

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:  ORLEANS HOMEBUILDERS, INC., <i>et al.</i> , <sup>1</sup>  Debtors.	}	Chapter 11  Case No. 10-10684 (PJW)  Jointly Administered  Re: Docket No. 20
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**ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

Upon consideration of the motion (the "Motion")<sup>2</sup> of the Debtors for an order, pursuant to Bankruptcy Code §§ 105(a) and 331, Bankruptcy Rule 2016, and Local Bankruptcy Rule 2016-2, establishing procedures for interim compensation and reimbursement of expenses of professionals; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's tax identification number, are: Orleans Homebuilders, Inc. (4323), Brookshire Estates, L.P. (8725), Community Management Services Group, Inc. (6620), Greenwood Financial Inc. (7510), Masterpiece Homes, LLC (1971), OHB Homes, Inc. (0973), OHI Financing, Inc. (6591), OHI PA GP, LLC (2675), OPCNC, LLC (8853), Orleans Arizona Realty, LLC (9174), Orleans Arizona, Inc. (2640), Orleans at Bordentown, LLC (4968), Orleans at Cooks Bridge, LLC (4185), Orleans at Covington Manor, LLC (9891), Orleans at Crofton Chase, LLC (8809), Orleans at East Greenwich, LLC (9814), Orleans at Elk Township, LLC (6891), Orleans at Evesham, LLC (7244), Orleans at Falls, LP (2735), Orleans at Hamilton, LLC (9679), Orleans at Harrison, LLC (4155), Orleans at Hidden Creek, LLC (3301), Orleans at Jennings Mill, LLC (4693), Orleans at Lambertville, LLC (0615), Orleans at Limerick, LP (7791), Orleans at Lower Salford, LP (9523), Orleans at Lyons Gate, LLC (2857), Orleans at Mansfield LLC (1498), Orleans at Maple Glen LLC (7797), Orleans at Meadow Glen, LLC (4966), Orleans at Millstone River Preserve, LLC (8810), Orleans at Millstone, LLC (8063), Orleans at Moorestown, LLC (9250), Orleans at Tabernacle, LLC (9927), Orleans at Thornbury, L.P. (4291), Orleans at Upper Freehold, LLC (3225), Orleans at Upper Saucon, L.P. (3715), Orleans at Upper Uwchlan, LP (8394), Orleans at Walkill, LLC (2875), Orleans at West Bradford, LP (4161), Orleans at West Vincent, LP (9557), Orleans at Westampton Woods, LLC (8095), Orleans at Windsor Square, LP (9481), Orleans at Woolwich, LLC (9215), Orleans at Wrightstown, LP (9701), Orleans Construction Corp. (0893), Orleans Corporation (8770), Orleans Corporation Of New Jersey (5325), Orleans DK, LLC (5308), Orleans RHIL, LP (1938), Parker & Lancaster Corporation (1707), Parker & Orleans Homebuilders, Inc. (5269), Parker Lancaster, Tidewater, L.L.C. (7432), Realen Homes, L.P. (8293), RHGP LLC (8197), Sharp Road Farms Inc. (1871), Stock Grange, LP (4027) and Wheatley Meadows Associates (5459).

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

that good and sufficient cause exists for granting the Motion; and it appearing that the Compensation Procedures will enable all parties to closely monitor costs of administration, maintain a more level cash flow availability, and implement efficient cash management; and upon consideration of the Declaration of Benjamin D. Goldman in Support of First-Day Pleadings; and upon the record of these Chapter 11 cases and any hearings held to consider the Motion; and it appearing that the relief requested in the Motion is appropriate in the context of these cases and in the best interests of the Debtors and their respective estates, their creditors, and all other parties-in-interest; and it appearing that notice of the Motion was adequate and proper under the circumstances of these cases, and it appearing that no other or further notice need be given; it is hereby

ORDERED that the Motion is granted as set forth herein; and it is further

ORDERED that, except as otherwise provided in any order of this Court, the Professionals specifically retained pursuant to an order of the Court in these cases may seek interim payment of compensation and reimbursement of expenses in accordance with the following Compensation Procedures:

- (a) On or before the 25th day of each month following the month for which compensation is sought (but not earlier than the 15th day of each calendar month), each Professional would file with the Court a monthly statement (a "Statement") for professional services rendered and reimbursement of expenses incurred during the preceding month or months (the "Compensation Period") and serve a copy of such Statement on each of the following parties (the "Notice Parties") by first class United States mail: (i) the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801; (ii) the Debtors, Orleans Homebuilders Inc., 3333 Street Road, Suite 101, Bensalem, Pennsylvania 19020 (Attn: Lawrence J. Dugan); (iii) counsel to the Debtors, (a) Cahill Gordon & Reindel LLP, 80 Pine Street, New York, New York 10005 (Attn: Joel H. Levitin, Esq., Michael R. Carney, Esq., and Maya Peleg, Esq.), (b) Elliott Greenleaf, 1105 North Market Street, Suite 1700, Wilmington, Delaware 19801 (Attn: Rafael X. Zahralddin-Aravena), and (c) Morris, Nichols, Arsht & Tunnel LLP,<sup>3</sup> 1201 North Market Street, 18th Floor, P.O. Box

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Morris, Nichols, Arsht & Tunnel LLP will be filing a first and final fee application shortly. Elliott Greenleaf and Morris, Nichols, Arsht & Tunnel LLP will not duplicate

1347, Wilmington, DE 19899-1347 (Attn: Robert J. Dehney, Esq. and Curtis Miller, Esq.); (iv) counsel for the Agent, Reed Smith, LLP, 2500 One Liberty Place, 1650 Market Street, Philadelphia, PA, 19103 (Attn: Claudia Springer, Esq. and Scott Esterbrook, Esq.); (v) the Agent, (a) Wells Fargo Securities LLC, One Wachovia Center, 301 South College Street, Charlotte, NC 28288-0737 (Attn: Darrell Perry), and (b) Wells Fargo Bank, N.A., 301 S. College Street, 4th Floor, Charlotte, NC 28202 (Attn: Nathan Rantala); (vi) financial advisor for the Agent, Capstone Advisory Group, LLC, (a) Park 80 West, 250 Pehle Avenue, Suite 105, Saddle Brook, NJ 07663 (Attn: David Galfus), and (b) 311 South Wacker Drive, Suite 2350, Chicago, IL, 60606 (Attn: Don Harer); (vii) (a) Duane Morris LLP, 1540 Broadway, New York, NY 10036-4086 (Attn: Gerard S. Catalanello, Esq.) and (b) Duane Morris LLP, 30 South 17th Street, Philadelphia, PA 19103 (Attn: Lawrence J. Kotler); and (viii) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, DE, 19801 (attn: David Buchbinder, Esq.). Any Professional that fails to file and serve a Statement for a particular month or months may subsequently file a consolidated Statement for a particular month or months. All Statements would be required to comply with the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules and orders of this Court.

- (b) Each of the Notice Parties shall have 20 days after service of a Statement to object thereto (the "Objection Deadline"). If no objections are raised prior to the expiration of the Objection Deadline, the Professional submitting the Statement may file a certificate of no objection with the Court, after which the Debtors shall be authorized to pay such Professional an amount equal to 80% of the fees and 100% of the expenses requested in the Statement (the "Maximum Interim Payment"). If an objection is properly filed pursuant to subparagraph (c) below, the Debtors shall be authorized to pay the Professional 80% of the fees and 100% of the expenses not subject to an objection (the "Actual Interim Payment").
- (c) If any of the Notice Parties objects to a Statement, such Notice Party shall be required to file with the Court and serve on such Professional and each of the Notice Parties a written objection so as to be received on or before the Objection Deadline. Any such objection shall identify with specificity the objectionable fees and/or expenses, including the amount of such objected-to fees and/or expenses, and the basis for such objection. Thereafter, the objecting party and the affected Professional may attempt to resolve the objection on a consensual basis. If the parties are unable to reach a resolution within 20 days after service of the objection, the affected Professional may either (i) file a response to the objection with the Court, together with a request for payment of the difference, if any, between the Maximum Interim Payment and the Actual Interim Payment made to such Professional (the "Incremental Amount"); or (ii) forgo payment of the Incremental Amount until the hearing on the next Interim Fee Application or final fee application, at which time the Court may consider the objection if requested by the parties.

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any work relating to the obligations of the Notice Parties in this Order.

- (d) Beginning on June 30, 2010, and at the end of each 3-month period thereafter, each Professional shall be permitted to file with the Court and serve on the Notice Parties an application (an "Interim Fee Application"), pursuant to Bankruptcy Code § 331, for interim Court approval and allowance of compensation for services rendered and reimbursement of expenses sought in the Statements filed during such period (the "Interim Fee Period"). The Interim Fee Application shall be required to comply with Local Bankruptcy Rule 2016-2 and shall include a summary of the Statements that are the subject of the Interim Fee Application and any other information otherwise required or requested by the Court. Each Interim Fee Application shall be filed with the Court and served on the Notice Parties by no later than 45 days after the end of the applicable Interim Fee Period (the "Interim Fee Application Deadline"). If a party-in-interest objects to an Interim Fee Application, it shall be required to file with the Court and serve on such Professional and each of the Notice Parties a written objection so as to be received on or before 20 days (or the next business day if such day is not a business day) following the service of the applicable Interim Fee Application. Any such objection shall identify with specificity the objectionable fees and/or expenses, including the amount of such objected-to fees and/or expenses, and the basis for such objection. Any Professional that fails to file an Interim Fee Application when due shall be ineligible to receive further interim payments of fees or expenses as provided herein until such time as the Interim Fee Application is submitted.
- (e) The Court will schedule a hearing on Interim Fee Applications at least once every 3 months or at such intervals as the Court deems appropriate.
- (f) The pendency of an objection to payment of compensation or reimbursement of expenses shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses pursuant to the Compensation Procedures.
- (g) Neither (i) the payment of or the failure to pay, in whole or in part, monthly interim compensation and reimbursement of expenses under the Compensation Procedures, nor (ii) the filing of or the failure to file an objection to any Statement or Interim Fee Application would bind any party-in-interest or the Court with respect to the allowance of interim or final applications for compensation for services rendered and reimbursement of expenses of any of the Professionals. All fees and expenses paid to the Professionals in accordance with the Compensation Procedures shall be subject to disgorgement until final allowance by the Court.
- (h) Notice of the Statements, Interim Fee Applications, final fee applications, and notices of hearing thereon ("Fee Hearing Notices") shall be limited as follows: (i) the Notice Parties shall be entitled to receive the Statements, the Interim Fee Applications, final fee applications, and Fee Hearing Notices; and (ii) all other parties shall be entitled to receive notice in these cases shall receive Fee Hearing Notices.
- (i) The Debtors shall include all payments made to Professionals in accordance with the Compensation Procedures in their monthly operating reports, identifying the amount paid to each Professional;

and it is further

ORDERED that notice given in accordance with the Compensation Procedures is deemed sufficient and adequate and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and any applicable Local Bankruptcy Rule or orders of this Court; and it is further

ORDERED that the Debtors shall be authorized and empowered to take any necessary actions to implement and effectuate the terms of this Order; and it is further

ORDERED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation and implementation of this Order.

Dated: April 6, 2010  
Wilmington, Delaware

  
HONORABLE PETER J. WALSH  
UNITED STATES BANKRUPTCY JUDGE