

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

IN RE:)	Chapter 11
BUILDING MATERIALS HOLDING CORPORATION, et al.,¹)	Case No. 09-12074 (KJC)
Debtors.)	Jointly Administered
)	
)	

**DECLARATION OF BRADLEY I. DIETZ IN SUPPORT OF CONFIRMATION OF
JOINT PLAN OF REORGANIZATION FOR THE DEBTORS UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE AMENDED DECEMBER 7, 2009**

I, Bradley I. Dietz, pursuant to 28 U.S.C. §1746, declare and state:

1. I am the Managing Director and head of the Restructuring Group of Peter J. Solomon Company ("**PJSC**"), resident in PJSC's New York City office at 520 Madison Avenue, New York, New York 10022. I am duly authorized to make this declaration on behalf of PJSC.

2. This declaration is submitted in support of confirmation of the Joint Plan of Reorganization for the Debtors Under Chapter 11 of the Bankruptcy Code Amended December 7, 2009. All matters set forth in this declaration are based on: (a) my personal knowledge; (b) my review of relevant documents; and (c) my views, based upon

¹ The Debtors, along with the last four digits of each Debtor's tax identification number, are as follows: Building Materials Holding Corporation (4269), BMC West Corporation (0454), SelectBuild Construction, Inc. (1340), SelectBuild Northern California, Inc. (7579), Illinois Framing, Inc. (4451), C Construction, Inc. (8206), TWF Construction, Inc. (3334), H.N.R. Framing Systems, Inc. (4329), SelectBuild Southern California, Inc. (9378), SelectBuild Nevada, Inc. (8912), SelectBuild Arizona, LLC (0036), and SelectBuild Illinois, LLC (0792). The mailing address for the Debtors is 720 Park Boulevard, Suite 200, Boise, Idaho 83712.

my experience and knowledge of the Debtors' business and financial condition. If I were called upon to testify, I could, and would, testify competently to the facts set forth herein.

I. QUALIFICATIONS

3. Since its inception in 1989, PJSC has successfully represented debtors, official and unofficial committees of creditors, equity holders, individual creditors, indenture trustees, acquirers, investors, and other significant parties in many prominent and complex chapter 11 cases and out-of-court restructurings. The current professionals of PJSC have extensive experience working with financially troubled companies in complex financial restructurings out of court and in chapter 11 proceedings.

4. Prior to becoming a Managing Director of PJSC, I was a Managing Director at Citibank where I spent 10 years in the bank's restructuring group. Since joining PJSC in 2001, I have advised companies and other constituencies across a variety of industries. My representations include Portola Packaging, Inc., M. Fabrikant & Sons, Inc., Armstrong World Industries, Owens Corning, Hayes Lemmerz International, Inc., Oneida, Ltd., Syratech, Inc., the Warnaco Group, Inc., and the Airline Pilots Association for Continental and Northwest Airlines, among others.

5. On March 31, 2009 (the "*Engagement Date*"), the Debtors engaged PJSC to provide investment banking and financial advice in connection with the Debtors' attempts to complete a strategic restructuring, reorganization, and/or recapitalization and, if necessary, to prepare for the commencement of the Chapter 11 Cases.²

² Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to the in the Joint Plan of Reorganization for the Debtors.

6. The Court authorized the Debtors to retain and employ PJSC as investment banker and financial advisor *nunc pro tunc* to the Petition Date in an Order dated July 16, 2009 (the "**Retention Order**"). Among other things, the Retention Order authorized PJSC to perform the following services for the Debtors as described in PJSC's Engagement Letter:

- a. Familiarize itself with the business, operations, properties, financial condition and prospects of the Debtors;
- b. Advise and assist the Debtors in reviewing and analyzing the business plans and financial projections prepared by the Debtors including, but not limited to, testing assumptions and comparing those assumptions to historical trends of the Debtors and industry;
- c. Advise and assist the Debtors in evaluating the Debtors' debt capacity and capitalization based on the Debtors' projected earnings and cash flows;
- d. Advise and assist the Debtors with developing various financial models and projections to be used in conjunction with a Transaction;
- e. Advise and assist the Debtors in identifying and contacting potential financing sources and/or buyers;
- f. Advise and assist the Debtors in developing a general strategy for accomplishing a Transaction, as well as its form and structure; and
- g. In connection with any chapter 11 proceeding, advise and assist the Debtors in evaluating and obtaining DIP financing and exit financing; in assessing the valuation of the Debtors and their assets, including valuations proposed by any interested party and providing expert testimony relating to valuation, if required; and in developing, analyzing, structuring and negotiating the terms and conditions of any potential plans of reorganization.

II. SOURCES OF INFORMATION

7. In the time since the Engagement Date, PJSC has gained extensive knowledge of the Debtors and their businesses. In that regard, PJSC has provided a broad array of services. We have, among other things, reviewed certain financial projections for

the Debtors, estimated a range of enterprise value for the Debtors on a going concern basis, prepared a liquidation analysis, assisted the Debtors in the negotiation of the Plan, evaluated the proposed Exit Credit Facilities, the Term Loan Credit Agreement, and the Issuance of Reorganized BMHC Equity Interests, and provided other investment banking services as requested by the Debtors from time to time.

8. PJSC conducted the following due diligence to develop our conclusions with respect to (i) the best interest of the creditors test; and (ii) the feasibility of the Plan:

- a. Review of the operations and historical financial performance of the Debtors;
- b. Review of various documents and pleadings prepared by the Debtors and/or their professionals in connection with the Chapter 11 Cases;
- c. Review of various securities analyst research reports;
- d. Review of management's financial forecasts;
- e. Discussions with various senior managers and professionals with respect to the business operations, both current and projected;
- f. Analysis of the performance and market position of the Debtors relative to their key competitors and/or similar publicly traded companies;
- g. Review of Inventory Appraisal Report prepared by Great American Advisory & Valuation Services, L.L.C. dated August 2009 ("**Great American Report**");
- h. Review of Real Property Appraisal Values prepared by Cushman & Wakefield dated August 2009 ("**Cushman & Wakefield Report**");
- i. Review of Machinery and Equipment Valuation prepared by Hilco Appraisal Services, LLC dated October 26, 2009 ("**Hilco Report**");
- j. Review of other publicly available data on the Debtors.

III. THE PLAN IS IN THE BEST INTERESTS OF THE CREDITORS

9. PJSC and I believe that the Plan is in the best interest of creditors because each class of claims and interests will receive at least as much as that class would receive in a hypothetical chapter 7 liquidation. It is my understanding that the best interest of the creditors test does not apply to Holders of Other Priority Claims, Other Secured Claims, L/C General Unsecured Claims, or Intercompany Claims because these Holders are unimpaired under the Plan. As demonstrated by the updated Liquidation Analysis attached hereto as Exhibit A, Holders of Funded Lender Claims are projected to receive property with a value equal to 83.8% of their claims under the Plan, compared to a recovery of 39.6% in a hypothetical chapter 7 liquidation. Holders of General Unsecured Claims are projected to receive cash with a value of 12.1% of their claims under the Plan, and holders of Small Unsecured Claims are projected to receive cash with a value of 25% of their claims under the Plan, compared to recoveries from 0.0% to 4.4% in a hypothetical chapter 7 liquidation. Holders of Interests in BMHC, who will receive no distribution under the Plan, would likewise receive no distribution in a hypothetical chapter 7 liquidation.

A. Post-Reorganization Value

10. The Debtors directed PJSC, as the Debtors' investment banking and financial advisor, to prepare a valuation analysis of the estimated enterprise and equity values of the Reorganized Debtors upon emergence from chapter 11. The valuation analysis was developed for purposes of estimating the value of distributions to creditors under the Plan and evaluating whether the Plan met the "best interests test" under section 1129(a)(7) of the Bankruptcy Code.

11. As a result of our analysis, reviews, discussions, considerations and assumptions, we estimate the enterprise value of the Reorganized Debtors to be \$256.3 million, as of an assumed emergence date of December 31, 2009. In connection with our analysis of the reorganization value of the Reorganized Debtors, we estimate that the implied equity value of the Reorganized Debtors will be \$118.1 million.

12. We performed a variety of valuation techniques and considered a variety of factors in preparing the valuation analysis. While several generally accepted valuation techniques for estimating the Reorganized Debtors' enterprise value were considered, we concluded, based on the available information, that the best methods of valuing the Reorganized Debtors were comparable company analysis and discounted cash flow analysis.

13. A comparable company analysis estimates value based on a comparison of the target company's financial statistics with the financial statistics of public companies that are similar to the target company. It establishes a benchmark for asset valuation by deriving the value of "comparable" assets using a common variable such as EBITDA (earnings before interest, tax, depreciation and amortization) earnings and cash flows. The analysis includes a detailed multi-year financial comparison of each company's income statement, balance sheet and cash flow statement, pro forma for any announced transactions and non-recurring one-time events. In addition, each company's performance, profitability, margins, leverage and business trends are also examined. Based on these analyses, a number of financial multiples and ratios are calculated to gauge each company's relative performance and valuation.

14. In performing the comparable company analysis, the following publicly traded companies deemed generally comparable to the Debtors were selected: Beacon Roofing Supply, Inc., Louisiana-Pacific Corp., Universal Forest Products, Inc., Mueller Industries, Inc., BlueLinx Holdings Inc., U.S. Concrete, Inc., Builders FirstSource, Inc., Trex Co., Inc., and American Woodmark Corp. We analyzed the current enterprise value for the comparable companies as a multiple of actual and forecasted sales and EBITDA for the fiscal years ending 2009 and 2010. The following chart illustrates our comparable companies analysis, which indicates a comparable company enterprise value range for the Reorganized Debtors of approximately \$120 million to \$280 million:

(Dollars in Millions, Except for Per Share Data)

MARKET DATA Subject Companies	Current Price (2/2/2010)	Equity Value	Enterprise Value	Enterprise Value as a Multiple of				
				2009 Sales	2009 Sales	2010 Sales	2009 EBITDA	2010 EBITDA
Beacon Roofing	\$16.54	\$759.4	\$1,029.1	0.6 x	0.6 x	0.6 x	8.0 x	7.4 x
Louisiana Pacific Corp.	6.49	895.4	1,075.3	1.0	1.0	0.8	NM	18.2
Universal Forest Products	38.83	751.6	733.6	0.4	0.4	0.4	9.0	8.1
Mueller Industries	24.14	908.8	750.9	0.5	0.5	0.4	7.2	5.6
BlueLinx Holdings	3.10	100.0	436.2	0.2	0.3	0.2	NM	14.6
Trex Co.	18.22	280.4	322.1	1.3	1.2	1.1	8.5	6.5
US Concrete Inc.	0.79	29.5	324.1	0.6	0.6	0.6	12.1	16.8
Builders FirstSource(b)	4.04	350.9	349.1	0.5	0.5	0.5	NM	NM
American Woodmark Corp.	20.32	288.0	245.6	0.5	0.6	0.5	NM	8.8
Median				0.5 x	0.6 x	0.5 x	8.5 x	8.5 x
Mean				0.6	0.6	0.6	9.0	10.7

NOTE: All operating data has been adjusted to exclude unusual and extraordinary items. Forward Sales and EBITDA estimates represent IBES estimates per Bloomberg, dated 12/04/09.
 NA = Not Available. NM = Not Meaningful.
 (a) Pro forma for \$205mm rights offering announced 10/23/09.

(Dollars in Millions)

	Projected	Selected Multiple Range	Implied Enterprise Value Range	Midpoint
2009 Sales	\$629.9	0.3 x - 0.6 x	\$189 - \$378	\$283
2010 EBITDA	\$15.6	6.0 x - 9.0 x	\$94 - \$140	\$117

Comparable Company Value Range ^(a) = \$120 million - \$280 million

(a) Amounts rounded.

15. The discounted cash flow valuation methodology relates the value of an asset or business to the present value of expected cash flows to be generated by that asset or business. The discounted cash flow methodology is a "forward looking" approach

that discounts management's expected future cash flows by a theoretical or observed discount rate determined by calculating the average cost of debt and equity for publicly traded companies that are similar to the Debtors. The expected future cash flows have two components: the present value of the projected unlevered after-tax free cash flows for a determined period and the present value of the terminal cash flows (representing firm value beyond the time horizon of the projections).

16. Our discounted cash flow analysis is based on the three year projections of management, which are included in our Feasibility Analysis attached as Exhibit F to the Debtors' Disclosure Statement and updated as reflected on Exhibit B hereto. The following chart illustrates our discounted cash flow analysis, which indicates an enterprise value range for the Reorganized Debtors of approximately \$105 million to \$140 million:

(Dollars in Millions)

Projected Fiscal Year Ending December 31,

	2010	2011	2012
Sales	\$837.9	\$1,156.7	\$1,618.3
--% Growth	--	38.0%	39.9%
Adjusted Go Forward EBITDA	\$15.6	\$51.6	\$107.8
--% of Sales	1.9%	4.5%	6.7%
Go Forward EBIT	(\$3.5)	\$32.4	\$88.6
--% of Sales	(0.4%)	2.8%	5.5%
Taxes @ 40.0%	0.0	13.0	35.4
Tax-Adjusted EBIT	(3.5)	19.4	53.2
Depreciation & Amortization	\$19.2	\$19.2	\$19.2
Capital Expenditures	(5.0)	(7.5)	(10.0)
Change in Net Working Capital	(12.1)	(27.9)	(20.7)
Free Cash Flow	(\$1.4)	\$3.3	\$41.6

	1.0%			1.5%			2.0%		
	22.0%	24.0%	26.0%	22.0%	24.0%	26.0%	22.0%	24.0%	26.0%
Perpetuity Growth Rate									
Discount Rate	\$23.9	\$22.8	\$21.7	\$23.9	\$22.8	\$21.7	\$23.9	\$22.8	\$21.7
Present Value of Free Cash Flow	110.3	95.9	84.1	113.6	98.5	86.3	117.0	101.3	88.5
Present Value of Terminal Value	\$134.2	\$118.7	\$105.8	\$137.5	\$121.3	\$108.0	\$140.9	\$124.1	\$110.2
Total Enterprise Value									
Terminal Value as a % of Total Value	82.2%	80.8%	79.5%	82.6%	81.2%	79.9%	83.0%	81.6%	80.3%
Implied Terminal Value / EBITDA Multiple	1.9 x	1.7 x	1.6 x	1.9 x	1.7 x	1.6 x	2.0 x	1.8 x	1.6 x

17. By averaging our comparable company analysis and our discounted cash flow analysis, we determined a range of enterprise values of \$112.5 million to \$210

million for the Reorganized Debtors. We then made two adjustments to reflect changes in the Reorganized Debtors' operations and tax law changes enacted after we performed our initial valuation. Those two adjustments are as follows:

- a. In addition to the Reorganized Debtors' enterprise value under the Plan, the Debtors possess excess real estate projected to be sold during the next three years. The appraised value of the excess real estate is approximately \$50 million, with a book value of approximately \$40 million. Assuming a 40% tax rate applied to gain on sales, real estate commissions of 5.0%, and discounting at 24% for present value, the total excess real estate present value is approximately \$25 million.
- b. The estimated range of enterprise value for the Reorganized Debtors does not account for the "Worker, Homeownership, and Business Assistance Act of 2009" (the "*New Legislation*"), which was enacted on November 9, 2009. The New Legislation will likely allow the Company to carryback, for a 5-year period, net operating losses which will be generated in 2009. Based on the Company's best estimate of net operating losses which will be generated in 2009, the Company estimates that new 5-year carryback rule will result in up to a \$70 million tax refund.

18. By adding the \$25 million present value for excess real estate to be sold in the next three years and adding the anticipated \$70 million tax refund, we estimate an enterprise value range for the Reorganized Debtors of approximately \$207.5 million to \$305 million, with a midpoint of \$256.3million.

19. It is the opinion of PSJC that the midpoint of \$256.3 million is the most accurate estimate of the enterprise value of the Reorganized Debtors available, although \$256.3 million probably overstates the true enterprise value of the Reorganized Debtors. Our opinion is confirmed by our efforts to locate a purchaser of the Reorganized Debtors. After extensive efforts to market the Reorganized Debtors, 3 bids were received. Every bid was less than \$200 million and none even approached the high end of the range, even if adjustments were made to take into consideration the inclusion of an additional \$70

million in cash attributable to the anticipated tax refund available under the New Legislation and related EBITDA reductions (as a result of closing of certain operating businesses) embedded in realization of a tax refund of this magnitude.

20. We estimate that the implied equity value of the Reorganized Debtors will be \$118.1 million. Our implied equity valuation is based on an enterprise value for the Reorganized Debtors' of \$256.3 million, plus \$57.4 million projected cash on hand, minus \$188.5 million of debt consisting of the Term Loan Credit Agreement and Exit Credit Facilities, minus \$7 million for an IRS tax claim.

B. Liquidation Value

21. In conjunction with the Plan, it was also necessary to estimate the value of the Debtors in a hypothetical chapter 7 liquidation. Accordingly, the Debtors directed PJSC, as the Debtors' investment banking and financial advisor, to prepare the Liquidation Analysis included as Exhibit E to the Debtors' Disclosure Statement and updated as reflected on Exhibit A hereto.

22. The Liquidation Analysis represents the Debtors' current estimates for asset recoveries, assuming a chapter 7 liquidation commenced on or about December 31, 2009. To prepare the Liquidation Analysis, PJSC estimated the range of proceeds that might be generated from a hypothetical chapter 7 liquidation of the Debtors' assets by a chapter 7 trustee charged with reducing to cash any and all of such assets in an orderly manner. While the Debtors assume that the majority of the operational wind-down would be done in approximately 6 months, complete liquidation, especially of real estate assets, would be expected to take at least 12 months.

23. PJSC considered a number of factors in the Liquidation Analysis including (a) the erosion in value of assets in a chapter 7 case in the context of the expeditious liquidation required under chapter 7 and the "forced sale" atmosphere that would prevail, (b) the increased costs and expense of a liquidation under chapter 7 arising from real estate commissions, fees payable to a trustee in bankruptcy, and professional fees, and (c) operational wind down costs.

24. We estimate that the net proceeds available to creditors under a hypothetical chapter 7 liquidation would be \$186 million to \$226 million, with a \$206 million midpoint. This is based on the following estimates:

- a. The Debtors collectively reported approximately \$7 million in cash assets, 100% of which would be available to Creditors under a hypothetical chapter 7 liquidation.
- b. Based on the Company's best estimate of net operating losses which will be generated in 2009, the Company estimates that the 5-year carryback rule will result in up to a \$70 million tax refund under the New Legislation.
- c. The Debtors collectively reported approximately \$90 million in trade receivables. The Great American Report estimated that only 40% to 50% of that amount would likely be recovered under a hypothetical chapter 7 liquidation. The net proceeds from trade receivables would likely be \$36 to \$45 million.
- d. The Debtors collectively reported \$7 million in other receivables, which represent receivables for joint ventures with customers and vendor rebates. We do not anticipate that any recovery will be available for these other receivables under a hypothetical chapter 7 liquidation.
- e. The Debtors collectively reported \$56 million in inventory. The Great American Report estimated that only 40% to 50% of that amount would likely be recovered under a hypothetical chapter 7 liquidation. The net proceeds from a liquidation of inventory would likely be \$22 to \$28 million.

- f. The Debtors collectively reported \$9 million in costs in excess of billings, which represent billings on uncompleted contracts that are less than the income earned to date. Based on estimated recovery rates of 15% to 25% under a hypothetical chapter 7 liquidation, the net proceeds from costs in excess of billings would likely be \$1 to \$2 million.
- g. The Debtors collectively reported \$6 million in prepaid expenses. Based on an estimated recovery rate of 16%, which represents professional retainers that we believe could be recovered under a hypothetical chapter 7 liquidation, the net proceeds from prepaid expenses would likely be approximately \$1 million.
- h. The Debtors collectively reported \$174 million in real property. This amount is the result of a new appraisal contained in the Cushman & Wakefield Report. Based on estimated recovery rates of 50% to 60% under a hypothetical chapter 7 liquidation, the net proceeds from a liquidation of real property would likely be \$87 to \$104 million. Our estimate of a 50% to 60% recovery rate is based on sales that have closed since January 2009. Despite sales efforts, the Debtors have been able to sell only a few of these properties at various discounts to Appraised Value.
- i. The Debtors collectively reported \$17 million in unencumbered real property. This reflects net book value based on appraisal value per the Cushman & Wakefield Report. Based on estimated recovery rates of 50% to 60% under a hypothetical chapter 7 liquidation, the net proceeds from a liquidation of unencumbered real property would likely be \$8 to \$10 million.
- j. The Debtors collectively reported \$23 million in mechanical & equipment, as described in the Hilco Report. Based on estimated recovery rates of 94% to 116% under a hypothetical chapter 7 liquidation, the net proceeds from a liquidation of mechanical & equipment would likely be \$22 to \$27 million. Our estimated recovery rates are based on the Hilco Report.
- k. The Debtors collectively reported \$20 million in other long term assets, which includes the cash surrender value of the SERP life insurance policies, which totals \$16.3 million. Based on an estimated recovery rate of 94% under a hypothetical chapter 7 liquidation, the net proceeds from other long term assets would likely be approximately \$19 million. This includes the cash surrender value of the SERP life insurance policies plus an estimated 10% premium likely to be received from sale of selected policies.

- l. The Debtors collectively reported \$5 million in deferred loan costs and \$17 million in other intangibles, which would not be recoverable under a hypothetical chapter 7 liquidation.
- m. We estimate liquidation costs would be approximately \$87 million, comprised of \$59 million for operational wind down costs, \$5 million for real estate commissions, \$5 million for real estate property taxes and security costs, \$5 million for trustee expenses, \$10 million for professional fees, and \$3 million for miscellaneous expenses.

25. Of the estimated \$206 million available to creditors under a hypothetical chapter 7 liquidation, approximately \$28.2 million would be used to satisfy Administrative Claims, \$11.2 million would be used to satisfy Priority Tax Claims, and approximately \$0.5 million would be used to satisfy claims associated with a secured real estate note. Only \$164.5 million would be available to pay Pre-Petition Secured Lender Claims (including the distribution such Prepetition Secured Lenders would receive with respect to their unsecured claims at each Debtor, determined on a pari passu basis with other General Unsecured Claims), which would result in projected recoveries to them of 39.6%. Holders of General Unsecured Claims (other than the Prepetition Secured Lenders) would receive approximately \$1.4 million, resulting in recoveries from 0% to 4.4%.

C. Liquidation Analysis

26. The Liquidation Analysis demonstrates that, in every instance, the amount that each creditor in an impaired class would receive under the Plan exceeds the amount that such creditor would receive in a hypothetical chapter 7 liquidation.

27. Holders of Funded Lender Claims are projected to receive property with a value equal to 83.8% of their claims under the Plan, compared to a recovery of 39.6% in a hypothetical chapter 7 liquidation. The value of property received by Holders of Funded Lender Claims under the Plan is projected to be comprised of: (a) \$135 million

in Term Notes under the Term Loan Credit Agreement; and (b) Implied Equity Value of \$118.1 million in Reorganized BMHC. The Equity Interests in Reorganized BMHC is subject to dilution by (a) any Reorganized BMHC Equity Interests issued on the Effective Date and from time to time thereafter to the Holders of Allowed L/C Lender Claims and (b) any Reorganized BMHC Equity Interests issued after the Effective Date in respect of the Long Term Incentive Plan. While not expected, if and to the extent that draws are made under the Prepetition Letters of Credit after the Petition Date, Holders of the L/C Lender Claims shall, like Holders of Funded Lender Claims, be entitled to received Reorganized BMHC Equity Interests and Terms Notes under the Term Loan Credit Agreement.

28. Under the Plan, Holders of General Unsecured Claims will receive their Pro Rata share of distributions from the Unsecured Cash Fund of \$5.5 million resulting in a projected recovery rate of 12.1%. Under the Plan, Holders of Small Unsecured Claims, which are all General Unsecured Claims of a single creditor against all Debtors if the aggregate Allowed Amount of such Claims is less than or equal to \$5,000 (including as a result of making the Small Unsecured Claims Class Election), shall receive Cash equal to the lesser of (i) 25% of the Allowed Amount of all Allowed General Unsecured Claims held by such Holder against all Debtors (excluding any interest), or (ii) \$1,250, resulting in a projected rate of recovery of 25%.³ These projected recoveries under the Plan exceed the following projected recoveries in a hypothetical chapter 7 liquidation: Building Materials Holding Corporation (4.1%), BMC West Corporation (0.0%), Illinois

³ The aggregate payments to Holders of Allowed Small Unsecured Claims shall not exceed \$700,000, and payment to each Holder of an Allowed Small Unsecured Claim shall be reduced proportionately to the extent the aggregate payments would otherwise exceed \$700,000. The Debtors do not anticipate that the upper \$700,000 limit will be reached.

Framing, Inc. (0.5%), SelectBuild Construction, Inc. (0.0%), SelectBuild Northern California, Inc. (0.5%), C Construction, Inc. (4.4%), TWF Construction, Inc. (0.0%), H.N.R. Framing Systems, Inc. (0.0%), SelectBuild Southern California, Inc. (0.5%), SelectBuild Nevada, Inc. (0.0%), SelectBuild Arizona, LLC (2.3%), SelectBuild Illinois, LLC (0.1%).

IV. THE PLAN IS FEASIBLE

29. PJSC and I believe that the Plan is feasible and is not likely to be followed by a liquidation, or the need for further financial reorganization in the foreseeable future, as is illustrated in our Feasibility Analysis attached to the Debtors' Disclosure Statement as Exhibit F and updated as reflected on Exhibit B hereto. As discussed in our Feasibility Analysis, the Debtors prepared financial projections for fiscal years 2010, 2011, and 2012 for the purpose of illustrating the financial impact of the implementation of the Plan.⁴ It is our understanding that, for purposes of determining whether the Plan satisfies the feasibility requirement, the Debtors thoroughly analyzed their ability post-confirmation to meet their obligations under the Plan. We believe that the Debtors' financial projections reasonably establish that Debtors will have sufficient cash flow to meet their obligations under the Plan and that the transactions contemplated under the Plan will enable the Reorganized Debtors to continue their current operations and will eliminate a substantial portion of debt.

30. The Exit Credit Facilities provided for under the Plan will provide the Reorganized Debtors with sufficient cash to permit them to fund the distributions contemplated by the Plan, will provide the Reorganized Debtors with working capital sufficient to support their business operations, and will enable the Debtors, on the Effective Date, to repay the DIP Facility and to pay all other claims, costs, and expenses contemplated by the Plan.

⁴ Management has instructed us that the financial projections present, to the best of management's knowledge and belief, the expected financial positions and results of operations for Debtors.

31. Under the Plan, the Reorganized Debtors will emerge from chapter 11 with \$188.5 million of total debt and \$57.4 million of unrestricted cash, which results in a net debt position of \$131.1 million. Over the three year forecast period, the Reorganized Debtors will reduce their total debt position to \$111.5 million and increase their unrestricted cash to \$96.8 million or approximately \$14.7 million of net debt. During the projection period, quarterly total liquidity, defined as balance sheet cash plus revolver availability, would range from approximately \$64 million at the end of the third quarter of 2011 to \$97 million by the end of 2012.

Pursuant to 28 U.S.C. section 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated this 7th day of December, 2009

By: Bradley I. Dietz
Bradley I. Dietz
Managing Director

Exhibit A: Updated Liquidation Analysis

OVERVIEW OF LIQUIDATION ANALYSIS

Peter J Solomon Company (“PJSC”) prepared the Liquidation Analysis, in conjunction with the Debtors, based on the Debtors’ legal entity balance sheets as of September 30, 2009. Subsequent to September 30, 2009, tax laws were changed, allowing the Debtors the ability to claim an income tax refund receivable for losses likely incurred in its 2009 tax year. The Debtors, together with their advisors, have estimated the amount of the refund to be approximately \$70mm based on the Debtors’ actual losses through October 2009 and estimates of losses expected to occur in November and December 2009, including losses related to the closure of the Davis Brothers and Illinois business units. The Debtors and their auditors continue to review the legislation and the Debtors’ loss position for the 2009 tax year as such the actual income tax refund ultimately received by the Debtors could vary materially from this estimate. The Debtors and PJSC believe these balance sheets accurately reflect the current value of assets. The Liquidation Analysis represents the Debtors’ current estimates for asset recoveries, assuming a Chapter 7 liquidation commencing on or about December 31, 2009.

The Liquidation Analysis considers the liquidation value of the Debtors on the basis of a separate analysis of each of the legal entities of the Debtors.

The Debtors assisted PJSC in completing the Liquidation Analysis. PJSC received information on estimated asset recovery proceeds and liquidation costs from various operating personnel who have relevant market knowledge to determine potential recoveries and costs. PJSC and the Debtors do not provide any assurance to such recoveries but have given their best estimates in this scenario. Additionally PJSC and the Debtors referenced appraisals completed by third party professionals as noted throughout the analysis.

The Liquidation Analysis assumes an expedited but orderly wind-down of the businesses to maximize recovery values. While the Debtors assume that the majority of the operational wind-down would be done in approximately 6 months, complete liquidation, especially of real estate assets, would be expected to take at least 12 months.

The Liquidation Analysis, through the table and associated notes below, summarizes the recovery estimates for the various classes of the Debtors’ creditors in a hypothetical chapter 7 bankruptcy liquidation and under the Plan. The Liquidation Analysis demonstrates that every creditor of the Debtors will receive a greater recovery under the Plan than in such chapter 7 liquidation.

Liquidation Analysis - Net Proceeds Available to Creditors
(Dollars in Millions, Rounded)

	9/30/2009													Estimated Recovery Rate Ranges
	Net Book Value													
	BMC Parent	BMC West	Illinois Framing Inc.	Select Build Const. Inc.	SB Northern CA Inc.	C Constr. Inc.	TWF Construction	H.N.R. Framing	SB Southern California Inc.	Nevada Inc.	SB Arizona	SB Illinois LLC	Total Company	
Current Assets	\$7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7	100% - 100%
Cash	22	3	2	1	3	21	1	1	0	2	3	11	70	100% - 100%
Tax Refund Receivable (a)	0	63	1	0	8	4	1	1	0	8	4	1	90	40% - 50% (b)
Trade Receivables	0	1	0	0	0	0	0	0	0	0	1	0	7	0% - 0%
Other Receivables (c)	0	52	0	0	1	0	1	0	0	0	1	0	56	40% - 50% (b)
Inventory	3	1	0	0	1	1	1	0	0	3	1	0	9	15% - 25%
Cost in Excess of Billings	2	0	0	0	0	0	0	0	0	0	0	0	6	16% - 16%
Prepaid Expenses	\$33	\$122	\$3	\$4	\$13	\$27	\$4	\$2	\$2	\$15	\$18	\$1	\$244	
Total Current Assets	\$0	\$143	\$0	\$2	\$0	\$0	\$0	\$0	\$0	\$4	\$17	\$0	\$174	50% - 60%
Non Current Assets	0	17	0	0	0	0	0	0	0	0	0	0	17	50% - 60%
Real Property (d)	0	15	0	0	0	0	1	0	0	3	3	0	23	94% - 116%
Unencumbered Real Property (d)	0	0	0	0	0	0	0	0	0	0	0	0	0	94% - 94%
Mechanical & Equipment, Net (e)	20	0	0	0	0	0	0	0	0	0	0	0	20	0% - 0%
Other Long Term Assets (f)	5	0	0	0	0	0	0	0	0	0	0	0	5	0% - 0%
Deferred Loan Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0% - 0%
Other Intangibles, Net	0	0	0	0	0	17	0	0	0	0	0	0	17	0% - 0%
Total Non Current Assets / Proceeds	\$24	\$174	\$0	\$2	\$0	\$17	\$1	\$0	\$4	\$12	\$20	\$0	\$255	
Total Assets	\$58	\$295	\$3	\$7	\$13	\$44	\$5	\$2	\$6	\$26	\$37	\$2	\$499	

(a) Estimate based on tax rate of 35% and losses incurred through 10/31 and estimated losses for November / December 2009 including the closure of Davis Brothers and Illinois business units.
 (b) Estimated recovery rates per Great American report dated 8/09.
 (c) Represent receivables for JVs with customers and vendor rebates. No recovery assumed.
 (d) Net Book Value represents Appraisal Value as per 8/09 appraisals (Cushman & Wakefield).
 (e) Recovery rate estimates based on sales that have closed since Jan 2009. Sales for this analysis assumed to occur over a 12 month period.
 (f) Other Long Term Assets includes the cash surrender value of the SERP life insurance policies which totals \$16.6 million.

Liquidation Analysis - Net Proceeds Available to Creditors
(Dollars in Millions, Rounded)

	Estimated Liquidation Value Ranges																									
	BMHC Parent		BMHC West		Illinois Franchising Inc.		Select Build Construction Inc.		SB Northern California Inc.		C Construction Inc.		TWIF Construction		H.V.R. Framing		SB Southern Construction		SB Nevada Inc.		SB Arizona LLC		SB Illinois LLC		Total Company	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Current Assets	\$7	\$7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash	22	22	25	31	2	2	1	1	3	4	21	21	1	1	0	0	2	2	3	3	11	11	1	1	1	1
Tax Refund Receivable (a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade Receivables (b)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Receivables (c)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Expenses	0	0	21	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost in Excess of Billings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	\$30	\$30	\$48	\$81	\$3	\$3	\$1	\$1	\$6	\$7	\$23	\$23	\$2	\$2	\$1	\$1	\$2	\$2	\$7	\$8	\$13	\$14	\$1	\$1	\$138	\$153
Non Current Assets	\$0	\$0	\$71	\$86	\$0	\$0	\$1	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4	\$5	\$8	\$10	\$0	\$0	\$0	\$0
Real Property (d)	0	0	8	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unencumbered Real Property (e)	0	0	14	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mechanical & Equipment, Net (e)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Long Term Assets (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Loan Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Intangible Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non Current Assets / Proceeds	\$19	\$19	\$83	\$113	\$0	\$0	\$1	\$1	\$0	\$0	\$0	\$0	\$1	\$1	\$0	\$0	\$2	\$2	\$7	\$9	\$11	\$13	\$0	\$0	\$13	\$16
Total Assets	\$49	\$49	\$143	\$174	\$3	\$3	\$2	\$2	\$6	\$7	\$23	\$23	\$3	\$3	\$1	\$1	\$4	\$4	\$14	\$16	\$24	\$27	\$1	\$1	\$273	\$319
Less: Liquidation Costs	0	0	(4)	(4)	0	0	(0)	(0)	0	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0
Real Estate Commission (g)	(7)	(7)	(13)	(13)	(0)	(0)	(0)	(0)	(1)	(1)	(2)	(2)	(1)	(1)	(0)	(0)	(1)	(1)	(1)	(1)	(2)	(2)	(0)	(0)	(2)	(2)
Liquidation Costs (h)	(7)	(7)	(13)	(13)	(0)	(0)	(0)	(0)	(2)	(2)	(0)	(0)	(1)	(1)	(0)	(0)	(1)	(1)	(3)	(3)	(5)	(5)	(0)	(0)	(5)	(5)
Operational Wind Down Costs (i)	(3)	(3)	(8)	(8)	(0)	(0)	(0)	(0)	(4)	(4)	(5)	(5)	(2)	(2)	(0)	(0)	(3)	(3)	(9)	(9)	(17)	(17)	(0)	(0)	(9)	(9)
NET LIQUIDATION PROCEEDS AVAILABLE TO CREDITORS	\$39	\$39	\$122	\$153	\$3	\$3	\$2	\$2	\$2	\$3	\$18	\$18	\$2	\$2	\$1	\$1	\$3	\$3	\$11	\$12	\$17	\$20	\$1	\$1	\$150	\$184

NET LIQUIDATION PROCEEDS AVAILABLE TO CREDITORS

- (a) Estimate based on tax rate of 35% and losses incurred through 10/31 and estimated losses for November / December 2009 including the closure of Davis Brothers and Illinois business units.
- (b) Estimated recovery rates per Great American report dated 8/09.
- (c) Represent receivables for JVs with customers and vendor rebates. No recovery assumed.
- (d) Net Book Value represents Appraisal value as per 8/09 Appraisals (Cushman & Wakefield).
- (e) Recovery rate estimates based on sales that have closed since Jan. 2009. Sales that are not closed are assumed to occur over a 12 month period.
- (f) Recovery rate estimates based on liquidation value of the SERP life insurance policies which totals \$16.6 million plus an estimated premium likely to be received from sale of selected policies.
- (g) Assumes all sales occur before 3/31/09.
- (h) Estimated 50% Commission Fees
- (i) Includes Real Estate property tax and security costs (\$5mm). Trustee fees and expenses (\$5.0mm) and professional fees (\$10.0mm). Trustee fees are 3.0% of net proceeds available.
- (j) Includes Real Estate property tax and security costs related to payroll and SGBA to operate business during liquidation time frame.
- (k) Estimate per Company Management. Allocated based on percent of total assets.

Liquidation Analysis - Consolidated and by Entity

(Dollars in Millions)

BMHC Parent Liquidation Proceeds		Low	High		
		\$38.9	\$39.0		
Distribution of BMHC Parent Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Admin Claims (a)	\$9.3	\$9.3	\$9.3	100.0%	100.0%
Priority Tax Claim (b)	11.2	11.2	11.2	100.0%	100.0%
Pre-petition Secured Lender Claims (c)	415.0	17.0	17.1	4.1%	4.1%
BMHC Parent General Unsecured Claims (d)	31.7	1.3	1.3	4.1%	4.1%
Small Unsecured Claims - BMHC Parent	0.2	0.0	0.0	4.1%	4.1%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
BMC West Liquidation Proceeds		Low	High		
		\$87.5	\$118.8		
Distribution of BMC West Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$75.7	\$105.3	18.2%	25.4%
Pre-petition Other Long-Term Secured Debt (e)	1.0	0.5	0.6	50.0%	60.0%
Admin Claims (a)	30.2	11.3	12.9	37.5%	42.9%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
BMC West General Unsecured Claims (f)	9.0	0.0	0.0	0.0%	0.0%
Small Unsecured Claims - BMC West	1.5	0.0	0.0	0.0%	0.0%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
Illinois Framing Liquidation Proceeds		Low	High		
		\$2.2	\$2.3		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$2.2	\$2.3	0.5%	0.5%
Admin Claims (a)	0.0	0.0	0.0	100.0%	100.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
Illinois Framing General Unsecured Claims (f)	0.0	0.0	0.0	0.5%	0.5%
Small Unsecured Claims - Illinois Framing	0.0	0.0	0.0	0.5%	0.5%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
SelectBuild Construction Liquidation Proceeds		Low	High		
		\$0.0	\$0.0		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$0.0	\$0.0	0.0%	0.0%
Admin Claims (a)	0.5	0.0	0.0	0.0%	0.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
SelectBuild Construction General Unsecured Claims (f)	0.5	0.0	0.0	0.0%	0.0%
Small Unsecured Claims - SelectBuild Construction	0.2	0.0	0.0	0.0%	0.0%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
SB Northern California Liquidation Proceeds		Low	High		
		\$4.3	\$5.4		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$3.8	\$4.9	0.9%	1.2%
Admin Claims (a)	0.5	0.5	0.5	100.0%	100.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
SB Northern California General Unsecured Claims (f)	0.9	0.0	0.0	0.5%	0.5%
Small Unsecured Claims - SB Northern California	0.1	0.0	0.0	0.5%	0.5%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
C Construction Inc. Liquidation Proceeds		Low	High		
		\$20.6	\$20.6		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$19.1	\$19.1	4.6%	4.6%
Admin Claims (a)	1.4	1.4	1.4	100.0%	100.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
C Construction Inc. General Unsecured Claims (f)	1.6	0.1	0.1	4.4%	4.4%
Small Unsecured Claims - C Construction Inc.	0.1	0.0	0.0	4.4%	4.4%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%

TWF Construction Liquidation Proceeds		Low	High		
		\$2.0	\$2.6		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$1.4	\$2.0	0.3%	0.5%
Admin Claims (a)	0.6	0.6	0.6	100.0%	100.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
TWF Construction General Unsecured Claims (f)	1.3	0.0	0.0	0.0%	0.0%
Small Unsecured Claims - TWF Construction	0.1	0.0	0.0	0.0%	0.0%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
HNR Framing Systems Liquidation Proceeds		Low	High		
		\$0.8	\$1.0		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$0.4	\$0.6	0.1%	0.1%
Admin Claims (a)	0.4	0.4	0.4	100.0%	100.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
HNR Framing General Unsecured Claims (f)	0.8	0.0	0.0	0.0%	0.0%
Small Unsecured Claims - HNR Framing Systems	0.0	0.0	0.0	0.0%	0.0%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
SB Southern California Inc. Liquidation Proceeds		Low	High		
		\$3.0	\$3.3		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$3.0	\$3.3	0.7%	0.8%
Admin Claims (a)	0.0	0.0	0.0	100.0%	100.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
SB Southern California Inc. General Unsecured Claims (f)	0.3	0.0	0.0	0.5%	0.5%
Small Unsecured Claims - SB Southern California Inc.	0.0	0.0	0.0	0.5%	0.5%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
SB Nevada Inc. Liquidation Proceeds		Low	High		
		\$9.0	\$11.7		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$6.1	\$8.8	1.5%	2.1%
Admin Claims (a)	3.2	2.9	2.9	91.1%	91.1%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
SB Nevada Inc. General Unsecured Claims (f)	2.4	0.0	0.0	0.0%	0.0%
Small Unsecured Claims - SB Nevada Inc.	0.3	0.0	0.0	0.0%	0.0%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
SB Arizona LLC Liquidation Proceeds		Low	High		
		\$17.4	\$20.4		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$16.3	\$19.3	3.9%	4.6%
Admin Claims (a)	1.1	1.1	1.1	100.0%	100.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
SB Southern California Inc. General Unsecured Claims (f)	1.3	0.0	0.0	2.3%	2.3%
Small Unsecured Claims - SB Southern California Inc.	0.1	0.0	0.0	2.3%	2.3%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
SB Illinois LLC Liquidation Proceeds		Low	High		
		\$0.8	\$0.9		
Distribution of SelectBuild Proceeds		Recovery \$		Recovery %	
Claim		Low	High	Low	High
Pre-petition Secured Lender Claims (c)	\$415.0	\$0.6	\$0.7	0.2%	0.2%
Admin Claims (a)	0.1	0.1	0.1	100.0%	100.0%
Priority Tax Claim (b)	11.2	0.0	0.0	0.0%	0.0%
SB Illinois LLC General Unsecured Claims (f)	3.1	0.0	0.0	0.1%	0.1%
Small Unsecured Claims - SB Illinois LLC	0.0	0.0	0.0	0.1%	0.1%
510(b) Claims	0.0	0.0	0.0	0.0%	0.0%
Total Recovery to Pre-petition Secured Lender Claims (c)	415.0	145.5	183.4	35.1%	44.2%

(a) Admin Claims per 9/30/09 balance sheet. Recovery percentage represents pro rata share of unencumbered asset sale proceeds.

(b) Priority tax claim of the IRS related to the audit of the 2005 to 2008 taxable years is senior to BMHC Parent General Unsecured Claims and Pre-petition Secured Lender Claims at the BMHC Parent level. Also includes State/Local accrued tax expense.

(c) Pre-petition Secured Lender Claims consist of Term Loan of \$269 mm, Revolver of \$16 mm, Accrued Interest of \$11 mm, Long-Term Swap liability of \$6 mm and \$113 mm in Letters of Credit. All amounts are per balance sheet at filing. Pre-petition Secured Lender Claims are secured claims to the extent of the value of the collateral securing such Claims at the relevant company. At BMHC Parent, the Pre-petition Secured Lender Claims are secured claims with respect to funds held in control cash collateral accounts. Pre-petition Secured Lender Claims in excess of the collateral value are treated at each company as unsecured claims that are pari passu with other General Unsecured Claims at such company. As reflected in the Liquidation Analysis, no amount is available to be paid at any company level on account of General Unsecured Claims or the deficiency claims of the Pre-petition Secured Lenders.

(d) BMHC Parent General Unsecured Claims consist of SERP liability of \$21 mm, Deferred Compensation of \$1 mm and other claims.

(e) Represents secured claims associated with a Secured Real Estate Note. Recovery amount estimated by comparing liquidation value to estimated book value. (Estimated book value assumed equal to claim amount.)

(f) General Unsecured Claims are based on preliminary Company reconciliation of filed claims as of 10/13/09. Such reconciliation assumes among other things that the Court would disallow assertion of the same claim at multiple debtors and that, in the event of discrepancies between filed claims and scheduled claims, claims would be allowed in the amounts contained in the Debtors' books and records. Furthermore the claims have been allocated among the debtor entities based upon assumptions and analysis of Management and PJSC. The ultimate pool of allowed unsecured claims may vary, perhaps materially, from the amounts presented herein. Multiple debtor claims and higher claims amounts would reduce the distributions as presented.

Recovery Comparison - Liquidation vs. Restructuring Plan

(Dollars in Millions)

Claim	Claim Amount	Liquidation Recovery		Restructuring Plan Recovery	
		Amount (a)	Percentage	Amount	Percentage
DIP Facility Claim	\$0.0	NA	NA	\$0.0	100.0%
Professional Compensation Claims (b)	10.0 / 3.1	10.0	100.0%	3.1	100.0%
Admin Claims					
BMHC Parent	9.3	9.3	100.0%	9.3	100.0%
BMC West	30.2	12.1	40.2%	30.2	100.0%
Illinois Framing Inc.	0.0	0.0	100.0%	0.0	100.0%
Select Build Construction Inc.	0.5	0.0	0.0%	0.5	100.0%
SB Northern California Inc.	0.5	0.5	100.0%	0.5	100.0%
C Construction Inc.	1.4	1.4	100.0%	1.4	100.0%
TWF Construction	0.6	0.6	100.0%	0.6	100.0%
H.N.R. Framing Systems	0.4	0.4	100.0%	0.4	100.0%
SB Southern California Inc.	0.0	0.0	100.0%	0.0	100.0%
SB Nevada Inc.	3.2	2.9	91.1%	3.2	100.0%
SB Arizona LLC	1.1	1.1	100.0%	1.1	100.0%
SB Illinois LLC	0.1	0.1	100.0%	0.1	100.0%
Subtotal	\$47.4	\$28.6	60.4%	\$47.4	100.0%
Priority Tax Claim	11.2	11.2	100.0%	11.2 (c)	100.0%
Pre-petition Secured Lender Claims	302.0 (d)	119.7	39.6%	253.1 (e)	83.8%
Pre-petition Secured Lender Claims - LCs (f)	113.0	44.8	39.6%	NA	
Pre-petition Other Long-Term Secured Debt	1.0	0.5	55.0%	1.0	100.0%
General Unsecured Claims (g)					
BMHC Parent	31.7 / 30.0	1.3	4.1%	3.6 (h)	12.1% (i)
BMC West	9.0 / 6.2	0.0	0.0%	0.7 (h)	12.1% (i)
Illinois Framing Inc.	0.0 / 0.0	0.0	0.5%	0.0 (h)	12.1% (i)
Select Build Construction Inc.	0.5 / 0.5	0.0	0.0%	0.1 (h)	12.1% (i)
SB Northern California Inc.	0.9 / 0.3	0.0	0.5%	0.0 (h)	12.1% (i)
C Construction Inc.	1.6 / 1.6	0.1	4.4%	0.2 (h)	12.1% (i)
TWF Construction	1.3 / 0.2	0.0	0.0%	0.0 (h)	12.1% (i)
H.N.R. Framing Systems	0.8 / 0.6	0.0	0.0%	0.1 (h)	12.1% (i)
SB Southern California Inc.	0.3 / 0.3	0.0	0.5%	0.0 (h)	12.1% (i)
SB Nevada Inc.	2.4 / 1.6	0.0	0.0%	0.2 (h)	12.1% (i)
SB Arizona LLC	1.3 / 1.1	0.0	2.3%	0.1 (h)	12.1% (i)
SB Illinois LLC	3.1 / 2.9	0.0	0.1%	0.4 (h)	12.1% (i)
Subtotal	52.7 / 45.3	1.4	2.7%	5.5	12.1%
Small Unsecured Claims					
BMHC Parent	0.2	0.0	4.1%	0.0	25.0%
BMC West	1.5	0.0	0.0%	0.4	25.0%
Illinois Framing Inc.	0.0	0.0	0.5%	0.0	25.0%
Select Build Construction Inc.	0.2	0.0	0.0%	0.0	25.0%
SB Northern California Inc.	0.1	0.0	0.5%	0.0	25.0%
C Construction Inc.	0.1	0.0	4.4%	0.0	25.0%
TWF Construction	0.1	0.0	0.0%	0.0	25.0%
H.N.R. Framing Systems	0.0	0.0	0.0%	0.0	25.0%
SB Southern California Inc.	0.0	0.0	0.5%	0.0	25.0%
SB Nevada Inc.	0.3	0.0	0.0%	0.1	25.0%
SB Arizona LLC	0.1	0.0	2.3%	0.0	25.0%
SB Illinois LLC	0.0	0.0	0.1%	0.0	25.0%
Subtotal	\$2.6	\$0.0	0.5%	\$0.6	25.0%
Section 510(b) Claims	0.0	0.0	0.0%	0.0	0.0%

(a) Represents mid-point of Liquidation Range shown under "Liquidation Recovery Analysis."

(b) Professional claims of \$10 mm in liquidation and \$3.1 mm under restructuring plan.

(c) \$7.0 mm IRS Tax claim paid over 5 years. \$4.2 mm of accrued property and sales tax paid in ordinary course.

(d) Based on balance sheet at filing.

(e) See supplemental Pre-petition Secured Lender Recovery schedule.

(f) If LCs become funded, would receive pro rata consideration along with Pre-petition Secured Lender Claims.

(g) General Unsecured Claims in Liquidation / General Unsecured Claims under restructuring plan.

(h) Consists of pro rata portion of \$5.5 mm.

(i) Assumes such class votes to accept the Plan. If the class votes to reject the Plan, the projected recovery is 7.0%.

Recovery to Secured Lender Claims (j)

Cash	\$0.0
Take-Back Term Loan	135.0
Implied Equity Value	118.1
Total Recovery	\$253.1

(j) Per valuation prepared by Peter J. Solomon Company in December 2009. Includes estimated \$70mm tax refund and closure of Davis Bros. and Illinois business units.

Notes to Liquidation Analysis

Income Tax Refund Receivable

The estimate of the Income Tax Refund Receivable was derived by the Debtors and is under review by PWC. The refund amount is based on actual losses incurred through October 2009 and estimates of likely losses in November and December, including losses to be incurred from the exit of the Davis Brothers and Illinois business units. The tax refund is expected to be received within six to nine months of the 2009 income tax filing date. The actual amount received may vary substantially from this amount.

Accounts Receivable

Estimates of Accounts Receivable recovery rates were derived through referencing appraisal reports completed by Great American in August 2009.

Inventory

Estimates of Inventory recovery rates were derived through referencing appraisal reports completed by Great American in August 2009.

Real Property

Certain Debtors own a significant portfolio of Real Estate properties throughout the United States that constitute their principal places of business. These sites in general are relatively large stock yards of up to 90 acres in size. Cushman and Wakefield completed a new appraisal of each property in August 2009 for benefit of the Lender Group; the results of which were used as a starting point for estimating liquidation recovery rates. Despite sales efforts, the Debtors have been able to sell only a few of these properties so far in 2009 at various discounts to Appraised Value. PJSC assumed sales of the Real Estate properties in a Chapter 7 liquidation would occur over at least 12 months. Estimates of associated real estate sales commissions, property taxes and other expenses are contained in the estimates of liquidation costs.

Mechanical and Equipment

In estimating the Liquidation value for the Mechanical and Equipment assets of the Debtors, PJSC used an Appraisal completed by Hilco Appraisal Services in October 2009. The upper and lower estimates of Liquidation Value are assessed by considering Hilco's Orderly (6 month timeline) and Forced (3 month timeline) Liquidation scenarios.

Other Long Term Assets

Other Long Term Assets consist primarily of the Cash Surrender Value of the SERP and Executive Deferred Comp plan. Recovery estimates assume a combination of selling, surrendering and cancelling the underlying life insurance policies.

Exhibit B: Updated Feasibility Analysis

Projected Financial Information

The following financial projections were prepared by BMHC management and include restructuring assumptions per the plan of reorganization. Emergence from Chapter 11 is assumed to occur on December 31, 2009.

Reorganized BMHC Summary Projections

(Dollars in Millions)

Income Statement	Q1 10	Q2 10	Q3 10	Q4 10	FY 2010	Q1 11	Q2 11	Q3 11	Q4 11	FY 2011	FY 2012
Sales	\$157.1	\$194.8	\$257.4	\$228.6	\$837.9	\$226.4	\$267.3	\$353.4	\$309.6	\$1,156.7	\$1,618.3
% Growth	11.4%	22.0%	45.4%	50.4%	33.0%	44.1%	37.3%	37.3%	35.4%	38.0%	39.9%
EBITDA	(\$9.3)	\$4.9	\$13.8	\$6.2	\$15.6	(\$5.3)	\$10.8	\$28.1	\$18.0	\$51.6	\$107.8
% Margin	(5.9%)	2.5%	5.4%	2.7%	1.9%	(2.4%)	4.0%	8.0%	5.8%	4.5%	6.7%
Trailing EBITDA (Starts 1/1/2010, building to 12 months)	(\$9.3)	(\$4.4)	\$9.5	\$15.6		\$19.6	\$25.4	\$39.7	\$51.6		\$107.8
Balance Sheet											
Revolver (a)	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
Funded Exit Term Loan	54.6	55.7	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Take-back Term Loan (b) (c)	136.7	138.4	138.7	135.8		134.9	133.9	133.0	132.0		111.5
Total Debt	\$191.3	\$194.1	\$138.7	\$135.8		\$134.9	\$133.9	\$133.0	\$132.0		\$111.5
Unrestricted Cash	\$51.4	\$43.2	\$39.1	\$55.9		\$44.7	\$49.2	\$40.8	\$68.2		\$96.8
Restricted Cash	0.0	0.0	13.5	13.5		13.5	13.5	13.5	13.5		13.5
Net Debt	\$139.9	\$151.0	\$97.6	\$79.9		\$90.2	\$84.8	\$92.1	\$63.8		\$14.7
Total Debt / EBITDA	--	--	--	8.7 x		6.9 x	5.3 x	3.3 x	2.6 x		1.0 x
Net Debt / EBITDA	--	--	--	5.1 x		4.6 x	3.3 x	2.3 x	1.2 x		0.1 x
Shareholder's Equity	\$96.4	\$90.6	\$164.3	\$161.8		\$148.0	\$150.3	\$169.8	\$179.0		\$226.8
Debt / Capitalization	66.5%	68.2%	45.4%	45.6%		47.7%	47.1%	43.9%	42.4%		33.0%
Interest Expense											
Total PIK Interest (Includes LCs)	\$3.5	\$3.6	\$2.5	\$2.5	\$12.1	\$2.4	\$2.5	\$2.5	\$2.5	\$9.9	\$2.7
Cash Interest	2.2	2.3	1.1	1.1	6.7	1.1	1.1	1.1	1.1	4.5	10.9
Total Interest	\$5.8	\$5.9	\$3.6	\$3.5	\$18.8	\$3.5	\$3.6	\$3.6	\$3.6	\$14.4	\$13.6
Letters of Credit											
Post-petition LC's	\$9.0	\$13.5	\$13.5	\$13.5		\$16.5	\$24.0	\$27.0	\$30.0		\$49.5
Pre-petition LC's	106.5	101.8	97.2	92.4		85.8	79.6	73.3	66.9		43.2

(a) \$50 mm exit revolver.

(b) First \$5.0 million in asset sales proceeds are applied 100% to the Revolver. (Includes Excess Real Estate sale proceeds)

(c) \$135 mm Term Loan issued at exit per Plan of Reorganization. Paid down by 100% of Excess Cash Flow and excess real estate sale proceeds after the first \$5 million.

Reorganized BMHC Projected Availability Analysis

(Dollars in Millions)

	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11	FY 2012
Gross Trade AR	\$73.8	\$102.2	\$115.6	\$95.9	\$100.7	\$119.5	\$156.7	\$137.0	\$167.7
Available AR	22.1	30.7	34.7	28.8	30.2	35.8	47.0	41.1	50.3
Gross Inventory	\$53.0	\$59.7	\$70.0	\$64.4	\$69.5	\$72.1	\$91.5	\$80.9	\$103.1
Available Inventory	18.2	20.5	24.0	22.1	23.8	24.8	31.4	27.8	35.4
Property & Equipment Appraised (a)	\$131.9	\$131.9	\$131.9	\$131.9	\$131.9	\$131.9	\$131.9	\$131.9	\$131.9
Property & Equipment Available	65.9	65.9	65.9	65.9	65.9	65.9	65.9	65.9	65.9
OLV of Equipment	\$17.8	\$17.8	\$17.8	\$17.8	\$17.8	\$17.8	\$17.8	\$17.8	\$17.8
Available Equipment	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4
Reserves	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)
Borrowing Base	\$116.9	\$127.8	\$135.3	\$127.5	\$130.7	\$137.2	\$155.1	\$145.5	\$182.3
Less: PIK Interest Term Loan	(\$1.1)	(\$2.2)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Less: PIK Fee on LCs (Post-Petition)	(0.1)	(0.2)	(0.4)	(0.6)	(0.8)	(1.1)	(1.5)	(1.9)	(4.5)
Borrowing Base Less PIK Interest / Fees	\$115.8	\$125.3	\$134.9	\$126.9	\$129.9	\$136.1	\$153.6	\$143.6	\$157.8
Balance Sheet Cash - Unrestricted	\$51.4	\$43.2	\$39.1	\$55.9	\$44.7	\$49.2	\$40.8	\$68.2	\$96.8
Revolver Availability	41.0	36.5	36.5	36.5	33.5	26.0	23.0	20.0	0.5
Total Liquidity	\$92.4	\$79.7	\$75.6	\$92.4	\$78.2	\$75.2	\$63.8	\$88.2	\$97.3

Note: Approximate advance rates of: AR - 30%, Inventory - 35%, Property and Equipment - 50% of appraisal value, 75% of the OLV of Equipment. Borrowing Base excludes \$50 million in Excess Real Estate.

(a) \$11 mm, \$11 mm and \$8 mm in Excess Real Estate Asset sales in 2010, 2011 and 2012 respectively (amounts net of tax and 6% real estate commission, Gross Proceeds of \$12.5 mm, \$12.5 mm and \$10 mm respectively).

Income Statement

Revenue

Revenue is forecast to grow from \$630 million to \$1,618 million over the forecast period due to an anticipated recovery in single family home construction from current historically low levels. Management's expectation for such a recovery is supported by its view that 2009 housing starts have fallen to roughly 30% of a more normalized run rate (calculated as an average of the last 15 years excluding the top three years in each market).

Gross Profit Margin

Gross Profit Margin on a consolidated basis is relatively constant over the forecast period. This is driven in part by operating leverage in the Company's millwork, truss and construction services operations as volumes increase and also by the closure of the Davis Brothers and Illinois business units. On a market by market review of the businesses Management took a conservative view and in most cases assumed a very modest increase in margin over the forecast period driven by improved competitive dynamics. The Debtors are the largest custom millwork operator in the country giving the Debtors significant advantages in purchasing power, expertise and technology which will generate increased gross margin levels as sales volumes recover. Return to a stronger balance sheet position will return the ability to more effectively negotiate price discounts with major suppliers and provide the flexibility to buy ahead of major commodity price movements. Recent technology implementations continue to improve efficiencies (dispatch and delivery systems, centralization of truss engineering and take-offs, etc.)

EBITDA Margin

Following the recently completed detailed business by business review of Alvarez and Marsal, Management believes it has rationalized and stabilized its SG&A expenses to the point where top line sales improvement will result in gradual EBITDA margin expansion back to a level consistent with the long run average EBITDA margin of the business.

Excess Real Estate Asset Sales

The BMC West and SelectBuild Debtors own a large portfolio of real estate assets and have identified approximately \$50 million of excess real estate that is no longer required to support the business. The Projections assume a portion of this excess real estate will be sold in an orderly process realizing net after tax and commission proceeds of \$11 million, \$11 million and \$8 million in 2010, 2011 and 2012 respectively. The Excess Real Estate asset sale proceeds are the only asset sale proceeds assumed over the projected period. The Revenue, EBITDA and EBIT numbers as shown in the exhibits exclude the impact of these sales. Under terms of the Plan, the first \$5 million asset sales (including excess real estate sales proceeds) are used to pay down amounts outstanding on the revolver or accrue as excess cash on the balance sheet. All further excess real estate sale proceeds are used to pay down amounts outstanding on the "Take-back" Term Loan.

Tax

Based on a preliminary opinion of the company's auditors, Management assumed that it will have the ability to utilize Normal Operating Losses ("NOLs") to substantially offset a significant portion of its taxable income during the forecast period. The Company will continue to generate pre-tax losses until the second quarter of 2011. The reorganized debtors anticipate that these losses will be able to shield income until 2012, when the Company will become a 40% tax payer. PWC's findings are preliminary and actual future tax payments may vary considerably from this forecast.

Incentive Plans

The Projections include sales commissions and bonuses for field personnel however, excludes any provision for a corporate level management incentive plan.

Balance Sheet and Cash Flow Statement

Restructuring Adjustments

Various Balance Sheet adjustments are assumed to occur upon emergence at December 31, 2009 to implement the Plan and have the effect of reducing or cancelling certain pre petition assets and liabilities. These adjustments include among others, the creation of a "Take-back" Term Loan (\$135 million) in satisfaction of various pre petition Secured Lender claims. The Balance Sheet does not include Fresh Start accounting adjustments; therefore additional adjustments especially to the Shareholder's Equity account will be required pending completion of work by the Debtors' auditors.

Income Tax Refund Receivable

The estimate of the Income Tax Refund Receivable of \$70 million was derived by the Debtors and is under review by PWC. The refund amount is based on actual losses incurred through October 2009 and estimates of likely losses in November and December, including losses to be incurred from the exit of the Davis Brothers and Illinois business units. The tax refund is expected to be received within six to nine months of the 2009 income tax filing date. It is assumed to be received in July 2010. The actual amount received may vary substantially from this amount. The estimated \$70 million in proceeds are to be used to prepay the outstanding balance of the Funded Exit Term Loan, to back-stop the post-petition letters of credit and repay a small portion of the "Take-back" Term Loan.

Working Capital

The Debtors anticipate that over the forecast period there will be a gradual return to more normalized trade terms (consistent with historical averages) for both vendors and customers as their level of concern over the Reorganized Debtors' viability subsides and overall market conditions return to normal levels. This includes among other impacts a return to more normalized bad debt levels as the financial status of the customer base stabilizes.

"Take-back" Term Loan

The \$135 million Term Loan bears interest at L+500. The Libor portion is cash pay for the life of the loan while the 500 bps margin is PIK for the first 2 years then cash pay thereafter. The Term Loan is entitled to receive various mandatory prepayments including 100% of Excess Cash Flow ("Excess Cash Flow") which is defined as EBITDA less capital expenditures, less increase in working capital, less cash taxes and less cash interest. The projected financial information assumes the Reorganized Debtors use the PIK feature to maximum extent allowed by the Term Loan agreement. Any Excess Cash payments as required under the Plan are paid annually in arrears during the second quarter of each year. The loan is also repaid by Excess Real Estate Sale proceeds as described in the Excess Real Estate paragraph.

Funded Exit Term Loan

Under the terms of the Plan, the Reorganized Debtors will receive \$52.3 million (\$53.5 mm less OID of \$1.25 mm) in cash from the Funded Exit Term Loan upon exit from Chapter 11. The Term Loan bears interest at L+1200, with the option to PIK 6.0% plus an additional 2.0% incremental fee. 9.0% is cash pay for the life of the loan while the Reorganized Debtors have the option to PIK 8.0% until maturity. The projected financials assume the Reorganized Debtors use max PIK option. Upon the receipt of the Income Tax Refund Receivable, estimated to be July 2010, the Reorganized Debtors plan to repay all amounts outstanding under the Funded Exit Term Loan at a 3.0% penalty

Exit Revolver

Under terms of the Plan, the Reorganized Debtors anticipate having access to a \$50 million revolving credit facility with borrowing base terms equivalent to those in the pre petition revolving credit facility. The projected Exit Revolver Balance of \$0.0 million at year end 2009 includes the cash effects of all transactions necessary to complete the exit from bankruptcy including among other things repayment of estimated borrowings under the DIP Revolver, payment of accrued and unpaid bankruptcy related professional fees and payment of exit financing fees as specified in the Plan. The Exit Revolver outstanding balance will be subject to an interest rate of L+1200 and unused commitments will carry a fee of 50bps. The borrowing base will cover both the Exit Revolver and Funded Exit Term Loan.

General Unsecured Creditor Settlement

Under terms of the Plan, pre petition General Unsecured Creditors of the Debtors receive a lump sum \$5.5 million payment.

Letters of Credit

Under terms of the Plan, pre petition Letters of Credit ("OldCo LC's") in the amount of \$113 million remain outstanding as liabilities of certain pre petition secured lenders. The Projections assume that the Reorganized Debtors continue to meet their obligations under the terms of various lease, insurance and other agreements governing the OldCo LC's and therefore the OldCo LC's should remain undrawn and expire in due course. OldCo LC's accrue a 2.5% PIK fee for the first two years then pay 2.5% cash fees thereafter. The Projections assume that the Reorganized Debtors will require new Letters of Credit ("NewCo LC's") which are issued under terms of the Exit Revolver and incur fees of 6.5%. The Reorganized Debtors have the option to pay fees all in cash or to pay cash fees of 3.5% and PIK fees of 3.0% plus an additional 2.0%. Only NewCo LC's reduce the amount of available unused Revolver capacity. The projected financials assume the max PIK option is utilized and that the Reorganized Debtors will have the ability to cash collateralize LC's.

Capital Expenditures

Gradually are expected to be approximately 0.6% of sales to support the anticipated return to higher sales levels. Through the business unit review process Management has been very focused on ensuring that the go forward business maintains an appropriate footprint in terms of people, machines and real estate to support the return to a more normalized level of business.

Unaudited Pro Forma Reorganized BMHC Summary Financial Statements

Reorganized BMHC Income Statement

(Dollars in Millions)

	2009	2010	2011	2012
Revenue	\$629.9	\$837.9	\$1,156.7	\$1,618.3
% Growth	--	33.0%	38.0%	39.9%
Gross Profit	\$132.6	\$193.6	\$262.2	\$365.5
% Margin	21.1%	23.1%	22.7%	22.6%
EBITDA	(\$31.4)	\$15.6	\$51.6	\$107.8
% Margin	(5.0%)	1.9%	4.5%	6.7%
EBIT	(\$65.2)	(\$3.5)	\$32.4	\$88.6
% Margin	(10.4%)	(0.4%)	2.8%	5.5%
Total Interest Expense	\$21.3	\$18.8	\$14.4	\$13.6

Reorganized BMHC Balance Sheet

(Dollars in Millions)

	Pro Forma 2009	2010	2011	2012
Assets				
Cash - Unrestricted	\$57.4	\$55.9	\$68.2	\$96.8
Cash - Restricted	0.0	13.5	13.5	13.5
Accounts Receivable -Net	61.8	89.9	127.2	155.2
Inventory	52.6	64.4	80.9	103.1
Non Go Forward	51.3	40.8	31.4	23.9
Costs in Excess of Billings	4.2	6.0	8.1	12.1
Prepaid Expenses and Other	6.2	6.0	8.7	11.3
Total Current Assets	\$233.5	\$276.4	\$338.1	\$416.0
Property, Plant & Equipment, net	138.4	124.2	112.6	103.4
Goodwill and Other Intangibles	0.0	0.0	0.0	0.0
Other Long-Term Assets	12.8	7.2	4.6	2.0
Total Assets	\$384.7	\$407.8	\$455.2	\$521.4
Liabilities and Shareholders' Equity				
Accounts Payable - Trade	\$14.9	\$32.3	\$44.7	\$62.8
Insurance Deductible Reserves	13.1	14.5	16.0	17.6
Billings in Excess of Costs	1.3	3.0	4.0	5.7
IRS Tax Liability	7.0	5.7	4.7	3.7
Other	23.1	32.2	49.1	64.9
Total Current Liabilities	\$59.5	\$87.7	\$118.5	\$154.7
Revolver - Exit	0.0	0.0	0.0	0.0
Take-back Exit Term Loan	135.0	135.8	132.0	111.5
Funded Exit Term Loan	53.5	0.0	0.0	0.0
Accrued LC Interest	0.0	3.1	6.2	8.9
Other Long-Term Liabilities	19.4	19.4	19.4	19.4
Shareholder's Equity	117.2	161.8	179.0	226.8
Total Liabilities and Equity	\$384.7	\$407.8	\$455.2	\$521.4

Reorganized BMHC Cash Flow Statement

(Dollars in Millions)

	2010	2011	2012
Net Income Before Restructuring Expenses	(\$22.8)	\$18.1	\$48.6
Restructuring Expenses	0.0	0.0	0.0
Depreciation & Amortization	19.2	19.2	19.2
Loan Cost Amortization	2.6	2.6	2.6
Changes in Other Long Term Assets and Liabilities	3.1	0.0	0.0
Changes in Working Capital	(12.1)	(27.9)	(20.7)
Cash Flow From Operations	(10.0)	12.0	49.7
Asset Sales (a)	9.4	9.4	7.5
Real Estate Commissions Paid	(0.8)	(0.8)	(0.6)
Capital Expenditures	(5.0)	(7.5)	(10.0)
Cash Flow from Investing Activities	3.6	1.1	(3.1)
PIK Interest	12.1	9.9	2.7
Change in Restricted Cash	(13.5)	0.0	0.0
Exit Loan Costs	0.0	0.0	0.0
Debt Repayment	(61.7)	(10.5)	(20.5)
Agency Fees	(0.2)	(0.2)	(0.2)
Income Tax Refund	70.0	0.0	0.0
Debt Repayment Penalty	(1.7)	0.0	0.0
Revolver Borrowings / (Payments)	0.0	0.0	0.0
Bankruptcy Related Adjustments	0.0	0.0	0.0
Cash Low from Financing	5.0	(0.8)	(18.0)
Beginning Cash Balance	57.4	55.9	68.2
Change in Cash	(1.4)	12.3	28.6
Ending Cash Balance	55.9	68.2	96.8

(a) After-tax gain on Real Estate sales of \$2 mm included in Net Income Before Restructuring Expenses in 2010, 2011 and 2012.