

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

In re:	)	Chapter 11
ORLEANS HOMEBUILDERS, INC., <u>et al.</u> , <sup>1</sup>	)	Case No. 10-10684 (PJW)
Debtors.	)	Jointly Administered
	)	<b>RE: D.I. 19, 79, 238, 239</b>

**ORDER AUTHORIZING RETENTION OF LIEUTENANT  
ISLAND PARTNERS LLC AS CONSULTANT AND FINANCIAL  
ADVISOR TO THE DEBTORS NUNC PRO TUNC TO THE PETITION DATE**

- 1 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 Wallkill, 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).

Upon the application (the “Application”)<sup>2</sup> of the Debtors, for an order pursuant to Bankruptcy Code § 327(a) and 328(a), authorizing them to retain Lieutenant Island as consultant and financial advisor nunc pro tunc to the Petition Date; and upon consideration of the Thaler Affidavit in support of the Application; and it appearing that Lieutenant Island neither holds nor represents any interest adverse to the Debtors’ estates; and it appearing that the fee arrangements as set forth in the Engagement Letter are reasonable pursuant to Bankruptcy Code § 328(a); and it appearing that the Lieutenant Island is “disinterested,” as that term is defined in Bankruptcy Code § 101(14); and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that good and sufficient cause exists for approving the Application; and upon the record of these Chapter 11 cases and any hearings held to consider the Application; and it appearing that the relief requested in the Application 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 Application 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 Application is approved in its entirety; and it is further

ORDERED that in accordance with Bankruptcy Code §§ 327(a) and 328(a), the Debtors are authorized to employ and to retain Lieutenant Island as consultant and financial advisor nunc pro tunc to the Petition Date on the terms set forth in the Application and the Engagement Letter, as modified by this Order; and it is further

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2 Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application or the Engagement Letter.

ORDERED that Lieutenant Island's compensation set forth in the Engagement Letter, including, without limitation, the Sale Transaction Fee, Investment Transaction Fee and the JV Entity Fee is approved pursuant to Bankruptcy Code § 328(a). Notwithstanding the above, the Testimony Fee only shall be subject to review under Bankruptcy Code § 330; and it is further

ORDERED that the Engagement Letter shall be amended as follows:

- (a) in the event that Lieutenant Island is summoned to provide any form of testimony before the Bankruptcy Court or as a witness in any other related litigation, a Testimony Fee equal to \$990 per hour shall become due and payable to Lieutenant Island, which shall include the time necessary to prepare and deliver such testimony and/or evidence; and
- (b) all actual reasonable expenses, including, without limitation, reasonable legal expenses, incurred in connection with Lieutenant Island's engagement as a consultant and financial advisor to the Debtors shall be reimbursed by the Debtors.

ORDERED that Lieutenant Island shall be compensated in accordance with the procedures set forth in Bankruptcy Code §§ 330 and 331 and such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court; provided, however, that Lieutenant Island shall be compensated and reimbursed pursuant to Bankruptcy Code § 328(a) and that Lieutenant Island's fees and expenses, except as specifically provided in this Order, shall not be evaluated under any other standard of review, including the standard set forth in Bankruptcy Code § 330; and it is further

ORDERED that notwithstanding anything to the contrary in the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, any order of this Court or any guidelines regarding submission and approval of fee applications, Lieutenant Island and its professionals shall be required to bill activities in one-half (.5) of an hour increments, shall not be required to provide or conform to any schedule of hourly rates, and Lieutenant Island's time records need only describe generally the activities performed on a daily basis; and it is further

ORDERED that the indemnification provisions set forth in the Engagement Letter are subject during the pendency of the Debtors' bankruptcy cases to the following:

- (a) Subject to the provisions of subparagraph (b), infra, the Debtors are authorized to indemnify, and shall indemnify, Lieutenant Island in accordance with the Engagement Letter for any claim arising from, related to, or in connection with the services provided for, whether pre-petition or post-petition, in the Engagement Letter;
- (b) Notwithstanding any provisions of the Engagement Letter to the contrary, the Debtors shall have no obligation to indemnify Lieutenant Island or provide contribution or reimbursement to Lieutenant Island for any claim or expense that is either: (i) judicially determined to have resulted primarily from the willful misconduct, gross negligence, bad faith or self-dealing of Lieutenant Island; or (ii) settled prior to a judicial determination as to Lieutenant Island's willful misconduct, gross negligence, bad faith or self-dealing, but determined by the Court, after notice and a hearing pursuant to subparagraph (c), infra, to be a claim or expense for which Lieutenant Island should not receive indemnity, contribution, or reimbursement under the terms of the Engagement Letter; and
- (c) If, before the earlier of: (i) the entry of an order confirming a Chapter 11 plan in these cases (that order having become a final order no longer subject to appeal); and (ii) the entry of an order closing these Chapter 11 cases, Lieutenant Island believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement obligations under the Engagement Letter, including without limitation the advancement of defense costs, Lieutenant Island must file an application therefore in this Court, and the Debtors may not pay any such amounts to Lieutenant Island before the entry of an order by this Court approving the payment; and it is further

ORDERED that the Debtors and Lieutenant Island are authorized and empowered to take any and all actions necessary to implement the terms of the Application and this Order; and it is further

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

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

Dated: Wilmington, Delaware  
April 5, 2010



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THE HONORABLE PETER J. WALSH  
UNITED STATES BANKRUPTCY JUDGE