

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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|---|---|--------------------------------|
| In re: |) | Chapter 11 |
| |) | |
| ORLEANS HOMEBUILDERS, INC., <u>et al.</u> , |) | Bankr. Case No. 10-10684 (PJW) |
| |) | |
| Debtors. |) | Joint Administration Requested |
| |) | |

**DEBTORS' APPLICATION TO EMPLOY AND RETAIN LIEUTENANT
ISLAND PARTNERS LLC AS CONSULTANT AND FINANCIAL ADVISOR NUNC
PRO TUNC TO THE PETITION DATE**

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”)¹ hereby submit this application (the “Application”) for an order, pursuant to Bankruptcy Code §§ 327(a) and 328(a) and Bankruptcy Rules 2014(a) and 2016, authorizing them to employ and to retain Lieutenant Island Partners LLC (“Lieutenant Island”) as consultant and financial advisor to the Debtors. In support of this Application, the Debtors rely on the

¹ The other Debtors in these cases are: Brookshire Estates, L.P.; Community Management Services Group, Inc.; Greenwood Financial Inc.; Masterpiece Homes, LLC; OHB Homes, Inc.; OHI Financing, Inc.; OHI PA GP, LLC; OPCNC, LLC; Orleans Arizona Realty, LLC; Orleans Arizona, Inc.; Orleans at Bordentown, LLC; Orleans at Cooks Bridge, LLC; Orleans at Covington Manor, LLC; Orleans at Crofton Chase, LLC; Orleans at East Greenwich, LLC; Orleans at Elk Township, LLC; Orleans at Evesham, LLC; Orleans at Falls, LP; Orleans at Hamilton, LLC; Orleans at Harrison, LLC; Orleans at Hidden Creek, LLC; Orleans at Jennings Mill, LLC; Orleans at Lambertville, LLC; Orleans at Limerick, LP; Orleans at Lower Salford, LP; Orleans at Lyons Gate, LLC; Orleans at Mansfield LLC; Orleans at Maple Glen LLC; Orleans at Meadow Glen, LLC; Orleans at Millstone River Preserve, LLC; Orleans at Millstone, LLC; Orleans at Moorestown, LLC; Orleans at Tabernacle, LLC; Orleans at Thornbury, L.P.; Orleans at Upper Freehold, LLC; Orleans at Upper Saucon, L.P.; Orleans at Upper Uwchlan, LP; Orleans at Wallkill, LLC; Orleans at West Bradford, LP; Orleans at West Vincent, LP; Orleans at Westampton Woods, LLC; Orleans at Windsor Square, LP; Orleans at Woolwich, LLC; Orleans at Wrightstown, LP; Orleans Construction Corp.; Orleans Corporation; Orleans Corporation of New Jersey; Orleans DK, LLC; Orleans RHIL, LP; Parker & Lancaster Corporation; Parker & Orleans Homebuilders, Inc.; Parker Lancaster, Tidewater, L.L.C.; Realen Homes, L.P.; RHGP LLC; Sharp Road Farms Inc.; Stock Grange, LP; and Wheatley Meadows Associates, LLC. Tax identification and individual case numbers are set forth in the Declaration of Benjamin D. Goldman in Support of Debtors' First-Day Pleadings.

Affidavit of Richard Thaler, Managing Partner of Lieutenant Island (the “Thaler Affidavit”).² In further support of this Application, the Debtors respectfully represent as follows:

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

INTRODUCTION

2. On the date hereof (the “Petition Date”), each of the Debtors filed with this Court separate, voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Debtors continue to manage their properties and operate their business as debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108. No trustee, examiner, or official committee has been appointed in these cases.

3. Contemporaneously with the filing of this pleading, the Debtors have sought an order of this Court pursuant to Bankruptcy Rule 1015 directing that their Chapter 11 cases be jointly administered. The Debtors have also filed additional motions with the Court (some of which are seeking emergency relief) in the proposed lead case of Orleans Homebuilders, Inc. (“OHB”).

² A true and correct copy of the Thaler Affidavit is attached hereto as Exhibit A and is incorporated herein by reference.

The Debtors and their Business³

4. The Debtors build, develop, market, and sell single-family homes, townhouses, and condominiums to various segments of the homebuyer market. The Debtors also regularly purchase land and finished lots for development, improve land to be ready for home construction, obtain land entitlements, and invest in joint venture projects with other homebuilders.

5. The Debtors pride themselves on building high-quality and affordable homes, using a combination of production-style construction techniques and a design center customization marketing approach. Indeed, they have won various awards, including JD Power and Associates awards for home quality and designs in various divisions, and top rankings for being one of the fastest growing homebuilders from Builder magazine, one of the largest homebuilders from Big Builder magazine, and best homebuilder companies to work for from Professional Builder magazine, as well as various other product design and community of the year awards in various divisions from similar publications and homebuilding trade groups.

6. The Debtors have developments or projects in the following regions: (a) the Northern Region (including southeastern Pennsylvania, central and southern New Jersey, and Orange County, New York); (b) the Southern Region (including Charlotte, Raleigh, and Greensboro, North Carolina, including adjacent counties in South Carolina, and Richmond and Tidewater, Virginia); (c) the Midwestern Region (including Chicago, Illinois); and (d) the Florida Region (including Orlando, Florida). The Debtors' operations in Pennsylvania and New Jersey date back more than 90 years, and they have operated in Florida on and off since 1970.

33 The description set forth herein is solely a summary of the Debtors, their corporate and capital structure, their operations, and the events leading to these Chapter 11 cases. For more information, please review the Debtors' public filings with the Securities and Exchange Commission, accessible at <http://www.sec.gov> and at <http://www.orchestrahomes.com>.

The Debtors have been in business in Virginia, North Carolina, and South Carolina since approximately 2000. Over the years, the Debtors have acquired other homebuilders, including Masterpiece Homes (Florida), Parker Lancaster Corporation (North Carolina and Virginia), and Realen Homes (Illinois and Pennsylvania).

7. Most of the Debtors' projects are "master-planned" residential communities where the Debtors purchase plots of land, obtain the necessary approvals, build several model homes and "spec" (constructed but unsold) homes, and then build additional "backlog" homes upon entering into sales contracts with homebuyers. The Debtors typically act as a general contractor and employ subcontractors to construct homes and install site improvements. The Debtors' agreements with subcontractors typically provide for a fixed price for work performed and materials supplied. The Debtors do not manufacture any of the materials or other items used in the development of their communities.

8. The Debtors have various non-debtor direct and indirect subsidiaries (the "Non-Debtor Subsidiaries")⁴ that, among other things, offer supplemental services to homebuyers, including real estate brokerage, title and closing, and mortgage broker services. The Debtors provide administrative support for certain of the Non-Debtor Subsidiaries, including, for example, payroll and accounting services.

4 These entities have not filed Chapter 11 petitions: Alambry Funding, Inc.; A. P. Orleans & Co.; A. P. Orleans, Incorporated (PA); A. P. Orleans, Incorporated (NJ); A. P. Orleans Real Estate Co., Inc.; Greenwood Orleans, Inc.; Lucy Financial, Inc.; Masterpiece Homes & Properties, Inc.; Meadows at Hyde Park, LLC; Moorefield Title Agency, L.C.; OAH Manager LLC; OHI NJ, LLC; OHI PA, LLC; OHI South Service Corp.; Orleans Abstract Member, LLC; Orleans Affordable Housing LP; Orleans Air LLC; Orleans Arizona Construction, LLC; Orleans at Aston, L.P.; Orleans at Dolington, L.P.; Orleans at Florence, LLC; Orleans at Horsham, LP; Orleans at Illinois, LLC; Orleans at Lower Makefield, LP; Orleans at Monroe, LLC; Orleans at South Brunswick, LLC; Orleans Homebuilders Trust; Orleans Management, LLC; Orleans RHPA, LLC; Orleans-Wheatley Meadows, LLC; P & L Realty, Inc.; Quaker Sewer, Inc.; and Radnor Carpentry Corporation.

9. For the six months ending December 31, 2009, the Debtors delivered 356 homes to homebuyers, generating approximately \$132.7 million in revenue. For the same period, the Debtors recorded net new orders for 369 homes in the amount of approximately \$134.5 million. As of December 31, 2009, the Debtors had approximately 589 homes in inventory, consisting of approximately 345 backlog units, 184 spec homes, and 60 owned model homes.

10. The Debtors have approximately 305 employees, including 22 Alambry mortgage services employees. The majority of these employees are full-time employees, and none is a member of any union.

Capital Structure

Background

11. OHB, a Delaware corporation, is a public company listed on the American Stock Exchange under the symbol "OHB."

12. The Debtors' Chairman, President, Chief Executive Officer, and majority shareholder is Jeffrey P. Orleans, the grandson of the Debtors' founder, Alfred P. Orleans.

Senior Secured Credit Agreement

13. On or about September 30, 2008, Greenwood Financial, Inc., and the rest of the Debtors, with OHB as guarantor, entered into a second amended and restated revolving credit loan agreement (as amended and modified on or about January 28, 2009, February 11, 2009, August 3, 2009, August 13, 2009, September 30, 2009, October 30, 2009, December 18, 2009, and January 25, 2010 (the "Senior Secured Credit Agreement")), with various banks as lenders (collectively, the "Senior Lenders") and with Wachovia Bank, National Association, as administrative agent ("Wachovia," or the "Agent"). The obligations under the Senior Secured Credit Agreement were guaranteed by OHB and the maturity date of the Senior Secured Credit

Agreement, originally December 20, 2009, was extended through February 12, 2010, under certain terms and conditions. As of that date, the loan matured, and on February 17, 2010, the Agent sent the Debtors a Default and Reservation of Rights Letter.

14. The Senior Secured Credit Agreement provided the Debtors with a revolving facility of up to \$350 million⁵ as of the Petition Date, subject to a defined borrowing base availability.⁶ The Senior Secured Credit Agreement also originally provided for a swingline facility of \$10 million and a letter of credit sublimit of \$30 million.⁷ The Debtors used the funds available under the Senior Secured Credit Agreement to support their operations.

15. The Debtors' obligations under the Senior Secured Credit Agreement are secured by senior, first-priority liens on, among other things, all real estate, income tax refunds, inter-company debt, certain cash deposits, certain equity interests, certain pineland development credits, and life insurance policies under the Debtors' survivor benefit program.

Circumstances Leading to this Filing

16. The homebuilding industry has experienced a significant and sustained downturn characterized by decreased demand for new homes, an oversupply of both new and resale home inventories (including homes under foreclosure), a decline in average selling prices, and aggressive competition among homebuilders. The declining real estate market has negatively impacted homebuilders nationwide.

5 This amount reflects various agreements to reduce the size of the facility from its original \$650 million.

6 The definition of borrowing base was amended to remain until February 12, 2010, at the level reflected on the borrowing base certificate provided to the Agent on December 15, 2009 (as of November 30, 2009).

7 Pursuant to agreements with the Senior Lenders, swing line borrowings have been suspended, and no new letters of credit may be issued.

17. The decreased demand for new homes has been exacerbated by the credit crisis, which has made traditional mortgages more difficult to obtain, and their terms and pricing more onerous, resulting in a challenging lending environment for most prospective home buyers.

18. As a result of these and other external factors, the Debtors' consolidated revenue dropped from \$987 million, for the fiscal year ended June 30, 2006, to \$335 million, for the fiscal year ended June 30, 2009. While the Debtors reacted appropriately to the changing market conditions, including reducing net debt by approximately \$185 million (31%); reducing spec home units by 53%; reducing total lots by 59%, including exiting certain markets in Florida and Arizona and reducing land exposure in Illinois; and reducing staff headcount by 67%, enabling the Debtors to be cash flow positive or neutral in 10 of the last 12 quarters, the Debtors violated certain covenants contained in the Senior Secured Credit Agreement (which has now matured).

19. The recent turmoil in the credit markets has also had an adverse impact on the Debtors' continued access to needed financing. Despite their significant efforts, the Debtors were unable to obtain a heavily-negotiated maturity extension and structural modification to the Senior Secured Credit Agreement.

20. Market conditions have not improved, and the Debtors do not have sufficient liquidity to continue operating normally outside of bankruptcy. Accordingly, the Debtors have concluded in their sound business judgment that commencing these Chapter 11 cases was necessary to provide them with the breathing space necessary to formulate a reorganization strategy that would allow them to continue as a going concern, for the benefit of all parties-in-interest.

RETENTION OF LIEUTENANT ISLAND⁸

21. Prior to the commencement of these Chapter 11 cases, the Debtors retained Lieutenant Island to assist them in connection with a potential transaction or series of transactions involving a sale of the Debtors' operations, the potential sale of equity securities, or the creation of a joint venture, pursuant to the terms of an engagement letter, dated December 5, 2008, and attached hereto as Exhibit B (as amended, the "Engagement Letter").⁹ The Debtors hereby seek to continue to employ and to retain Lieutenant Island to perform similar services during these cases.

22. Since 2008, the Managing Partner of Lieutenant Island has developed a great deal of institutional knowledge regarding the Debtors' operations, finances, and systems. The Debtors are familiar with the professional standing and reputation of Lieutenant Island. In addition, the Debtors understand that Lieutenant Island's Managing Partner has a wealth of experience in providing corporate advisory services and enjoys an excellent reputation for services he has rendered to other homebuilders.

23. The experience of, and services to be provided by Lieutenant Island's Managing Partner compliment the services being provided by BMO Capital Markets Corp. ("BMOCM")¹⁰ and the Debtors' other restructuring professionals. Given the size and complexity of these cases, and the specific and respective expertise of Lieutenant Island and

⁸ The Debtors' knowledge, information, and belief regarding certain matters set forth in this Application are based solely on, and are made in reliance upon, the Thaler Affidavit.

⁹ The Engagement Letter attached hereto as Exhibit B is incorporated herein by reference and submitted herewith for approval. Any capitalized terms not otherwise defined in this Application have the meaning ascribed to them in the Engagement Letter.

¹⁰ The Debtors have also filed an Application to Employ and to Retain BMO Capital Markets Corp. as M&A Advisor.

BMOCM, the Debtors believe that retention of two advisors, is warranted and will be beneficial to the estates and all other parties-in-interest.

24. The Debtors have been advised that Lieutenant Island and BMOCM will endeavor to coordinate amongst themselves and with the other retained professionals in these cases to eliminate unnecessary duplication or overlap of work as they did during their pre-petition engagement.

25. The services of Lieutenant Island are necessary to enable the Debtors to maximize the value of their estates and to reorganize successfully. Further, Lieutenant Island is well qualified and able to represent the Debtors in a cost-effective, efficient, and timely manner.

26. The Debtors hereby seek, pursuant to Bankruptcy Code §§ 327(a) and 328(a) and Bankruptcy Rules 2014(a) and 2016, to continue to employ and to retain Lieutenant Island to perform similar services during these cases.

SCOPE OF SERVICES

27. Lieutenant Island will provide such consulting and financial advisory services as Lieutenant Island and the Debtors deem appropriate and feasible in order to advise the Debtors in the course of these Chapter 11 cases, including but not limited to the following:

- Provide advice on such strategic matters including the sale (through recapitalization, consolidation, joint venture, tender offer, merger, sale or exchange of 50% or more of the outstanding capital stock of the Debtors, sale of all or a substantial part of their assets, a “going private” transaction, or otherwise) (the “Sale Transaction”);
- Provide advice on the sale or issuance by the Debtors of capital stock or equity linked securities (but not act as an underwriter or securities dealer) which may include common stock, warrants to purchase common stock, preferred stock, convertible notes, convertible preferred or some combination (the “Investment Transaction”) thereof of the Debtors, in either case to one or more third parties (including existing shareholders of the Debtors), whether effected in a single transaction or a series of related transactions; and
- Provide advice in the creation of a joint venture which may include, inter alia, the acquisition of land, development and/or construction of single family homes or townhouse projects, the acquisition of debt related to land and/or other potential

transaction(s) (the “Joint Venture” or “JV”) between the Debtors and their affiliates and third party investors.

PROFESSIONAL COMPENSATION

28. The Debtors understand that Lieutenant Island intends to apply to the Court for allowances of compensation and reimbursement of expenses for consulting and financial advisory services in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, corresponding local rules, orders of this Court, and guidelines established by the United States Trustee. The fees, subject to periodic adjustments, charged by Lieutenant Island to these cases are as follows:

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|----------------------------|--|
| Sale Transaction Fee | 0.15% of the Aggregate Value; provided that such amount shall not be less than \$600,000 and not more than \$750,000; |
| Investment Transaction Fee | 0.60% of the Aggregate Value of securities issued or sold in the Investment Transaction; provided that such amount shall not be less than \$500,000 and not more than \$600,000; and |
| Joint Venture Entity Fee | An amount to be agreed upon by the Debtors, the JV Entity, and the JV Investor; provided that if the JV Entity raises at least \$20 million of funded equity, such JV Investment Fee shall not be less than \$200,000. |

29. It is not the general practice of Lieutenant Island to keep detailed time records similar to those customarily kept by attorneys and other professionals who are compensated on an hourly basis. Accordingly, it would be unduly burdensome and time-consuming for Lieutenant Island to comply with certain provisions of Local Bankruptcy Rule 2016-2. Specifically, Lieutenant Island requests that it: (a) be permitted to bill activities in one-half (.5) of an hour, rather than one-tenth (.1) of an hour increments; (b) not be required to provide or conform to any schedule of hourly rates; and (c) not be required to record time entries

on a “project category” basis, as required by Local Bankruptcy Rule 2016-2. Instead, Lieutenant Island requests that it be required only to keep time records detailing and describing its general daily activities.

30. Lieutenant Island was paid approximately \$200,000 for pre-petition services.

31. The Debtors believe that the compensation structure, as specifically described above and in the Engagement Letter, constitutes fair and reasonable terms and conditions for the retention by the Debtors of Lieutenant Island as its consultant and financial advisor in accordance with Bankruptcy Code § 328(a). The contingency fee structure set forth above is consistent with fee structures utilized by other advisors that do not bill their clients on an hourly basis. Lieutenant Island is not paid any monthly or other fixed fee, and its compensation, with the exception of the Termination Fee (as defined in the Engagement Letter), is entirely contingent upon the consummation of the transactions described in the Engagement Letter.

32. Furthermore, because the Debtors are seeking approval of the fee structure under Bankruptcy Code § 328(a), the Debtors believe that Lieutenant Island compensation should not be subject to any additional standard of review under Bankruptcy Code § 330 and should not be deemed to constitute a “bonus” or “fee enhancement” under applicable law.

INDEMNIFICATION

33. The Debtors request that the indemnification provisions set forth in the Engagement Letter be subject, during the pendency of these 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. This subparagraph (c) is intended only to specify the period of time during which the Court shall have jurisdiction over any request for indemnification, contribution or reimbursement by Lieutenant Island and not a provision limiting the duration of the Debtors' obligation to indemnify Lieutenant Island.

LIEUTENANT ISLAND'S DISINTERESTEDNESS

34. Lieutenant Island has informed the Debtors that, except as may be set forth in the Thaler Affidavit, it (i) has no connection with the Debtors, its creditors or other parties in interest in these cases; (ii) does not hold any interest adverse to the Debtors' estates; and (iii) believes it is a "disinterested person" as defined within Bankruptcy Code § 101(14).

35. Lieutenant Island will conduct an ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new material facts or relationships are discovered, Lieutenant Island will supplement its disclosure to this Court.

36. Accordingly, for the reasons set forth above, the Debtors submit the retention of Lieutenant Island is in the best interest of the Debtors and their respective estates, their creditors, and other parties-in-interest.

NOTICE

37. Notice of this Application has been served upon the Office of the United States Trustee for the District of Delaware, the 50 largest unsecured non-insider creditors of the Debtors on a consolidated basis, the Agent and counsel to the Agent, and the transfer agent for the stock of OHB. The Debtors submit that no other or further notice need be given in light of the circumstances of these cases.

NO PRIOR APPLICATION

38. No previous request for the relief sought in this Application has been made to this or to any other Court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form filed herewith, granting the relief requested herein and such other and further relief that may be just and proper under the circumstances.

Dated: March 1, 2010

By: /s/ Benjamin D. Goldman
Name: Benjamin D. Goldman
On behalf of Debtors and Debtors-in-Possession

EXHIBIT A

Thaler Affidavit

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

| | | |
|---|---|------------------------------|
| In re: |) | |
| ORLEANS HOMEBUILDERS, INC., <u>et al.</u> , |) | Chapter 11 |
| Debtors. |) | Case No. 10-10684 (PJW) |
| |) | Joint Administration Pending |

**AFFIDAVIT OF RICHARD THALER IN SUPPORT OF
DEBTORS' APPLICATION TO EMPLOY AND RETAIN LIEUTENANT
ISLAND PARTNERS LLC AS CONSULTANT AND FINANCIAL ADVISOR**

State of New York)
) ss.:
County of Westchester)

I, Richard Thaler, being first duly sworn, deposes and says:

1. I am a Managing Partner of Lieutenant Island Partners LLC ("Lieutenant Island"). I am duly authorized to make this affidavit (the "Affidavit") on behalf of Lieutenant Island, and submit this Affidavit in accordance with sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code") as supplemented by Rules 2014(a), 2016(b) and 5002 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") and the Local Rules of Bankruptcy Practice and Procedure for the District of Delaware (the "Local Rules") in connection with the application of the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors" or the "Company") for an order authorizing the employment and retention of Lieutenant Island as consultant and financial advisor nunc pro tunc to the commencement of these chapter 11 cases, and waiving certain of the requirements of Local Rule 2016-2.

2. Unless otherwise stated in this Affidavit, I have personal knowledge of the facts set forth herein and, if called as a witness, I would testify thereto.

LIEUTENANT ISLAND'S QUALIFICATIONS

3. Lieutenant Island has been advising the Debtors since September 2008 pursuant to the terms of an engagement letter between the Debtors and Lieutenant Island (as amended, the "Engagement Letter"), a true and correct copy of which is attached to the Application as Exhibit [B]. As outlined in the Engagement letter, Lieutenant Island, in its capacity as the Debtors' financial advisor, is prepared to perform the following postpetition services:

- (a) Provide advice on such strategic matters including the sale (through recapitalization, consolidation, joint venture, tender offer, merger, sale or exchange of 50% or more of the outstanding capital stock of the Debtors, sale of all or a substantial part of their assets, a "going private" transaction, or otherwise);
- (b) Provide advice on the sale or issuance by the Company of its capital stock or equity linked securities (but not act as an underwriter or securities dealer), which may include common stock, warrants to purchase common stock, preferred stock, convertible notes, convertible preferred or some combination thereof of the Company, in either case to one or more third parties (including existing shareholders of the Company), whether effected in a single transaction or a series of related transactions; and
- (c) Provide advice in the creation of a joint venture which may include, inter alia, the acquisition of land, development and/or construction of single family home or townhouse projects, the acquisition of debt related to land and/or other potential transaction(s) between the Company and its affiliates and third party investors.

4. I believe that Lieutenant Island is uniquely qualified to advise the Debtors in the matters for which Lieutenant Island is proposed to be employed. I am the sole employee of Lieutenant Island. My relationships in the homebuilding industry have been forged over the course of more than twenty years, and my track record is among the longest of any active advisor to the industry. While serving as a Managing Director at Lehman Brothers and later as a Managing Director, and subsequently a Vice Chairman, of Deutsche Bank Securities, I was involved in a number of the largest and most significant strategic and financing transactions for

many of the largest and most active participants in the American homebuilding industry, including, but not limited to, Lennar, DR Horton, Meritage, Centex, LNR, and others.

5. Lieutenant Island is highly selective in the engagements it pursues. In addition to my advisory activities in the building and building products space, I am also engaged in teaching finance on a pro bono basis at Morehouse College and am active in other not-for-profit endeavors. Since Lieutenant Island's formation, the Debtors have been Lieutenant Island's primary fee paying client.

6. The services and homebuilding industry expertise to be provided by Lieutenant Island will significantly enhance and compliment the services being provided by BMO Capital Markets Corp. ("BMOCM")¹ and the Debtors' other restructuring professionals. Given the size and complexity of these cases, and the specific and respective expertise of Lieutenant Island and BMOCM, I believe that the retention of two advisors is warranted and will be beneficial to the estates and all other parties-in-interest. Lieutenant Island and BMOCM will endeavor to coordinate amongst themselves and with the other retained professionals in these cases to eliminate unnecessary duplication or overlap of work as they did during their pre-petition engagement.

DISINTERESTEDNESS

7. In connection with its retention by the Debtors, Lieutenant Island reviewed its client database to determine whether it had any relationships with the entities identified as potential parties in interest by the Debtors (the "Potential Parties In Interest") listed on Schedule 1 hereto. To the extent this inquiry revealed that certain of the Potential Parties In

¹ The Debtors have also filed an Application to Employ and Retain BMO Capital Markets Corp. as M&A Advisor.

Interest were current or former clients of Lieutenant Island, these parties were identified on a list (the "Client Match List"). I reviewed the Client Match List and determined, based on my personal knowledge of Lieutenant Island's engagements, that the representation of the clients on the Client Match List concerned matters unrelated to the Debtors. To the best of my knowledge, information and belief, Lieutenant Island currently only has relationships or connections with the entities identified on Schedule 2 annexed hereto. The nature of the relationship with the each entity identified on Schedule 2 is explained in such schedule.

8. Lieutenant Island is involved in various transactions in the homebuilding industry involving many different professionals, accountants and financial consultants, some of whom may represent claimants and parties in interest in the Debtors' chapter 11 cases. Further, Lieutenant Island has in the past, and may in the future, be represented by several attorneys and law firms in the legal community, some of whom may be involved in these cases. Finally, Lieutenant Island has in the past, and may in the future, work with or against other professionals involved in these cases in matters wholly unrelated to these cases. Based upon my current knowledge of the professionals involved in these cases, and to the best of my knowledge, none of these business relationships constitute interests adverse to the Debtors in matters upon which Lieutenant Island is to be employed, and none are in connection with these cases.

9. As to the Potential Parties In Interest not identified on the Client Match List, neither Lieutenant Island nor I have been employed by or rendered advisory services to any such parties.

10. Except as otherwise set forth herein and in the Application, to the best of my knowledge, I am not, and Lieutenant Island is not, a creditor, equity holder or an insider of the Debtors.

11. To the best of my knowledge, neither I nor Lieutenant Island is or was within two years before the commencement of these cases, a director, an officer or an employee of the Debtors.

12. Until April 10, 2008, I was employed as an investment banker and Vice Chairman of Deutsche Bank Securities ("Deutsche"), one of the Debtors' lenders. In my capacity as an investment banker for Deutsche, I was responsible for certain relationships with national homebuilding companies, including certain creditors or other parties in interest in these cases, and several building products companies. I also acted a supervisor ("Group Head") to bankers who maintained relationships with and rendered services to several of the parties who are creditors of the Debtors. In addition, together with my wife, I am also a beneficial owner of equity securities of Deutsche valued in excess of \$1 million and receive deferred compensation from Deutsche pursuant to a plan of elective deferral of compensation. At the outset of Lieutenant Island's relationship with the Debtors, I apprised the management and Board of Directors of the Debtors as to my equity ownership and prior employment with Deutsche, of which they were aware as a result of my prior work on their behalf as an investment banker for Deutsche.²

13. During my employment with Deutsche, Cahill Gordon & Reindell LLP ("Cahill"), provided various legal services to Deutsche and myself in my capacity as Vice Chairman of Deutsche. Cahill is counsel to the Debtors in these chapter 11 cases. Since April 10, 2008, Cahill has not provided legal services or represented me directly in any matters. In addition, there is no direct relationship between Cahill and Lieutenant Island.

² Mr. Bell is now employed by Capstone, an advisor to the Debtors' bank group.

14. In addition, for over twenty years, I have served as a Trustee of the Daily Princetonian Publishing Company, a not-for-profit college newspaper at Princeton University, with James MacGregor, the President of Abernathy & MacGregor Group, Inc. ("A&M Group"). A&M Group is a public relations firm that provides advice to the Debtors regarding various communication and public relations programs. I have never been employed by or had any economic relationship with A&M Group.

15. Except as may be otherwise set forth herein, to the best of my knowledge, Lieutenant Island and I (i) do not have any relevant connections with the Debtors or their affiliates, their estates, their creditors, or any other party in interest, (ii) are "disinterested persons" under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and (iii) do not hold or represent any interest adverse to the Debtors and their estates.

16. To the best of my knowledge, information and belief, I have no connection with any persons employed by the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee").

17. The Debtors have numerous creditors and relationships with various individuals and entities that may be parties in interest in these cases. Consequently, although every reasonable effort has been made to discover and eliminate the possibility of any conflict, including the efforts outlined above, it is possible that Lieutenant Island has additional connections with parties in interest in these cases of which it is not currently aware. If Lieutenant Island discovers any information that is contrary to or pertinent to the statements made herein, Lieutenant Island will promptly disclose such information to the Court.

18. Lieutenant Island does not advise, has not advised, and will not advise any entity other than the Debtors in matters related to these chapter 11 cases.

COMPENSATION

19. The fee structure set forth in the Engagement Letter (the "Fee Structure") is generally consistent with Lieutenant Island's typical fees for work of this nature. Lieutenant Island is no longer paid any monthly or other fixed fee pursuant to the Engagement Letter. Lieutenant Island's compensation, with the exception of the Termination Fee (as defined in the Engagement Letter), is entirely contingent upon the consummation one or more of the transactions described in the Engagement Letter. Accordingly, the Fee Structure properly aligns the Debtors' interest in achieving a successful restructuring with Lieutenant Island's compensation.

20. The Engagement Letter also contemplates reimbursement of Lieutenant Island's reasonable out-of-pocket expenses, which reimbursement is consistent with Lieutenant Island's arrangement with its other clients.

21. It is not the general practice of Lieutenant Island to keep detailed time records similar to those customarily kept by attorneys and other professionals who are compensated on an hourly basis. As a result, I believe it would be unduly burdensome and time-consuming for Lieutenant Island to comply with certain provisions of Local Rule 2016-2. Specifically, Lieutenant Island requests that it: (a) be permitted to bill activities in one-half (.5) of an hour, rather than one-tenth (.1) of an hour increments; (b) not be required to provide or conform to any schedule of hourly rates; and (c) not be required to record time entries on a "project category" basis, as required by Local Rule 2016-2. Instead, Lieutenant Island requests that it be required only to keep time records detailing and describing its general daily activities.

INDEMNIFICATION

22. Among the terms and conditions in the Engagement Letter is an indemnity (as modified in the proposed retention order, the "Indemnification Provisions") for the benefit of Lieutenant Island and certain other indemnified persons. The Indemnification Provisions are reasonable terms and conditions of the Lieutenant Island engagement. As modified by the proposed retention order, the Indemnification Provisions reflect the qualifications and limits on the indemnification provisions that are customary in Delaware and other jurisdictions.

PREPETITION PAYMENTS/RETAINERS

23. In total, Lieutenant Island received \$200,000 from the Debtors for prepetition services rendered and expenses incurred in advising the Debtors.

24. Although Lieutenant Island's records indicate that Lieutenant Island is not owed any amounts in respect of prepetition services provided to the Debtors, it is possible that certain expenses that were incurred by Lieutenant Island and reimbursable under the terms of the Engagement Letter were not yet reflected on Lieutenant Island's respective books and records as of the Petition Date. To the extent that payments made to Lieutenant Island prior to the Petition Date are insufficient to satisfy such expenses, Lieutenant Island hereby waives any claim for payment thereof.

25. Lieutenant Island has not received any payments on account of fees and expenses within the ninety (90) days prior to the Petition Date.

26. In accordance with section 504 of the Bankruptcy Code, Lieutenant Island has no agreement or understanding with any other entity for the sharing of compensation received or to be received for services rendered in connection with these chapter 11 cases.

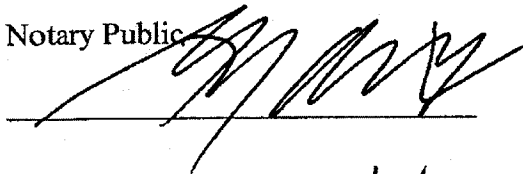
27. The foregoing constitutes the declaration of Lieutenant Island pursuant to sections 327 and 504 of the Bankruptcy Code, and Bankruptcy Rule 2014.



Richard Thaler

Sworn to before me this
28 day of February 2010.

Notary Public



My commission expires 01/28/2011

STEVEN J. AHMUTY, JR
Notary Public, State of New York
Registration No. 02AH4977216
Qualified in Westchester County
Commission Expires January 28, 2011

SCHEDULE 1

Parties In Interest

Conflicts List

Companies:

A.P. Orleans Real Estate Co., Inc.
A.P. Orleans, Inc.
Alambry Funding, Inc.
Brookshire Estates, L.P.
Community Management Services Group, Inc.
Greenwood Financial Inc.
Greenwood Orleans, Inc.
Lucy Financial, Inc.
Masterpiece Homes & Properties, Inc.
Masterpiece Homes, LLC
Meadows at Hyde Park, LLC
OAH Manager, LLC
OHB Homes, Inc.
OHI Financing, Inc.
OHI PA GP, LLC
OHI PA, LLC
OHI South Service Corp.
OHI, NJ LLC
OPCNC, LLC
Orleans Abstract Member, LLC
Orleans Affordable Housing, LP
Orleans Air, LLC
Orleans Arizona Construction, LLC
Orleans Arizona Realty, LLC (f/k/a Orleans at Kings Ranch, LLC)
Orleans Arizona, Inc.
Orleans at Aston, L.P.
Orleans at Bordentown, LLC
Orleans at Cooks Bridge, LLC
Orleans at Covington Manor, LLC
Orleans at Crofton Chase, LLC
Orleans at Dolington, L.P.
Orleans at East Greenwich, LLC
Orleans at Elk Township, LLC
Orleans at Evesham, LLC
Orleans at Falls, LP
Orleans at Florence, LLC
Orleans at Hamilton, LLC

Orleans at Harrison, LLC
Orleans at Hidden Creek, LLC
Orleans at Horsham, LP
Orleans at Illinois, LLC
Orleans at Jennings Mill, LLC
Orleans at Lambertville, LLC
Orleans at Limerick, LP
Orleans at Lower Makefield, LP
Orleans at Lower Salford, LP
Orleans at Lyons Gate, LLC
Orleans at Mansfield, LLC
Orleans at Maple Glen, LLC
Orleans at Meadow Glen, LLC
Orleans at Millstone River Preserve, LLC
Orleans at Millstone, LLC
Orleans at Monroe, LLC
Orleans at Moorestown, LLC
Orleans at South Brunswick, LLC
Orleans at Tabernacle, LLC
Orleans at Thornbury, L.P.
Orleans at Upper Freehold, LLC
Orleans at Upper Saucon, L.P.
Orleans at Upper Uwchlan, LP
Orleans at Wallkill, LLC (formerly known as Kabro at Middletown, LLC)
Orleans at West Bradford, LP
Orleans at West Vincent, LP
Orleans at Westampton Woods, LLC
Orleans at Windsor Square, LP
Orleans at Woolwich, LLC
Orleans at Wrightstown, LP
Orleans Construction Corp.
Orleans Corporation
Orleans Corporation of New Jersey
Orleans DK, LLC
Orleans Homebuilders Trust I and II
Orleans Homebuilders, Inc.
Orleans Management LLC
Orleans RHIL, LP
Orleans RHPA, LLC
Orleans-Wheatley Meadows, LLC
P&L Realty, Inc.
Parker Lancaster, Tidewater, L.L.C.
Parker & Lancaster Corporation
Parker & Orleans Homebuilders, Inc.
Quaker Sewer, Inc.
Radnor Carpentry Corporation
Realen Homes, L.P.

RHGP, LLC
Sharp Road Farms, Inc.
Stock Grange, L.P.
Stock Grange, LP
Wheatley Meadows Associates, LLC

Directors:

Andrew N. Heine
Benjamin D. Goldman
David Kaplan
Jeffrey P. Orleans
John W. Temple
Lewis Katz
Robert M. Segal
Robert N. Goodman

Executive Officers:

Albert Pisanelli
Ambrose "Bo" McMurphy
Ann McGee
Brian Fink
C. Dean Amann II,
Cindy Petty
David Stith
Denise Waite
Garry P. Herdler
Gary J. Stefanoni
J. Russell Parker, III
J.S. Goodman
Jeff Guernier
Joanne Granozio
John Ficara
Jonathan Feinberg
Jonathan Feinberg
Joseph F. McCole
Kyle Upper
Lawrence J. Dugan
Leonard I. Korman
Linda Kelley
Mark D. Weaver
Marvin Bank
Mary Anne Wallace
Michael Creed
Michael Karmatz
Michael Schurr

Michael Vesey
N.A. Corey
Patricia Palinkas
Stefano Cusano
Theresa Lazorko
Thomas R. Vesey
Tom Gancsos
Victoria Makarewicz
Wes Dollins
William Briegel

Lenders:

AmSouth Bank
Bank of America
Citizens Bank
Comerica Bank
Commerce Bank
Compass Bank
Deutsche Bank
First Trust Bank
Firsttrust Bank
Franklin Bank
Guaranty Bank
JP Morgan Chase Bank
LaSalle Bank
Manufacturer's & Traders Trust Company
National City Bank
PNC Bank, N.A.
Regions Bank
Sovereign Bank
SunTrust Bank
TD Bank, N.A.
Wachovia

Banks:

Allegiant Fund
Evergreen Investment Fund
Midwest Bank
RBC Centura
Smith Barney
Wilmington Trust Corporation

TPS Holders and Trustees:

Attentus CDO I, Ltd.
Attentus CDO II, Ltd.
Chase Bank USA
Credit Suisse First Boston LLC
EJF Capital LLC
Taberna Preferred Funding III, Ltd.
Taberna Preferred Funding IV, Ltd.
Taberna Preferred Funding VI, Ltd.
The Bank of New York Mellon Trust Company, National Association
Wilmington Trust Corporation

Insurance Companies:

AIG
Allied World Assurance Company
Allstate Insurance
American International Specialty Lines Insurance Company
Auto Owners Ins. Co.
Berkley Insurance Company
Chartis
Commerce and Industry Insurance Co.
Erie Insurance
Flagship City Insurance Co.
Hanover Insurance
Houston Casualty Company
Landmark American Insurance Co.
Lexington Insurance
Markel American
Michigan Construction Industry
Mid-Continent
National Flood Service
National Union Fire Insurance Company of Pittsburgh
Navigators
Old Dominion
Starr Indemnity & Liability Company
State Auto
Sunshine States
The Phoenix Insurance Company
Travelers Insurance
XL Specialty Insurance Company

Vendors:

Largest Unsecured Creditors:

84 Lumber Company
American Woodmark Corp
Andersen Services of the Carolinas Inc.
Archers Exteriors, Inc.
Blythe Development Co.
Brubacher Excavating, Inc.
Bucks County Electric Works Inc.
Burlington Commercial Floor Covering Inc
Carolina Certified Construction, Inc.
Celey's Quality Plumbing Inc
Coleman Floor Company
Concrete Solutions of Raleigh Inc
Di Naso & Sons Building Supply
Evans Carpet Corporation
Excel Contractors Inc.
Feasterville Floor Covering, Inc.
Ferguson Interior Trim Inc
Grubb Lumber Company, Inc.
H & A Enterprise Co Inc
Homeshield Vinyl Siding
Hutchinson
J. M. Pereira & Sons, Inc.
Jersey Construction Inc.
Joffe Lumber & Supply Co. Inc
Lake Wylie Heating and Air Conditioning, Inc
Lara Construction LLC
Leal Brothers Concrete Company, Inc
Linwood Clark Masonry, Inc
Machine Drywall Ltd.
Mario E. Hernandez
Marone Contractors, Inc.
McKinley Contractors
Nassau Construction Co Inc.
Noel M Williams Masonry
Pace Advertising Agency
Precision Framing Systems, Inc.
Price Brothers, Inc
R & D Construction Co. H V A C Inc
R&D Thiel
RNR Contractors, Inc
Robert K. Foster Inc.
Shepherd's Landscape Maintenance, LLC
South Jersey Painting Inc.
Stock Building Supply
Suburban Marble & Granite, Inc.
Sunrise Concrete Company Inc
The Countertop Factory Inc

Trimason of Richmond Inc.
Universal Forest Products Eastern Div
USA Drywall, Inc.
WK Construction Co. Inc.
WM M Young Company Inc

Other Unsecured Creditors:

31 W Insulation Inc
84 Components
A & O Construction Company
A & R Waterproofing
A Cleaner Concept, Inc.
A Deck Above
A. Tripod Associates, Inc.
A.P. Abruzzese Painting
A. P. Orleans Insurance Agency, Inc
A-1 Bracket Group, Inc
A Sani-Can Service Inc
A. Sindler Inc.
Abacus IT
ABMC
Accuspan Truss Company Inc
ACE Disposal Inc.
Acme/Lingo Flagpoles LLC
Action Personnel Service
Adams Construction Group, Inc
Adams Construction Services Inc
Adams Elec. & Security
Adams, Rehmann & Heggan Associates, Inc.
Adcon Inc.
Adenauer Paving
Adesso & Son, Inc.
Advanced Business Technology, Inc.
Advanced Cabinets & Tops Inc
Advanced Erosion Tech Inc
Advanced Flooring & Design
Advanced Plumbing & Repair
Advanced Stair Systems-Pennsylvania, LLC
Advanced Tech Systems, Inc.
Advantage Plumbing & Pump Inc.
Air Quality Heating & Cooling Inc.
Aire 1 LLC
Airtron of Greensboro
AJC Painting, Inc.
Akropolis Marble & Granite
Alexander Ext. Company Inc.

Algard Ceramic Tile, Inc.
All American Exterior
All American Flag Company
All Decked Out of the Carolinas LLC
All Glass, Inc.
All Seasons Landscape
All Seasons Termite & Pest Control Inc
All Steel and Aluminum, Inc.
All Virginia Environmental Solutions
Allied Plumbing, Inc.
Allied Services Group
Allied Waste Industries Inc.
Allscapes by Tyndall Inc.
Allsteel Supply, Inc.
All-Tech, Inc.
Alpha & Omega Co
Alright Concrete Company
Alside
Alspach Excavating, LLC
Alspach Landscaping & Nursery, Inc.
Amelia Overhead Doors
American Disposal Systems Inc.
American Door & Millwork Company
American Line Striping Inc.
American Marble
American Nat. Insulation
American Residential Services
American Woodmark Corp
Amerigas
Amerigas-Bordentown
Amerigas-Toms River NJ
Amron Stair Works
Andersen Services of the Carolinas Inc.
Andreas Cleaning Services
Anthony's Custom Closets
Apex Custom Stair
Archer Exterior Inc
Architectural Coatings
ARS of Durham
Artelye Inc
Artesian Utility Development, Inc.
Artistic Southern, Inc.
Artistic Stairs/CPI Arizona, Inc.
ASAP Plumbing, Inc
ASC Services & Supply Inc
ASG, Inc T/A Builders Cleanup Co.
Ashton Innovations Inc

Askey Hughey Inc
Astro Lighting Inc.
Atchley Appliance and TV Inc.
Atelier Designs, Inc.
Atlantic Geotechnical Services, Inc.
Atlantic Railing Inc
Atlas Painting & Drywall
Automatic Mech. Services, Inc.
AUS of De, Inc.
Avee Construction, LLC
Avee House Finishing & Remodeling
B & B Development Corp
B & F Insulation, Inc.
B & T Excavating, LLC
B. Blair Corporation
B.W. Christenbury Septic, Grading
Banta's Bestway Trash
Barbour Pourron Plumbing
Barefoot & Company Inc
Barkley Engineering
Barnes Grading & Tree Inc
Barnhill Contracting Company, Inc.
Bass Crane Service, Inc.
Bay Sand Company, Inc.
Bell Supply Co.
Berley Security Systems, Inc.
Best Kept Carpet
Best Under Pressure
BFM Alarm Systems, Inc.
BIL-Jim Construction Co. Inc.
BJH Painting, Inc.
Blanchard Electrical Contractors, Inc.
Blue Ridge Trimworks Inc
Blue Star Associates, LLC
Blythe Development Co.
Bordentown Sewer Authority
Bordentown Township
Borum, Wade & Associates
Bowyer-Singleton & Associates, Inc.
Boyette Const., Inc & Thomas Concrete
Boyle Consulting Engineers, PLLC
BP Environmental Serv.
Bradco Supply Corp.
Bradco/Wickes
Bran's Construction Cleaning
Branco Lath & Stucco Inc
Brandco Inc

Branch Banking And Trust Company
 Brass Lock & Key Corporation
 Brenda Burkhead
 Brighton Exteriors
 Bristow's Landscaping, Inc
 Britton Industries, Inc
 Broadview Networks, Inc.
 Brothers Electric Inc.
 Brubacher Excavating, Inc.
 Bruce Rich
 Buckingham Township
 Bucks County Electric Works Inc.
 Buds Landscaping, Inc.
 Bueno Masonry, Inc.
 Builder Services Group, Inc.
 Builder's Hardware & Specialty
 Builder's Insulation
 Builders First Source
 Builders Lighting
 Builders Prime Window & Supply Co., Inc.
 Builders Supply Co.
 Builders Supply Co Petersburg
 Building Specialties
 Bulldog Excavating, Inc.
 Burlington Commercial Floor Covering Inc
 Burt Diehl Henson Wallance & Associates
 Burton Wilcox, Ltd
 Butler Domestic Service
 Butler Lighting of Greensboro, LLC
 BW Homes Inc
 C. Baker & Company
 Cabarrus County
 Cabarrus County Tax Collector
 Caitlin Plmbg & Htg Inc.
 Callahan Construction Inc.
 Capital Electrical Contractors, Inc.
 Capital Mechanical, LLC
 Capital Security Network
 Cardinal Lawn Scapes Inc
 Cardinal Plumbing, Inc.
 Carefil, Inc.
 Carfaro Ornamental Iron Works, Inc.
 Carolina Building Services Inc
 Carolina Certified Construction, Inc.
 Carolina Classic Carpets
 Carolina Counters
 Carolina Custom Walls

Carolina Decks and Siding Inc
Carolina Flooring Contractors Inc
Carolina Framers, Inc
Carolina Mailboxes Inc
Carolinia Pressure Wash Co
Carousel Signs and
Carr Electric LLC
Carroll Engineering Corporation
Cary Insulation & Building Products
Castillo Painting Inc
Cat's Eye Security
CBS Outdoor
Celey's Quality Plumbing Inc
Central Systems Company Inc.
Century Kitchens Inc.
Certified Irrigation
Charles Carter Plumbing, Inc.
Charles Rossi
Charlotte Plastering, Inc.
Chaseway International, inc
Chatham County Utilities
Chef-Pro Painting, Inc.
Chesapeake Stoneworks
Chester County Tax Claim Bureau
Chester Ploussas Lisowsky
Chester Valley Engineers Inc.
Chesterfield County
Chesterfield Towne Center
Christopher McMahon Contracting T/A
City Electric Supply Co
City of Durham Utility Services
City of Lambertville
City of Tega Cay
CJO Design and Construction
Class Concepts, Inc.
Clean Care Services, LLC
Cleaning Professionals Inc
Coastal Insulation & Fireplaces LLC
Coastal Insulation Corp.
Coastal Landscape Co.
Coastline Landscape Co.
Cobra Construction Inc
Coleman Floor Company
Collier & Ramsey Irrigation Company, Inc
Colonial Marble Products
Colonial Materials, Inc.
Color Chef Custom

Comfort Cleaning Service
Comfort Zone Quality Cooling LLC
Commonwealth Concrete, LLC
Communique Public Relations
Competition Drywall
Component Technology Inc.
Concrete Solutions of Raleigh Inc
Congelosi Pumps Inc.
Consolidated Gar Dr Ltd
Construction Applicators of Raleigh LLC
Consulting Engineer Services Inc.
Cornerstone Material Recovery, Inc.
Corporation Service Company
Correct Housewrap of Carolina, Inc.
Countertop Factory Midwest
Country Gas Service, Inc.
County Line Fence
County Line Greenhouses
County of Chatham
County of Durham
County of Henrico
Cox Rails, Inc.
CP Stone & Supply Inc
Crane Associates
Cranford Carpentry Inc.
Crater Co. Flooring
Creative Carpentry Trim Crew LLC
Crew Engineers, Inc.
Crime Prevention, Inc.
Criterion Laboratories Inc.
Criterium - Bustamante Engineers Inc
Crittenden Publishing, Inc.
Crone Construction Corp
Cross Timbers Roofing, Inc.
Curb Cutters, Inc.
Custom Cabinet Refacers, CCR Tops, Inc
Custom Countertops Unlimited
Custom Home Exteriors, Inc.
Custom Roofing
Custom Trim Specialists Inc
Custom Wood Products of VA Inc
CWA Inc. t/a Appich Architects
CY Young & Sons
Cylinder Central
CynoSure Financial, Inc.
D & A Brothers Construction Company
D & H Energy Management LLC

D & K Cleaning, LLC
D.C. Builders Inc.
D J Pinciotti Construction Company, Inc.
D Miller & Associates, PA
Dale Waterproofing Systems Inc.
Damien Butler T/A
Danny Bennett Co., Inc.
Dason Masonry Inc
Data Technology Group, Inc.
Dauphin Enterprises Inc
Dave Stitz
Dave's Tree Service
David Blackmore & Assoc.
David Littiken Plumbing, Inc.
David Stitz Painting Contractors, LLC
Davis Lumber
DC Cleaning
DC Plastering & Inc.
Deborah Herstine
Debris Removal Partners, LLC
Deer Park Stairbuilding and Millwork, Inc.
Degnan & Bateman Inc
Del Val Soil & Environmental, Inc.
Del-Air HVAC
Delaware Valley Paving, Inc.
Delfino Insulation Co. Inc.
Delois E. Brown
Delta Fire Sprinklers, Inc.
Deluxe Cleaning
Derrow Masonry, LLC
Design 446 Inc.
Design Innovations
Di Naso & Sons Building Supply
Diamond Glass & Mirror Inc
DL Jones Plumbing, Inc.
Dodson Bros. Exterminating Inc
Dogwood Landscaping & Design, Inc.
Dominion Builders Supply, Inc.
Dominion Floor Covering
Dominion Virginia Power
Donald F. Mann
Doulos Design
Dover Creek Inc
Draper Aden Associates, Inc
Drex'l West Inc
Drywall Specialists Inc
Duane Morris LLP

Duke Power Company
Dula Construction Co. Inc.
Durawood Products Inc.
Durham County Tax Collector
Dutches Overhead Doors
Dutton Drywall
Dyer Quarry, Inc.
Dynamic Plumbing & Heating
E.A. Holsten Inc
E.J. Kidd Company
E M E, Inc.
Eagle Eye Fence LLC
Earth Care, Inc
Earth Engineering Incorporated
Earth Quest
Earthmover Excavation
East Coast Wall Systems, Inc
East Greenwich Township
Eastern Concrete Materials, Inc.
EBC Framing LLC
EC Fence & Iron Works
Eco Turf, Inc.
Ecoscape Solutions Group, Inc.
ECS Mid-Atlantic, LLC
Ed Senez Aluminum Specialists, Inc.
Ed Wood Custom Drywall Inc.
Edward Hines Lumber Co.
EJK Site Works, LLC.
Ekberg Stucco, Inc.
Elephant Finish Line Inc
Elite Building Solution
Elite Roofing & Supply Inc.
Energy Services Group
Enfield Sod, Inc.
Enhancement Systems LLC
Enviro-Clean
Environmental Building Solutions
Environmental Consulting of Southern
Environmental Resolutions, Inc.
Environmental Stone
Environmental Stoneworks
Eric's Nursery and Garden Center
Erosion Control Solutions LLC
E-Sciences, Inc.
Essex Concrete Corporation
Evans & Son Blacktop
Evans Carpet Corporation

Evans Geotechnical Services, Inc.
Evans Mill Environmental, LLC
Evans Plumbing Inc
Evelyn Cuttino
Evergreen Landscape Co.
Excel Contractors Inc.
Experience Drywall
Exteriors Associates, Inc.
Ewing-Doherty Mechanical
Eyeshot
F & F Termite and Pest Control, Inc.
F E Wheaton & Co., Inc.
Falapco, Inc.
Farm & Home Oil Company
Farmers Service Co., Inc.
Farrar Backhoe Inc
Fausnight Stripe & Line Inc
Feasterville Floor Covering, Inc.
Feinberg & Associates, P.C.
Fences Unlimited LLC
Fenton Algard Corp.
Fenningham, Stevens & Dempster LLP.
Fireside Hearth & Homes
First National Safe Deposit Corp
Ferguson Enterprises Inc
Ferguson Enterprises, Inc. #1000
Ferguson Interior Trim Inc
Fireside Hearth Home
Fisher Burton Co., Inc.
Flagzone LLC
Florida Homebuyer Media LLC.
Fisher Irrigation Systems LLC
Fisher Sign Services
Fitzpatrick Drywall & Plastering Co., Inc.
Floors, Inc. d.b.a. Creative Touch Interiors
Florida N' Lighting Inc
Foamco, Inc.
Form Tech Construction Co. Inc.
Foster Plumbing & Heating Inc
Four Brothers Construction Company
Four Season Concrete Inc
Frank's On-Time Painting, Inc
Frederick's Fine Renovations
Garden State Waterproofing, Inc.
George W Bradley III
Glen at Medford Association, Inc.
Google, Inc.

Graphic Language
Greenbaum, Rowe, Smith & Davis LLP
Ground Breakers, Inc.
Guardian Protection Services, Inc.
Gail Poole Cleaning
Galati Enterprises Inc
Galloni's
Garcia Construction
Gator & Associates, Inc.
GE Appliances
GE Appliances - GECS
General Electric Company
General Shale Brick
Genesis Electrical Service Inc
George Moore Photography
George's Home Improvement Inc.
Gilmore & Associates, Inc
Glaize Components
Glenmar Manufacturing
Globe Exteriors, Inc.
Glr Ventures, Inc.
Grap Equipment, Inc.
Griffin Land Surveying, Inc
Griffin Masonry, Inc
Guy C. Lee Bldg Materials
GWC Roofing Company, Inc.
GWP Enterprises
H & A Enterprise Co Inc
H. E. Sattenwhite, Inc.
Hallmark Cabinet Co.
Hamelin Mechanical Services, Inc
Harbour View Owners Assoc
Heights Glass & Mirror
Heights Shelving Co.
Heilbrunn, Pape & Goldstein, LLC
High Impact Products Worldwide LLC
Hilltop Cabinet Dist.
Holiday Sewer & Water
Holland & Knight LLP
Home Tend LLC
Hab-Ret Berkheimer Outsourcing
Haddonfield Lumber Co., PA
Haffner Carpentry Inc
Hale & Sons Construction, Inc
Hammond & Co, Inc
Hanover Roofing LLC
Harolds Footing Ser

Harry G. Hey & Sons, Inc
Hartman Landscape Nursery, Inc
Harty Tractor Service Inc
Haskell's Hardware Inc
Heavin Woodworks Inc.
Henry Nehmiah Shipp, III, LLC
Heritage Hill Const. LLC
Heritage Tile Co.
Hicks Landscaping Contractors Of Zebulon
High Fidelity House, Inc.
Hi-Tech Electrical Contractors, Inc
Hi-Tech Energy Concepts Inc
Holland Floor Covering
Holland Marble, LLC
Home Lighting Ltd
Homeshield Vinyl Siding
Horgan Brothers Inc
Horizon Disposal Services, Inc.
Hoving Pit Stop, Inc.
Hulett Environmental Services, Inc
Horner & Canter Assoc.
Horst Drilling & Blasting Inc
Houston Stafford Electric Inc
Howell Door Company, Inc
Hudson Valley Drilling Inc
ICON DESIGN GROUP, INC
Illinois Framing, Inc.
Illinois Window Service
Insight
Intel Co of Delaware Valley
International Code Council, Inc
Interstate Outdoor Advertising LP
Italian Terrazzo & Tile Co. of Brevard,
IDM Group
Indoor Air Systems, Inc.
Interior Solutions
International Tile & Marble, Ltd.
Jacobowitz and Gubits, LLP
James River Ground Management
Jani-King of Richmond
JAS Landscaping Inc.
JB Concrete Contractor Inc
Jeffrey C Guernier
Joe Zeilman Construction LLC
Jong Kook Lim and Yung Young Kim
JWR Electric, Inc.
J & A Farm, Inc. d.b.a. Suburban Sod

J L Bishop Contractor Inc
 J M Boaz Construction
 J&D Tree Pros, Inc.
 J&R Garage Door Company, Inc.
 J&T Utility Construction, Inc.
 J. C. Ehrlich Co
 J. Cronic Septic & Excavating
 J. L. Watts Excavating Inc
 J. M. Pereira & Sons, Inc.
 J. M. Stokes, Inc
 J.B. Mathews Co
 J.P Hunter Enterprises, Inc
 J.S.Escoto Painting & Sherwin Williams
 J.T Excavating, Inc
 James River Exteriors, LLC
 James River Stucco Inc.
 Jamison Huffert Wallcovering
 Jara Construction
 Jaydor Company
 Jerry Barbrey's Custom Trim & Remodeling
 Jim's Power Cleaning
 JJ Nelson of North Carolina Inc
 JLL, Inc
 Joe Metker Enterprises, Inc.
 Joffe Lumber & Supply Co. Inc
 John Alexander McRae Inc.
 John Hall Guttering, Inc.
 Johnnie O. Hughes Jr.
 Johnnie O. Hughes, Jr., Const. Inc.
 Johnson Custom Construction, Inc.
 Johnson Grading & Landscaping Inc
 Jonathon P. Dixon, PE, PP
 Joseph E. Keil
 Joseph, Cox & Associates
 Joseph's Landscaping & Irrigation Inc
 Jude Enterprises Inc
 Juls Drywall Inc.
 K. Enterprises, Inc
 K. N. Williams, Inc.
 K. T. Water Care Inc.
 K.G. Kope, P.E.
 K.L. Floyd and Assoc.
 Kadisak Tile & Carpet, Inc.
 Kempsville Building Materials
 Kenneth & Susan Johnson
 Kaiser Landscape Management
 Kallam Exterminating Inc

Kane Steel Company, Inc
Kannapolis Water & Sewer
Kaufman Stairs Inc
Keith Abrams
Kelly's NC Erosion Control, LLC
Kenneth Barden Wallcovering
Kenneth West, Inc.
Kenny Electric, Inc.
Ketcham Fencing Inc
Key Insulation
Killingsworth Environmental
Kitchen Design
Kline Construction
Kluk Consultants
Knock-Out Cleaning
Kobrin Builders Supply Orange City Inc
Koontz-Bryant, PC
Kreis Cher Miller
Krumins Enterprises, Inc
Kwick Contracting Ser Inc
La Rue Design, Inc
Lake Wylie Heating and
Lakeland Building Supply
Latimer Levay Jurasek, LLC
Lester Leedom
LightStyles, Inc.
L & R Installations, Inc.
L. P. Nurseries, Inc
Lail Millwork Inc
Lake Norman Supply, Inc
Lamacraft Inc
Lanc & Tully Engineering & Surveying, PC
Land-Tech Enterprises, Inc
Landworks Unlimited, LLC
Lara Construction LLC
LBH Construction Services Inc
Leal Brothers Concrete Company, Inc
Leco Laboratory Inc
Leggette, Brashears & Graham, Inc
Lehigh Engineering Assoc. Inc
Len Pope Inc
Liberty Irrigation Company, Inc.
Lighting Creations, Inc.
Lind Enterprises, LLC
Linwood Clark Masonry, Inc
Liquid Pressure
Locklear Roofing, Inc.

Lowdermilk Electric Inc
Luster Excavating, Inc
Lyons & Hohl Paving Inc
Lyons & Hohl, Inc
Linwood Clark Masonry, Inc
Logan Township
Lower Makefield Township
M&M Painting & Cleaning
Maax US Corp.
Majestic Distribution Co. Inc.
Majestic Marble & Glass Co.
Mansfield Township
Mansion Minds, Inc.
Marabito Masonry
Marble Works
Marshall Miller & Associates, Inc.
Masterbrand Cabinets, Inc.
Martin Glazing Co.
Mayfield, Turner, O'Mara, Donnelly
McBride & Murphy
McCloskey & Faber P.C.
McDaniel Trucking Enterprises Inc
Mecklenburg County
Merrill Communications LLC
Metro Glass & Mirror
Metropolitan Sweeping
Michael Nicholas Carp. LLC
Michael T. Vermont
Midwest Tech. Consultant Inc.
MNI Enterprises, Inc.
Monroe Roadways
Moon Site Management, Inc
Morris Industries Inc
Mr Bob Portable Toilets
MSF Electric, Inc.
Mulkey Engineers & Consultants, Inc.
M&D Professional Painting
Maax-Keystone Shower Corporation
Machine Drywall North II LLC
Magic Touch Inc
Magrann Associates
Mailbox Gallery, Inc
Mailbox Services Inc.
Mailboxes By Akins
Mandrino Enterprises Inc
Manley Consultants, Inc.
Marabito Masonry

Marangi Disposal - C. C. Inc
Marino's Landscaping
Mario E. Hernandez
Marone Contractors, Inc
Marshall Sabatini PC
Martin Hup, Jr.
Martin Marietta Aggregates
Martrecks Construction, Inc.
Marvin Farrar Electric
Masco Builder Cabinet Group
Masco Contractor Services Central Inc
Maser Consulting P.A.
Matthews Carpet Cleaning, Inc.
Max Care, AKA, Bob Wagner Carpet
McAdams & McAdams, Inc.
McAllister Construction Co., Inc.
McCall Brothers, Inc
McCarey Landscaping, Inc.
McGee Brothers Co., Inc.
McGovern Environmental LLC
McGrory Inc.
McKeehan Signs
McNeal & White Contractors Inc
Melco Electric, Inc.
Melick-Tully & Assoc, PC
Metro Ready Mix
Metro Stone & Granite Inc
MGK Industries, Inc.
Michael & Sons Paving (Russo)
Michael Baker Jr. Inc.
Mid Florida Air Inc
Mike Rosen Architects PC
Mike Silox & Sons Paving, Inc.
Milela Carpentry, Inc
Miller & Sons Paving Inc.
Miller Construction Inc
Miller Masonry Construction LLC
Miller Pump Systems, Inc.
Miller Purdy Architects, Ltd.
Milton E Cornette
MIR Services, Inc.
Mitchell Hardware Co.
Modern Marble & Glass Inc
Moeller Electric Inc.
Molyet Engineering, LLC
Monroe Roadways
Montana Excavators, Inc

Moretti Plumbing, Inc
 MTB Mechanical, Inc
 Mulhern & Kulp Structural
 Murphy Architect, Group, Inc
 Murray Brothers Electric Inc
 Nagesh Chimmiri
 Nassau Construction Co Inc.
 Nationwide Security Systems, Inc
 Network Communications, Inc.
 Newtown Township
 North Carolina Dept. of
 Northwest Insulation
 Nu-Line Technologies, Inc.
 NAS Security Systems Inc
 Nask Door Inc.
 Nassau Construction Co Inc.
 National Builder Solutions
 National Property Damage Experts, LLC
 National Security Systems, Inc
 National Turf, Inc.
 Nave Newell, Inc.
 New Dimensions Outdoor Services Inc
 New Life Farm Built
 Nickolaus Construction Co Inc.
 Noel M Williams Masonry
 Northeast Bldg System Inc
 NSN
 O J Homes, Inc.
 Oak Grove Hauling
 Ogilvie Enterprises Inc
 Old River Cabinets, Inc
 Old River Granite, Inc
 Old South Construction
 Oliver Heating & Cooling
 Omega Pool Structures
 On The Go Custom Concrete, Inc.
 One Source Concrete LLC
 Osceola Sod & Irrigation Services Inc
 Overbey's Septic Tank
 Overhead Door Company Of Charlotte
 OCE Imagistics Inc. DBA
 Officemax Inc.
 OFSI (OCE Financial Services, Inc.)
 Ohio Alpha Environmental
 Overhead Door Company Of Greensboro
 Overhead Door Company of Raleigh Inc
 Owen J. Roberts School District

Pace Advertising Agency
Parkers Enterprises
P J Reilly Contracting Co, Inc
Pace Advertising Agency
Patricia's Cleaning Service, Inc
Paul Hertel & Co, Inc
Paver Performance, Inc.
PCM Construction Services
Pence Countertops, Inc
Pender & Pettus
Penn E&R Inc.
Penn Jersey Construction
Pennoni Associates, Inc.
Performance Guttering Inc
Perkinson Construction LLC
Pickering Valley Landscape Inc.
Pickering, Corts and Summerson, Inc.
Pickwick Well Drilling Inc
Piedmont Mailpost Systems, Inc
Pirtano Construction Co.
Pizzo Tree Experts, Inc.
PK Painting & Wallcovering Inc
Pleasants Hardware
Pleasants Hardware Ridge
Ply Marts, Inc.
Porta-Jon
Post & Pickets
Powell Mechanical Contracting
Power Roofing and Construction, LLC
Powhatan Ready Mix
Precision Drywall Services LLC
Precision Framing Systems, Inc.
Premier Pools of Central Fla., Inc.
Prestige Electric Co. of Florida, Inc.
Price Brothers, Inc
Pro Dry Professionals Inc.
ProBuild East LLC
ProBuild East LLC - NJ/PA
ProBuild East LLC - NY
Professional Handyman, Inc.
Professional Lighting & Supply, Inc.
Professional Mechanical Inc
Pro-Tec Security, Inc.
Purrfect Interiors LLC
Peak Construction of Apex
Pollution Monitoring Services, Inc
Portable Waste Solutions, LLC

Portabowl Rental Restrooms
PR Newswire, Inc.
Princeton Hydro, LLC
Private Utility Enterprises Inc
Pro-Dry Cleaning Professionals, LLC
Procaccio Painting Inc.
Professional Plumbing Inc.
Project Support Services
QC Laboratories
Quality Aluminum & Vinyl Installers Inc
Quality Building Products
R & D Thiel
R Brewer Landscaping, LLC
R. E. Allen & Assoc.
R.M. Sellergren & Associates, Inc.
Readilite & Barricade
Registrar and Transfer Co
Res-Q Properties, LLC
Residential Steel Fab
Residential Warranty Cor
Riley Riper Hollin & Colagreco
Rite-Way Tile & Carpet Co., Inc.
R & D Construction Co. H V A C Inc
R & T Construction, LLC
R C Harrison Construction
R P Blair Corporation
R P Blair Equipment Rental, Inc
R&D Thiel
R. J. Kadar Excavating, Inc.
R. Joe Harris & Associates
R. L. Midgett, Inc.
R. Smith Paving Contractor Inc
R.J. Concrete, Inc.
R.L. Galloway Surveyor - Planner
Raleigh Lanehart Electric
Raleigh Waterproofing, Inc.
Ralph Sloan Plumbing, Inc.
Ramjack
RBC Industries Inc
Rea Brothers, Inc.
Realty Landscaping Corporation
Red Lion Contracting Co. Inc.
Red Lion Insulation
Reilly Sweeping Inc.
Rendon Removal Service
Renn & Renn Construction
Republic Services of N J - Mt Laurel

Republic Services of New Jersey, Inc
 Republic Services of NJ, LLC - Raritan
 Residential Building Specialties, Inc
 Residential Building Supply
 Residential Elevators Inc
 Richard E. Pierson Constr, Inc
 Richmond Insulation Company, Inc.
 Ricky Beal Grading & Septic Tank
 Righteous Construction
 RIO Supply, Inc.
 Riverside Brick & Supply Co.
 RMS Graphics Inc.
 RMW Construction, Inc
 RNR Building Contractor, Inc.
 RNR Contractors, Inc
 Robert K. Foster Inc.
 Robert N. Tomasco - A Maid for All Reasons
 Rolling Green Landscaping, Inc
 Romaine Landscaping
 Roto-Rooter Services Company
 Royal Homes Inc
 Robert L. Seeler Consulting
 Romano's Tile Company, Inc.
 Ronella Herring
 Rosey's Tank Cleaning
 RTL- Radon Testing Labs, Inc.
 S S Schwarz Construction
 S.V.S. Construction
 Salem Oak Homes LLC
 Salmon, Ricchezza, Singer, & Turchi, LLP
 Sandra Paul
 Sarah M Draughn
 Saunders Supply Co., Inc.
 Schnader Harrison Segal & Lewis LLP
 School Tax Collector
 Select Build Illinois, LLC
 ServPro of Hanover, Goochland & Caroline
 Shepherd's Landscape Maintenance, LLC
 Sign It
 Smallwood Sign Company Inc
 South Coventry Township
 Spec-Trim Mfg. Co., Inc.
 Squeaky Kleen, Inc.
 STARK & STARK P.C.
 Steven King Landscaping, Inc.
 Stockner's Rockville Nurseries, Inc.
 S & S Concrete Inc.

S.B. Cox Ready Mix, Inc.
Safe and Sound Security Systems, Inc.
Salvador Salazar
Schlouch Incorporated
Schmidt's Wholesale, Inc.
Scotsman Group, Inc
Sealing Agents Waterproofing Inc
Sections Fence Co., LLC
Security Specialists, Inc.
Seigle's Cabinet Center, LLC
Selective Clearing & Grading, Inc.
Selvaggio Plumbing & Heating Inc
Senez Aluminum Inc. - Orlando Div.
Sergio G Paint Co, LLC
Sexton Concrete Pumping Inc
Sharp Interiors Inc
Shield Engineering, Inc
Site Specific Design, Inc.
Sitescapes, LLC
Smith Exterminating Co Inc
Sorrell Waterproofing, Inc.
Soto Construction Inc
South Jersey Painting Inc.
South Jersey Painting Inc.
Southern Atlantic Construction LLC
Southern Plumbing Co Inc
Southern Staircase
Sparkle & Shine Cleaning Services
Sparkle Cleaning Services
Specialty Landscaping
Specialty Supply Co., Inc
Speedway Plumbing Inc.
SPR of Richmond, Inc.
St Perry & Sons Landscaping Inc
Stained Glass Creations, Inc.
Star-Mitchell Enterprises LLC
Steptoe-Siedzkowski Custom Builders, Inc
Steve Scales Construction Inc
Steven Walker
Stock Building Supply
Storm Master South Co., Inc.
Stout, Tacconelli & Associates, Inc.
Stratus Building Solutions of Raleigh
Structa-Bond, Inc.
Structural Technologies, LLC.
Stover's Wells & Pumps
Strober Building Supply

Strober-Haddonfield Group Inc.
Suburban Maintenance LLC
Suburban Marble & Granite, Inc.
Sullivan Fire Protection Corp.
Summit Electric Inc
Sunrise Concrete Company Inc
Surface Specialists of the Triangle
SWS Concrete LLC & McLeod Construction
Sundance Cleaning Company
T K Graphics
Temko Installations, Inc.
Temple Contracting LLC
Terra Genius LLC
Terratech Engineers Inc
The Granger Firm
The Jewell Agency
The L & L Company
The Martin Architectural Group
The Master's Gardener
The Simkiss Agency, Inc.
Thesing Power Sweeping Inc
Thomson Financial LLC
Thomson West
Thornbury Township, Delaware County
Tier One Heating & Air, LLC
Titan Electric Company, Inc.
Toshiba America Inf. Sys. Inc.
Town of Cary
Town of Harrisburg
Town of Wake Forest
Town of Wallkill
Township of Caln
Township of Medford
T & M Mechanical, Inc.
T&K Enterprise
TAD Enterprises, Inc.
Talton's Metal Products
Tarheel Marble Company, Inc.
Tatum Insulation II, Inc
Tayco Electric, Inc.
Taylor, Wiseman & Taylor
TC Electric Company
TCI Raleigh, LLC
Tench Backhoe Service, Inc
Terminix
That's A Wrap
The Building Center, Inc

The Cabinet Company of Virginia, Inc.
The Contractor Yard Inc.
The Deck Company
The Deck Tech
The Genesio Company
The Labor Man Inc.
The Porter-Blaine Corp
The Treated Lumber Outlet, Inc.
Thesing Power Sweeping Inc
Thomas Roofing and Supply, Inc.
Tidewater Insulators, LLC
Tile Collection, Inc
TLC Custom Exteriors Inc
Todd Lyons Paving
Top Secret Custom Countertops, Inc.
Total Comfort Insulation Greensboro LLC
Town & Country Fence
Town and Country Mailbox Company
Tracy Cooke Painting
Trademark Roofing Company, Inc
Trademark Seamless
Traditional Touch Interiors
Trent Electric Co. Inc.
Trevdan Building Supply, Inc
Triad Concrete Wall, Inc.
Triad Land Surveying, P.C.
Triangle Deck & Design
Triangle Materials Inc.
Trim Men Inc
Trimason Concrete Services
Trimason of Richmond Inc
Tri-State Engineers & Land Surveyors Inc
Tri-State Insulation, Inc
Turtle Hill Contracting
Two Brothers Pressure Washing, Inc.
Tyndall Engineering & Design PA
TPK Services
Traco Drywall, Inc.
Tracy Cross & Assoc. Inc.
Treasurer, Chesterfield County
Trebic Inc.
Union County
Union County Inspections
Upper Freehold Township - Cashiers Ck
Upper Saucon Township
USA Drywall, Inc.
Ultra Bright Janitorial Services

Underwood Engineering Company
Union County
United Contractors Building Corp
United Insulation Services, Inc.
United Subcontractors Inc
Universal Engineering Sciences
Universal Forest Products Eastern Div
Universal Supply Co Inc
University Contractors, Inc.
US Masonry Inc
USA Drywall, Inc.
Valley Township
Vern Weidner & Co.
Vista Services, Inc.
V L Concrete
Valley Crane & Rigging
Van Cleef Engineering Associates
Vaughan's Grading
Veith Enterprises, Inc
Veolia ES Solid Waste Southeast Inc
Verticals Unlimited Inc
Victory Fire Protection, Inc
Video Pipe Services Inc
Vincent McHale Excavating
Vintage Filings
Virginia Waste Services, Inc.
Virginia's Resources Recycled, LLC
Vulcan Materials Finance
Wake County Revenue Dept
Waterside Docks & Piers Inc.
WB Drilling Co., Inc.
WCSD Tax Collector
Weather Master HVAC
Weekend Directional Service
West Bradford Township
West Chester Area School District
West Pikeland Township
Whitemarsh Township
Withers & Ravenel, Inc.
Woodrow & Associates, Inc.
Woolwich Township
World Stone Sales, LLC
Wright Express Financial Services
W.F. Smith, Inc
Wake Stone Corporation
Walter Jara Painting
Waste Management Inc

Waste Management of PA Inc.
Water Resources of New Jersey, LLC
Water Wise Landscaping & Irrigation, LLC
Water Works Supply Co.
Waterfront Lumber Co., Inc.
Watson Steel & Iron Works, LLC
Wayne Dalton
Wayne Dalton of Raleigh
Weeds, Inc.
Weeks Hardwood Flooring, Inc.
Wells Engineering, LLC
Wells Paving & Seal Coating LLC
West End Crane Rental Inc
West End Fabricators, Inc
West Pest Control Inc
Westminster Mechanical
WG Site Clean Up LLC
Whirlpool Corporation - Builder
Whitley Engineering Inc
Whitley Metal, Inc.
Whitlow Landscape & Design Inc.
Williams Floorcenter Inc
Willow Springs Power
WK Construction Co. Inc.
Worth & Company, Inc
Wright's Excavating, Inc.
Wrightstown Plumbing & Heating, Inc
WSM Construction
Wyle Laboratories, Inc.
Xtreme Images
York County
Yorktowne, Inc.
Yarbrough-Williams Assoc
Yellow Dot Heating & AC Inc
YM Plumbing Co. Inc.
Yorktowne, Inc.
ZAM Electric Inc.
Zebra Striping & Signs LLC
ZL Masonry Company LLC

Shareholders:

Agneta S. Orleans
Alfred Lama
Anne Beth Karmatz
Anne G. Shean
Arthur C. Streetz & Bernice M. Streetz

Ashley P. Orleans, c/o Linda Siegfried
Ben Goldman (custodian for Jessica Goldman)
Carl C. Calabro & Santina Calabro
Carole Jones (custodian for Michelle L. Jones)
Catharine Conti
Cede & Co.
Charles Ansert, Jr.
Charles E. Corso
Charles I. Zentner (custodian for Ann Zentner)
Charles M. Merkel, Jr.
Charlotte G. Neslie
Christine M. Hastings, c/o Christine H. Elkins
Clair P. McPhee
Columbus Bristow (custodian for Ladonna C. Bristow)
Dagmar Mendelsohn
David A. Grenader
David Kaplan & Meredith Waddell
David M. Pincus
David Paskin (custodian for Michael A. Paskin)
David Stith
Donald L. Peterson & Connie M. Peterson
Donald N. Love
Donald O. Thompson, Jr.
Earl Thacker Co. Ltd.
Elaine C. Halper & Phyllis Grinspan
Elizabeth N. Orleans
Eric Phillips
Erik Polfelt
Eugene Jurkowitz
Frances C. Coventry
Frances Jean Giordano
Frank Alexis Maister
Gary Stefanoni
George Jeschke, III
Gerald F. O'Brien
Herman Rathjens & Claire Rathjens
Irvin Klein
Ivan J. Krouk (custodian for Andrew J. Krouk)
J. Russell Parker, III, c/o Davenport & Company LLC
James E. Boree & Helen B. Boree
James E. Kinard
James R. Jackson & Nancy M. Jackson
James W. Thompson
Jeffrey C. Guernier
Jessica Saslow c/f Lucy Saslow
John E. Stafford
John Ficara

John G. Kennedy
John W. Temple, c/o Temple Development Co.
Jon Edward Coleman & Sandra W. Coleman, c/o Sandra W. Hostiuck
Joseph McCole
Joseph P. Laudani
Josephine Cassese (custodian for Rose Ann Cassese)
Julius D. Kleinstein
Karl A. Spahlinger
Kenneth Schatz
Kevin J. McHugh (custodian for Casey J. McHugh)
Linda M. Kelley
Lloyd K. Smith
Lois M. Barraclough
M. Louise Manger
Mainard Inc.
Marc Alan Cohen, c/o Marc Copland
Margaret E. Conicello
Marie I. Hanson
Mark Levin & Roberta Levin
Mark P. Rathjens & Margaret Rose Rathjens
Mark P. Rathjens (custodian for Daniel Keith Rathjens)
Mark P. Rathjens (custodian for Melissa Ann Rathjens)
Marvin Bank
Mary Ann Ostrowski
Mary Ann Smyth (custodian for Ryan Merritt Francies)
Mary Ann Smyth (custodian for Susanna Francies)
Mary Ann Smyth (custodian for Victoria Francies)
MDC Corporation
Michael A. Panaro & Mildred C. Panaro
Michael Greenberg
Michael P. Orleans
Michael Swerdloff
Michael T. Vesey
Michael T. Vesey & Kelly M. Vesey
Michelle Canovai
Milton Prensky & Shirley Prensky
Mitchell Chipin & Jennifer Potts, c/o Sidney Chipin
Norman Felsinger
Norman W. Worstall
Orleans Homebuilders Inc.
Pasquale Dinolfo & Evelyn Dinolfo
Patricia A. Savage
Patricia Duggan
Patricia Siegel
Paul Gentile
Peter Costello & Margaret Costello
Philip F. Newman

Richard Feltham
Richard Sudall
Robert Fitzsimmons
Robert Mendelsohn & Dagmar Mendelsohn
Robert N. Cohen
Sandra Millstein
Scott C. Smith
Selma H. Orleans
Selma Orleans
Shelley Francies & James Francies Atbe
Solomon Bruskoff & Jennie J. Bruskoff
SPCS Inc.
Stanley MacNeill (custodian for Scott MacNeill)
Stanton J. Steinberg & Terry Steinberg
Steve Leach
Steven Jones
The Jeffrey P. Orleans Charitable Foundation
Theodore H. Busboon
Theresa R. Reilly
Thomas A. Jacobs
Thomas Gancsos
Thomas Vesey
Thomas W. Gell (custodian for Stefani G. Valntine)
Victor M. Andrade
Wesley Dollins
William Briegel
William E. Jackson (custodian for Stephen L. Jackson)

Parties to Litigations:

5L Enterprises, Inc.
Alex and Patricia Nimako-Mintah
Aligya and Sathya David
Barry and Leslye Rush
Brian and Debra Snyder
Charles and Andrea Silverman, and Jeffrey and Judith Snyder
David and Kathy Helms
David Thompson
Deborah and Charles Paolucci
Dena and Morris Isaacson
Desiree Toneatto
Elias and Phyllis Abboud
Eric Bergman-Avner
Frank Gallo, Thomas Gallo, Rose Marie Gallo and Annette Gallo-Mani
Howard and Cheryl Hassman
Irene C. and Joseph Borkowski
J.J. Nelson of North Carolina, Inc., a/k/a J.J. Nelson, Inc., c/o Richard M. Koch Patrick

and Nancy Kiernan
Jake Fortini by his parent and Guardian Ad Litem, Karianne Ciani
James and Kathleen Moran
James M. Lackemacher
Jeffrey and Beth Stewart
Jeffrey and Nancy Beard
Jeffrey Sailor
John and Kristin McLean
Laura Dietz
Lois and Vincent Modes
Madison Place Condominium Association, Inc., c/o J.B. Management Services, Inc.
Margaret and Charles Whiteman
Mary Lou Bergh
Michael and Linda Gallagher
Michael and Miriam Rietz
Moctar Mbengue
Mona F. Mustafa
Mount Laurel Concrete
N. Porchetta Co., of NJ
Nicholas and Debra Centrella
NJDEP
Quresh and Nisrin Dahodwala
Reynold Panettieri, Jr.
Richard and Karen Maratea
Robert M. and Diane M. Greenberg
Rodolfo Betanzo
Sami Aljabari
Shannon Boyd
Sitescapes, LLC
Stanley Marks and Shelly Etner
Stephen and Tamara Goetzke
Susan Snipes-Wells
TD Bank, N.A.
Tile Collection, Inc., c/o Miller & Miller
Todd and Stacey Schultz
Tracy A. Misko
Wayne and Celia Slater
Weichert Realtors
Yolanda and Erik Cooper
Zhe Feng Huang

Professionals:

Abernathy MacGregor Group, Inc.
Adams, Rehmann & Heggan Associates, Inc.
Akerman Senterfitt LLP
All Virginia Environmental Solutions

Archer & Greiner
 Associated Benefit Planners Ltd.
 B & F Architects, LLC
 B.L.R. Architects
 Barvoso & Plotsky Attorney Trust Account
 Blank Rome LLP
 BMO Capital Markets Corp.
 FTI, Inc.
 Lieutenant Island Partners LLC
 Bloom And Fiorino
 Borum, Wade & Associates
 Boyle Consulting Engineers, PLLC
 Cahill Gordon & Reindel LLP
 Capstone
 Carco Group Inc.
 Carroll Engineering Corporation
 Cawthorne, Picard & Rowe PC
 Ceridian Employer Services
 Chester Ploussas Lisowsky
 Chester Valley Engineers Inc.
 Coastal Plains Environmental Corp. LLC
 Consulting Engineer Services Inc.
 Crew Engineers, Inc.
 Criterion Laboratories Inc.
 Criterium - Bustamante Engineers Inc.
 D. Miller & Associates, PA
 David Blackstone & Assoc.
 Day Pitney LLP
 Del Val Soil & Environmental, Inc.
 Deloitte Tax LLP
 Duane Morris LLP
 Dunbar, Milby, Williams, Pittman & Vaughan
 E. Van Reiker, AICP
 Earth Engineering Incorporated
 Earth Quest
 Environmental Consulting of Southern
 Environmental Resolutions, Inc.
 Ernst & Young LLP
 Evans Mill Environmental, LLC
 Feinberg & Associates P.C.
 Fellenzer Engineering LLP
 Frederick Bopp, III, Ph.D.
 Gilmore & Associates, Inc.
 Giordano, Hallernan & Ciesla P.C.
 Gray Robinson- P.A.
 Greenbaum, Rowe, Smith & Davis LLP
 Heilbrunn, Pape & Goldstein, LLC

Horner & Canter Assoc.
IBS
Jacobowitz and Gubits, LLP
James B. Weeks, Esq.
Jamestown Engineering
JCM Environmental Services
John Alexander McRae Inc.
Johnston, Allison & Hord PA
Jonathon P. Dixon, PE, PP
Kaplin Stewart Meloff Reiter & Stein
Kreischer Miller
Lanc & Tully Engineering & Surveying, Pc
Latimer Levay Jurasek, LLC
Leggette, Brashears & Graham, Inc
Mackie Consultants, Inc.
Manko, Gold & Katcher & Fox LLP
Manley Consultants, Inc.
Marshall Miller & Associates, Inc.
Marshall Sabatini PC
Maser Consulting P.A.
Mayfield, Turner, O'Mara, Donnelly
McBride & Murphy
McMahon Associates, Inc.
Melick-Tully & Associates, PC
Michael Baker Jr. Inc.
Michael Bennett, Esq.
Midkiff, Muncie & Ross, PC
Midwest Tech. Consultant Inc.
Momenie & Associates, Inc.
Moore & Alphin Law Firm
Morris, Nichols, Arsht & Tunnel LLP
Murphy Architect. Group, Inc
Nave Newell, Inc.
NYL Executive Benefits, LLC
Ohio Alpha Environmental
Orth-Rodgers & Assoc. Inc
Patrick Worrall (Scanden LLC)
Pennoni Associates, Inc.
Pickering, Corts and Summerson, Inc.
Price Waterhouse Coopers LLP
Princeton Hydro, LLC
Prudential Retirement Services
Purser & Glenn, PLLC
R. Joe Harris & Associates
R.M. Sellergren & Associates, Inc
Registrar And Transfer Co.
Riley Riper Hollin & Colagreco

RTL- Radon Testing Labs, Inc.
Salmon, Ricchezza, Singer, & Turchi, LLP
Shield Engineering, Inc.
Site Specific Design, Inc
Smart Business Advisory & Consulting, LLC
Stellato & Schwartz, Ltd.
Stout, Tacconelli & Associates, Inc.
Taylor Wiseman & Taylor Inc.
Terra Genius LLC
The Bureau Of National Affairs, Inc.
The Garden City Group, Inc.
The Law Office Of John T. Benjamin, Jr. PA
The Martin Architectural Group
The Otteau Valuation Group, Inc.
The Pangburn Company Inc.
The Simkiss Agency, Inc.
Tri-State Engineers & Land Surveyors Inc.
Underwood Engineering Company
Van Cleef Engineering Associates
William D. Bavoso, Esq.
Withers & Ravenel, Inc.

SCHEDULE 2

Lieutenant Island's Connections to Parties in Interest

| Party in Interest | Relationship to Lieutenant Island |
|--------------------------|---|
| Deutsche Bank | Former Employer of Richard Thaler. Mr. Thaler was a Vice Chairman of Deutsche Bank Securities and a Group Head of the Industrials Group (the " <u>Deutsche Industrials Group</u> "), which covered and rendered services to homebuilders and building supply companies. |
| American Woodmark | Client of Deutsche Industrials Group. Not a client of Lieutenant Island. |
| Allied Waste Industries | Client of Deutsche Industrials Group. Not a client of Lieutenant Island. |
| Builders Supply Co. | Client of Deutsche Bank Industrials Group. Not a client of Lieutenant Island. |
| General Electric | Client of Deutsche Industrials Group. Not a client of Lieutenant Island. |
| Masco | Client of Deutsche Industrials Group. Not a client of Lieutenant Island. |
| Waste Management | Client of Deutsche Industrials Group. Not a direct client of Lieutenant Island. |

EXHIBIT B

Engagement Letter

LIEUTENANT ISLAND PARTNERS LLC.

Mr. Garry P. Herdler
Executive Vice President & Chief Financial Officer
Orleans Homebuilders, Inc.
3333 Street Road, Suite 101
Bensalem, PA 19020

December 5, 2008

Dear Mr. Herdler,

This will confirm the understanding pursuant to which Lieutenant Island Partners LLC ("Lieutenant Island") and its Managing Partner, Mr. Richard Thaler, will be available to provide general consulting services and financial advice to Orleans Homebuilders, Inc ("Orleans", "you" or the "Company") on such financial and strategic matters relating to the business of the Company as you shall refer to us, including, without limitation, in connection with a possible transaction or series of transactions involving: (i) the sale (through recapitalization, consolidation, joint venture, tender offer, merger, sale or exchange of 50% or more of the outstanding capital stock of the Company, sale of all or a substantial part of its assets, a "going private" transaction, or otherwise) (the "Sale Transaction"), (ii) the sale or issuance by Orleans Homebuilders, Inc. of its capital stock or equity-linked securities, which may include common stock, warrants to purchase common stock, preferred stock, convertible notes, convertible preferred or some combination thereof (the "Investment Transaction") of the Company, in either case to one or more third parties (including existing shareholders of the Company) ("Purchaser") whether effected in a single transaction or a series of related transactions, or (iii) the creation of a joint venture (a "JV Entity") which may include, inter alia, the acquisition of land, development and/or construction of single family home or townhome projects, the acquisition of debt related to land and/or other potential transaction(s) (the "Joint Venture" or "JV") between the Company and its affiliates and a third-party investor (the "JV Investor").

Our monthly retainer fee will be \$25,000 per month (twenty-five thousand dollars per month), commencing on October 1, 2008, but earned and payable as of the execution of this letter, and monthly thereafter until the earlier of (i) the completion of any transaction described in the following paragraphs, and (ii) the eighth (8th) monthly payment is made for the period from May 1st to May 31st (the "Monthly Retainer"), plus the reimbursement of all reasonable out-of-pocket expenses incurred in the performance of our duties hereunder; *provided, however*, that such expenses shall not, in the aggregate, exceed \$10,000 without your prior written consent.

It is our mutual understanding that should Orleans become involved in any transaction arising out of or relating to the advisory services which we are providing, and which would typically involve investment bankers, Orleans will retain us to assist it as a consultant in such transaction. In the event that we assist Orleans in concluding a transaction in which you also engage an investment banker or other intermediary, then an additional fee may become payable to Lieutenant Island, as described below. In all instances, however, the cumulative Monthly Retainer paid shall be 100% credited by Orleans to reduce any transaction-related fee to Lieutenant Island described below.

1. **Sale Transaction Fee:** a fee, payable in respect of any Sale Transaction that is consummated and payable promptly on the closing thereof, equal to 0.15% of the Aggregate Value (as defined below) payable by Purchaser in any such Sale Transaction (the "Sale Transaction Fee"); *provided* that such amount shall be not less than \$600,000 and not more than \$750,000.

The "Aggregate Value" of any Sale Transaction shall be the total value of cash and the fair market value of all other property paid or payable directly or indirectly by Purchaser to the Company or any of its security holders (including holders of warrants, options and convertible securities) in connection with a possible Sale Transaction (including, without duplication, (i) the fair market value of any debt, capital lease or similar non-trade liabilities or obligations of the Company assumed or defeased at par in connection with the Sale Transaction, (ii) the value paid to holders of any warrants or convertible securities of the Company and to holders of any options or stock appreciation rights issued by the Company, whether or not vested, (iii) the value paid of any dividends or other distributions (in cash or otherwise) which are declared by the Company after the date hereof to its security holders on its equity shares in connection with a Sale Transaction, (iv) amounts paid (if paid in other than cash, the fair market value thereof) by the Company to repurchase or retire any securities or indebtedness of the Company outstanding on the date hereof, (v) the fair market value of any assets of the Company which are retained by or otherwise distributed to its stockholders or affiliates in anticipation of or in connection with a Sale Transaction and (vi) amounts paid pursuant to covenants not to compete, employment contracts or similar arrangements in excess of currently contracted for amounts, provided such amounts shall specifically exclude up to \$4 million, in the aggregate, of total anticipated contract benefits for the Company's President & COO and General Counsel to be potentially entered into by the Company in the immediate future. In the case of a Sale Transaction involving the sale or exchange of the equity securities of the Company, all equity securities retained, exchanged or received by holders of the Company's equity securities in connection with the Sale Transaction shall be included in the Aggregate Value, without duplication. If any portion of the Aggregate Value is paid in the form of securities for which a public trading market existed prior to consummation of the Sale Transaction, the value of such securities, for purposes of calculating the Aggregate Value, will be based on the average closing price thereof for the ten trading day period up to and including the trading day preceding the consummation of the Sale Transaction. If such securities do not have an existing public trading market, the value of the securities will be the mutually agreed upon fair market value on the day prior to the consummation of the Sale Transaction. Any amounts to be paid contingent upon future events shall be estimated for purposes of the Sale Transaction Fee calculation at an expected value mutually agreeable to you and to us at the time of closing. The fee payable to Lieutenant Island upon consummation of a Sale Transaction involving a tender or exchange offer or other purchase or sale of stock will become payable by the Company when control of 50% or more of the Company's outstanding common stock is acquired (or, in the case of a going private transaction, upon the consummation of such offer, purchase or sale). In that event, the Sale Transaction Fee will be calculated under the

above definition of Aggregate Value as though 100% of the outstanding common stock on a fully diluted basis had been acquired.

2. Private Equity Fee(s):

- (a) Investment in Orleans Fee: in the event an Investment Transaction is consummated a fee, payable in respect of any Investment Transaction that is consummated and payable promptly on the closing thereof, equal to 0.60% of the aggregate value of securities issued or sold in the Investment Transaction (the "Investment Transaction Fee"), provided that the Investment Transaction Fee shall be not less than \$500,000 and not more than \$600,000; and
- (b) JV Entity Fee: in the event of the creation of a JV Entity, an amount to be agreed upon by the Company, the JV Entity and the JV Investor (the "JV Investment Fee"); provided that if the JV Entity raises at least \$20 million of funded equity from such private equity investor, such JV Investment Fee shall be not less than \$200,000.

3. All fees in (1) and (2) above are without duplication.

This agreement shall be terminable by the Company at any time by three months prior written notice (or, if after June 1, 2009, 1 month prior written notice) to Lieutenant Island; *provided, however*, that the indemnity arrangements set forth herein shall survive any such termination.

The Company will indemnify Lieutenant Island and its affiliates (and their respective control persons, directors, officers, employees and agents) to the full extent lawful against any and all claims, losses, damages, liabilities, costs and expenses as incurred (including all reasonable fees and disbursements of counsel and all reasonable travel and other out-of-pocket expenses incurred in connection with investigation of, preparation for and defense of any pending or threatened claim and any litigation or other proceedings arising therefrom whether or not in connection with pending or threatened litigation in which Lieutenant Island or any other indemnified person is a party) arising out of Lieutenant island's engagement hereunder; provided, however, there shall be excluded from such indemnification any such claims, losses, damages, liabilities, costs or expenses that arise primarily out of or are based primarily upon any action or failure to act by Lieutenant island, other than an action or failure to act undertaken with the prior written consent of the Company, that is found in a final judicial determination (or a settlement tantamount thereto) to constitute bad faith, willful misconduct or gross negligence on the part of Lieutenant Island .

The provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of Orleans and Lieutenant Island.

Through the two-year anniversary of the termination of this letter agreement, Lieutenant Island agrees to keep all information furnished by the Company or its representatives to Lieutenant

Island in connection with this engagement confidential, except for information that (i) is or becomes generally available to the public (other than as a result of a disclosure by Lieutenant Island), (ii) was available to Lieutenant Island or its representatives on a non-confidential basis prior to its disclosure by the Company, (iii) becomes available to Lieutenant Island or its representatives on a non-confidential basis from a person (other than the Company) who, to the knowledge of Lieutenant Island, is not bound by a confidentiality agreement with the Company or otherwise restricted from disclosing such information or (iv) Lieutenant Island is requested, or is required, pursuant to any law, regulation, legal process or regulatory authority, to disclose.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to any laws relating to conflicts of laws. The invalidity or unenforceability of any provision of this letter agreement shall not affect the validity or enforceability of any other provision of this letter agreement, which shall remain in full force and effect pursuant to the terms hereof.

EACH OF LIEUTENANT ISLAND AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS AFFILIATES) WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF LIEUTENANT ISLAND PURSUANT TO, OR THE PERFORMANCE BY LIEUTENANT ISLAND OF THE SERVICES CONTEMPLATED BY, THIS LETTER AGREEMENT (INCLUDING THE INDEMNITY).

Each of Lieutenant Island and the Company irrevocably and unconditionally submits to the jurisdiction of any court of the State of New York located in New York, New York or the United States District Court of the Southern District of the State of New York over any suit, action or other proceeding related to or arising out of this letter agreement or the Indemnity, or any of the agreements or transactions contemplated hereby, which is brought by or against the Company; the Company further submits to the jurisdiction of any court wherever located for the purpose of joining upon motion of Lieutenant Island any suit, action or other proceeding brought by any third party against Lieutenant Island relating to any matter for which the Company has agreed to indemnify Lieutenant Island pursuant to the Indemnity.

This letter agreement may be executed in two or more counterparts, all of which together shall be considered a single instrument. This letter agreement incorporates the entire understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements, whether written or oral, should they exist with respect thereto and may not be amended except in writing, signed by both of the parties.

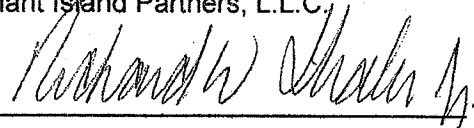
Orleans Homebuilders, Inc.
December 5, 2008
Page 5

If you are in agreement with the foregoing, please evidence your agreement by signing and returning the enclosed copy of this letter.

Sincerely,

Lieutenant Island Partners, L.L.C.

By



AGREED TO:

Orleans Homebuilders, Inc

By



Gary P. Herdler
EVP & CFO

Lieutenant Island Partners, LLC

February 26, 2010

Orleans Homebuilders, Inc.
3333 Street Rd, Suite 101
Bensalem, Pa 19020

Attn: Mr. Garry Herdler
Chief Financial Officer

Amendment#1

This letter agreement (the "Amendment") hereby amends the engagement letter between Orleans Homebuilders, Inc. ("Orleans") and Lieutenant Island Partners, LLC ("Lieutenant Island"), dated as of December 5, 2008 (the "Initial Engagement Letter"). Both parties agree to amend the Initial Engagement Letter as follows:

The third paragraph on the first page of the Initial Engagement Letter shall be amended to read as follows:

"It is our mutual understanding that, should Orleans become involved in any transaction(s) arising out of or relating to the advisory services which Lieutenant Island provides, and which would typically involve investment bankers, Orleans will retain Lieutenant Island to assist it as a consultant in such transaction. In the event that Lieutenant Island assists Orleans in concluding a transaction in which Orleans retains an investment banker or other intermediary, then an additional fee may become payable to Lieutenant Island, as described below."

A new number 3, before the existing number 3, shall read as follows: "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 fee (the "Testimony Fee") in the amount of \$100,000, which amount will include legal expenses incurred by Lieutenant Island, shall become payable upon completion of such testimony, of which \$50,000 shall be credited against any subsequent Transaction Fee."

A new number 4, before existing number 3 and after new number 3, shall read as follows: "In the event of termination of this agreement for any reason other than cause, Orleans shall pay Lieutenant Island a fee (the "Termination Fee"), which shall be the higher of \$200,000 or the fee that would have been earned by Lieutenant Island pursuant to items 1 or 2 if a transaction(s) is completed with a purchaser or investor with which Lieutenant Island had been engaged in active purchase or investment discussions."

The existing number 3 shall now become number 5.

As so amended, the Initial Engagement Letter shall remain in full force and effect in accordance with its terms.

Orleans Homebuilders, Inc.

By: 

Its: 

Lieutenant Island Partners, LLC

By: 

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

| | | |
|---|---|--------------------------------|
| In re: |) | |
| |) | Chapter 11 |
| ORLEANS HOMEBUILDERS, INC., <u>et al.</u> , |) | |
| |) | Bankr. Case No. 10-10684 (PJW) |
| Debtors. |) | |
| |) | Jointly Administered |

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

Upon the application (the "Application")¹ 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

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application or the Engagement Letter.

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

ORDERED that all of 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); and it is further

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 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
_____, 2010

UNITED STATES BANKRUPTCY JUDGE