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11 Attorneys for Official Unsecured Creditors' Committee

12 **UNITED STATES BANKRUPTCY COURT**

13 **DISTRICT OF NEVADA**

14
15 In Re) Case No. BK-N-01-31627GWZ
16 WASHINGTON GROUP) Chapter 11
INTERNATIONAL, INC., et al.,)
17 Debtors.) Date: August 3, 2001
Time: 9:30 a.m.
18) Set by: Linda Duffy

19
20 **ORDER AUTHORIZING EMPLOYMENT OF**
CHANIN CAPITAL PARTNERS AS FINANCIAL ADVISOR
21 **FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

22 This matter having come before the Court on the Application for Order Under 11
23 U.S.C. §§ 327(a) and 1103 Authorizing Employment and Retention of Chanin Capital
24 Partners as Financial Advisor for the Official Committee of Unsecured Creditors (the
25 "Application"), for an order authorizing employment and retention of Chanin Capital
26 Partners as Financial Advisor for the Official Committee of Unsecured Creditors (the
27 "Committee"); and the Court having reviewed the Application; and the Court being satisfied
28 with the representations made in the Application that Chanin represents no interest adverse

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U.S. BANKRUPTCY COURT
PATRICIA GRAY, CLERK

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1 to the estates, that it is a "disinterested person" as that term is defined under section
2 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code,
3 that its employment is necessary and in the best interests of the Committee, the Debtors'
4 estates, creditors and other parties-in-interest; and it appearing that the notice of the
5 Application given to the United States Trustee and the Master Matrix maintained in these
6 cases was good and sufficient under the particular circumstances and that no other or
7 further notice need be given; and upon the record herein; and after due deliberation
8 thereon; and good and sufficient cause appearing therefor, it is hereby

9 ORDERED, ADJUDGED AND DECREED THAT:

- 10 1. The Application be, and it hereby is, GRANTED.
- 11 2. Pursuant to sections 327(a) and 1103 of the Bankruptcy Code, the
12 Committee is hereby authorized to employ and retain Chanin Capital Partners as Financial
13 Advisor for the Official Committee of Unsecured Creditors, as of May 25, 2001, to perform
14 the services set forth in the Application.
- 15 3. Chanin shall be compensated in accordance with the terms of the
16 Engagement Letter, subject to the procedures set forth in the Bankruptcy Code, the Federal
17 Rules of Bankruptcy Procedure, and the orders of this court.
- 18 4. The indemnification of the Engagement Letter are approved, subject
19 to the following:
- 20 (a) subject to the provisions of subparagraph (d) infra, the
21 Debtors are authorized to indemnify, and shall indemnify,
22 Chanin, in accordance with the Engagement Letter for any
23 claim arising from, related to, or in connection with Chanin's
24 prepetition performance of the services described in the
25 Engagement Letter;

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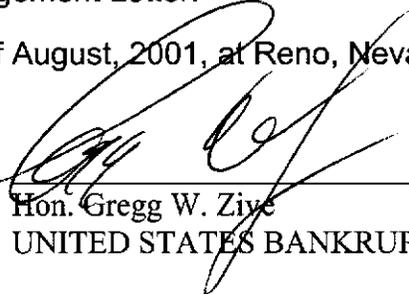
(b) subject to the provisions of subparagraph (d) infra, the Debtors are authorized to indemnify, and shall indemnify Chanin, in accordance with the Engagement Letter for any claim arising from, related to, or in connection with Chanin's services, but not for any claim arising from, related to, or in connection with Chanin's postpetition performance of any services other than the services outlined in its Engagement Letter unless such postpetition services and indemnification therefor are approved by the Court;

(c) notwithstanding any provision of the Engagement Letter to the contrary, the Debtors shall have no obligation to indemnify Chanin, or provide contribution or reimbursement to Chanin, for any claim or expense that is either (a) judicially determined (the determination having become final) to have arisen solely from Chanin's gross negligence or willful misconduct, or (b) settled prior to a judicial determination as to Chanin's gross negligence or willful misconduct, but determined by this Court, after notice and a hearing, to be a claim or expense for which Chanin should not receive indemnity, contribution or reimbursement under the terms of the Engagement Letter as modified by this Order; and

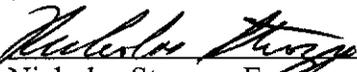
(d) if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, Chanin believes that it is entitled to the payment of any amounts by the Debtors on

1 5. This Court will retain jurisdiction to construe and enforce the terms of
2 the Application, the Engagement Letter, and this Order, but will apply the governing law
3 provisions contained in the Engagement Letter.

4 Dated: This 3rd day of August, 2001, at Reno, Nevada.

5
6 
7 Hon. Gregg W. Zive
8 UNITED STATES BANKRUPTCY JUDGE

9 APPROVED/~~DISAPPROVED~~

10 
11 Nicholas Strozza, Esq.
12 Office of the United States Trustee

13 SUBMITTED BY:

14 
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