

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

In re:

BOY SCOUTS OF AMERICA AND
DELAWARE BSA, LLC¹

Debtors.

Chapter 11

Case No. 20-10343 (LSS)

(Jointly Administered)

Hearing Date:

November 18, 2020 at 10:00 a.m. (ET)

Objection Deadline:

October 29, 2020 at 4:00 p.m. (ET)

**SUMMARY COVER SHEET OF FIRST AND FINAL FEE APPLICATION
OF F.I. SALTER REAL ESTATE, INC. FOR ALLOWANCE OF
COMPENSATION FOR APPRAISAL SERVICES RENDERED**

Name of Applicant: F.I. Salter Real Estate, Inc.

Authorized to Provide Professional Services to: Debtors and Debtors in Possession

Date of Retention: June 18, 2020 (order entered July 8, 2020)

Period for Which Compensation and Reimbursement Are Requested: June 18, 2020 – October 12, 2020

Amount of Compensation Requested: \$7,500.00²

Amount of Expense Reimbursement Requested: \$0.00

This is a(n): monthly ___ interim ___ final application X

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors' mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

² This amount is in the range of the total appraisal fee estimate of \$5,000 to \$8,000 set forth in the engagement letter between F.I. Salter and the Debtors. F.I. Salter has not received a retainer in connection with the appraisal services.

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**FIRST AND FINAL FEE APPLICATION OF
F.I. SALTER REAL ESTATE, INC. FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR APPRAISAL SERVICES RENDERED**

F.I. Salter Real Estate, Inc. (“F.I. Salter”), appraiser for the Boy Scouts of America and Delaware BSA, LLC, the non-profit corporations that are debtors and debtors in possession in the above-captioned chapter 11 cases (together, the “Debtors”), submits this final application (this “Application”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), (a) granting final approval and allowance of compensation for professional services rendered by F.I. Salter during the period from June 18, 2020 to and including October 12, 2020 (the “Fee Period”) in the aggregate amount of \$7,500.00, and (b) authorizing the Debtors to pay to F.I. Salter all of the foregoing amount, less any amounts previously paid to F.I. Salter on account of such fees. In support of this Application, F.I. Salter respectfully represents as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of*

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors’ mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

Reference from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and other bases for the relief requested herein are sections 330 and 331 of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), and the *Order (I) Approving Procedures for (A) Interim Compensation and Reimbursement of Expenses of Retained Professionals and (B) Expense Reimbursement for Official Committee Members and (II) Granting Related Relief* [Docket No. 341] (the “Compensation Procedures Order”).

BACKGROUND

3. The Debtors commenced these cases on February 18, 2020 (the “Petition Date”), and they continue to operate their non-profit organization and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1.

4. On March 5, 2020, the United States Trustee for the District of Delaware appointed an official committee of tort claimants and an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code.

5. On April 24, 2020, the Court appointed James L. Patton, Jr. as the representative of future abuse claimants pursuant to sections 105(a) and 1109(b) of the Bankruptcy Code.

6. The Court has authorized the Debtors to retain and employ F.I. Salter as one of their appraisers, *nunc pro tunc* to June 18, 2020, pursuant to the *Order Authorizing the Retention and Employment of Appraisers for the Debtors and Debtors in Possession, Nunc Pro Tunc to June 18, 2020* [Docket No. 984] (the “Retention Order”). The Retention Order authorizes the Debtors to compensate and reimburse F.I. Salter in accordance with the terms and conditions set forth in the Debtors’ omnibus application to retain appraisers [Docket No. 868] (the “Omnibus Application”), subject to F.I. Salter’s application to the Court. The Retention Order authorized F.I. Salter to be paid (a) a flat fee estimated between \$5,000 and \$8,000.00 for the work set forth in the F.I. Salter Engagement Letter and (b) with respect to any testimony or other work outside the scope of the appraisal report, an hourly fee of \$200.²

7. On April 6, 2020, the Court entered the Compensation Procedures Order. The Compensation Procedures Order provides, among other things, that each professional shall be entitled to file monthly and final fee applications in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and orders of the Court.

8. On September 18, 2020, the Court entered the *Order Appointing Fee Examiner and Establishing Related Procedures for the Review of Applications of Retained Professionals* [Docket No. 1342] (the “Fee Examiner Order”). A copy of this Application will be served on the fee examiner.

RELIEF REQUESTED

9. By this Application, in accordance with the Compensation Procedures Order, F.I. Salter requests entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, (a) granting final approval and allowance of compensation for professional services rendered

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Omnibus Application.

by F.I. Salter during the Fee Period in the aggregate amount of \$7,500.00, and (b) authorizing the Debtors to pay to F.I. Salter all of the foregoing amount, less any amounts previously paid to F.I. Salter on account of such fees.

SUMMARY OF SERVICES RENDERED

10. Attached hereto as **Exhibit B** is an invoice and summary of the fees earned by F.I. Salter during the Fee Period as outlined in the F.I. Salter Engagement Letter. All services for which F.I. Salter is requesting compensation were performed for or on behalf of the Debtors.

11. During the Fee Period, F.I. Salter performed the appraisal services for the Debtors described in the F.I. Salter Engagement Letter with respect to Northern Tier High Adventure Base. These services included, among other things, an appraisal report incorporating the following: (i) a highest and best use analysis; (ii) physical viewing, inspection, and measurement of structures on the Minnesota portion of Northern Tier, observation of the condition of improvements, characterization of land use, and consideration of other conditions of the properties that may impact market values; (iii) consideration of the number, type, sizes, uses, and conditions of structures on the Minnesota portion of Northern Tier; (iv) research and consideration of rights restrictions and zoning restrictions on the Minnesota portion of Northern Tier; and (v) consideration of other requirements and restrictions, if any, specific to the Minnesota portion of Northern Tier, including ordinance requirements, marinas draft depth and access channels, property composition, comparable sales data, water rights, property damage, and mineral rights.³

³ F.I. Salter reserves the right to submit one or more supplemental fee applications to the Court for allowance of any fees earned and expenses incurred after the date hereof, including hourly fees for any testimony or other work outside the scope of the appraisal report.

VALUATION OF SERVICES

12. The reasonable value of the services rendered by F.I. Salter for the Fee Period as an appraiser for the Debtors in these chapter 11 cases is \$7,500.00.

13. During the Fee Period, F.I. Salter timely completed its appraisal report regarding the valuation of the Minnesota portion of Northern Tier, including the detail set forth above. Given these results, F.I. Salter respectfully submits that, in accordance with the factors enumerated in section 330 of the Bankruptcy Code, the fees requested are fair and reasonable given (a) the complexity of these chapter 11 cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

BASIS FOR RELIEF

14. Section 328(a) of the Bankruptcy Code authorizes the debtor in possession, with the Court's approval, to employ a professional person "on any reasonable terms and conditions of employment," including on a retainer, an hourly basis, a fixed or percentage basis, or on a contingent fee basis. 11 U.S.C. § 328(a). The foregoing appraisal services provided by F.I. Salter were appropriate and necessary, and were in the best interests of the Debtors and other parties in interest. The compensation requested for such services is market-based and commensurate with the complexity, importance and nature of the tasks and issues involved.

CERTIFICATION OF COMPLIANCE

15. The undersigned has reviewed the requirements of Local Rule 2016-2 and certifies that, to the best of her knowledge, information, and belief, this Application complies with the requirements of that Local Rule.

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WHEREFORE, F.I. Salter requests entry of the Proposed Order, substantially in the form attached hereto, (a) granting final approval and allowance of compensation for professional services rendered by F.I. Salter during the Fee Period in the aggregate amount of \$7,500.00, and (b) authorizing the Debtors to pay to F.I. Salter all of the foregoing amount, less any amounts previously paid to F.I. Salter on account of such fees.

Dated: October 15, 2020
Duluth, Minnesota

Respectfully submitted,

/s/ Ann M. Heimbach
Ann M. Heimbach, MAI
Certified General Real Property Appraiser
F.I. SALTER REAL ESTATE, INC.

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

In re

Boy Scouts of America, *et al.*,

Debtors.¹

Chapter 11

Case No. 20-10343 (LSS)

Jointly Administered

Hearing Date:

November 18, 2020 at 10:00 a.m. (ET)

Objection Deadline:

October 29, 2020 at 4:00 p.m. (ET)

**NOTICE OF FIRST AND FINAL FEE APPLICATION OF
F.I. SALTER REAL ESTATE, INC. FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR APPRAISAL SERVICES RENDERED**

PLEASE TAKE NOTICE that today, F.I. Salter Real Estate, Inc., as appraiser for the Debtors in the above-captioned cases, filed the attached **First and Final Fee Application of F.I. Salter Real Estate, Inc. for Allowance of Compensation and Reimbursement of Expenses for Appraisal Services Rendered** (the "Application").

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Application, must: (a) be filed with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, by **October 29, 2020, at 4:00 p.m. (Eastern Time)** (the "Objection Deadline"); and (b) be served so as to be received on or before the Objection Deadline by:

- i. the Debtors: Boy Scouts of America, 1325 West Walnut Hill Lane, Irving, Texas 75038, Attn: Steven P. McGowan;
- ii. proposed counsel to the Debtors: White & Case LLP, 1221 Avenue of the Americas, New York, New York 10020, Attn: Jessica C.K. Boelter and 111 South Wacker Drive, Chicago, Illinois 60606, Attn: Matthew E. Linder;
- iii. co-counsel to the Debtors: Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, DE 19801, Attn: Derek C. Abbott;
- iv. the Office of the United States Trustee: J. Caleb Boggs Federal Building, Room 2207, 844 N. King Street, Wilmington, DE 19801, Attn: David Buchbinder and Hannah M. McCollum;

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal EIN, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors' mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

- v. counsel to the Creditors' Committee, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Rachael Ringer and Megan M. Wasson;
- vi. counsel to the Tort Claimants' Committee, Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067, Attn: James I. Stang;
- vii. counsel to the Future Claimants' Representative, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Robert S. Brady and Edwin J. Harron;
- viii. counsel to the Ad Hoc Committee of Local Councils, Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York 10019, Attn: Richard G. Mason and Joseph C. Celentino;
- ix. counsel to JPMorgan Chase Bank, National Association, Norton Rose Fulbright US LLP, 2200 Ross Avenue, Dallas, Texas 75201-7932, Attn: Louis R. Strubeck and Kristian W. Gluck;
- x. counsel to the County Commission of Fayette County (West Virginia), Steptoe & Johnson PLLC, Chase Tower – 8th Floor, 707 Virginia Street East, Charleston, West Virginia 25301, Attn: John Stump; and
- xi. fee examiner, Rucki Fee Review LLC, 1111 Windon Drive, Wilmington, DE 19803, Attn: Justin H. Rucki.

PLEASE TAKE FURTHER NOTICE THAT THE HEARING ON THE APPLICATION WILL BE HELD ON **NOVEMBER 18, 2020, at 10:00 A.M. (EDT)** (THE “HEARING”) BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 6TH FLOOR, COURTROOM #2, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE that only objections made in writing and timely filed and received, in accordance with the procedures above, will be considered by the Court at the Hearing.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

[Remainder of Page Intentionally Left Blank]

Dated: October 15, 2020
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Paige N. Topper

Derek C. Abbott (No. 3376)
Andrew R. Remming (No. 5120)
Eric W. Moats (No. 6441)
Paige N. Topper (No. 6470)
1201 North Market Street, 16th Floor
P.O. Box 1347
Wilmington, Delaware 19899-1347
Telephone: (302) 658-9200
Facsimile: (302) 425-4664
Email: dabbott@mnat.com
aremming@mnat.com
emoats@mnat.com
ptopper@mnat.com

– and –

WHITE & CASE LLP

Jessica C. K. Boelter (*pro hac vice* pending)
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 819-8200
Email: jessica.boelter@whitecase.com

– and –

WHITE & CASE LLP

Michael C. Andolina (*pro hac vice* pending)
Matthew E. Linder (*pro hac vice* pending)
111 South Wacker Drive
Chicago, Illinois 60606
Telephone: (212) 881-5400
Email: mandolina@whitecase.com
mlinder@whitecase.com

*Counsel and Proposed Co-Counsel for the Debtors and
Debtors in Possession*

Exhibit A

Proposed Order

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

In re:

BOY SCOUTS OF AMERICA AND
DELAWARE BSA, LLC,¹

Debtors.

Chapter 11

Case No. 20-10343 (LSS)

(Jointly Administered)

Ref. Docket Nos. 868, 984 & ____

**ORDER GRANTING FIRST AND FINAL FEE APPLICATION
OF F.I. SALTER REAL ESTATE, INC. FOR ALLOWANCE OF
COMPENSATION FOR APPRAISAL SERVICES RENDERED**

Upon the application (the "Application")² of the Boy Scouts of America and Delaware BSA, LLC, the non-profit corporations that are debtors and debtors in possession in the above-captioned chapter 11 cases (together, the "Debtors"), for entry of an order (this "Order") (i) granting final approval and allowance of compensation for professional services rendered by F.I. Salter during the Fee Period in the aggregate amount of \$7,500.00, and (ii) authorizing the Debtors to pay to F.I. Salter all of the foregoing amount, less any amounts previously paid to F.I. Salter on account of such fees; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and entry of this Order being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Debtors having consented to the entry of a final order by this Court under Article III of the United States Constitution; and venue of this proceeding and the Application in this District being proper pursuant to 28 U.S.C. §§ 1408

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors' mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

² All capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Application.

and 1409; and this Court having found that the notice of the Application and opportunity for a hearing on the Application were appropriate under the circumstances and no other notice need be provided; and all objections to the Application, if any, having been withdrawn, resolved or overruled; and the relief requested in the Application being in the best interests of the Debtors' estates, their creditors and other parties in interest; and this Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The relief requested in the Application is GRANTED as set forth herein.
2. Compensation to F.I. Salter for professional services rendered during the Fee Period is approved and allowed on a final basis in the aggregate amount of \$7,500.00.
3. To the extent not already paid pursuant to the Retention Order, the Debtors are authorized to remit payment to F.I. Salter in the amount of \$7,500.00, less all amounts previously paid on account of such fees and expenses.
4. The Debtors and F.I. Salter are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.
5. To the extent there is any inconsistency between the Application and this Order, the provisions of this Order shall govern.
6. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2020
Wilmington, Delaware

THE HON. LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Invoice and Fee Summary

F.I. Salter Real Estate, Inc.
 800B West Railroad Street
 Duluth, MN 55802
 (218) 722-5556

Appraisal Department
 Sanford C. Hoff
 Ann M. Heimbach
 Amy J. Marincel
 John L. Sillanpa

INVOICE

Steven Mcgowan
 Boy Scouts of America
 1325 West Walnut Hill Lane
 Irving, TX 75038

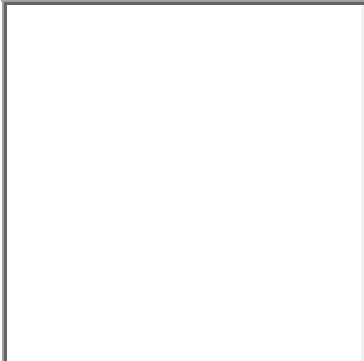
Date: 10/12/2020

Account # AMH63651

For Professional Services Rendered..... \$7,500.00

Please make checks payable to F.I. Salter Real Estate, Inc.

Amount Enclosed \$ _____

DATE	CHARGES AND CREDIT	AMOUNT
10/12/2020	For Market Value Appraisal on the following property: Northern Tier High Adventure Base 14725 & 14790 Moose Lake Road Ely MN 55731	\$7,500.00 
10/12/2020	TOTAL AMOUNT DUE:	\$7,500.00

Appraiser: Ann M. Heimbach
 Certified General Real Property Appraiser

License #: MN #20129249

Pay Last Amount in
 this Column

A finance charge of 1.5% per month will be imposed on any balance due from the previous month (18% annual percentage rate).

Thank You