended to deal with all Claims against and Equity Interests in the Debtors of whatever character, whether known or unknown, whether or not with recourse, whether or not contingent or unliquidated, and whether or not previously Allowed by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code. However, only Holders of Allowed Claims will receive any distribution under this Plan. For purposes of determining Pro Rata distributions under this Plan and in accordance with this Plan, Disputed Claims shall be included in the Class

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<sup>2</sup> For purposes of this Plan, any general reference to “Allowed Claim” shall include Allowed Administrative Expense Claims.

in which such Claims would be included if Allowed, until such Claims are finally disallowed. Nothing in this Plan is intended to and shall not be deemed to alter, amend, impair or modify the terms of the BofA Documents or the Ursa Documents, as applicable; in the event and to the extent that there are any inconsistencies between this Plan and the terms of the BofA Documents or the Ursa Documents, as applicable, the terms of the BofA Documents or the Ursa Documents, as applicable, shall control.

#### **ARTICLE IV.**

##### **TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS**

###### **4.1. UTA Term Loan Claims / 800 Madison DIP Loan Claims**

###### **(A) Class 1: UTA Term Loan Claims**

(i) Classification. The Claims in Class 1 are the UTA Term Loan Claims.

(ii) Treatment. Each Holder of a Class 1 Claim shall, in full, final, and complete satisfaction of such Class 1 Claim, be paid pursuant to the terms of the loan documents evidencing the Term Loan and Section 7.1(E) hereof.

(iii) Impairment and Voting. Class 1 is unimpaired by this Plan.

Therefore, the Holders of Class 1 Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

###### **(B) Class 2: BofA 800 Madison DIP Loan Claims**

(i) Classification. The Claims in Class 2 are the BofA 800 Madison DIP Loan Claims.

(ii) Treatment. Each Holder of a Class 2 Claim shall, in full, final, and complete satisfaction of such Class 2 Claim, be paid pursuant to the terms of the loan documents evidencing the BofA 800 Madison DIP Loan and the Order of the Bankruptcy Court approving same.

(iii) Impairment and Voting. Class 2 is unimpaired by this Plan. Therefore, the Holders of Class 2 Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.2. Tarragon Corp.

(A) Class 2A: Secured Claims

(i) Classification. Class 2A consists of the BofA Guaranty Claim.

(ii) Treatment. In full and final satisfaction of the Class 2A Claim, BofA shall receive the treatment provided under the BofA Settlement Agreement. Reorganized Tarragon shall reaffirm the obligations of Tarragon Corp. under the BofA Guaranty.

(iii) Impairment and Voting. Class 2A is unimpaired by this Plan. Therefore, the Holders of Class 2A Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(B) Class 2B(i): Unsecured Priority Claims

(i) Classification. Class 2B(i) shall consist of unsecured Priority Claims.

(ii) Treatment. Each Holder of a Class 2B(i) Claim shall, in full, final, and complete satisfaction of such Class 2B(i) Claim, be paid in full in Cash in accordance with Section 507 of the Bankruptcy Code within ten (10) days after the Effective Date.

(iii) Impairment and Voting. Class 2B(i) is unimpaired by this Plan. Therefore, the Holders of Class 2B(i) Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(C) Class 2B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 2B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. In full, final, and complete satisfaction of Class 2B(ii) Claims, Holders of Class 2B(ii) Claims shall contribute such Claims to the Tarragon Creditor Entity. The Tarragon Creditor Entity shall receive (i) its share of any distributions made by New Ansonia in accordance with the terms of the New Ansonia Operating Agreement, and (ii) its share of the net proceeds of the sale of certain assets of Tarragon in accordance with the terms of the Plan, and the Holders of Class 2B(ii) Claims shall be entitled to receive their share of such distributions pursuant to the terms of the TCE Operating Agreement.

(iii) Impairment and Voting. Class 2B(ii) is impaired, and the Holders of Allowed Class 2B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 2B(iii): Federal Home Loan Mortgage Corporation Claims

(i) Classification. Class 2B(iii) consists of Claims arising under (1) that certain Guaranty (Multistate) effective as of February 5, 2007 given by Tarragon Corp. in favor of ARCS Commercial Mortgage Co., L.P., and (2) that certain Guaranty (Multistate) effective as of December 6, 2006 given by Tarragon Corp. in favor of ARCS Commercial Mortgage Co., L.P. (collectively, the “Freddie Mac Guarantees”).

(ii) Treatment. The guaranty given to Federal Home Loan Mortgage Corporation by Tarragon Corp. shall be reaffirmed by Reorganized Tarragon.

(iii) Impairment and Voting. Class 2B(iii) is impaired, and the Holders of Allowed Class 2B(iii) Claims are entitled to vote to accept or reject this Plan.

(E) Class 2B(iv): Fannie Mae Claims

(i) Classification. Class 2B(iv) consists of Claims arising under (i) that certain Acknowledgment and Agreement of Key Principal to Personal Liability for Exceptions to Non-Recourse Liability that was executed by Tarragon Corp. in connection with that certain Consolidated, Amended and Restated Multifamily Note in the original principal amount of \$14,600,000, dated as of November 30, 2006 by and between Woodcreek National, L.C. and ARCS Commercial Mortgage Co., L.P., (ii) that certain Acknowledgment and Agreement of Key Principal to Personal Liability for Exceptions to Non-Recourse Liability that was executed by Tarragon Corp. in connection with that certain Multifamily Note in the original principal amount of \$5,880,000 dated June 7, 2000 by and between Mustang Creek National, L.P. and ARCS Commercial Mortgage Co., L.P., (iii) that certain Acknowledgment and Agreement of Key Principal to Personal Liability for Exceptions to Non-Recourse Liability that was executed by Tarragon Corp. in connection with that certain Multifamily

Note in the original principal amount of \$6,000,000 dated as of October 31, 2006 by and between Summit on the Lake Associates, Ltd. and Wells Fargo Bank, N.A., and (iv) that certain Acknowledgment and Agreement of Key Principal to Personal Liability for Exceptions to Non-Recourse Liability that was executed by Tarragon Corp. in connection with that certain Multifamily Note in the original principal amount of \$2,177,800 dated March 29, 2007 by and between So. Elms National Associates Limited Partnership and Wachovia Multifamily Capital, Inc. (collectively, the “Fannie Mae Guarantees”).

(ii) Treatment. The guaranty given to Fannie Mae by Tarragon Corp. shall be reaffirmed by Reorganized Tarragon.

(iii) Impairment and Voting. Class 2B(iv) is impaired, and the Holders of Allowed Class 2B(iv) Claims are entitled to vote to accept or reject this Plan.

(F) Class 2B(v): General Electric Credit Corporation Claims

(i) Classification. Class 2B(v) consists of Claims arising under (1) that certain Amended and Restated Guaranty of the Non-Recourse Exceptions dated June 30, 2006 by and among General Electric Credit Corporation (“GECC”), Tarragon Corp. and William S. Friedman, (2) that certain Guaranty dated August 29, 2005 by and between Tarragon Corp. and GECC, (3) that certain Cross Collateralization Guaranty dated November 30, 2005 by and between Tarragon Corp. and GECC, as amended by that certain First Amendment to Cross Collateralization Guaranty dated September 12, 2007, (4) that certain General Guaranty dated March 27, 2007 by and between Tarragon Corp. and GECC, and (5) that certain Cross-Collateralization Guaranty dated September 29, 2006 between Tarragon Corp. and GECC (collectively, the “Tarragon Corp. GECC Guarantees”).

(ii) Treatment. New Ansonia shall guaranty certain debt owed to GECC by Tarragon Corp. on substantially the same terms as the Tarragon Corp. GECC Guarantees.

(iii) Impairment and Voting. Class 2B(v) is impaired and the Holders of Allowed Class 2B(v) Claims are entitled to vote to accept or reject this Plan.

(G) Class 2B(vi): Intercompany Claims

(i) Classification. Class 2B(vi) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 2B(vi) Claims shall receive a Distribution *pari passu* with Holders of Class 2B(ii) Claims.

(iii) Impairment and Voting. Class 2B(vi) is impaired and Holders of Allowed Class 2B(vi) Claims are not entitled to vote to accept or reject this Plan.

(H) Class 2B(vii): Unsecured Affiliated Debt Holders Claims

(i) Classification. Class 2B(vii) consists of the Affiliated Debt of Beachwold Partners L.P. and Robert Rothenberg.

(ii) Treatment.

(a) In exchange for (1) contributing the Beachwold Residential Claims, (2) giving a general release of any and all claims against Tarragon Corp. and its direct and indirect subsidiaries by Beachwold and Rothenberg, and (3) agreeing to facilitate the liquidation of Tarragon's assets, Beachwold Residential shall receive (A) 50% of the equity in New Ansonia, and (B) a portion of the net proceeds received from the liquidation of such assets as more specifically described herein.



(b) In exchange for cancelling the Affiliate Notes and any other amounts owed by Tarragon Corp. to Beachwold and Rothenberg (other than the Beachwold Residential Claims), Beachwold shall receive 60% of the equity in Reorganized Tarragon and Rothenberg shall receive 40% of the equity in Reorganized Tarragon.

(iii) Impairment and Voting. Class 2B(vii) is impaired and Holders of Class 2B(vii) Claims will not be entitled to vote to accept or reject the Plan.

(I) Class 2C: Equity Interests

(i) Classification. Class 2C is comprised of the Equity Interests in Tarragon Corp.

(ii) Treatment. Holders of Class 2C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Tarragon Corp. shall be cancelled on the Effective Date without the payment of any monies or consideration.

(iii) Impairment and Voting. Class 2C is impaired, and the Holders of Allowed Class 2C Claims are deemed to have rejected the Plan.

4.3. Tarragon Dev. Corp.

(A) Class 3A: Secured Claims

(i) Classification. Class 3A consists of the BofA Guaranty Claim.

(ii) Treatment. In full and final satisfaction of the Class 3A Claim, BofA shall receive the treatment provided under the BofA Settlement Agreement.

(iii) Impairment and Voting. Class 3A is unimpaired by this Plan.

Therefore, the Holders of Class 3A Claims are not entitled to vote to accept or reject this Plan

and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(B) Class 3B(i): Unsecured Priority Claims

(i) Classification. Class 3B(i) shall consist of unsecured Priority Claims.

(ii) Treatment. Each Holder of a Class 3B(i) Claim shall, in full, final, and complete satisfaction of such Class 3B(i) Claim, be paid in full in Cash in accordance with Section 507 of the Bankruptcy Code within ten (10) days after the Effective Date.

(iii) Impairment and Voting. Class 3B(i) is unimpaired by this Plan. Therefore, the Holders of Class 3B(i) Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(C) Class 3B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 3B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. In full, final, and complete satisfaction of Class 3B(ii) Claims, Holders of Class 3B(ii) Claims shall contribute such Claims to the Tarragon Creditor Entity. The Tarragon Creditor Entity shall receive (i) its share of any distributions made by New Ansonia in accordance with the terms of the New Ansonia Operating Agreement, and (ii) its share of the net proceeds of the sale of certain assets of Tarragon in accordance with the terms of the Plan, and the Holders of Class 3B(ii) Claims shall be entitled

to receive their share of such distributions pursuant to the terms of the TCE Operating Agreement.

(iii) Impairment and Voting. Class 3B(ii) is impaired, and the Holders of Allowed Class 3B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 3B(iii): Intercompany Claims

(i) Classification. Class 3B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 3B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 3B(ii) Claims.

(iii) Impairment and Voting. Class 3B(iii) is impaired and Holders of Class 3B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 3C: Equity Interests

(i) Classification. Class 3C is comprised of the Equity Interests in Tarragon Dev. Corp.

(ii) Treatment. Holders of Class 3C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Tarragon Dev. Corp. shall be retained by such Holder.

(iii) Impairment and Voting. Class 3C is unimpaired by this Plan. Therefore, the Holders of Class 3C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.4. Tarragon South

(A) Class 4A: Secured Claims There are no Class 4A Claims.

(B) Class 4B(i): Unsecured Priority Claims

(i) Classification. Class 4B(i) shall consist of unsecured Priority Claims.

(ii) Treatment. Each Holder of a Class 4B(i) Claim shall, in full, final, and complete satisfaction of such Class 4B(i) Claim, be paid in full in Cash in accordance with Section 507 of the Bankruptcy Code within ten (10) days after the Effective Date.

(iii) Impairment and Voting. Class 4B(i) is unimpaired by this Plan. Therefore, the Holders of Class 4B(i) Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(C) Class 4B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 4B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. In full, final, and complete satisfaction of Class 4B(ii) Claims, Holders of Class 4B(ii) Claims shall contribute such Claims to the Tarragon Creditor Entity. The Tarragon Creditor Entity shall receive (i) its share of any distributions made by New Ansonia in accordance with the terms of the New Ansonia Operating Agreement, and (ii) its share of the net proceeds of the sale of certain assets of Tarragon in accordance with the terms of the Plan, and the Holders of Class 4B(ii) Claims shall be entitled

to receive their share of such distributions pursuant to the terms of the TCE Operating Agreement.

(iii) Impairment and Voting. Class 4B(ii) is impaired, and the Holders of Allowed Class 4B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 4B(iii): Intercompany Claims

(i) Classification. Class 4B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 4B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 4B(ii) Claims.

(iii) Impairment and Voting. Class 4B(iii) is impaired by this Plan and Holders of Class 4B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 4C: Equity Interests

(i) Classification. Class 4C is comprised of the Equity Interests in Tarragon South.

(ii) Treatment. Holders of Class 4C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Tarragon South shall be retained by such Holder.

(iii) Impairment and Voting. Class 4C is unimpaired by this Plan. Therefore, the Holders of Class 4C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.5. Tarragon Dev. LLC

(A) Class 5A: Secured Claims There are no Class 5A Claims.

(B) Class 5B(i): Unsecured Priority Claims

(i) Classification. Class 5B(i) shall consist of unsecured Priority Claims.

(ii) Treatment. Each Holder of a Class 5B(i) Claim shall, in full, final, and complete satisfaction of such Class 5B(i) Claim, be paid in full in Cash in accordance with Section 507 of the Bankruptcy Code within ten (10) days after the Effective Date.

(iii) Impairment and Voting. Class 5B(i) is unimpaired by this Plan. Therefore, the Holders of Class 5B(i) Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(C) Class 5B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 5B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. In full, final, and complete satisfaction of Class 5B(ii) Claims, Holders of Class 5B(ii) Claims shall contribute such Claims to the Tarragon Creditor Entity. The Tarragon Creditor Entity shall receive (i) its share of any distributions made by New Ansonia in accordance with the terms of the New Ansonia Operating Agreement, and (ii) its share of the net proceeds of the sale of certain assets of Tarragon in accordance with the terms of the Plan, and the Holders of Class 5B(ii) Claims shall be entitled to receive their share of such distributions pursuant to the terms of the TCE Operating Agreement.

(iii) Impairment and Voting. Class 5B(ii) is impaired, and the Holders of Allowed Class 5B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 5B(iii): General Electric Credit Corporation Claims

(i) Classification. Class 5B(iii) consists of Claims arising under that certain Non-Recourse Loan Guaranty dated September 29, 2006 by and between Tarragon Dev. LLC and GECC, as amended by that certain First Amendment to Non-Recourse Loan Guaranty dated September 12, 2007 (the "Tarragon Dev. LLC Guaranty").

(ii) Treatment. New Ansonia shall guaranty certain debt owed to GECC by Tarragon on substantially the same terms as the Tarragon Dev. LLC GECC Guaranty.

(iii) Impairment and Voting. Class 5B(iii) is impaired, and the Holders of Allowed Class 5B(iii) Claims are entitled to vote to accept or reject this Plan.

(E) Class 5B(iv): Intercompany Claims

(i) Classification. Class 5B(iv) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 5B(iv) Claims shall receive a Distribution *pari passu* with Holders of Class 5B(ii) Claims.

(iii) Impairment and Voting. Class 5B(iv) is impaired by this Plan and Holders of Class 5B(iv) Claims are not entitled to vote to accept or reject this Plan.

(F) Class 5C: Equity Interests

(i) Classification. Class 5C is comprised of the Equity Interests in Tarragon Dev. LLC.

(ii) Treatment. Holders of Class 5C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Tarragon Dev. LLC shall be retained by such Holder.

(iii) Impairment and Voting Class 5C is unimpaired by this Plan. Therefore, the Holders of Class 5C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.6. Intentionally Deleted.

4.7. Bermuda Island

(A) Class 7A: Secured Claims

(i) Classification. Class 7A consists of the Claims held by BofA. Class 7A Claims shall be Allowed in an amount equal to the amount of outstanding obligations owed by Bermuda Island as of the Commencement Date and shall be administered by the Disbursing Agent.

(ii) Treatment. Subject to the terms of a separately presented and approved BofA Settlement Agreement, Holders of such Claims shall receive such treatment as is set forth in the BofA Settlement Agreement.

(iii) Impairment and Voting. Class 7A is impaired by this Plan. Holders of Allowed Class 7A Claims are entitled to vote to accept or reject this Plan.

(B) Class 7B(i): Unsecured Priority Claims

(i) Classification. Class 7B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.



(ii) Treatment. Holders of Class 7B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Bermuda Island in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 7B(i) is impaired by this Plan. Holders of Allowed Class 7B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 7B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 7B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 7B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Bermuda Island in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 7B(ii) is impaired, and the Holders of Allowed Class 7B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 7B(iii): Intercompany Claims

(i) Classification. Class 7B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 7B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 7B(ii) Claims.

(iii) Impairment and Voting. Class 7B(iii) is impaired by this Plan and Holders of Class 7B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 7C: Equity Interests

- (i) Classification. Class 7C is comprised of the Equity Interests in Bermuda Island.
- (ii) Treatment. Holders of Class 7C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Bermuda Island shall be retained by such Holder.
- (iii) Impairment and Voting. Class 7C is unimpaired by this Plan. Therefore, the Holders of Class 7C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.8. Orion

(A) Class 8A: Secured Claims

- (i) Classification. Class 8A consists of the Claims held by BofA. Class 8A Claims shall be Allowed in an amount equal to the amount of outstanding obligations owed by Orion as of the Commencement Date.
- (ii) Treatment. Subject to the terms of a separately presented and approved BofA Settlement Agreement, Holders of such Claims shall receive such treatment as is set forth in the BofA Settlement Agreement.
- (iii) Impairment and Voting. Class 8A is impaired by this Plan. Holders of Allowed Class 8A Claims are entitled to vote to accept or reject this Plan.

(B) Class 8B(i): Unsecured Priority Claims

- (i) Classification. Class 8B(i) shall consist of unsecured Priority Claims.

(ii) Treatment. Holders of Class 8B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Orion in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 8B(i) is impaired by this Plan. Holders of Allowed Class 8B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 8B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 8B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 8B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Orion in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 8B(ii) is impaired, and the Holders of Allowed Class 8B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 8B(iii): Intercompany Claims

(i) Classification. Class 8B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 8B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 8B(ii) Claims.

(iii) Impairment and Voting. Class 8B(iii) is impaired by this Plan and Holders of Class 8B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 8C: Equity Interests of Debtors and/or an Affiliate of a Debtor.

(i) Classification. Class 8C is comprised of the Equity Interests in Orion owned by a Debtor and/or an Affiliate of a Debtor.

(ii) Treatment. Holders of Class 8C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Orion owned by a Debtor and/or an Affiliate of a Debtor shall be retained by such Holder.

(iii) Impairment and Voting Class 8C is unimpaired by this Plan. Therefore, the Holders of Class 8C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(F) Class 8D: Equity Interests of non-Debtors and/or non-Affiliates of a Debtor

(i) Classification. Class 8D is comprised of the Equity Interests in Orion owned by a non-Debtor and/or non-Affiliates of a Debtor.

(ii) Treatment. Holders of Class 8D Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Orion owned by a non-Debtor and/or an non-Affiliate of a Debtor shall be retained by such Holder.

(iii) Impairment and Voting Class 8D is unimpaired by this Plan. Therefore, the Holders of Class 8D Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.9. Orlando Central

(A) Class 9A: Secured Claims. There are no Class 9A Claims.

(B) Class 9B(i): Unsecured Priority Claims

(i) Classification. Class 9B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 9B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Orlando Central in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 9B(i) is impaired by this Plan. Holders of Allowed Class 9B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 9B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 9B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 9B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Orlando Central in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 9B(ii) is impaired, and the Holders of Allowed Class 9B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 9B(iii): Intercompany Claims

(i) Classification. Class 9B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 9B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 9B(ii) Claims.

(iii) Impairment and Voting. Class 9B(iii) is impaired by this Plan and Holders of Class 9B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 9C: Equity Interests

(i) Classification. Class 9C is comprised of the Equity Interests in Orlando Central.

(ii) Treatment. Holders of Class 9C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Orlando Central shall be cancelled on the Effective Date without the payment of any monies or consideration. On the Effective Date, Orlando Central shall be deemed dissolved and the Class 9C Equity Interests will be cancelled.

(iii) Impairment and Voting. Class 9C is impaired, and the Holders of Class 9C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 9C Claims will not be entitled to vote to accept or reject the Plan.

4.10. Fenwick

(A) Class 10A: Secured Claims. There are no Class 10A Claims.

(B) Class 10B(i): Unsecured Priority Claims

(i) Classification. Class 10B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 10B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Fenwick in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 10B(i) is impaired by this Plan. Holders of Allowed Class 10B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 10B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 10B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 10B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Fenwick in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 10B(ii) is impaired, and the Holders of Allowed Class 10B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 10B(iii): Intercompany Claims

(i) Classification. Class 10B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 10B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 10B(ii) Claims.

(iii) Impairment and Voting. Class 10B(iii) is impaired by this Plan and Holders of Class 10B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 10C: Equity Interests

(i) Classification. Class 10C is comprised of the Equity Interests in Fenwick.

(ii) Treatment. Holders of Class 10C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Fenwick shall be cancelled on the Effective Date without the payment of any

monies or consideration. On the Effective Date, Fenwick shall be deemed dissolved and the Class 10C Equity Interests will be cancelled.

(iii) Impairment and Voting. Class 10C is impaired, and the Holders of Class 10C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 10C Claims will not be entitled to vote to accept or reject the Plan.

4.11. Las Olas

(A) Class 11A(i): Secured Claims (Bank Atlantic)

(i) Classification. Class 11A(i) consists of the Claims held by Bank Atlantic. Class 11A Claims(i) shall be Allowed in an amount equal to the amount of outstanding obligations owed by Las Olas to Bank Atlantic as of the Commencement Date and shall be administered by the Disbursing Agent.

(ii) Treatment. Subject to the terms of a separately presented and approved Settlement Agreement, Holders of such Claims shall receive such treatment as is set forth in the settlement that has been approved by the Bankruptcy Court.

(iii) Impairment and Voting. Class 11A(i) is impaired by this Plan. Holders of Allowed Class 11A(i) Claims are entitled to vote to accept or reject this Plan.

(B) Class 11A(ii): Secured Claims (Regions Bank)

(i) Classification. Class 11A(ii) consists of the Claims held by Regions Bank. Class 11A(ii) Claims shall be Allowed in an amount equal to the amount of outstanding obligations owed by Las Olas to Regions Bank as of the Commencement Date and shall be administered by the Disbursing Agent.



(ii) Treatment. Subject to the terms of a separately presented and approved Settlement Agreement, Holders of such Claims shall receive such treatment as is set forth in the settlement that has been approved by the Bankruptcy Court.

(iii) Impairment and Voting. Class 11A(ii) is impaired by this Plan. Holders of Allowed Class 11A(ii) Claims are entitled to vote to accept or reject this Plan.

(C) Class 11B(i): Unsecured Priority Claims

(i) Classification. Class 11B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 11B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Las Olas in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 11B(i) is impaired by this Plan. Holders of Allowed Class 11B(i) Claims are entitled to vote accept or reject this Plan.

(D) Class 11B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 11B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 11B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Las Olas, if any, in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 11B(ii) is impaired, and the Holders of Allowed Class 11B(ii) Claims are entitled to vote to accept or reject this Plan.

(E) Class 11B(iii): Intercompany Claims

(i) Classification. Class 11B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 11B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 11B(ii) Claims.

(iii) Impairment and Voting. Class 11B(iii) is impaired by this Plan and Holders of Class 11B(iii) Claims are not entitled to vote to accept or reject this Plan.

(F) Class 11C: Equity Interests

(i) Classification. Class 11C is comprised of the Equity Interests in Las Olas.

(ii) Treatment. Holders of Class 11C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Las Olas shall be retained by such Holder.

(iii) Impairment and Voting. Class 11C is unimpaired by this Plan. Therefore, the Holders of Class 11C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.12. Trio West

(A) Class 12A: Secured Claims There are no Class 12A Claims.

(B) Class 12B(i): Unsecured Priority Claims

(i) Classification. Class 12B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 12B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Trio West in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 12B(i) is impaired by this Plan. Holders of Allowed Class 12B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 12B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 12B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 12B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Trio West in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 12B(ii) is impaired, and the Holders of Allowed Class 12B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 12B(iii): Intercompany Claims

(i) Classification. Class 12B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 12B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 12B(ii) Claims.

(iii) Impairment and Voting. Class 12B(iii) is impaired by this Plan and Holders of Class 12B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 12C: Equity Interests

(i) Classification. Class 12C is comprised of the Equity Interests in Trio West.

(ii) Treatment. Holders of Class 12C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Trio West shall be cancelled on the Effective Date without the payment of any monies or consideration. On the Effective Date, Trio West shall be deemed dissolved and the Class 12C Equity Interests will be cancelled.

(iii) Impairment and Voting Class 12C is impaired, and the Holders of Class 12C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 12C Claims will not be entitled to vote to accept or reject the Plan.

4.13. 800 Madison

(A) Class 13A: Secured Claims

(i) Classification. Class 13A consists of the Claims held by BofA. Class 13A Claims shall be Allowed in an amount equal to the amount of outstanding obligations owed by 800 Madison as of the Commencement Date and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 13A Claims shall receive such treatment as is set forth in the BofA Settlement Agreement.

(iii) Impairment and Voting. Class 13A is impaired by this Plan. Holders of Allowed Class 13A Claims are entitled to vote to accept or reject this Plan.

(B) Class 13B(i): Unsecured Priority Claims

(i) Classification. Class 13B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 13B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of 800 Madison in accordance with Section 507 of the Bankruptcy Code; provided, however, that notwithstanding the foregoing, the provisions of this subsection shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(iii) Impairment and Voting. Class 13B(i) is impaired by this Plan. Holders of Allowed Class 13B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 13B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 13B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 13B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of 800 Madison in accordance with Section 507 of the Bankruptcy Code; provided, however, that notwithstanding the foregoing, the provisions of this subsection shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(iii) Impairment and Voting. Class 13B(ii) is impaired, and the Holders of Allowed Class 13B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 13B(iii): Intercompany Claims

(i) Classification. Class 13B(iii) is comprised of Intercompany Claims.

(ii) Treatment. Holders of Class 13B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 13B(ii) Claims; provided, however, that notwithstanding the foregoing, the provisions of this subsection shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(iii) Impairment and Voting. Class 13B(iii) is impaired by this Plan and Holders of Class 13B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 13C: Equity Interests

(i) Classification. Class 13C comprises the Equity Interests in 800 Madison.

(ii) Treatment. Holders of Class 13C Equity Interests will receive the treatment provided in the BofA Documents and all Equity Interests in 800 Madison shall be retained by such Holder. The provisions of this subsection shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(iii) Impairment and Voting Class 13C is unimpaired by this Plan.

Therefore, the Holders of Class 13C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.14. 900 Monroe

(A) Class 14A: Secured Claims

(i) Classification. Class 14A consists of the Claims held by BofA.

Class 14A Claims shall be Allowed in an amount equal to the amount of outstanding obligations owed by 900 Monroe as of the Commencement Date.

(ii) Treatment. Holders of such Claims shall receive such treatment as is set forth in the BofA Settlement Agreement.

(iii) Impairment and Voting. Class 14A is impaired by this Plan.

Holders of Allowed Class 14A Claims are entitled to vote to accept or reject this Plan.

(B) Class 14B(i): Unsecured Priority Claims

(i) Classification. Class 14B(i) shall consist of unsecured Priority Claims.

(ii) Treatment. Holders of Class 14B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of 900 Monroe in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 14B(i) is impaired by this Plan.

Holders of Allowed Class 14B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 14B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 14B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 14B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of 900 Monroe in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 14B(ii) is impaired, and the Holders of Allowed Class 14B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 14B(iii): Intercompany Claims

(i) Classification. Class 14B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 14B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 14B(ii) Claims.

(iii) Impairment and Voting. Class 14B(iii) is impaired by this Plan and Holders of Class 14B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 14C: Equity Interests

(i) Classification. Class 14C is comprised of the Equity Interests in 900 Monroe.

(ii) Treatment. Holders of Class 14C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in 900 Monroe shall be retained by such Holder.



(iii) Impairment and Voting Class 14C is unimpaired by this Plan.

Therefore, the Holders of Class 14C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.15. Block 88

(A) Class 15A: Secured Claims There are no Class 15A Claims.

(B) Class 15B(i): Unsecured Priority Claims

(i) Classification. Class 15B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 15B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Block 88 in accordance with Section 507 of the Bankruptcy Code; provided, however, that notwithstanding the foregoing, the provisions of this subsection shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(iii) Impairment and Voting. Class 15B(i) is impaired by this Plan. Holders of Allowed Class 15B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 15B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 15B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 15B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from

the liquidation of the Assets of Block 88 in accordance with Section 507 of the Bankruptcy Code; provided, however, that notwithstanding the foregoing, the provisions of this subsection shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(iii) Impairment and Voting. Class 15B(ii) is impaired, and the Holders of Allowed Class 15B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 15B(iii): Intercompany Claims

(i) Classification. Class 15B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 15B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 15B(ii) Claims; provided, however, that notwithstanding the foregoing, the provisions of this subsection shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(iii) Impairment and Voting. Class 15B(iii) is impaired by this Plan and Holders of Class 15B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 15C: Equity Interests.

(i) Classification. Class 15C is comprised of the Equity Interests in Block 88.

(ii) Treatment. Holders of Class 15C Equity Interests will receive the treatment provided in the BofA Documents and all Equity Interests in Block 88 shall be

retained by such Holder. The provisions of this subsection shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(iii) Impairment and Voting Class 15C is unimpaired by this Plan. Therefore, the Holders of Class 15C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.16. Central Square

(A) Class 16A: Secured Claims

(i) Classification. Class 16A consists of the Claims held by Regions Bank. Class 16A Claims shall be Allowed in an amount equal to the amount of outstanding obligations owed by Central Square as of the Commencement Date and shall be administered by the Disbursing Agent.

(ii) Treatment. Subject to the terms of a separately presented and approved Settlement Agreement, Holders of such Claims shall receive such treatment as is set forth in the settlement that has been approved by the Bankruptcy Court.

(iii) Impairment and Voting. Class 16A is impaired by this Plan. Holders of Allowed Class 16A Claims are entitled to vote to accept or reject this Plan.

(B) Class 16B(i): Unsecured Priority Claims

(i) Classification. Class 16B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 16B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Central Square in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 16B(i) is impaired by this Plan. Holders of Allowed Class 16B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 16B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 16B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 16B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Central Square in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 16B(ii) is impaired, and the Holders of Allowed Class 16B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 16B(iii): Intercompany Claims

(i) Classification. Class 16B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 16B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 16B(ii) Claims.

(iii) Impairment and Voting. Class 16B(iii) is impaired by this Plan and Holders of Class 16B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 16C: Equity Interests

(i) Classification. Class 16C is comprised of the Equity Interests in Central Square.

(ii) Treatment. Holders of Class 16C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Central Square shall be retained by such Holder.

(iii) Impairment and Voting. Class 16C is unimpaired by this Plan. Therefore, the Holders of Class 16C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.17. Charleston

(A) Class 17A: Secured Claims There are no Class 17A Claims.

(B) Class 17B(i): Unsecured Priority Claims

(i) Classification. Class 17B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 17B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Charleston in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 17B(i) is impaired by this Plan. Holders of Allowed Class 17B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 17B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 17B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 17B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Charleston in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 17B(ii) is impaired, and the Holders of Allowed Class 17B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 17B(iii): Intercompany Claims

(i) Classification. Class 17B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 17B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 17B(ii) Claims.

(iii) Impairment and Voting. Class 17B(iii) is impaired by this Plan and Holders of Class 17B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 17C: Equity Interests

(i) Classification. Class 17C comprises the Equity Interests in Charleston.

(ii) Treatment. Holders of Class 17C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Charleston shall be cancelled on the Effective Date without the payment of any

monies or consideration. On the Effective Date, Charleston shall be deemed dissolved and the Class 17C Equity Interests will be cancelled.

(iii) Impairment and Voting Class 17C is impaired, and the Holders of Class 17C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 17C Claims will not be entitled to vote to accept or reject the Plan.

4.18. Omni

(A) Class 18A: Secured Claims There are no Class 18A Claims.

(B) Class 18B(i): Unsecured Priority Claims

(i) Classification. Class 18B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 18B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Omni in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 18B(i) is impaired by this Plan. Holders of Allowed Class 18B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 18B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 18B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 18B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Omni in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 18B(ii) is impaired, and the Holders of Allowed Class 18B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 18B(iii): Intercompany Claims

(i) Classification. Class 18B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 18B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 18B(ii) Claims.

(iii) Impairment and Voting. Class 18B(iii) is impaired by this Plan and Holders of Class 18B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 18C: Equity Interests

(i) Classification. Class 18C is comprised of the Equity Interests in Omni.

(ii) Treatment. Holders of Class 18C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Omni shall be retained by such Holder.

(iii) Impairment and Voting Class 18C is unimpaired by this Plan. Therefore, the Holders of Class 18C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.19. Tarragon Edgewater

(A) Class 19A: Secured Claims There are no Class 19A Claims.

(B) Class 19B(i): Unsecured Priority Claims

(i) Classification. Class 19B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.



(ii) Treatment. Holders of Class 19B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Tarragon Edgewater in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 19B(i) is impaired by this Plan. Holders of Allowed Class 19B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 19B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 19B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 19B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Tarragon Edgewater in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 19B(ii) is impaired, and the Holders of Allowed Class 19B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 19B(iii): Intercompany Claims

(i) Classification. Class 19B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 19B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 19B(ii) Claims.

(iii) Impairment and Voting. Class 19B(iii) is impaired by this Plan and Holders of Class 19B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 19C: Equity Interests

(i) Classification. Class 19C is comprised of the Equity Interests in Tarragon Edgewater.

(ii) Treatment. Holders of Class 19C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Tarragon Edgewater shall be retained by such Holder.

(iii) Impairment and Voting. Class 19C is unimpaired by this Plan. Therefore, the Holders of Class 19C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.20. Trio East

(A) Class 20A: Secured Claims

(i) Classification. Class 20A consists of the Claims held by BofA. Class 20A Claims shall be Allowed in an amount equal to the amount of outstanding obligations owed by Trio East as of the Commencement Date and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of such Claims shall receive such treatment as is set forth in the BofA Settlement Agreement.

(iii) Impairment and Voting. Class 20A is impaired by this Plan. Holders of Allowed Class 20A Claims are entitled to vote to accept or reject this Plan.

(B) Class 20B(i): Unsecured Priority Claims

(i) Classification. Class 20B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 20B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Trio East in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 20B(i) is impaired by this Plan. Holders of Allowed Class 20B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 20B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 20B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 20B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Trio East in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 20B(ii) is impaired, and the Holders of Allowed Class 20B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 20B(iii): Intercompany Claims

(i) Classification. Class 20B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 20B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 20B(ii) Claims.

(iii) Impairment and Voting. Class 20B(iii) is impaired by this Plan and Holders of Class 20B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 20C: Equity Interests

(i) Classification. Class 20C is comprised of the Equity Interests in Trio East.

(ii) Treatment. Holders of Class 20C Equity Interests will not receive any Distribution of property under this Plan and all Equity Interests in Trio East shall be retained by such Holder.

(iii) Impairment and Voting. Class 20C is unimpaired by this Plan. Therefore, the Holders of Class 20C Claims are not entitled to vote to accept or reject this Plan and are conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

4.21. Vista

(A) Class 21A: Secured Claims There are no Class 21A Claims.

(B) Class 21B(i): Unsecured Priority Claims

(i) Classification. Class 21B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 21B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Vista in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 21B(i) is impaired by this Plan. Holders of Allowed Class 21B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 21B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 21B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 21B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Vista in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 21B(ii) is impaired, and the Holders of Allowed Class 21B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 21B(iii): Intercompany Claims

(i) Classification. Class 21B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 21B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 21B(ii) Claims.

(iii) Impairment and Voting. Class 21B(iii) is impaired by this Plan and Holders of Class 21B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 21C: Equity Interests

(i) Classification. Class 21C comprises the Equity Interests in Vista.

(ii) Treatment. Holders of Class 21C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Vista shall be cancelled on the Effective Date without the payment of any monies or consideration. On the Effective Date, Vista shall be deemed dissolved and the Class 21C Equity Interests will be cancelled.

(iii) Impairment and Voting. Class 21C is impaired, and the Holders of Class 21C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 21C Claims will not be entitled to vote to accept or reject the Plan.

4.22. Murfreesboro

(A) Class 22A: Secured Claims. There are no Class 22A Claims.

(B) Class 22B(i): Unsecured Priority Claims

(i) Classification. Class 22B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 22B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Murfreesboro in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 22B(i) is impaired by this Plan. Holders of Allowed Class 22B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 22B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 22B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 22B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Murfreesboro in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 22B(ii) is impaired, and the Holders of Allowed Class 22B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 22B(iii): Intercompany Claims

(i) Classification. Class 22B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 22B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 22B(ii) Claims.

(iii) Impairment and Voting. Class 22B(iii) is impaired by this Plan and Holders of Class 22B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 22C: Equity Interests

(i) Classification. Class 22C comprises the Equity Interests in Murfreesboro.

(ii) Treatment. Holders of Class 22C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Murfreesboro shall be cancelled on the Effective Date without the payment of any monies or consideration. On the Effective Date, Murfreesboro shall be deemed dissolved and the Class 22C Equity Interests will be cancelled.

(iii) Impairment and Voting. Class 22C is impaired, and the Holders of Class 22C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 22C Claims will not be entitled to vote to accept or reject the Plan.

4.23. Stonecrest

(A) Class 23A: Secured Claims. There are no Class 23A Claims.

(B) Class 23B(i): Unsecured Priority Claims

(i) Classification. Class 23B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 23B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from

the liquidation of the Assets of Stonecrest in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 23B(i) is impaired by this Plan.

Holders of Allowed Class 23B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 23B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 23B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 23B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Stonecrest in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 23B(ii) is impaired, and the Holders of Allowed Class 23B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 23B(iii): Intercompany Claims

(i) Classification. Class 23B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 23B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 23B(ii) Claims.

(iii) Impairment and Voting. Class 23B(iii) is impaired by this Plan and Holders of Class 23B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 23C: Equity Interests

(i) Classification. Class 23C comprises the Equity Interests in Stonecrest.



(ii) Treatment. Holders of Class 23C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Stonecrest shall be cancelled on the Effective Date without the payment of any monies or consideration. On the Effective Date, Stonecrest shall be deemed dissolved and the Class 23C Equity Interests will be cancelled.

(iii) Impairment and Voting. Class 23C is impaired, and the Holders of Class 23C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 23C Claims will not be entitled to vote to accept or reject the Plan.

4.24. Stratford

(A) Class 24A: Secured Claims There are no Class 24A Claims.

(B) Class 24B(i): Unsecured Priority Claims

(i) Classification. Class 24B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 24B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Stratford in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 24B(i) is impaired by this Plan. Holders of Allowed Class 24B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 24B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 24B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 24B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Stratford in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 24B(ii) is impaired, and the Holders of Allowed Class 24B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 24B(iii): Intercompany Claims

(i) Classification. Class 24B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 24B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 24B(ii) Claims.

(iii) Impairment and Voting. Class 24B(iii) is impaired by this Plan and Holders of Class 24B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 24C: Equity Interests

(i) Classification. Class 24C comprises the Equity Interests in Stratford.

(ii) Treatment. Holders of Class 24C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Stratford shall be cancelled on the Effective Date without the payment of any monies or consideration. On the Effective Date, Stratford shall be deemed dissolved and the Class 24C Equity Interests will be cancelled.

(iii) Impairment and Voting Class 24C is impaired, and the Holders of Class 24C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 24C Claims will not be entitled to vote to accept or reject the Plan.

4.25. MSCP

(A) Class 25A: Secured Claims There are no Class 25A Claims.

(B) Class 25B(i): Unsecured Priority Claims

(i) Classification. Class 25B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 25B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of MSCP in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 25B(i) is impaired by this Plan. Holders of Allowed Class 25B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 25B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 25B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 25B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of MSCP in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 25B(ii) is impaired, and the Holders of Allowed Class 25B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 25B(iii): Intercompany Claims

(i) Classification. Class 25B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 25B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 25B(ii) Claims.

(iii) Impairment and Voting. Class 25B(iii) is impaired by this Plan and Holders of Class 25B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 25C: Equity Interests

(i) Classification. Class 25C comprises the Equity Interests in MSCP.

(ii) Treatment. Holders of Class 25C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in MSCP shall be cancelled on the Effective Date without the payment of any monies or consideration. On the Effective Date, MSCP shall be deemed dissolved and the Class 25C Equity Interests will be cancelled.

(iii) Impairment and Voting Class 25C is impaired, and the Holders of Class 25C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 25C Claims will not be entitled to vote to accept or reject the Plan.

4.26. Hanover

(A) Class 26A: Secured Claims There are no Class 26A Claims.

(B) Class 26B(i): Unsecured Priority Claims

(i) Classification. Class 26B(i) shall consist of unsecured Priority Claims and shall be administered by the Disbursing Agent.

(ii) Treatment. Holders of Class 26B(i) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Hanover in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 26B(i) is impaired by this Plan. Holders of Allowed Class 26B(i) Claims are entitled to vote accept or reject this Plan.

(C) Class 26B(ii): Unsecured Non-Priority Claims

(i) Classification. Class 26B(ii) consists of all unsecured non-priority Claims.

(ii) Treatment. Holders of Class 26B(ii) Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the proceeds from the liquidation of the Assets of Hanover in accordance with Section 507 of the Bankruptcy Code.

(iii) Impairment and Voting. Class 26B(ii) is impaired, and the Holders of Allowed Class 26B(ii) Claims are entitled to vote to accept or reject this Plan.

(D) Class 26B(iii): Intercompany Claims

(i) Classification. Class 26B(iii) comprises of Intercompany Claims.

(ii) Treatment. Holders of Class 26B(iii) Claims shall receive a Distribution *pari passu* with Holders of Class 26B(ii) Claims.

(iii) Impairment and Voting. Class 26B(iii) is impaired by this Plan and Holders of Class 26B(iii) Claims are not entitled to vote to accept or reject this Plan.

(E) Class 26C: Equity Interests

(i) Classification. Class 26C comprises the Equity Interests in Hanover.

(ii) Treatment. Holders of Class 26C Equity Interests will not receive any Distribution of property nor retain any property under this Plan and all Equity Interests in Hanover shall be cancelled on the Effective Date without the payment of any monies or consideration. On the Effective Date, Hanover shall be deemed dissolved and the Class 26C Equity Interests will be cancelled.

(iii) Impairment and Voting. Class 26C is impaired, and the Holders of Class 26C Claims will be conclusively deemed to have rejected the Plan. Therefore, Holders of Class 26C Claims will not be entitled to vote to accept or reject the Plan.

**ARTICLE V.**

**EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

5.1. Assumption or Rejection of Executory Contracts and Unexpired Leases.

(A) Executory Contracts and Unexpired Leases. Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all Executory Contracts and unexpired leases that exist between the applicable Debtor and any Person as of the Confirmation Date and which are set forth on Schedule 5 hereto, shall be deemed assumed by such Debtor as of the Effective Date, except for any Executory Contract or unexpired lease (i) which has been previously assumed pursuant to an Order of the Bankruptcy Court entered before the Confirmation Date, (ii) which has been previously rejected pursuant to an Order of the Bankruptcy Court entered before the Confirmation Date, (iii) as to which a motion for approval of the rejection of such Executory Contract or unexpired lease has been filed and served before the Confirmation Date, or (iv) the Block 88 Operating Agreement and any express or implied operating agreement or corporate

governance agreement with respect to 800 Madison, it being understood that the BofA Documents, as applicable, shall govern the treatment of the Block 88 Operating Agreement and any express or implied operating agreement or corporate governance agreement with respect to 800 Madison. All Executory Contracts, other contracts and agreements and any unexpired leases that exist between any of the Debtors and any of their subsidiaries and/or affiliates and any Person shall be rejected by the Debtors as of the Confirmation Date unless expressly assumed on Schedule 5; provided, however, the treatment of the Block 88 Operating Agreement and any express or implied operating agreement or corporate governance agreement with respect to 800 Madison shall be governed by the BofA Documents, as applicable. The applicable Debtor shall provide notice of any amendments to Schedule 5 to the parties to the Executory Contracts and unexpired leases affected thereby. The listing of a document on Schedule 5 shall not constitute an admission by the applicable Debtor that such agreement is an Executory Contract or an unexpired lease or that the applicable Debtor has any liability thereunder.

Each Executory Contract and unexpired lease listed or to be listed on Schedule 5 shall include (i) modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such Executory Contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on Schedule 5 and (ii) Executory Contracts or unexpired leases appurtenant to the premises listed on Schedule 5 including, without limitation, all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vault, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem relating to such premises to the

extent any of the foregoing are Executory Contracts or unexpired leases, unless any of the foregoing agreements previously have been assumed.

The Debtors propose to assume certain of the Ursa Operating Agreements upon confirmation of the Plan and, therefore, the Debtors that are parties to those Ursa Operating Agreements will remain unchanged.

(B) Insurance Policies. Each of the Debtors' insurance policies and any agreements, documents or instruments relating thereto, including, without limitation, any retrospective premium rating plans relating to such policies, are treated as Executory Contracts under the Plan. Notwithstanding the foregoing, distributions under the Plan to any Holder of a Claim covered by any of such insurance policies and related agreements, documents or instruments that are assumed hereunder, shall be in accordance with the treatment provided under this Plan. Nothing contained in this Article shall constitute or be deemed a waiver of any Cause of Action that any of the Debtors may hold against any entity including, without limitation, the insurer under any of the Debtors' policies of insurance.

(C) Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute as of the Effective Date, the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the (i) assumption of the Executory Contracts and unexpired leases to be assumed pursuant to Article 5.1(A) hereof, and (ii) rejection of the Executory Contracts and unexpired leases to be rejected pursuant to Article 5.1(A) hereof. Upon the Effective Date, each counter party to an Executory Contract or unexpired lease listed on listed on Schedule 5 shall be deemed to have consented to assumption contemplated by Bankruptcy Code Section 365(c)(1)(B), to the extent such consent is necessary for such assumption; provided, however, the treatment of the Block 88 Operating



Agreement and any express or implied operating agreement or corporate governance agreement with respect to 800 Madison shall be governed by the BofA Documents, as applicable.

(D) Cure of Defaults. Except as may otherwise be agreed to by the parties, within ninety days after the Effective Date, or as due in the ordinary course of business, and provided such Executory Contract or unexpired lease has not been rejected as of the Effective Date, Reorganized Tarragon shall cure any and all undisputed defaults under any Executory Contract or unexpired lease assumed pursuant to the Plan in accordance with section 365(b)(1) of the Bankruptcy Code or in accordance with agreements previously negotiated by the parties in respect of the reduction of pre- Commencement Date Claims, as applicable; provided, however, the treatment of the Block 88 Operating Agreement and any express or implied operating agreement or corporate governance agreement with respect to 800 Madison shall be governed by the BofA Documents, as applicable. Notice of the cure amount is set forth on Schedule 5, as applicable, to the Plan. If no Cure amount is set forth on those Schedules, the applicable Debtor believes no cure amount is due. Notwithstanding the foregoing, in the event of a dispute regarding (i) the nature or amount of any cure obligation, (ii) the ability of a Debtor, Reorganized Tarragon or any assignee to provide “adequate assurances of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or unexpired lease to be assumed or assigned, or (iii) any other matter pertaining to any such assumption, the cure obligation shall be satisfied no later than thirty days of the entry of a Final Order determining the obligation, if any, of the applicable Debtor or Reorganized Tarragon with respect thereto, or as may otherwise be agreed to by the parties.

(E) Cure Procedure. The Plan and Schedule 5 (included in the Plan Supplement) shall constitute notice to any non-Debtor party to any Executory Contract or

unexpired lease to be assumed pursuant to the Plan of the amount of any cure amount owed, if any, under the applicable Executory Contract or unexpired lease. **Any non-Debtor party that fails to respond or object on or before the deadline scheduled by the Bankruptcy Court for objections to the Plan, shall be deemed to have consented to such proposed cure amount for all purposes in the Chapter 11 Cases.** The treatment of the Block 88 Operating Agreement and any express or implied operating agreement or corporate governance agreement with respect to 800 Madison shall be governed by the BofA Documents, as applicable.

(F) Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an Executory Contract or unexpired lease, after the Bar Date, pursuant to Article 5.1(A) of this Plan must be filed with the Bankruptcy Court and served upon the Clerk and the Debtors' counsel or as otherwise may be provided in the Confirmation Order, by no later than thirty days after notice of entry of the Confirmation Order and/or notice of an amendment to Schedule 5. Any Claims not filed within such time will be forever barred from assertion against the applicable Debtor and its Estate, Reorganized Tarragon and New Ansonia and its property. Any Claim arising out of the rejection, prior to the Bar Date, of an Executory Contract or unexpired lease, shall have been filed with the Bankruptcy Court and served upon the applicable Debtor prior the Bar Date or is forever barred from assertion against the applicable Debtor and its Estate, Reorganized Tarragon and New Ansonia and its property. Unless otherwise Ordered by the Bankruptcy Court, all Claims arising from the rejection of Executory Contracts and unexpired leases shall be treated as General Unsecured Claims under the Plan.

(G) Indemnification Obligations. For purposes of the Plan, the obligations of any of the Debtors to defend, indemnify, reimburse or limit the liability of any present member,

manager, director, officer or employee who is or was a member, manager, director, officer or employee, respectively, on or after the Commencement Date against any Claims or obligations pursuant any to operating agreement, certificates of formation or similar corporate governance documents, applicable state law, or specific agreement, or any combination of the foregoing, shall: (i) be assumed by such Debtor; (ii) survive confirmation of the Plan; (iii) remain unaffected thereby; and (iv) not be discharged, irrespective of whether indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before, on or after the Commencement Date.

5.2. Reservation regarding BofA Documents

Notwithstanding the foregoing, the provisions of this Article V shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the BofA Documents, and nothing contained in this Article V shall alter, amend, impair or modify the rights of the parties under the BofA Documents. The treatment of the Block 88 Operating Agreement and any express or implied operating agreement or corporate governance agreement with respect to 800 Madison shall be governed by the BofA Documents, as applicable.

5.3. Reservation regarding Ursa Documents

Notwithstanding the foregoing, the provisions of this Article V shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the Ursa Documents, and nothing contained in this Article V shall alter, amend, impair or modify the rights of the parties under the Ursa Documents.

## **ARTICLE VI.**

### **ACCEPTANCE OR REJECTION OF THIS PLAN**

#### **6.1. Voting Classes**

Holders of Allowed Claims in each impaired Class are entitled to vote as a class to accept or reject this Plan. Each Holder of an Allowed Claim in the applicable Classes delineated in the Claims Treatment Table are entitled to vote to accept or reject this Plan.

#### **6.2. Acceptance by Impaired Classes**

An impaired Class of Claims shall be deemed to have accepted this Plan if (i) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept this Plan and (ii) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Class voting in such Class have voted to accept this Plan.

#### **6.3. Non Consensual Confirmation**

At the Debtors' request, this Plan may be confirmed under the so-called "cram down" provisions set forth in section 1129(b) of the Bankruptcy Code if, in addition to satisfying the other requirements for confirmation, this Plan "does not discriminate unfairly" and is determined to be "fair and equitable" with respect to each Class of Claims or Equity Interests that has not accepted this Plan (*i.e.*, dissenting Classes). Because certain Classes are deemed to have rejected this Plan, the Debtors are requesting confirmation of this Plan, as it may be modified from time to time in accordance with the terms of this Plan, under section 1129(b) of the Bankruptcy Code. The Debtors also will request confirmation under this provision for any impaired Class that rejects this Plan. The Debtors reserve the right to alter, amend, modify, revoke or withdraw this Plan or any amendment or supplement thereto, including to amend or modify it to satisfy the

requirements of section 1129(b) of the Bankruptcy Code, if necessary, in accordance with section 1127 of the Bankruptcy Code and this Plan.

## **ARTICLE VII.**

### **IMPLEMENTATION OF THE PLAN**

In addition to the provisions set forth elsewhere in the Plan, the following shall constitute the means for implementation of the Plan:

7.1. Post Confirmation Tarragon.

(A) Tarragon Creditor Entity

Upon the Effective Date, the unsecured creditors of Tarragon Corp., Tarragon Dev. Corp., Tarragon South and Tarragon Dev. LLC other than Beachwold and Rothenberg (collectively, the “Tarragon Creditors”) shall contribute all of their Claims against Tarragon Corp, Tarragon Dev. Corp., Tarragon South and Tarragon Dev. LLC to a creditor trust, limited liability or other entity (the “Tarragon Creditor Entity”) in exchange for 100% of the equity or other ownership interest in such Tarragon Creditor Entity.

(B) Reorganized Tarragon; Beachwold Residential and New Ansonia

1 Formation of Beachwold Residential, LLC

On or before the Effective Date, Beachwold and Rothenberg shall form Beachwold Residential, LLC, a Delaware limited liability company (“Beachwold Residential”).

2 Contributions to Beachwold Residential

In exchange for collectively contributing Two Million (\$2,000,000) Dollars face amount of the Affiliate Notes and other amounts owed by Tarragon Corp. to Beachwold and Rothenberg (the “Beachwold Residential Claims”) and giving the release referenced in subsection 4(i) below, Beachwold and Rothenberg shall collectively receive 100% of the equity in Beachwold Residential.

3 Formation of New Ansonia

Upon the Effective Date, Beachwold Residential shall form a new Delaware limited liability company or other entity agreed to by Beachwold, Rothenberg and the Tarragon Creditors (“New Ansonia”). Beachwold Residential shall initially own 100% of the equity of New Ansonia. New Ansonia will be a privately held company and will not be subject to any filing requirements of the Securities and Exchange Commission. New Ansonia is not a successor to the Debtors.

4 Contributions to New Ansonia

(i) Beachwold Residential. In exchange for (1) Beachwold Residential contributing the Beachwold Residential Claims, (2) the general release of any and all claims against Tarragon Corp. and its direct and indirect subsidiaries by Beachwold (including Friedman) and Rothenberg, and (3) Beachwold Residential agreeing to facilitate the liquidation of Tarragon’s assets, Beachwold Residential shall receive 50% of the equity in New Ansonia.

(ii) Tarragon Creditors. In exchange for collectively contributing all of their Claims against Tarragon Corp, Tarragon Dev. Corp., Tarragon South and Tarragon Dev. LLC to New Ansonia on the Effective Date (the “TCE Ansonia Claims”), the Tarragon Creditor Entity shall receive 50% of the equity in New Ansonia.

5 Contributions to Reorganized Tarragon

In exchange for cancelling the Affiliate Notes and any other amounts owed by Tarragon Corp. to Beachwold and Rothenberg (other than the Beachwold Residential Claims), Beachwold shall receive 60% of the equity in Reorganized Tarragon and Rothenberg shall receive 40% of the equity in Reorganized Tarragon.

6 Acquisition of the New Ansonia Transferred Assets  
by New Ansonia

On the Effective Date, New Ansonia shall purchase from the Debtors or their Affiliates in a taxable transaction all of the Debtors' or its Affiliates' interests in the entities listed on Exhibit A (the "New Ansonia Acquired Interests"). New Ansonia shall purchase the New Ansonia Acquired Interests by (i) cancelling the Beachwold Residential Claims and the TCE Ansonia Claims, and (ii) accepting a transfer of all of the New Ansonia Acquired Interests subject to all pre-existing liens and liabilities.

The transfer of the New Ansonia Acquired Interests to New Ansonia (i) shall be deemed a permitted transfer notwithstanding anything to the contrary contained in any corporate governance document, loan document or other document to which any Debtor or its Affiliates is a party to or bound by, and (ii) shall not trigger, cause or constitute a default or an event of default under any corporate governance document, loan document or other document to which any Debtor or its Affiliates is a party to or bound by. Notwithstanding the foregoing, any Person having been served or provided with a copy of the Plan and/or the Disclosure Statement, and not objecting to the transfer in accordance with the terms set forth herein, shall be deemed to have consented to the transfer of the New Ansonia Acquired Interests to New Ansonia.

The partnership interests in Ansonia LP which shall be transferred to New Ansonia as part of the New Ansonia Acquired Interests shall be held subject to a negative pledge that will preclude New Ansonia from pledging or otherwise encumbering such interests until the Term Loan (as defined below) has been satisfied in full.

In addition, prior to the repayment in full of the Term Loan and the associated exit fee, all distributions otherwise payable to the members of New Ansonia shall be distributed to UTA and applied, *first*, to any outstanding interest due on the Term Loan, *second*, to reduce the principal

amount of the Term Loan, and *third*, to pay the exit fee. Borrowers shall not owe New Ansonia any obligations to repay or reimburse any such amounts paid by New Ansonia.

(C) UTA Term Loan

UTA has agreed to provide the Borrowers with \$4,820,000 in cash in the form of an eighteen month term loan (“Term Loan”); *provided, however*, that in the event that the Plan is not confirmed by June 15, 2010, the Term Loan shall mature on September 15, 2010. Interest on the Term Loan accrues at the rate of 15% per annum on the outstanding balance and is paid monthly in arrears. Unpaid interest accrues and compounds monthly.

The Credit Agreement evidencing the Term Loan provides that, except for the New Ansonia Acquired Interests and as otherwise set forth in the Credit Agreement, the Term Loan shall be secured by liens and security interests in and on all of Borrowers’ assets that can be pledged (real, personal and mixed), subject to (i) any valid and properly perfected liens and security interest existing on the date the Plan is confirmed, (ii) to then existing restrictions on the grant of subordinated liens, and (iii) the exclusion of any Chapter 5 claims. The Bankruptcy court granted interim approval of the Term Loan on March 31, 2010, at which time the Borrowers received an initial draw of \$4,200,000. A hearing to consider final approval of the Term Loan is scheduled for April 15, 2010.

Subject to the terms of the Credit Agreement evidencing the Term Loan, in the event that the existing loan made by GECC to Ansonia LP or subsidiaries of Ansonia LP is satisfied in full (or with the prior written consent of GECC if such loan is not satisfied in full), UTA shall have the option to receive (in addition to principal, interest and the exit fee) 11% of the equity of New Ansonia. Upon such option exercise, Beachwold Residential and Rothenberg’s collective interest in New Ansonia shall be reduced to 29% and the Tarragon Creditor Entity’s interest in New Ansonia shall be increased to 60%.



(D) Beachwold Participation in the Term Loan

Rothenberg and two individual retirement plans having Friedman and Lucy Friedman as their respective plan beneficiaries have collectively purchased an approximate 12.86% participating interest in the Term Loan for \$620,000.

(E) Liquidation

1 Liquidation of Assets

Following confirmation of the Plan, Reorganized Tarragon and the Tarragon Creditor Entity shall proceed diligently to liquidate the presently owned physical and intangible assets of Tarragon Corp. and certain of its Affiliates whose assets are not being transferred to New Ansonia pursuant to the terms of the Plan<sup>3</sup>, including all Causes of Action, but excluding the names, trade names, management manuals, facsimile numbers, telephone numbers and email addresses of Tarragon Corp. and its Affiliates (the "Liquidation Assets") in accordance with the terms and conditions of the Plan. Reorganized Tarragon will have primary responsibility for the disposition of the Liquidation Assets, but each sale or other disposition of a Liquidation Asset shall be subject to the approval of the Tarragon Creditor Entity (which approval shall not be unreasonably withheld with respect to any Material Liquidation Asset (as such term is defined below), for so long as the principal, interest and exit fee, but not additional interest, on the Term Loan remains outstanding). Notwithstanding the forgoing, with regard to certain Liquidation Assets listed on Exhibit B (the "Material Liquidation Assets"), UTA, Borrowers, Beachwold and the Creditors' Committee agreed to a schedule of estimated minimum net liquidation proceeds (the "Minimum Liquidation Proceeds") to be realized from the sale or other disposition of such Material Liquidation Assets. UTA shall have approval rights (such approval not to be

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<sup>3</sup> The only assets that are being transferred to New Ansonia are set forth on Exhibit G of the Disclosure Statement.

unreasonably withheld, conditioned or delayed) only with regard to a proposed sale or other disposition of a Material Liquidation Asset that, if consummated, would result in net liquidation proceeds below the Minimum Liquidation Proceeds amount associated to such Material Liquidation Asset.

Notwithstanding anything to the contrary in the immediately preceding paragraph or elsewhere in this Plan, Confirmation Order or documents ancillary thereto (including any amendment or modification of each thereof), the disposition of the Liquidation Assets, including, without limitation, the Material Liquidation Assets, that comprise BofA's collateral (the "BofA Collateral") securing the Debtors' pre- and post-petition obligations to BofA (including, without limitation, the obligations under the BofA Guaranty) shall be solely in accordance with the terms and conditions of the BofA Documents, as applicable. Without limiting the foregoing, subject to the BofA Settlement Agreement, notwithstanding confirmation of the Plan, BofA shall retain the right to foreclose on any of the BofA Collateral and utilize the consents to foreclosure delivered to BofA in connection with the BofA Settlement Agreement.

Notwithstanding anything to the contrary in this Plan, the Confirmation Order or any documents ancillary to the Plan and/or the Confirmation Order (including any amendment or modification of each thereof), BofA's Claims, Liens, rights and interests shall continue unaffected by the confirmation of the Plan, the occurrence of the Effective Date or consummation of the Plan unless and until all of such Claims, Liens, rights and interests are fully satisfied in accordance with the terms and conditions of the BofA Documents.

Notwithstanding anything to the contrary in this Plan, the Confirmation Order or any documents ancillary to the Plan and/or the Confirmation Order (including any amendment or modification of each thereof), the provisions of this subsection (E)1 shall be subject to, and to the

extent inconsistent with controlled by, the terms of the BofA Documents or the Ursa Documents, as applicable, and nothing contained in this subsection (E)1 shall alter, amend, impair or modify the rights of the parties under the BofA Documents or the Ursa Documents, as applicable.

2 Duties of Reorganized Tarragon

Until such time as all Liquidation Assets have been sold or otherwise disposed of pursuant to the terms of the Plan, Reorganized Tarragon (and any Affiliate or subsidiary thereof) shall:

- provide quarterly reports to the TCE Trustee regarding the Liquidation Assets, its cash on hand, and any other matter reasonably requested by the TCE Trustee (which reports may be prepared on a consolidated basis);
- provide the TCE Trustee with access to its books and records upon reasonable notice and during normal business hours;
- keep separate books and records, account separately for, and keep separate in all respects, all costs, expenses, proceeds and business related to or derived from the Liquidation Assets on the one hand, and any after-acquired property on the other hand;
- adhere to an operating budget to be agreed upon by Reorganized Tarragon and the Tarragon Creditor Entity (or the Creditors' Committee, if such budget is finalized prior to the Effective Date);
- provide notice of any offer to purchase any Liquidation Asset to the TCE Trustee, and, upon the direction of the TCE Trustee, accept such offer (except that Reorganized Tarragon shall not be obligated to accept any offer with regard to a proposed sale or other disposition of a Material Liquidation Asset if such sale or disposition would result in net liquidation proceeds below the Minimum Liquidation Proceeds amount associated with such Material Liquidation Asset without UTA's approval);
- provide notice of any offer to settle any Cause of Action to the TCE Trustee, and, upon the direction of the TCE Trustee, accept such offer;

and Reorganized Tarragon (and any affiliate or subsidiary thereof) shall not:

- Agree to or consummate a Material Transaction without the consent of the TCE Trustee on behalf of the Tarragon Creditor Entity (which consent shall not be unreasonably withheld with respect to any Material Liquidation Asset for so long

as the principal, interest and exit fee, but not additional interest, on the Term Loan remains outstanding).

For purposes of this section E(2), "Material Transaction" shall mean (i) any pledge of any Liquidation Asset by Reorganized Tarragon (or any Affiliate or subsidiary thereof), (ii) the incurrence by Reorganized Tarragon (or any Affiliate or subsidiary thereof) of any debt (other than *de minimis* amounts incurred in the ordinary course of business or pursuant to the operating budget), (iii) any agreement or arrangement with Friedman, Rothenberg, Beachwold, or any family member, affiliate or insider (as defined section 101(31) of the Bankruptcy Code) of any of them; (iv) the sale or other disposition of any Liquidation Asset, or (v) any other transaction that could reasonably be expected to have a material impact on the proceeds received by the Tarragon Creditor Entity from the sale or other disposition of any of the Liquidation Assets.

Reorganized Tarragon and the Tarragon Creditor Entity shall work in good faith to determine the protocol for Reorganized Tarragon to secure the Tarragon Creditor Entity's approval of a potential Material Transaction in a manner reasonably calculated to maximize the value of the Liquidation Assets. The parties shall endeavor to finalize such protocol prior to confirmation of the Plan. In the event that such protocol is not agreed to prior to confirmation of the Plan, the written consent of the TCE Trustee shall be required before Reorganized Tarragon agrees to or consummates a Material Transaction (which consent shall not be unreasonably withheld with respect to any Material Liquidation Asset for so long as the principal, interest and exit fee, but not additional interest, on the Term Loan remains outstanding).

### 3 Distributions

All Surplus Cash, and, upon the sale or other disposition of any Liquidation Asset, net proceeds of sale, after (i) payment of all senior liens on the asset being sold that exist as of the date of such sale or disposition, (ii) payment of all other creditor claims against the owner of the

asset being sold that exist as of the date of such sale or disposition, and (iii) payment of all reasonable and customary expenses of sale, shall be distributed as set forth immediately below; provided, however, that with respect to the revenue generated by 800 Madison, the use of such revenue shall be governed by the terms and conditions of the BofA Documents:

(i) First, 100% to UTA until (a) all reimbursement obligations to UTA provided for in the loan documents evidencing the Term Loan with respect to reimbursement of any expenses incurred by UTA after the funding of the Term Loan in enforcing its rights or maintaining the collateral pledged as security for the Term Loan have been satisfied in full, and (b) all interest on the Term Loan that is then due and payable has been paid in full; *then*

(ii) Second, 100% to UTA until all principal of the Term Loan has been paid in full; *then*

(iii) Third, 100% to UTA until the exit fee under the Term Loan has been paid in full; *then*

(iv) Fourth, 100% to payment of Deferred Confirmation Expenses according to the Plan until such Deferred Confirmation Expenses are paid in full, and then to the Tarragon Creditor Entity to be distributed pursuant to the terms of the Plan until a collective total of \$8 million has been paid or distributed to all parties pursuant to clauses (i)-(iii), this clause (iv) or as Permitted Overhead Expenses (as defined below); *then*

(v) Fifth, 11% to UTA as additional interest, and 89% to payment of Deferred Confirmation Expenses according to the Plan until such

Deferred Confirmation Expenses are paid in full, and then to the Tarragon Creditor Entity, until a total of \$2 million has been paid or distributed pursuant to this clause (v); provided, however, that UTA shall first be reimbursed for all of its reasonable unreimbursed expenses related to the Term Loan in excess of \$100,000 after a total of \$1,000,000 has been paid or distributed, and before any further payments or distributions are made pursuant to this clause (v); *then*

(vi) Sixth, 22% to UTA as additional interest and the remaining 78% as follows: first, the entire 78% shall be distributed to payment of Deferred Confirmation Expenses according to the Plan until such Deferred Confirmation Expenses are paid in full, and then after such Deferred Confirmation Expenses are paid in full, 12% shall be retained by Reorganized Tarragon, and 66% shall be distributed to the Tarragon Creditor Entity.

Notwithstanding the foregoing, for any month in which Reorganized Tarragon and the other Borrowers under the Term Loan do not have Surplus Cash, up to \$90,000 per month of cash flow or net liquidation proceeds may be utilized for payment of their overhead expenses and operating costs, including without limitation, taxes and priority claims (“Permitted Overhead Expenses”) prior to any payment or distribution described above.

Reorganized Tarragon and the other Borrowers under the Term Loan shall be permitted to utilize any cash on hand that is less than \$500,000 (excluding net proceeds from the sale of any of the collateral for the Term Loan and the proceeds of the Term Loan) for payment of their Permitted Overhead Expenses prior to any payment or distribution described above.

Notwithstanding anything contained in this Section (E)3 to the contrary, with respect to 800 Madison, the post-confirmation payments to BofA and use of cash collateral shall be subject to the terms and conditions of the BofA Documents.

Notwithstanding anything to the contrary in this Plan, the Confirmation Order or any documents ancillary to the Plan and/or the Confirmation Order (including any amendment or modification of each thereof), the provisions of this subsection (E)3 shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents and nothing contained in this subsection (E)3 shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

(F) Deferred Confirmation Expenses

In accordance with the January 16, 2009 Administrative Order establishing procedures for interim compensation and reimbursement of expenses to professionals, (a) each Professional retained in the cases referenced in the preceding paragraph was authorized to file monthly fee statements for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the immediately preceding month, and (b) in the absence of objection, the Debtors were authorized to pay each Professional 80% of the fees and 100% of the expenses requested in the monthly fee statement. Given the Debtors' liquidity problems, they ceased paying the 80% of the fees and 100% of the expenses requested in the Professionals' monthly statements for December 2009 through the present. In addition, the Debtors did not pay the 20% holdbacks for the months of June 2009 through September 2009 that were awarded by the Court in connection with the Professionals' second interim fee applications. From the Term Loan proceeds, Professionals will be paid on the Effective Date only a portion of the fees and expenses incurred and accrued through confirmation of the Plan. Professionals will not be paid 100% of those fees and expenses at confirmation, as ordinarily

required. Rather, a material portion of professional fees will be deferred pending the repayment in full of the Term Loan post-confirmation.

(G) Dissolution of Creditors' Committee

The Plan and the Confirmation Order will provide that upon the occurrence of the Effective Date, the Creditors' Committee shall dissolve automatically, whereupon its members, professionals and agents shall be released from any duties and responsibilities in these cases and under the Bankruptcy Code (except with respect to (i) obligations arising under confidentiality agreements, which shall remain in full force and effect, (ii) applications for the payment of fees and reimbursement of expenses, and (iii) any pending motions or any motions or other actions seeking enforcement of implementation of the provisions of the Plan).

(H) Tarragon Creditor Entity

The Tarragon Creditor Entity shall be owned by the Tarragon Creditors. All rights of the Tarragon Creditors as members of the Tarragon Creditor Entity, including rights to distributions and management, shall be set forth in an Operating Agreement (the "TCE Operating Agreement"), a copy of which will be filed with the Plan Supplement. Among other things, and as set forth in the TCE Operating Agreement, the Tarragon Creditor Entity shall be administered by a trustee (the "TCE Trustee") to be appointed by the Creditors' Committee prior to its dissolution. The powers and duties of the TCE Trustee are set forth in the TCE Operating Agreement. Among other things, and as set forth more fully in the TCE Operating Agreement, the TCE Trustee shall have the authority to retain such counsel, financial advisors and other professionals it deems necessary and appropriate to discharge its duties.

Reorganized Tarragon shall pay, out of cash on hand on the Effective Date, the reasonable "start up" costs and expenses of the Tarragon Creditor Entity pursuant to a budget to be agreed upon by Reorganized Tarragon and the Creditor's Committee and such costs shall be



deemed to be a Deferred Confirmation Expense. All other costs and expenses of the Tarragon Creditor Entity related to the liquidation of the Debtors in accordance with the terms of the Plan shall be paid by the Tarragon Creditor Entity.

(I) Post Confirmation Officers

On or promptly following the Effective Date, the post-confirmation senior executive officers of New Ansonia will include Rothenberg and Friedman and the post-confirmation senior executive officers of Reorganized Tarragon will include Friedman and Rothenberg.

In addition to the above referenced senior executive officers, junior executive officers who will be responsible for the day-to-day business affairs of New Ansonia, Reorganized Tarragon and their respective Affiliates will be appointed from time to time.

(J) Operating Agreement of New Ansonia

The Tarragon Creditor Entity and Beachwold Residential have entered into an Operating Agreement, which shall become effective on the Effective Date (the “New Ansonia Operating Agreement”).

(K) Property Management

New Ansonia shall enter into one or more five year property management agreement (“the Beachwold Property Management Agreement”) with Beachwold or their designee (the “Beachwold Manager”). The Beachwold Property Management Agreement shall provide for, among other things, Beachwold to manage the properties directly or indirectly owned by New Ansonia, for a fee of 5% (“Beachwold Management Fee”) of the gross revenues generated from such properties. The Beachwold Management Fee shall cover all overhead and administrative costs associated with managing such properties, including, without limitation, all overhead and administrative costs associated with any subcontract.

The Beachwold Manager shall enter into a three-year subcontract for property management services (the “Jupiter Management Agreement”) with Jupiter Communities LLC or its designee (“Jupiter”), substantially in the form to be filed with the Plan Supplement. The Jupiter Management Agreement shall provide for, among other things, Jupiter to manage the properties owned by Tarragon or New Ansonia in Texas, Alabama and Tennessee and any other properties that are mutually agreed upon by the parties thereto for a fee of 3% of the gross revenues generated from the properties located in Texas, a fee of 2.5% of the gross revenues generated from the properties located in Alabama and Tennessee, and a fee as may agreed by the parties thereto with respect to any other properties. For the avoidance of doubt, the fees payable to Jupiter under this provision shall be payable by the Beachwold Manager out of the Beachwold Management Fee. Such management fees shall cover all overhead and administrative costs associated with managing such properties other than those overhead and administrative costs that are sufficiently discrete so as to enable Jupiter to determine the specific amount that is directly related to the applicable property and other than any operating costs or expenses related to the applicable property. In addition, the Beachwold Manager shall engage Jupiter to provide risk management services pursuant to agreements to be negotiated among the parties.

(L) Rothenberg Tax Neutrality

(A) At the time that (i) a person not currently a member of New Ansonia (“Funding Member”) makes funds available to New Ansonia and is admitted to New Ansonia as a member and such person requires that Ansonia waive its right to approve and consent to transactions, (ii) New Ansonia elects to sell, lease or otherwise dispose of any assets or equity interests of New Ansonia or its direct or indirect subsidiaries, or (iii) New Ansonia elects to refinance any property owned by New Ansonia or its direct or indirect subsidiaries, to

the extent Ansonia's consent is required, Ansonia has agreed to waive, and shall be deemed by the Plan to have waived, its consent rights with respect to such transaction specified in (i)-(iii) above, on the terms and conditions set forth in this subsection (L). In the event that the Tax Neutrality Loans (as defined below) provided for herein are not made as required, the waiver would no longer be effective and Ansonia's consent will be required.

(B) If a transaction specified in (i)-(iii) above would result in a taxable gain being allocated to Ansonia, a loan will be made by the Funding Member or, with respect to (ii) or (iii) above, by New Ansonia out of the proceeds of such transaction, to cover the estimated taxes of the members of Ansonia based on the estimated gain to be allocated to Ansonia. If the loan is not made at the time of the transaction, there shall be assurances satisfactory to Ansonia that the loan will be made and that it shall be made to permit taxes (including estimated taxes) to be paid on a timely basis. If a member has no taxes to pay in any year for which a loan is made, such member receiving a loan shall repay such loan promptly upon making such determination or if the taxes payable by such member in any such year are less than the loan amount made in such year, the member receiving a loan shall repay the portion of the loan which exceeds such members taxes promptly upon making such determination. Each member receiving a loan for any year shall provide to New Ansonia reasonably promptly during the calendar year immediately following the transaction a certificate from an independent certified public accountant that the amount of the federal, state and local taxes payable by such member exceeds the amount of all loans made for the year in which such transactions occurred. If a member shall fail to provide such a certificate, then if he or she does not cure such failure within 10 business days of receiving a notice from New Ansonia that such member has not

provided such certification, the loan(s) made to such member in such year shall be due and payable.

(C) The maximum amount of all such loans will be \$5 million, subject to reduction to the extent that New Ansonia makes distributions to Rothenberg and/or Ansonia (other than to cover taxes) prior to making such loans. Such loans are referred to herein as the "Tax Neutrality Loans".

(D) Loans will be non-interest bearing for five years and thereafter such loans will bear interest at 1.2% per annum. Each of the loans will be due eight years after the loan was made. Each borrower will be personally liable for 50% of an amount equal to (i) any unpaid portion of the principal of the loans made to him less (ii) the value, measured at the time of foreclosure by lender, of such member's share of Ansonia's equity in Ansonia LP as pledged to secure the Tax Neutrality Loans.

(E) The Tax Neutrality Loans will be secured by each of the Ansonia's member's interest in Ansonia. In addition, Rothenberg's loan(s) will be secured by his interests, whether direct or indirect, in Beachwold Residential and New Ansonia. Any distributions from Ansonia or New Ansonia otherwise payable or actually paid to the borrowers will be used to repay each such member's loan obligations pro rata, and other distributions to Rothenberg will be used to pay his obligations on the loans. To the extent that Rothenberg's obligations are fully satisfied before the other members, his share of future distributions shall be paid to him.

(M) Implementation of the Transaction with New Ansonia and the Plan

(A) Cure of Defaults

Any non-monetary defaults in/of (i) mortgages, security agreements or other loan documents which are secured by security interests in property owned by the Debtors and/or by

non-debtor entities which are wholly or partially owned, directly or indirectly, by the Debtors or are otherwise under the Debtors' control (collectively, the "Non-Debtors") or (ii) the Debtors, the Non-Debtors or any of their respective insiders, affiliates or subsidiaries under any shareholder, operating and/or partnership agreements or other organizational documents to which any of the Debtors, the Non-Debtors or any of their respective insiders, affiliates or subsidiaries are a party or are otherwise bound shall be deemed unenforceable and the non-monetary defaults shall be deemed cured and of no force or effect following the consummation of the transactions contemplated by the Plan and the documents referred to therein as of the Effective Date. Further, any non-monetary defaults in and/or under any mortgages, security agreements or other loan documents or any shareholder, partnership or operating agreement or other organizational document of any Debtor, any Non-Debtor or any insider, affiliate or subsidiary of a Debtor or a Non-Debtor caused by anything contained in the Plan or by the transactions, documents or agreements provided for therein, or by the commencement of the bankruptcy cases, or by any proceedings that occurred in the bankruptcy cases, shall be deemed unenforceable, shall be deemed waived and shall be of no force or effect.

Nothing in the Plan nor in the transactions, documents or agreements contemplated by the Plan shall or shall be deemed to cause or otherwise result in a default in or breach under any mortgages, security agreements or other loan documents, or any partnership, operating agreement or shareholder agreement or other organizational document with respect to any Debtor, any Non-Debtor or any of the respective insiders, subsidiaries or affiliates of a Debtor or a Non-Debtor (including, without limitation, change of control and transfer consents, consents to appoint a successor general partner or manager, requirements to provide opinions, rights of first refusal, rights of first offer, transfer notice requirements, consent to the sale or other disposition

of assets and change of management consents) and that such mortgages, security agreements and other loan documents, and shareholder agreements, operating agreements, partnership agreements and other organizational documents shall and shall be deemed to be not in default and shall be deemed in full force and effect notwithstanding anything in the Plan or in the transactions, documents and agreements contemplated by the Plan.

Notwithstanding anything to the contrary in this Plan, the Confirmation Order or any documents ancillary to the Plan and/or the Confirmation Order (including any amendment or modification of each thereof), the provisions of this Section 7.1(M)(A) shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents or the Ursa Documents, as applicable, and nothing contained in this Section 7.1(M)(A) shall alter, amend, impair or modify the rights of the parties under the BofA Documents or the Ursa Documents, as applicable.

For avoidance of doubt, the Equity Interests of 800 Madison and Block 88 are not being conveyed, transferred or assigned to New Ansonia.

(B) Abandonment

At any time prior to the Effective Date, a Debtor, with the written consent of UTA and the Creditors' Committee, may abandon or surrender (i) real properties to the mortgagee and/or holder of security interest(s), or (ii) pursuant to section 554 of the Bankruptcy Code, such Debtor's equity interest in a non-Debtor Affiliate.

(C) Transfer Taxes

To the fullest extent permitted under section 1146(a) of the Bankruptcy Code and applicable law, the sale, transfer, conveyance and/or assignment of any assets, equity, real

property and interests in real property pursuant to the Plan shall not be taxed under any law imposing any such tax.

7.2. Corporate Action for the Debtors, Reorganized Tarragon and New Ansonia. On the Effective Date, all matters and actions provided for under the Plan that would otherwise require approval of the members, partners, managers, officers and/or directors of the Debtors, Reorganized Tarragon or New Ansonia or their successors-in-interest under the Plan and all other Plan Documents, and the election or appointment, as the case may be, of managers or officers of Reorganized Tarragon or New Ansonia pursuant to the Plan, shall be deemed to have been authorized and effective in all respects as provided herein and shall be taken without any requirement for further action by members, managers or directors of Reorganized Tarragon or New Ansonia.

Notwithstanding anything to the contrary in this Plan, the Confirmation Order or any documents ancillary to the Plan and/or the Confirmation Order (including any amendment or modification of each thereof), the provisions of this Section 7.2 shall be subject to, and to the extent inconsistent with controlled by, the terms of the BofA Documents or the Ursa Documents, as applicable, and nothing contained in this Section 7.2 shall alter, amend, impair or modify the rights of the parties under the BofA Documents or the Ursa Documents, as applicable.

For avoidance of doubt, the Equity Interests of (i) 800 Madison, (ii) Block 88, and (iii) the Debtors or their Affiliates in the Ursa LLCs are not being conveyed, transferred or assigned to New Ansonia.

7.3. Approval of Agreements. The solicitation of votes on the Plan also shall be deemed as a solicitation for the approval of the Plan Documents and Plan Supplement and all

transactions contemplated by the Plan. Entry of the Confirmation Order shall constitute approval of the Plan Documents and Plan Supplement and all transactions contemplated thereby.

7.4. Special Procedures for Lost, Stolen, Mutilated or Destroyed Instruments. In addition to any requirements under any certificate of incorporation or bylaws or other similar governance document, any Holder of a Claim evidenced by an instrument that has been lost, stolen, mutilated or destroyed will, in lieu of surrendering such instrument, deliver to the Disbursing Agent: (i) evidence satisfactory to the Disbursing Agent and the Debtors, Reorganized Tarragon or New Ansonia, as the case may be, of the loss, theft, mutilation or destruction; and (ii) such security or indemnity as may be required by the Disbursing Agent to hold the Disbursing Agent and the Debtors, Reorganized Tarragon or New Ansonia, as the case may be, harmless from any damages, liabilities or costs incurred in treating such individual as a Holder of an instrument. Upon compliance with this Article, the Holder of a Claim evidenced by any such lost, stolen, mutilated or destroyed instrument will, for all purposes under the Plan, be deemed to have surrendered such instrument.

7.5. Operation of the Debtors-in-Possession Between the Confirmation Date and the Effective Date. The Debtors shall each continue to operate as Debtors-in-Possession, subject to the supervision of the Bankruptcy Court, pursuant to the Bankruptcy Code, during the period from the Confirmation Date through and until the Effective Date.

7.6. Vesting of Assets.

(A) From and after the Effective Date, Reorganized Tarragon and New Ansonia may operate its business, and may use, acquire and dispose of property without supervision or approval by the Bankruptcy Court and free of any restrictions imposed by the



Bankruptcy Code, but subject to the continuing jurisdiction of the Bankruptcy Court as set forth in Article X of this Plan.

(B) As of the Effective Date, all property of the Debtors conveyed, transferred and/or assigned to New Ansonia shall be free and clear of all Liens, Claims and Equity Interests, except as provided in the Confirmation Order. For avoidance of doubt, the Equity Interests of 800 Madison and Block 88 are not being conveyed, transferred or assigned to New Ansonia.

7.7. Discharge of Debtors. The rights afforded herein and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge and release of Claims and Equity Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Commencement Date, against the Debtors and the Debtors-in-Possession, their Estates, or any of their assets or properties. Except as otherwise provided herein, (A) on the Effective Date, all such Claims against and Equity Interests in any of the Debtors shall be satisfied, discharged and released in full, and (B) all Persons are precluded and enjoined from asserting against Reorganized Tarragon or New Ansonia, their respective successors, or their assets or properties any other or further Claims or Equity Interests based upon any act or omission, transaction or other activity of any kind or nature that occurred before the Confirmation Date. Notwithstanding the foregoing, the provisions of this Section 7.7 shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the BofA Documents or the Ursa Documents, as applicable, and nothing contained in this Section 7.7 shall alter, amend, impair or modify the rights of the parties under the BofA Documents or the Ursa Documents, as applicable.

7.8. Injunctions or Stays. All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code and in the Plan, or otherwise, and in

existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. Except as otherwise expressly provided in the Plan or to the extent necessary to enforce the terms and conditions of the Plan, the Confirmation Order or a separate Order of the Bankruptcy Court, all entities, creditors and equity and/or interest holders who have held, hold, or may hold Claims against or Equity Interest in the Debtors, are permanently enjoined, on and after the Confirmation Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest, (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or Order against the Debtors, the Tarragon Creditor Entity, the TCE Trustee, Reorganized Tarragon or New Ansonia on account of any such Claim or Equity Interest, (iii) creating, perfecting or enforcing any encumbrance of any kind against the Debtors, the Tarragon Creditor Entity, the TCE Trustee, Reorganized Tarragon or New Ansonia or against the property or interests in property of the Debtors or New Ansonia on account of any such Claim or Equity Interest, and (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors, the Tarragon Creditor Entity, the TCE Trustee, Reorganized Tarragon or New Ansonia or against the property or interests in property of the Debtors, the Tarragon Creditor Entity, the TCE Trustee, Reorganized Tarragon or New Ansonia on account of any such Claim or Equity Interest. Such injunction shall extend to successors of the Debtors, the Tarragon Creditor Entity, the TCE Trustee, Reorganized Tarragon or New Ansonia and their respective properties and interests in property. Notwithstanding the foregoing, the provisions of this Section 7.8 shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the BofA Documents or the Ursa Documents, as applicable, and nothing contained

in this Section 7.8 shall alter, amend, impair or modify the rights of the parties under the BofA Documents or the Ursa Documents, as applicable.

7.9. Exculpation. The Debtors, Reorganized Tarragon, New Ansonia, the Tarragon Creditor Entity, the TCE Trustee, the Creditors' Committee, each of the members of the Creditors' Committee, and their respective members, partners, officers, directors, employees and agents (including any attorneys, financial advisors, investment bankers and other professionals retained by such Persons) shall have no liability to any Holder of any Claim or Equity Interest for any act or omission in connection with, or arising out of the Chapter 11 Cases, the Disclosure Statement, the Plan, the Plan Documents, the solicitation of votes for and the pursuit of confirmation of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, except for willful misconduct or gross negligence as determined by a Final Order of the Bankruptcy Court and, in all respects, shall be entitled to rely on the advice of counsel with respect to their duties and responsibilities under this Plan. Notwithstanding the foregoing, the provisions of this Section 7.9 shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the BofA Documents, and nothing contained in this Section 7.9 shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

7.10. Survival of the Debtors' Indemnification Obligations. Any obligations of the Debtors pursuant to their corporate charters and bylaws or other organizational documents to indemnify current and former officers and directors of the Debtors with respect to all present and future actions, suits and proceedings against the Debtors or such directors and/or officers, based upon any act or omission for or on behalf of the Debtors shall not be discharged or impaired by confirmation of the Plan. To the extent provided in this section, such obligations shall be

deemed and treated as executory contracts to be assumed by the Debtors hereunder and shall continue as obligations of Reorganized Tarragon. Upon the Effective Date, except in the case of gross negligence, willful misconduct or fraud, the commencement or prosecution by any person or entity, whether directly, derivatively or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liability subject to indemnification by the Debtors, Reorganized Tarragon or New Ansonia shall be enjoined.

7.11. Dissolution of Certain Entities. The following entities will be deemed dissolved upon the Effective Date: Orlando Central, Murfreesboro, Stonecrest, Fenwick, Trio West, Charleston, Vista, Stratford, MSCP and Hanover.

7.12. Merger of Certain Entities. Prior to or following the hearing regarding the confirmation of the Plan, one or more of Morningside National, Inc., a Florida corporation, Mountain View National, Inc., a Nevada corporation, National Income Realty Investors, Inc., a Nevada corporation, Orion Tarragon GP, Inc., a Texas corporation, Orion Tarragon LP, Inc., a Nevada corporation, Parkdale Gardens National Corp., a Texas corporation, Tarragon Limited, Inc., a Nevada corporation, Vinland Property Investors, Inc., a Nevada corporation and Vintage National, Inc., a Texas corporation, shall merge with and into Tarragon Corp. with Tarragon Corp. being the surviving corporation.

7.13. Taberna Claims.

(A) Except as otherwise provided in this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to this Plan, the promissory notes and other agreements and instruments that evidence the Taberna Claims shall be deemed cancelled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of Tarragon Corp. under

such promissory notes and other agreements and instruments governing the Taberna Claims shall be discharged; provided, however, that the Indentures shall continue in effect solely for the purposes of allowing the Indenture Trustee to enforce the indemnity provisions of the Indentures, allowing the Indenture Trustee to make distributions to be made on account of the Taberna Claims under this Plan; and, to the extent necessary, allowing the Indenture Trustee to enforce its Indenture Trustee Charging Lien, after which point the Indentures shall be cancelled and discharged. The Holders of or parties of such cancelled notes and other agreements and instruments shall have no rights from or relating to such notes and other agreements and instruments, or the cancellation thereof, except the rights provided pursuant to this Plan.

(B) Notwithstanding any other provision of this Plan, Tarragon Corp. shall recognize the Proof of Claims filed by the Indenture Trustee in respect of the Taberna Claims for all purposes under this Plan. Accordingly, any Proof of Claim filed by the registered or beneficial Holder of such Taberna Claims shall be deemed disallowed as duplicative of the Proofs of Claim filed by the Indenture Trustee without the need for any further action or an order of the Bankruptcy Court. The Indenture Trustee shall be deemed to be the Holder of the Taberna Claims, as applicable, for purposes of distributions to be made hereunder, and all distributions on account of such Claims shall be made by the Indenture Trustee.

#### **ARTICLE VIII.**

#### **DISTRIBUTIONS UNDER THE PLAN AND TREATMENT OF DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS AND EQUITY INTERESTS**

##### 8.1. Method of Distributions Under the Plan

##### (A) In General

On the Effective Date, other than Allowed Administrative Expenses Claims and Priority Claims which shall be paid by Reorganized Tarragon in accordance with the Plan, any cash

distributions that are required to be made pursuant to the Plan shall be made by Reorganized Tarragon. In addition, any distributions that are required to be made in connection with the proceeds of sale or refinance of any of the Assets shall be made by Reorganized Tarragon.

(B) Timing of Distributions

Any payment or distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

(C) Minimum Distributions

No payment of Cash less than One Hundred Dollars (\$100.00) shall be made by the Tarragon Creditor Entity or Reorganized Tarragon to any Holder of a Claim unless a request therefor is made in writing to the Tarragon Creditor Entity or Reorganized Tarragon, as applicable.

(D) Fractional Dollars

Any other provisions of the Plan to the contrary notwithstanding, no payments of fractions of dollars will be made. Whenever any payment of a fraction of a dollar would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down).

(E) Unclaimed Distributions

Any Distributions under the Plan that are unclaimed for a period of four (4) months after distribution thereof shall be revested in the Tarragon Creditor Entity and any entitlement of any Holder of any Claim to such Distributions shall be extinguished and forever barred.

(F) Distributions to Holders as of the Record Date

As of the close of business on the Record Date, the claims register shall be closed. The Debtors, Reorganized Tarragon and New Ansonia shall have no obligation to recognize any

transfer of any Claims occurring after the Record Date unless written notice of such transfer is provided to the Disbursing Agent. The Debtors, Reorganized Tarragon and New Ansonia shall be entitled to recognize and deal for all purposes under the Plan (except as to voting to accept or reject the Plan) with only those record Holders stated on the Claims register as of the close of business on the Record Date and those parties that have provided written notice of any transfer to the Disbursing Agent.

(G) Setoffs and Recoupment

Any of the Debtors, Reorganized Tarragon, the Tarragon Creditor Entity or New Ansonia, as the case may be, may, but shall not be required to, set off against or recoup from any Claim and the payments to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that such Debtor, Reorganized Tarragon, the Tarragon Creditor Entity or New Ansonia, as the case may be, may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors, Reorganized Tarragon, the Tarragon Creditor Entity or New Ansonia of any such Claim or right it may have against such Claimant.

(H) Procedures for resolving and treating contested claims

(i) Objections to and Resolution of Disputed Administrative and Priority Claims: Reorganized Tarragon and the Tarragon Creditor Entity shall have the exclusive right to make and file objections to Administrative Expense Claims and Priority Claims after the Effective Date. All objections shall be litigated to Final Order; provided, however, that Reorganized Tarragon and/or the Tarragon Creditor Entity shall have the authority to compromise, settle, resolve or withdraw any objections, without approval of the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court, Reorganized Tarragon and/or the

Tarragon Creditor Entity shall file and serve all objections to Administrative Expense Claims and Priority Claims that are the subject of proofs of Claim or requests for payment filed with the Bankruptcy Court no later than ninety (90) days after the Effective Date or such later date as may be approved by the Bankruptcy Court.

(ii) Objections to and Resolution of Disputed General Unsecured

Claims: The Tarragon Creditor Entity shall have the exclusive right to make and file objections to General Unsecured Claims after the Effective Date. All objections shall be litigated to Final Order; provided, however, that the Tarragon Creditor Entity shall have the authority to compromise, settle, resolve or withdraw any objections, without approval of the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court, the Tarragon Creditor Entity shall file and serve all objections to General Unsecured Claims that are the subject of proofs of Claim or requests for payment filed with the Bankruptcy Court no later than one-hundred eighty (180) days after the Effective Date or such later date as may be approved by the Bankruptcy Court. Any Disputed General Unsecured Claim shall be defended and liquidated in the Bankruptcy Court or any other administrative or judicial tribunal of appropriate jurisdiction as selected by the Tarragon Creditor Entity and approved by the Bankruptcy Court.

(iii) Procedure for Omnibus Objections to Claims: Notwithstanding

Bankruptcy Rule 3007, Reorganized Tarragon and/or the Tarragon Creditor Entity are permitted to file omnibus objections to Claims (an "Omnibus Objection") on any grounds, including but not limited to those grounds specified in Bankruptcy Rule 3007(d). Reorganized Tarragon and/or the Tarragon Creditor Entity, as the case may be, shall supplement each Omnibus Objection with particularized notices of objection (a "Notice") to the specific person identified on the first page of each relevant proof of claim. For claims that have been transferred, a Notice



shall be provided only to the person or persons listed as being the owner of such claim on the Debtors' claims register as of the date the objection is filed. The Notice shall include a copy of the relevant Omnibus Objection but not the exhibits thereto listing all claims subject to the objection thereby; rather, the Notice shall (a) identify the particular claim or claims filed by the claimant that are the subject of the Omnibus Objection, (b) provide a unique, specified and detailed basis for the objection, (c) explain the Debtors' proposed treatment of the claim, (d) notify such claimant of the steps that must be taken to contest the objection, and (e) otherwise comply with the Bankruptcy Rules.

(iv) Estimation of Claims: Reorganized Tarragon, New Ansonia and/or the Tarragon Creditor Entity, as the case may be, may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether Reorganized Tarragon, New Ansonia and/or the Tarragon Creditor Entity has previously objected to such claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any Disputed Claim at any time during litigation concerning an objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event the Bankruptcy Court estimates any Disputed Claim, that estimated amount will constitute the Allowed amount of such claim for all purposes under the Plan. All of the objection and estimation procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently comprised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

(v) Entitlement to Plan Distributions Upon Allowance:  
Notwithstanding any other provision of the Plan, no distribution shall be made with respect to

any Claim to the extent it is a Disputed Claim, unless and until such Disputed Claim becomes an Allowed Claim. When a Claim that is not an Allowed Claim as of the Effective Date becomes an Allowed Claim (regardless of when), the holder of such Allowed Claim shall thereupon become entitled to distributions in respect of such Claim, the same as though such Claim has been an Allowed Claim on the Effective Date.

(vi) Reserve. The Tarragon Creditor Entity shall reserve from the Distributions to be made to Holders of Allowed General Unsecured Claims an amount equal to 100% of the Distribution to which Holders of Disputed Claims would be entitled to under the Plan if such Disputed Claims were Allowed Claims in their Disputed Claim Amount or such other amount as is ordered by the Bankruptcy Court after notice and hearing (the “Reserve”). The creation of any such Reserve shall not delay or impair the Distributions to all Holders of Allowed General Unsecured Claims.

Notwithstanding the foregoing, the provisions of this Article VIII shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the BofA Documents, and nothing contained in this Article VIII shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

## **ARTICLE IX.**

### **CAUSES OF ACTION**

9.1. Preservation of Causes of Action. Entry of the Confirmation Order shall not be deemed or construed as a waiver or release by any of the Debtors of any Causes of Action. In accordance with section 1123(b)(3) of the Bankruptcy Code, all Causes of Action shall be either retained by the applicable Debtor that owns such Cause of Action on the Effective Date or assigned to the Tarragon Creditor Entity. Pursuant to the Plan and section 1123(b)(3)(B) of the

Bankruptcy Code, the Tarragon Creditor Entity shall be designated as the representative of each Debtor's estate for purposes of bringing, prosecuting and compromising all Avoidance Actions. The proceeds of Avoidance Actions, if any, shall be distributed by the Tarragon Creditor Entity to the creditors of the applicable Debtor's estate for whose benefit each of the Avoidance Actions is brought. All Retained Actions shall be retained by Reorganized Tarragon. All funds received from the Retained Actions shall be distributed in the same manner as "Liquidation Assets" under this Plan. Subject to Article VII of the Plan, Reorganized Tarragon, the applicable Debtor that owns such Causes of Action or the Tarragon Creditor Entity, as applicable, will determine whether to bring, settle, release, compromise, or enforce any rights (or decline to do any of the foregoing) with respect to any Causes of Action.

Except as expressly provided in this Plan, the failure of the Debtors to specifically list any Claim, Causes of Action, right of action, suit or proceeding in the Schedules, the Disclosure Statement or any Schedule to the Plan Supplement does not, and will not be deemed to, constitute a waiver or release by the Debtors of such Claim, Cause of Action, right of action, suit or proceeding, and either Reorganized Tarragon, the applicable Debtor that owns such Claims or the Tarragon Creditor Entity, as applicable, will retain the right to pursue such Claims, Causes of Action, rights of action, suits or proceeding in its sole discretion and, therefore, no preclusion doctrine, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches will apply to such claim, right of action, and suit or proceeding upon or after the Confirmation or consummation of the Plan. Further, recovery of any proceeds of Causes of Action shall be deemed "for the benefit of the [applicable] estate" as set forth in section 550(a) of the Bankruptcy Code.

9.2. Reservation regarding BofA Documents

Notwithstanding the foregoing, the provisions of this Article IX shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the BofA Documents, and nothing contained in this Article IX shall alter, amend, impair or modify the rights of the parties under the BofA Documents.

## **ARTICLE X.**

### **CONDITIONS TO CONFIRMATION AND EFFECTIVE DATE**

10.1. Conditions to Confirmation. The following conditions shall be met before Confirmation of the Plan:

(A) An Order shall have been entered finding that:

(1) the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy shall have been issued by the Bankruptcy Court; and

(2) the Debtors, the Creditors' Committee and their respective principals, officers, directors, attorneys, accountants, financial advisors, advisory affiliates, employees, and agents solicited acceptance or rejection of the Plan in good faith pursuant to 11 U.S.C. § 1125(e); and

(B) the proposed Confirmation Order shall be in form and substance reasonably satisfactory to the Debtors and shall have been signed by the Bankruptcy Court and entered on the docket of this Chapter 11 Cases.

10.2. Conditions Precedent to the Effective Date. The Plan shall not become effective unless and until the following conditions shall have been satisfied or waived:

(A) The Confirmation Order shall authorize and direct that the Debtors and the Creditors' Committee take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, leases and other agreements or documents

created in connection with the Plan, including the Plan Documents and the transactions contemplated thereby.

(B) The Confirmation Order, and each Order referred to in Article 9.1 hereof, shall have become a Final Order.

(C) Except for Deferred Confirmation Expenses, the statutory fees owing to the United States Trustee shall have been paid in full.

(D) All other actions, authorizations, consents and regulatory approvals required (if any) and all Plan Documents necessary to implement the provisions of the Plan shall have been obtained, effected or executed in a manner acceptable to the Debtors or, if waivable, waived by the Person or Persons entitled to the benefit thereof.

10.3. Effect of Failure of Conditions. If each condition to the Effective Date has not been satisfied or duly waived within one year after the Confirmation Date, then upon motion by any party in interest, made before the time that each of the conditions has been satisfied or duly waived and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court. If the Confirmation Order is vacated pursuant to this Article, the Plan shall be deemed null and void in all respects including, without limitation, the discharge of Claims pursuant to section 1141 of the Bankruptcy Code and the assumptions or rejections of Executory Contracts and unexpired leases provided for herein, and nothing contained herein shall (i) constitute a waiver or release of any Claims by or against any of the Debtors or (ii) prejudice in any manner the rights of any of the Debtors.

10.4. Waiver of Conditions to Confirmation and Effective Date. Each of the conditions to Confirmation and the Effective Date may be waived in writing, in whole or in part, by any of the Debtors at any time, without notice or an Order of the Bankruptcy Court, but only

after consultation with the Creditors' Committee. The failure of any of the Debtors to exercise any of the foregoing rights will not be deemed a waiver of any other rights, and each such right will be deemed an ongoing right that may be asserted at any time.

10.5. Effects of Plan Confirmation.

(A) Limitation of Liability. Neither the Debtors, the Tarragon Creditor Entity, the TCE Trustee, Reorganized Tarragon, New Ansonia, the Creditors' Committee, the members of the Creditors' Committee, the Disbursing Agent, nor any of their respective post-Commencement Date employees, officers, directors, agents or representatives, or any Professional (which, for the purposes of this Article, shall include any counsel of the Debtors, the Tarragon Creditor Entity, the TCE Trustee, New Ansonia, Reorganized Tarragon or the Creditors' Committee) employed by any of them, shall have or incur any liability to any Person whatsoever, including, specifically, any Holder of a Claim or Equity Interests, under any theory of liability (except for any Claim based upon willful misconduct or gross negligence), for any act taken or omission made in good faith directly related to formulating, negotiating, preparing, disseminating, implementing, confirming or consummating the Plan, the Plan Documents, the Confirmation Order, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken in connection with the Plan Documents, provided that nothing in this paragraph shall limit the liability of any Person for breach of any express obligation it has under the terms of the Plan, the Plan Documents, or under any agreement or other document entered into by such Person either after the Commencement Date or in accordance with the terms of the Plan or for any breach of a duty of care owed to any other Person occurring after the Effective Date. In all respects, the Debtors, New Ansonia, the Tarragon Creditor Entity, the TCE Trustee, Reorganized Tarragon, the Creditors' Committee, the

Disbursing Agent, and each of their respective members, managers, officers, directors, employees, advisors and agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Notwithstanding the foregoing, the provisions of this Section 10.5(A) shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the BofA Documents or the Ursa Documents, as applicable, and nothing contained in this Section 10.5(A) shall alter, amend, impair or modify the rights of the parties under the BofA Documents or the Ursa Documents, as applicable.

(B) Subordination. The classification and manner of satisfying all Claims and Equity Interests and the respective distributions and treatments under the Plan take into account or conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise, and any and all such rights are settled, compromised and released pursuant to the Plan. The Confirmation Order shall permanently enjoin, effective as of the Effective Date, all Persons from enforcing or attempting to enforce any such contractual, legal and equitable subordination rights satisfied, compromised and settled pursuant to this Article IX.

(C) Mutual Releases. Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, on and after the Effective Date, the Debtors, the Tarragon Creditor Entity, the TCE Trustee, Reorganized Tarragon, New Ansonia, the Creditors' Committee, the members of the Creditors' Committee and all Holders of Claims and/or Interests and each of their respective affiliates, principals, officers, directors, partners, members, attorneys, accountants, financial advisors, advisory affiliates, employees and agents (each a "Released Party") shall each conclusively,

absolutely, unconditionally, irrevocably, and forever release and discharge each other Released Party from any and all Claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that any Released Party would have been legally entitled to assert in their own right (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, Reorganized Tarragon, New Ansonia, the Creditors' Committee, the members of the Creditors' Committee, the Chapter 11 Case, the Plan, the purchase, sale, or rescission of the purchase or sale of any assets of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Equity Interests prior to or in the Chapter 11 Case, the negotiation, formulation, or preparation of the Plan and the Disclosure Statement, or any related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than any Claims, direct actions, causes of action, demands, rights, judgments, debts, obligations, assessments, compensations, costs, deficiencies or other expenses of any nature whatsoever (including without limitation, attorneys' fees) (i) arising under or based on the Plan or any other documents, instrument or agreement to be executed or delivered therewith, or (ii) arising under Chapter 5 of the Bankruptcy Code, or (iii) in the case of gross negligence, willful misconduct or fraud; provided, however, that nothing herein shall limit the Securities Class Action Plaintiff from pursuing its claims against Tarragon Corp. solely to the extent of available insurance coverage and proceeds. Notwithstanding any language to the contrary contained in this Plan or the Disclosure Statement, no provision shall release any non-Debtor, including any



current and/or former officer and/or director of the Debtors from any liability in connection with any legal action or claim brought by the United States Securities and Exchange Commission in connection with a violation of securities laws. Notwithstanding the foregoing, (i) the provisions of this Section shall be subject to the terms and conditions of the BofA Documents, and nothing contained in this Section 10.5(C) shall alter the rights of the parties under the BofA Documents, and (ii) no release, waiver or discharge of any Claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise against any non-Debtor shall be binding on or enforceable against Ursa.

(D) Insurance Policies. All of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under the Plan. On the Effective Date, the Debtors shall be deemed to have assumed by Reorganized Tarragon or the applicable Debtor all insurance policies and any agreements, documents, and instruments relating to coverage of Claims covered by those insurance policies, subject to all rights, remedies and defenses of the Debtors under any agreements, insurance policies and applicable law. Nothing in the Plan, or in any Order confirming the Plan, shall preclude plaintiffs in pending litigation matters from pursuing their claims against the Debtors solely to the extent of available insurance coverage and proceeds. Claims against the Debtors, to the extent of available insurance, are preserved and not discharged by the Plan.

10.6. Conversion of Bankruptcy Cases.

At or prior to the hearing regarding the confirmation of the Plan, the Debtors may request that the Bankruptcy Court order the conversion to Chapter 7 of one or more of the Debtors' Chapter 11 Cases pursuant to Bankruptcy Code section 1112(a). As of the date hereof, the

Debtors anticipate requesting that the Bankruptcy Court convert TMI's Chapter 11 Case to Chapter 7.

**ARTICLE XI.**

**RETENTION OF JURISDICTION**

The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(A) To hear and determine all matters with respect to the assumption or rejection of any Executory Contract or unexpired lease to which any of the Debtors is a party or with respect to which any of the Debtors may be liable, including, if necessary, the nature or amount of any required Cure or the liquidation or allowance of any Claims arising therefrom;

(B) To hear and determine any and all adversary proceedings, applications and contested matters, including, without limitation, adversary proceedings and contested matters arising in connection with the prosecution of the Avoidance Actions, to the extent specifically reserved in accordance with Article 8.1 of the Plan, and all other Causes of Action, whether commenced before or after the Effective Date;

(C) To hear and determine any objections to Claims and to address any issues relating to Disputed Claims;

(D) To enter and implement such Orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(E) To issue such Orders in aid of execution and consummation of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(F) To consider any amendments to or modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any Order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(G) To hear and determine all Fee Applications; provided, however, that from and after the Effective Date, the payment of the fees and expenses of the retained Professionals of Reorganized Tarragon shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(H) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan;

(I) Except as otherwise limited herein, to recover all assets of the Debtors and property of the Debtors' Estates, wherever located;

(J) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(K) To hear any other matter not inconsistent with the Bankruptcy Code;

(L) To enter a final decree closing the Chapter 11 Cases;

(M) To ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(N) To decide or resolve any motions, adversary proceedings, contested or litigated matters pending in the Bankruptcy Court and any other matters pending in the Bankruptcy Court and grant or deny any applications involving the Debtors that may be pending in the Bankruptcy Court on the Effective Date;

(O) To issue injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with

the occurrence of the Effective Date or enforcement of the Plan, except as otherwise provided herein;

(P) To determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan or the Disclosure Statement, including the Plan Documents;

(Q) To enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

(R) To resolve disputes concerning any reserves with respect to Disputed Claims, Disputed Equity Interests or the administration thereof;

(S) To resolve any disputes concerning whether a Person or Entity had sufficient notice of the Chapter 11 Cases, the Claims Bar Date, the hearing on the approval of the Disclosure Statement as containing adequate information, the hearing on the confirmation of the Plan for the purpose of determining whether a Claim or Equity Interest is discharged hereunder or for any other purpose; and

(T) To issue Orders pursuant to Section 363(b) of the Bankruptcy Code; provided, however, that Bankruptcy Court approval is not required to consummate any sales after confirmation of the Plan.

Notwithstanding the foregoing, the provisions of this Article XI shall be subject to, and to the extent inconsistent with controlled by, the terms and conditions of the BofA Documents or the Ursa Documents, as applicable, and nothing contained in this Article XI shall alter, amend,

impair or modify the rights of the parties under the BofA Documents, or the Ursa Documents, as applicable.

## **ARTICLE XII.**

### **MISCELLANEOUS PROVISIONS**

12.1. Effectuating Documents and Further Transactions. The Debtors, Reorganized Tarragon, the Tarragon Creditor Entity and New Ansonia are each authorized to execute, deliver, file or record such contracts, instruments, releases, and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan.

12.2. Exemption from Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, any merger agreements or agreements of consolidation, deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Plan shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

12.3. Post-Confirmation Date Fees and Expenses. From and after the Confirmation Date, the Debtors and Reorganized Tarragon shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, but only to the extent funds are available taking into account the reasonable working capital needs of Reorganized Tarragon, pay the reasonable fees and expenses of Professionals thereafter incurred by the Debtors and Reorganized Tarragon until its termination in accordance with the provisions

of the Plan, including, without limitation, those fees and expenses incurred in connection with the implementation and consummation of the Plan.

12.4. Payment of Statutory Fees. Except for Deferred Confirmation Expenses which shall be paid pursuant to the terms of the Plan, all fees payable pursuant to section 1930 of the title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid in Cash equal to the amount of such fees on the Effective Date. Reorganized Tarragon shall timely pay post-confirmation quarterly fees assessed pursuant to 28 U.S.C. § 1930(a)(6) until such time as the Bankruptcy Court enters a final decree closing the Chapter 11 Cases, or enters an Order either converting this case to a case under Chapter 7 or dismissing this case. After the Confirmation Date, Reorganized Tarragon shall file with the Bankruptcy Court and shall transmit to the United States Trustee a true and correct statement of all disbursements made by Reorganized Tarragon on a quarterly basis, or portion thereof, that the Chapter 11 Cases remains open in a format prescribed by the United States Trustee.

12.5. Amendment or Modification of the Plan. Alterations, amendments or modifications of the Plan may be proposed in writing by the Debtors at any time before the Confirmation Date, provided that the Plan, as altered, amended or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code.

12.6. Severability. In the event that the Bankruptcy Court determines, before the Confirmation Date, that any provision in the Plan is invalid, void or unenforceable, such provision shall be invalid, void or unenforceable with respect to the Holder or Holders of such Claims or Equity Interests as to which the provision is determined to be invalid, void or

unenforceable. The invalidity, voidability or unenforceability of any such provision shall in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

12.7. Revocation or Withdrawal of the Plan. Each of the Debtors reserves the right to revoke or withdraw the Plan before the Confirmation Date. If any of the Debtors revokes or withdraws the Plan before the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against any of the Debtors or any other Person or to prejudice in any manner the rights of any of the Debtors or any Person in any further proceedings involving any of the Debtors.

12.8. Binding Effect. The Plan shall be binding upon and inure to the benefit of the Debtors, the Tarragon Creditor Entity, the Holders of Claims, and Equity Interests, and their respective successors and assigns, including, without limitation, New Ansonia.

12.9. Notices. All notices, requests and demands to or upon the Debtors, New Ansonia, Reorganized Tarragon or the Tarragon Creditor Entity to be effective shall be in writing and, unless otherwise expressly provided herein or in the Plan, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtors or Reorganized Tarragon:	Tarragon Corporation 192 Lexington Ave., 15 <sup>th</sup> Floor New York, New York 10016 Attention: William S. Friedman, CEO
---	---

with copies to: Cole, Schotz, Meisel,  
Forman & Leonard, P.A.  
25 Main Street  
P.O. Box 800  
Hackensack, NJ 07602-0800  
Attn: Michael D. Sirota, Esq.  
Warren A. Usatine, Esq.  
Telephone: (201) 489-3000  
Facsimile: (201) 489-1536

If to the Tarragon Creditor Entity: The Creditors' Committee shall select and identify the TCE Trustee, in a notice to be filed with the Bankruptcy Court, no later than three business days prior to the deadline established by the Bankruptcy Court for the filing of objections to confirmation of this Plan.

with copies to: Patterson Belknap Webb & Tyler  
1133 Avenue of the Americas  
New York, NY 10036-6710  
Attn: Daniel A. Lowenthal, Esq.

- and -

Harry M. Gutfleish, Esq.  
Forman Holt Eliades & Ravin LLC  
80 Route 4 East, Suite 290  
Paramus, New Jersey 07652

If to New Ansonia: 192 Lexington Ave., 15<sup>th</sup> Floor  
New York, New York 10016  
Attention: William S. Friedman, CEO

with copies to: Robert Rothenberg  
122 Oak Street  
Woodmere, New York 11598

- and -

William S. Friedman  
320 Central Park West  
New York, New York 10025

12.10. Governing Law. Except to the extent the Bankruptcy Code, Bankruptcy

Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides



otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey, without giving effect to the principles of conflicts of law of such jurisdiction.

12.11. Withholding and Reporting Requirements. In connection with the consummation of the Plan, the Debtors, the Tarragon Creditor Entity, Reorganized Tarragon or New Ansonia, as the case may be, shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements.

12.12. Plan Supplement. Forms of all material agreements or documents related to any the Plan, including but not limited to those identified in this Plan, shall be contained in the Plan Supplement. The Plan Supplement shall be filed by the Debtors with the Clerk of the Bankruptcy Court no later than five days before the Voting Deadline. Upon its filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims, or Equity Interest may obtain a copy of the Plan Supplement upon written request to the Debtors' counsel.

12.13. Allocation of Plan Distributions Between Principal and Interest. To the extent that any Allowed Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

12.14. Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

12.15. Exhibits/Schedules. All exhibits and schedules to the Plan, including the Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full therein.

12.16. Filing of Additional Documents. On or before substantial consummation of the Plan, the Debtors shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

12.17. No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed as an admission by any Person or Entity with respect to any matter set forth therein.

12.18. Successors and Assigns. The rights, benefits and obligations of any Person or Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign of such Person or Entity.

12.19. Reservation of Rights. Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. Neither the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by the Debtors with respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors with respect to the Holders of Claims or Equity Interests before the Effective Date.

12.20. Section 1145 Exemption. Pursuant to section 1145(a) of the Bankruptcy Code, the offer, issuance, transfer or exchange of any security under the Plan, or the making or delivery of an offering memorandum or other instrument of offer or transfer under the Plan, shall be exempt from Section 5 of the Securities Act of 1933 or any similar state or local law requiring the registration for offer or sale of a security or registration or licensing of an issuer or a security.

12.21. Implementation. The Debtors shall take all steps, and execute all documents, including appropriate releases, necessary to effectuate the provisions contained in this Plan.

12.22. Inconsistency. In the event of any inconsistency among the Plan, the Disclosure Statement, the Plan Documents, the Plan Supplement, or any other instrument or document created or executed pursuant to the Plan, the provisions of the Plan shall control; provided, however, that in the event of any inconsistency among the Plan, the Disclosure Statement, the Plan Documents, the Plan Supplement, or any other instrument or document created or executed pursuant to the Plan and the BofA Documents or the Ursa Documents, as applicable, the BofA Documents or the Ursa Documents, as applicable, shall control.

12.23. Compromise of Controversies. Pursuant to Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims or controversies resolved pursuant to the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, Reorganized Tarragon, the Tarragon Creditor Entity, New Ansonia, the Estates, and all Holders of Claims and Equity Interests against the Debtors.

DATED: May 11, 2010

*[Signature pages to the Joint Plan of Reorganization follow.]*

**TARRAGON CORPORATION**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer

**TARRAGON DEVELOPMENT CORPORATION**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer

**TARRAGON SOUTH DEVELOPMENT CORP.**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer

**TARRAGON DEVELOPMENT COMPANY LLC**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer of Tarragon Corporation, its Managing Member

**TARRAGON MANAGEMENT, INC.**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer

**BERMUDA ISLAND TARRAGON LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Corporation, its Managing  
Member

**ORION TOWERS TARRAGON, LLP**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of Orion  
Tarragon GP, Inc., its General Partner

**ORLANDO CENTRAL PARK  
TARRAGON LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Corporation, its Managing  
Member

**FENWICK PLANTATION TARRAGON  
LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Development Corporation, the  
Manager of Charleston Tarragon Manager,  
LLC, its Manager

**CHARLESTON TARRAGON  
MANAGER, LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Development Corporation, its  
Manager

**800 MADISON STREET URBAN  
RENEWAL, LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Development Corporation, the  
Manager of Block 88 Development, LLC, its  
Managing Member

**BLOCK 88 DEVELOPMENT, LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Development Corporation, its  
Manager

**900 MONROE DEVELOPMENT, LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Corporation, its Manager

**THE PARK DEVELOPMENT EAST,  
LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Development Corporation, the  
Managing Member of Palisades Park East  
Tarragon, LLC, its Managing Member

**ONE LAS OLAS, LTD.**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of Omni  
Equities Corporation, its General Partner

**OMNI EQUITIES CORPORATION**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer

**CENTRAL SQUARE TARRAGON LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Corporation, its Managing  
Member

**THE PARK DEVELOPMENT WEST,  
LLC**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Development Corporation, the  
Managing Member of Palisades Park West  
Tarragon, LLC, its Managing Member

**VISTA LAKES TARRAGON, LLC**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Corporation, its Manager

**TARRAGON EDGEWATER  
ASSOCIATES, LLC**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Development Corporation, its  
Manager

**MURFREESBORO GATEWAY  
PROPERTIES, LLC**

By:     /s/ William S. Friedman      
Name: William S. Friedman  
Title: Chief Executive Officer of  
Morningside National, Inc., its Manager



**TARRAGON STONECREST, LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Morningside National, Inc., its Manager

**TARRAGON STRATFORD, INC.**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer

**MSCP, INC.**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer

**TDC HANOVER HOLDINGS, LLC**

By:       /s/ William S. Friedman        
Name: William S. Friedman  
Title: Chief Executive Officer of  
Tarragon Development Corporation, its  
Managing Member

**Exhibit A**

List of New Ansonia Acquired Interests

Ansonia Apartments, LP	The 89.44% Equity Interest in Ansonia Apartments, LP owned by Tarragon Dev. LLC shall be transferred to New Ansonia.
Harbor Green	The 100% Equity Interest in RI Panama City LLC owned by Tarragon Dev. LLC. shall be transferred to New Ansonia.
Tradition at Palm Aire	The 100% Equity Interest in Tradition Tarragon, LLC owned by Tarragon Corp. shall be transferred to New Ansonia.
Vintage at the Grove/Bentley	The 100% Equity Interest in Manchester Tolland Development LLC owned by Tarragon Corp. shall be transferred to New Ansonia.
Cobblestone at Eagle Harbor	The 100% Equity Interest in Vineyard at Eagle Harbor LLC owned by Tarragon Dev. LLC shall be transferred to New Ansonia.

**Exhibit B**

Material Liquidation Assets

1. 800 Madison Street Urban Renewal, LLC
2. 900 Monroe Development, LLC
3. Block 106 Development, LLC
4. Promissory Note in the original principal amount of \$1,500,000 from URSA Development Group, LLC to Block 112 Development, LLC
5. Hoboken Cinema, LLC
6. Orion Towers Tarragon, LLP
7. Mustang Creek National, LP
8. Summit on the Lake Associates, Ltd.
9. Keane Stud, LLC
10. Uptown Village A, LLC  
Uptown Village B, LLC

**Schedule 5**

Executory Contracts and Unexpired Leases

[To be filed with the Plan Supplement.]