

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

IN RE:	)	
	)	<b>Chapter 11</b>
BUILDING MATERIALS HOLDING	)	
CORPORATION, <i>et al.</i> , <sup>1</sup>	)	<b>Case No. 09-12074 (KJC)</b>
	)	
Debtors.	)	<b>Jointly Administered</b>
	)	
	)	<b>Requested Objection Deadline: December 28, 2009 at 10:00 a.m. (ET)</b>
	)	<b>Requested Hearing Date: December 30, 2009 at 1:00 p.m. (ET)</b>

**DEBTORS' MOTION FOR AN ORDER, PURSUANT TO  
SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE  
AND BANKRUPTCY RULES 2002, 6004, 6006, 9004, AND 9014,  
AUTHORIZING SELECTBUILD ILLINOIS, LLC AND ILLINOIS FRAMING,  
INC. TO ENTER INTO ASSIGNMENT AGREEMENTS *NUNC  
PRO TUNC* TO DECEMBER 18, 2009 AND GRANTING RELATED RELIEF**

Building Materials Holding Corporation and its affiliates, as debtors and debtors-in-possession (collectively, the "***Debtors***"), submit this Motion (the "***Motion***") for the entry of an order substantially in the form annexed hereto as ***Exhibit A*** authorizing the Debtors to enter into (a) the assignment agreement (the "***SelectBuild Assignment Agreement***") between SelectBuild Illinois, LLC, as assignor (in such capacity, the "***SelectBuild Assignor***"), and Michael Nicholas LLC, as assignee (the "***SelectBuild Assignee***") annexed hereto as ***Exhibit B*** and (b) the assignment agreement (the "***Illinois Framing Assignment Agreement***" and together with the SelectBuild Assignment Agreement, the "***Assignment Agreements***") between Illinois Framing,

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<sup>1</sup> 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.

Inc. (in such capacity, the "***Illinois Framing Assignor***" and together with the SelectBuild Assignor, the "***Assignors***"), as assignor, and Woodmark LLC, as assignee (the "***Illinois Framing Assignee***" and together with the SelectBuild Assignee, the "***Assignees***") annexed hereto as ***Exhibit C***, each *nunc pro tunc* to December 18, 2009, and each relating to the wind down of business operations of the Debtors in the State of Illinois (the "***Illinois Business Wind Down***") previously approved by this Court. In support thereof, the Debtors respectfully represent:

### **JURISDICTION AND VENUE**

1. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. sections 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. section 157(b). Venue is proper pursuant to 28 U.S.C. sections 1408 and 1409.

### **RELIEF REQUESTED**

2. By this Motion, the Debtors, pursuant to sections 105(a), 363, and 365 of title 11 of the United States Code (the "***Bankruptcy Code***"), and Rules 2002, 6004, 6006, 9004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***"), seek entry of an order authorizing and approving the Assignors' entry into the Assignment Agreements. As a result of the Debtors' need to consummate the Illinois Business Wind Down prior to end of 2009, the Debtors are concurrently requesting a shortened notice period with respect to this Motion.

### **BACKGROUND**

3. On June 16, 2009 (the "***Petition Date***"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "***Chapter 11 Cases***"). The Debtors continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases. On June 26, 2009,

the Office of the United States Trustee (the "*U.S. Trustee*") appointed the official committee of unsecured creditors (the "*Creditors' Committee*"). To provide financing during the Chapter 11 Cases, the Debtors obtained \$80 million in debtor-in-possession financing, which the Court approved on a final basis on July 1, 2009 (Docket No. 132).

4. The Debtors are one of the largest providers of residential building products and construction services in the United States. The Debtors distribute building materials, manufacture building components (e.g., millwork, floor and roof trusses, and wall panels), and provide construction services to professional builders and contractors through a network of 31 distribution facilities, 43 manufacturing facilities, and five regional construction services facilities.

5. The Debtors operate under two brand names: BMC West® and SelectBuild®.

- ***BMC West.*** Under the BMC West brand, the Debtors market and sell building products, manufacture building components, and provide construction services to professional builders and contractors. Products include structural lumber and building materials purchased from manufacturers, as well as manufactured building components such as millwork, trusses, and wall panels. Construction services include installation of various building products and framing. The Debtors currently offer these products and services in major metropolitan markets in Texas, Washington, Colorado, Idaho, Utah, Montana, North Carolina, California, and Oregon.
- ***SelectBuild.*** Under the SelectBuild brand, the Debtors offer integrated construction services to production homebuilders, as well as commercial and multi-family builders. Services include wood framing, concrete services, managing labor and construction schedules, and sourcing materials. The Debtors currently offer these services in major metropolitan markets in California, Arizona, Nevada and Illinois.

6. On the Petition Date, the Debtors filed their proposed chapter 11 plan (the "*Plan*") and accompanying disclosure statement (the "*Disclosure Statement*"). Since the

Petition Date, the Debtors filed several amended versions of the Plan and Disclosure Statement. The Court approved the Disclosure Statement by order entered on October 22, 2009 (Docket No 768), and confirmed the Plan on December 17, 2009 (Docket No. 1182), with an anticipated effective date (the "*Effective Date*") in late 2009 or early 2010.

### **BASIS FOR RELIEF REQUESTED**

7. By this Motion, the Assignors seek entry of an order, pursuant to sections 105(a), 363(b), and 365 of the Bankruptcy Code and the Bankruptcy Rules 2002, 6004, 6006, 9004, and 9014, authorizing and approving the Assignors' entry into the Assignment Agreements and granting related relief.

#### **I. The Sale and Wind Down Motion**

8. On May 8, 2009, the Debtors submitted the Debtors' Motion for an Order, Pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 9004, 9006, 9014, and 9019, (I) Authorizing the Private Sale by C Construction, Inc. of the Purchased Assets Free and Clear of Liens, Encumbrances and Other Interests, (II) Authorizing the Assumption and Assignment of Certain Assumed Contracts, (III) Approving the Asset Purchase Agreement and the Transition Services Agreement, (IV) Authorizing the Debtors to Pay Severance, (V) Authorizing the Wind Down of Business Operations in Illinois and (VI) Granting Related Relief (the "*Sale and Wind Down Motion*") (Docket No. 1097). The Sale and Wind Down Motion was approved by order of this Court on December 17, 2009 (the "*Sale and Wind Down Order*") (Docket No. 1181).

9. Pursuant to the Sale and Wind Down Order, the Debtors received approval for (a) the private sale by C Construction, Inc. to Davis Development Company Inc. of the Ontario Framing Business (as defined in the Sale and Wind Down Motion), and (b) the Illinois Business Wind Down.

## **II. Summary of Proposed Terms of the Assignment Agreements**

10. Pursuant to this Motion, and subject to the terms and conditions of the Assignment Agreements (as defined below), the Debtors propose to enter into two Assignment Agreements. Each of these relates to business that was being performed by SelectBuild Illinois, LLC and Illinois Framing, Inc., the companies through which the Debtors operated their Illinois business and which were the subject of the Illinois Business Wind Down. The material terms of the Assignment Agreements are as follows:

11. The SelectBuild Illinois Assignment Agreement: Pursuant to the SelectBuild Assignment Agreement, the SelectBuild Assignor agrees to assume and assign certain executory contracts scheduled on Exhibit 1 to the SelectBuild Assignment Agreement (the "**SelectBuild Contracts**") to the SelectBuild Assignee and to deliver any instruments, contracts, or other documents reasonably requested by the SelectBuild Assignee to accomplish the foregoing. As consideration for such assumption and assignment, the SelectBuild Assignor shall (a) retain its current rights to payment arising out of the SelectBuild Contracts as of the Effective Date<sup>2</sup> and (b) upon the completion of all of work under each SelectBuild Contract, the SelectBuild Assignee will pay to the SelectBuild Assignor any net amount reflected on Exhibit 1 as being payable to the SelectBuild Assignor by the SelectBuild Assignee, and the SelectBuild Assignor will pay to the SelectBuild Assignee any net amount reflected on Exhibit 1 as being payable to the SelectBuild Assignee by the SelectBuild Assignor, with respect to such SelectBuild Contract. SelectBuild Assignment Agreement § 5(a)-(b). Finally, the SelectBuild

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<sup>2</sup> Effective Date means the Effective Date, as defined in either the SelectBuild Assignment Agreement or the Illinois Framing Assignment Agreement, as the case may be.

Assignee shall assume "any and all executory liabilities and obligations" of the SelectBuild Assignor under each of the SelectBuild Contracts. SelectBuild Assignment Agreement § 3.

12. The Woodmark LLC Assignment Agreement: Pursuant to the Illinois Framing Assignment Agreement, Illinois Framing agrees to assume and assign certain executory contracts (the "*Illinois Framing Contracts*" and together with the SelectBuild Contracts, the "*Contracts*")<sup>3</sup> to the Illinois Framing Assignee and to deliver any instruments, contracts, or other documents reasonably requested by the Illinois Framing Assignee to accomplish the foregoing. The Illinois Framing Assignment Agreement further provides that the Illinois Framing Assignor shall (a) retain its current rights to payment arising out of the Illinois Framing Contracts as of the Effective Date of the agreement and (b) upon the completion of all of work under each Illinois Framing Contract, the Illinois Framing Assignee will pay to the Illinois Framing Assignor any net amount reflected on Exhibit 1 as being payable to the Illinois Framing Assignor by the Illinois Framing Assignee, and the Illinois Framing Assignor will pay to the Illinois Framing Assignee any net amount reflected on Exhibit 1 as being payable to the Illinois Framing Assignee by the Illinois Framing Assignor, with respect to such Illinois Framing Contract. Illinois Framing Assignment Agreement § 5(a)-(b). Finally, the Illinois Framing Assignee shall assume "any and all executory liabilities and obligations" of the Illinois Framing Assignor under each of the Illinois Framing Contracts and offer employment to certain field and office employees of the Illinois Framing Assignor. Illinois Framing Assignment Agreement § 3-4.

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<sup>3</sup> The Contracts are listed on the "*Cure Schedule*" annexed hereto as *Exhibit D*.

### **III. The Assignment Agreements Should be Approved**

13. For the reasons explained below, the Assignors believe that the approval of their entry into the Assignment Agreements is not only appropriate but in the best interest of the Debtors, their creditors, and these estates.

14. Section 363(b)(1) of the Bankruptcy Code provides: "The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 105(a) of the Bankruptcy Code provides: "The Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

15. To approve the use, sale, or lease of property out of the ordinary course of business, this Court must find some articulated business justification for the proposed action. *See In re Abbotts Dairies of Pa. Inc.*, 788 F.2d 143, 145-47 (3d Cir. 1986) (implicitly adopting the articulated business justification and good faith tests of *Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983)); *see also In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991) (concluding that the Third Circuit had adopted a "sound business purpose" test in *Abbotts Dairies*).

#### *A. Entry into the Assignment Agreements Reflects an Exercise of the Debtors' Business Judgment*

16. Under the Sale and Wind Down Order, the Debtors received authority to perform the Illinois Business Wind Down and the sale of the Ontario Framing Business, and by doing so, maximize the value of the Debtors' estates for the benefit of creditors. As a result of the Illinois Business Wind Down, the Debtors are parties to Contracts which they cannot complete but would like to assume and assign to the SelectBuild Assignee and the Illinois Framing Assignee for the completion of performance.

17. The Debtors did not seek authority to enter into the Assignment Agreements under the Sale and Wind Down Motion because the Assignment Agreements were not final at the time of the motion's submission. In addition, because of time constraints imposed by the Worker, Homeownership, and Business Act of 2009 (the "**2009 Act**"), the Debtors focused on obtaining approval of, and implementing, the sale of the Ontario Framing Business and the Illinois Business Wind Down prior to the end of the calendar year 2009. In connection with the hearing on the Sale and Wind Down Motion, however, the Debtors did advise the Court that the Assignment Agreements relative to the Contracts would be presented for approval prior to the end of calendar year 2009.

18. The Assignment Agreements entitle the Debtors to retain their rights to payment under the Contracts as of the Assignment Agreements's respective Effective Dates and to receive any net amount owed by the Assignees to the Assignors.

19. Moreover, pursuant to the Assignment Agreements, the Debtors can preserve jobs of certain employees who have dedicated substantial time and effort to maintaining the Illinois Framing Assignor's business during the economic downturn and these Chapter 11 Cases. The Chapter 11 Cases have forced the Debtors' employees to endure multiple hardships. In particular, the cases proceeded with the ever present possibility of ultimate liquidation and mass firings. Thankfully, this never occurred, but the shut down of the Illinois Framing Assignor's business will result in the termination of ten (10) employees. In this regard, the Illinois Framing Assignee has agreed to employ all ten (10) employees after the Effective Date. Thus, approval of the Motion will benefit the Debtors, their estates, their creditors, and their employees.



20. In connection with implementation of the Illinois Business Wind Down prior to the end of the 2009 calendar year, the Assignment Agreements were both executed on December 18, 2009. Both the Assignors and the Assignees have been treating such agreements as effective since such date. Accordingly, the Debtors submit that their entry into the Assignment Agreements *nunc pro tunc* to December 18, 2009 represents a sound exercise of their business judgment and is in the best interest of the Debtors and their estates.

*B. Assumption and Assignment of the Contracts Should be Approved*

21. To facilitate and effectuate performance under the Assignment Agreements, the Assignors seek authority to assume and assign the Contracts to the respective Assignees. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assign its executory contracts and unexpired leases, subject to the approval of the Bankruptcy Court, provided that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. A debtor's decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *Lubrizol Enters., Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1046-47 (4th Cir. 1985). If the debtor's business judgment has been reasonably exercised, a court should approve the assumption or rejection of an unexpired lease or executory contract. *See Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 39-40 (3d Cir. 1989). The business judgment test "requires only that the trustee [or debtor-in-possession] demonstrate that [assumption or] rejection of the contract will benefit the estate." Any more exacting scrutiny would slow the administration of a debtor's estate and increase costs, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially. *See*

*Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1311 (5th Cir. 1985). Moreover, pursuant to section 365(b)(1) of the Bankruptcy Code, for a debtor to assume an executory contract, it must "cure, or provide adequate assurance that the debtor will promptly cure," any default, including compensation for any "actual pecuniary loss" relating to such default. 11 U.S.C. § 365(b)(1).

22. Once an executory contract is assumed, the trustee or debtor in possession may elect to assign such contract. *See L.R.S.C. Co. v. Rickel Home Ctrs., Inc. (In re Rickel Home Ctrs., Inc.)*, 209 F.3d 291, 299 (3d Cir. 2000) ("[t]he Code generally favors free assignability as a means to maximize the value of the debtor's estate"). Section 365(f) of the Bankruptcy Code provides that the "trustee may assign an executory contract . . . only if the trustee assumes such contract and adequate assurance of future performance is provided." 11 U.S.C. § 365(f)(2). The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." *See Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989); *see also In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent). Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *Accord In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee of lease from debtors has financial resources and has expressed willingness to devote sufficient funding to business in order to give it strong likelihood of succeeding).

23. The Assignors submit that the assumption and assignment of the Contracts is well within their sound business judgment. Each of the respective Assignees is a contractor that is fully able to perform the obligations of the applicable Assignor under the Contracts to be assigned to it, and has committed in the relevant Assignment Agreement to perform such obligations and otherwise provide adequate assurance of future performance. This satisfies the Bankruptcy Code's requirement to provide adequate assurance of future performance. Additionally, the Debtors have agreed to satisfy, and have ample resources to satisfy, any Cure Costs.<sup>4</sup> Finally, by virtue of section 365 of the Bankruptcy Code, no Counterparty (as defined below) has a consent right with respect to the assumption and assignment of the Contracts to the Assignees.

24. The counterparties to the Contracts designated on Exhibit 1 of the respective Assignment Agreements and the Cure Schedule annexed hereto as **Exhibit D** (the "**Counterparties**") will receive notice of this Motion and a notice, substantially in the form annexed hereto as **Exhibit E** (the "**Notice**"). If the Debtors identify additional executory contracts or unexpired leases that might be assumed by the Assignors and assigned to Assignees not set forth in the original Notice, the Debtors will promptly send a supplemental notice (a "**Supplemental Notice of Assumption and Assignment**") to the applicable counterparties to such contracts. The Notice and the Supplemental Notice of Assumption and Assignment will direct the Counterparties to the Cure Schedule annexed hereto as **Exhibit D**. Such Cure Schedule includes a calculation of the undisputed Cure Costs that the Debtors believe must be paid to cure

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<sup>4</sup> "Cure Costs" means amounts that must be paid and obligations that otherwise must be satisfied, including pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, in connection with the assumption and/or assignment of the Contracts.

all defaults under the Contracts (the "**Cure Amounts**"). If no amount is listed on the Cure Schedule, the Debtors believe that there is no Cure Amount. The Debtors request that, unless the non-debtor party to a Contract files an objection (a "**Cure Objection**") to (a) its scheduled Cure Amount and/or (b) to the proposed assumption, assignment and/or transfer of such Contracts by 10:00 a.m. (prevailing Eastern time) December 28, 2009 (the "**Cure Objection Deadline**") and serves a copy of the Cure Objection so as to be received no later than the Cure Objection Deadline to: (a) Gibson, Dunn & Crutcher LLP, 200 Park Ave., 47th Floor, New York, New York 10166-0193 (Attn: Michael A. Rosenthal, Esq. and Matthew K. Kelsey, Esq. (Tel. (212) 351-4000 and Facsimile (212) 351-4035), counsel to Debtors; (b) Young, Conaway, Stargatt & Taylor, LLP, The Brandywine Building, 1000 West St., 17th Floor, Wilmington, Delaware, DE 19801 (Attn: Sean M. Beach, Esq. and Robert F. Poppiti, Jr., Esq. (Tel. (302) 571-6600; Facsimile (302) 571-1253), counsel to Debtors; (c) Office of the United States Trustee for the District of Delaware, 844 King street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Joseph J. McMahon, Jr. (Tel. (302) 573-6491, Facsimile (302) 573-6497); (d) Paul, Hastings, Janofsky & Walker, LLP, 55 Second Street, San Francisco, CA 94105-3441 (Attn: Kevin B. Fisher, Esq. (Tel. (415) 856-7219, Facsimile ((415) 856-7200) and 75 East 55th Street, New York, New York 10022 (Attn: Thomas L. Kent, Esq. (Tel. (212) 318-6060 and Facsimile (212) 230-7899), counsel to the agent under the Debtors' postpetition debtor in possession credit facility; (e) Richards, Layton & Finger, P.A., One Rodney Square, 920 King Street, Wilmington, DE 19801 (Attn: Paul N. Heath, Esq. (Tel. (302) 651-7590, Facsimile (302) 498-7590)), counsel to the agent under the Debtors' postpetition debtor in possession credit facility; and (f) (i) in the case of the SelectBuild Assignment Agreement, Michael Nicholas, LLC, 1331 Davis Rd, Elgin, IL 60123, or (ii) in the case of the Illinois Framing Assignment Agreement, Woodmark, LLC,

451 Dunham Rd, Suite 200, St Charles, IL 60542; such non-debtor party shall (y) be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to such Contract and the Debtors should be entitled to rely solely upon the Cure Amount, and (z) be deemed to have consented to the assumption, assignment, and/or transfer of such Contract and be forever barred and estopped from asserting or claiming against the Debtors, the applicable Assignor, the applicable Assignee, or any other assignee of the relevant Contract that any additional amounts are due or defaults exist, or conditions to assumption, assignment, and/or transfer must be satisfied, under such Contract.

25. The Debtors also request that if an objection challenges a Cure Amount, the objection be required to set forth the cure amount being claimed by the objecting party (the "***Claimed Cure Amount***") with appropriate documentation in support thereof. Upon receipt of an objection to a Cure Amount, the applicable Assignee or the applicable Assignor may, in its sole discretion, (a) remove such Contract from Exhibit 1 of the applicable Assignment Agreement, or hold an amount equal to the Claimed Cure Amount in reserve pending further order of the Court or agreement between the Debtors and the objecting party. So long as the applicable Assignee or the Assignor holds the Claimed Cure Amount in reserve, the Debtors seek authority to assume, assign, and/or transfer the Contract that is the subject of an objection without further delay.

26. The Debtors and the applicable Assignee may determine to exclude any Contract from Exhibit 1 of an Assignment Agreement prior to the Effective Date of such Assignment Agreement. The non-debtor party or parties to any such excluded contract or lease will be notified of such determination.

27. The Debtors assert that the procedures set forth above are reasonable and, that they ensure proper notice of the assumption and assignment of the Contracts, and sufficient opportunity to resolve any issues arising as to disputed Cure Amounts or other objections to the assumption and assignment of the Contracts. Thus, the Debtors submit that the assumption and assignment of the Contracts to the Assignors, subject to the procedures set forth above, should be approved.

### **WAIVER**

28. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Bankruptcy Rule 6006(d) provides a similar ten-day stay of effectiveness for any order authorizing the assignment of an executory contract or lease.

29. To be eligible to receive the tax benefits available under the 2009 Act, the Sale and the Illinois Business Wind Down must be consummated before the effective date of the Plan and before the end of calendar year 2009. As the Assignment Agreements are related to the Illinois Business Wind Down, the Assignors hereby request that the Court waive the stay periods under Bankruptcy Rules 6004(h) and 6006(d).

### **NOTICE**

30. No trustee or examiner has been appointed in these Chapter 11 Cases. The Debtors have provided notice of filing of the Motion to: (a) the U.S. Trustee; (b) counsel to Wells Fargo Bank, as agent under the Debtors' Prepetition Credit Agreement and DIP Facility (as defined in the Plan); (c) counsel to the Creditors' Committee; (d) any persons who have filed a request for notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002; and (e) all non-

Debtor parties to the Contracts. Due to the nature of the relief requested the Debtors respectfully submit that no further notice of this Motion is required.

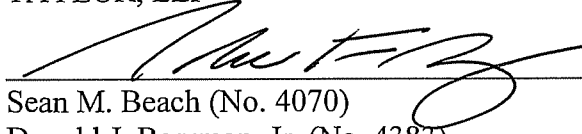
**NO PRIOR REQUEST**

31. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: Wilmington, Delaware  
December 21, 2009

YOUNG CONAWAY STARGATT &  
TAYLOR, LLP



Sean M. Beach (No. 4070)  
Donald J. Bowman, Jr. (No. 4383)  
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---- and ----

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ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

IN RE:	)	
	)	Chapter 11
BUILDING MATERIALS HOLDING	)	
CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 09-12074 (KJC)
	)	
Debtors.	)	Jointly Administered
	)	
	)	Requested Hearing Date: December 30, 2009 at 1:00 p.m. (ET)
	)	Requested Objection Deadline: December 28, 2009 at 10:00 a.m. (ET)

**NOTICE OF MOTION**

TO: (A) The Office of the United States Trustee for the District of Delaware; (B) Counsel to Wells Fargo Bank, as Agent Under the Prepetition Credit Facility and the DIP Facility (as Defined in the Plan); (C) Counsel to the Official Committee of Unsecured Creditors; (D) All Non-Debtor Parties to the Contracts; and (E) All Parties That Have Requested Notice Pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure.

**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) have filed the attached **Debtors’ Motion for an Order, Pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9004, and 9014, Authorizing SelectBuild Illinois, LLC and Illinois Framing, Inc. to Enter Into Assignment Agreements *Nunc Pro Tunc* to December 18, 2009 and Granting Related Relief** (the “Motion”).

**PLEASE TAKE FURTHER NOTICE** that the Debtors have filed a motion (the “Motion to Shorten”) requesting that any objections to the relief requested in the Motion be filed with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **December 28, 2009 at 10:00 a.m. (ET)** (the “Objection Deadline”). You must also serve a copy of any objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

**PLEASE TAKE FURTHER NOTICE THAT PURSUANT TO THE MOTION TO SHORTEN, THE DEBTORS HAVE REQUESTED THAT A HEARING TO CONSIDER THE MOTION BE HELD ON **DECEMBER 30, 2009 AT 1:00 P.M. (ET)** BEFORE THE HONORABLE KEVIN J. CAREY AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.**

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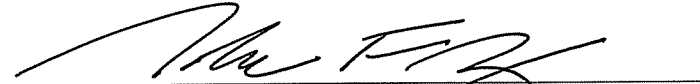
<sup>1</sup> The Debtors, along with the last four digits of each Debtor's tax identification number, are as follows: Building Materials Holding Corporation (4269), BMC West Corporation (0454), SelectBuild Construction, Inc. (1340), SelectBuild Northern California, Inc. (7579), Illinois Framing, Inc. (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.



**PLEASE TAKE FURTHER NOTICE** that if you fail to respond in accordance with this notice, the Court may grant the relief requested in the Motion without further notice or a hearing.

Dated: Wilmington, Delaware  
December 21, 2009

YOUNG CONAWAY STARGATT & TAYLOR, LLP



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----and----

GIBSON, DUNN & CRUTCHER LLP  
Michael A. Rosenthal (admitted *pro hac vice*)  
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ATTORNEYS FOR THE DEBTORS  
AND DEBTORS-IN-POSSESSION

# **EXHIBIT A**

## **Proposed Order**

IN RE:	)	
	)	<b>Chapter 11</b>
<b>BUILDING MATERIALS HOLDING</b>	)	
<b>CORPORATION, <i>et al.</i>,<sup>1</sup></b>	)	<b>Case No. 09-12074 (KJC)</b>
	)	
<b>Debtors.</b>	)	<b>Jointly Administered</b>
	)	
	)	<b>Ref. Docket No. _____</b>
	)	

Upon consideration of the motion (the “Motion”)<sup>2</sup> of the above captioned debtors and debtors-in-possession (collectively, the “Debtors”), for the entry of an order, pursuant to sections 105, 363, and 365 of title 11 of the United States Code (the “***Bankruptcy Code***”), and Rules 2002, 6004, 6006, 9004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “***Bankruptcy Rules***”), (i) authorizing the Debtors' entry into (a) the assignment agreement (the “***SelectBuild Assignment Agreement***”) dated as of December 18, 2009, between SelectBuild Illinois, LLC, as assignor (in such capacity, the “***SelectBuild Assignor***”), and Michael Nicholas LLC, as assignee (the “***SelectBuild Assignee***”) annexed hereto as ***Exhibit A*** and (b) the assignment agreement (the “***Illinois Framing Assignment Agreement***” and together with the

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

SelectBuild Assignment Agreement, the "*Assignment Agreements*") dated as of December 18, 2009, between Illinois Framing, Inc. (in such capacity, the "*Illinois Framing Assignor*" and together with the SelectBuild Assignor, the "*Assignors*"), as assignor, and Woodmark LLC, as assignee (the "*Illinois Framing Assignee*" and together with the SelectBuild Assignee, the "*Assignees*") annexed hereto as *Exhibit B*, such authorization to be *nunc pro tunc* to December 18, 2009 and (ii) granting certain related relief; and a hearing (the "*Hearing*") on the Motion having been held before the Court on December 30, 2009; and it appearing from the affidavit of service filed with the Court and from the record that due and sufficient notice of the Motion, the Hearing, and the relief sought in connection therewith having been provided to all parties in interest; and it further appearing that no other or further notice hereof is required; and this Court having reviewed and considered the Motion and objections thereto; and this Court having heard statements of counsel and the evidence presented at the Hearing in support of the relief requested in the Motion; and it appearing that the relief requested in the Motion is in the best interest of the Debtors' estates, their creditors, and other parties in interest; and it further appearing that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause therefore,

**THE COURT HEREBY FINDS THAT:<sup>3</sup>**

A. This Court has jurisdiction to hear and determine the Motion and to grant the relief requested in the Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N), and (O). Venue is proper in this District and in this Court pursuant to 28 U.S.C. §§ 1409 and 1409. The statutory predicates for the relief sought in the Motion are sections 105(a) and 363 of the Bankruptcy Code and Bankruptcy Rules

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<sup>3</sup> Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate pursuant to Rule 7052 of the Bankruptcy Rules.

2002, 6004, 6006, 9004, and 9014. Entry into the Assignment Agreements is substantially in accordance with the terms and conditions of the previously approved Illinois Business Wind Down.

B. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. §158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), this Court expressly finds that there is no just reason for delay in the implementation of this Order, and expressly directs entry of judgment as set forth herein.

#### **Sound Business Judgment**

C. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Motion. The relief requested in the Motion is within the reasonable business judgment of the Debtors, and is in the best interests of the Debtors, their estates, their creditors, and other parties in interest. The disclosures made by the Debtors concerning the Assignment Agreements were good, complete, and adequate.

D. The Debtors have demonstrated good, sufficient, and sound business purpose and justification and compelling circumstances for the Assignors' entry into the Assignment Agreements pursuant to section 363(b) of the Bankruptcy Code, in that such entry is necessary and appropriate to (i) maximize the value to the Debtors' estates and (ii) preserve jobs of certain employees of the Illinois Framing Assignee, and thereby is in the best interests of the Debtors, their creditors, and other parties in interest, and the payment of all costs related to the foregoing.

#### **Assumed Liabilities**

E. The Debtors may transfer and assign all Contracts to the respective Assignees notwithstanding any anti-assignment clause or other similar provision or any legal restriction

applicable thereto to the extent provided in the Bankruptcy Code, including, without limitation, sections 105, 363, and 365 of the Bankruptcy Code.

F. The Debtors have provided sufficient notice to the non-Debtor parties to the Contracts of the proposed assumption and assignment and the related amounts required to cure any defaults thereunder (the "*Cure Amount*"). Such notice was sufficient to provide all such parties an opportunity to object. All parties that have not objected to the Motion are deemed to consent to the transfer and assignment and to the corresponding Cure Amounts specified in *Exhibit C*, of which notice of the Cure Amounts was provided to the non-Debtor counterparties.

G. The assumption and assignment of the Contracts pursuant to the terms of this Order is an integral part of the Assignment Agreements and is in the best interest of the Debtors and their respective estates, creditors, and other parties in interest and represents the reasonable exercise of sound and prudent business judgment by the Debtors.

H. Pursuant to section 365 of the Bankruptcy Code, upon the Debtors' payment of the Cure Amounts in the amounts specified in *Exhibit C*, the Debtors shall have (i) cured any existing monetary defaults under any of the Contracts; and (ii) provided compensation to any party for actual pecuniary loss to such party resulting from a default prior to the Petition Date under any of the Contracts. On or before the Effective Dates, the Debtors shall pay in full, to the extent owed, all Cure Amounts, that are undisputed or have been determined by the Court pursuant to a final order.

I. Subject to the terms of the Assignment Agreements, the Debtors shall be authorized to consummate the Assignors' entry in such agreements and performance thereunder notwithstanding any objection related to disputed Cure Amounts.

J. The Assignees have provided adequate assurance of future performance under the relevant Contracts within the meaning of the Bankruptcy Code.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is granted and approved, and the Assignors' entry into the Assignment Agreements *nunc pro tunc* to December 18, 2009 and performance thereunder is approved.

2. Any and all objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled on the merits.

3. Pursuant to Rules 6004(h), to the extent applicable, the Court finds that there is no reason for delay in the implementation of this Order and this Order shall be effective immediately upon entry and the Assignors and the Assignees are authorized to perform under the Assignment Agreements immediately upon entry of this Order.

4. The Debtors are hereby authorized and empowered, pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, to (a) assume and assign to the Assignees, effective upon the Effective Date, the Contracts, and/or transfer, sell, and deliver to the Assignees all of the Assignors' rights, title, and interests in and to the Contracts; and (b) execute and deliver to each Assignee such documents or other instruments as may be necessary to transfer and assign to such Assignee, and cause such Assignees to assume the applicable Contracts.

5. The payment of the applicable Cure Amounts (if any) for the Contracts in the amounts specified in **Exhibit C** hereof shall (a) effect a cure of all defaults existing thereunder; and (b) compensate for any actual pecuniary loss to such party resulting from such default. The Assignors shall then have assumed the Contracts and, pursuant to section 365(f) of the

Bankruptcy Code, the assignment of the Contracts from the Assignors to the Assignees shall not be a default thereunder. Pursuant to sections 105 and 365 of the Bankruptcy Code, as to the assignment to, and the assumption by, the Assignees of the Contracts, the requirements of sections 365(b)(1) and 365(f) of the Bankruptcy Code with respect thereto are hereby deemed satisfied. After the payment of the relevant Cure Amounts in the amount specified in *Exhibit C* hereof, neither the Debtors nor the Assignees shall have any further liabilities to the non-Debtor parties to the Contracts other than the respective Assignee's obligations under the Contracts that accrue and become due and payable on or after the Effective Date. Notwithstanding anything herein to the contrary, the Assignors shall have the right, subject to the terms of the applicable Assignment Agreement, to elect not to assume any of the Contracts in *Exhibit C* at any time prior to the Effective Date. The Assignors shall also have the right, subject to the terms of the applicable Assignment Agreement, to add additional executory contracts under certain circumstances as a Contract after the date hereof. In the event an Assignee elects to add any executory contract as a Contract, the Debtors and such Assignee shall submit to the Court an agreed upon order setting forth such Contract(s) and the corresponding Cure Amounts thereof. In the event the parties to any additional Contract are unable to agree on the appropriate Cure Amounts, the Debtors and each Assignee reserve the right to seek a hearing before this Court to determine the appropriate Cure Amounts.

6. Nothing in this Order shall prevent the Debtors from rejecting any contract not taken by an Assignee pursuant to the terms of an Assignment Agreement.

7. Any provisions in any Contract that restrict, prohibit, or condition the assignment of such Contract or allow the party to such Contract to terminate, recapture, impose any penalty, condition on renewal or extension, or modify any term or condition upon the assignment of such



Contract (including, without limitation, provisions of the type described in sections 365(b)(2), (e)(1), (f)(1), and (f)(3) of the Bankruptcy Code) constitute unenforceable anti-assignment provisions that are void and of no force and effect and the Contracts shall be transferred to, and remain in full force and effect for the benefit of, the applicable Assignee notwithstanding any such provisions. The non-Debtor party to each of the Contracts shall be and hereby is deemed to have consented to such assignment (including, without limitation, under sections 365(c)(1)(B) and 365(e)(2)(A)(ii) of the Bankruptcy Code) or this Court has determined that no such consent is required, and the Assignors shall enjoy all of the rights and benefits under their respective Contracts without the necessity of obtaining each applicable non-Debtor party's written consent to the assumption and assignment thereof.

8. Upon the Effective Date, the Assignees shall be deemed to be substituted for the respective Assignors as parties to the applicable Contracts, and the Assignors shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability under the Contracts.

9. Upon payment of the applicable Cure Amounts in the amount specified in *Exhibit C* hereof, the Contracts will remain in full force and effect, and all defaults or other obligations of the Debtors under the Contracts arising or accruing prior to the Effective Date shall be deemed cured. No default, whether monetary or non-monetary, shall exist under the Contracts nor shall there exist an event or condition which, with the passage of time or giving of notice, or both, would constitute a default, whether prepetition or postpetition in nature, on the part of any of the Debtors which otherwise would allow the non-Debtor counterparties to terminate, suspend performance, or modify the Contracts and the Assignors shall not have any

further liability or obligation with respect to any default or obligation arising or accruing under any of the Contracts prior to the Effective Date.

10. Each of the Assignees has provided adequate assurance of future performance under the relevant Contracts within the meaning of section 365 of the Bankruptcy Code.

11. Upon assignment of the Contracts to the Assignors on the Effective Date and the payment of the Cure Costs, no default shall exist under any of the Contracts and no non-Debtor party to any of the Contracts shall be permitted to declare a default by an Assignee thereunder or otherwise take action against an Assignee as a result of the Debtors' (or any of the Debtors') financial condition, bankruptcy, or failure to perform any of its obligations thereunder, including, without limitation, any failure to pay any amounts necessary to cure the default of any of the Debtors thereunder. Upon entry of this Order and the assumption and assignment of the Contracts, the Assignees shall be deemed in full compliance with all terms and provisions of the Contracts.

12. There shall be no assignment fees, increases, or any other fees charged to either of the Assignees as a result of the assumption, assignment, and/or transfer of the Contracts. The failure of any of the Assignors or any of the Assignees to enforce at any time one or more terms or conditions of any Contract shall not be a waiver of such terms or conditions, or of the applicable Assignee's right to enforce every term and condition of the Contracts.

13. Pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, all parties to the Contracts are forever barred, estopped, and permanently enjoined from asserting against either of the Assignors or their property or affiliates, any breach or default under any of the Contracts, any claims of lack of consent relating to the assignment thereof, or any counterclaim, defense, defense, setoff, right or recoupment or any other matter arising prior to the Effective

Date, including, but not limited to, any assignment fee, default breach, or claim or pecuniary loss, or condition to assignment, arising under or related to the Contracts existing as of the Effective Date or arising by reason of the applicable parties performance under either Assignment Agreement.

14. The provisions of this Order are non-severable and mutually dependent.

Dated: Wilmington, Delaware  
December \_\_\_\_, 2009

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Kevin J. Carey  
Chief United States Bankruptcy Judge

**EXHIBIT A**

**EXHIBIT B**

**EXHIBIT C**

# **EXHIBIT B**

## **SelectBuild Assignment Agreement**

## ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Agreement"), dated as of December 18, 2009, is made and entered into by and among Michael Nicholas LLC, an Arizona limited liability company ("Assignee"), and SelectBuild Illinois, LLC, a Delaware limited liability company ("Assignor"), with reference to the following.

### RECITALS

A. Assignee has negotiated an agreement with Assignor to assume certain specified Contracts (defined below) of Assignor;

B. Assignor is a debtor in possession under Title 11 of the United States Code, 11 U.S.C. §§ 101 - 1532 (as amended, the "Bankruptcy Code") and filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on June 16, 2009, in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") (Case No. 09-12074) (the "Bankruptcy Case");

C. The Bankruptcy Court has entered an Assignment Order (defined below) with respect to the transactions contemplated by this Agreement, including the assignment of the Contracts by Assignor to Assignee (the "Assignment"), and the Assignment and this Agreement are subject to applicable provisions of the Bankruptcy Code;

D. Pursuant to the terms, and subject to the conditions contained herein, Assignor will assign the Contracts to Assignee;

E. Assignee and Assignor wish to document the terms and conditions of the Assignment.

### AGREEMENT

NOW, THEREFORE, IT IS AGREED among the parties as follows:

#### 1. DEFINITIONS

All capitalized terms defined in the introductory paragraph, recitals or elsewhere in this Agreement shall have the meanings ascribed thereto. For purposes of this Agreement, the capitalized terms identified in this Section shall have the following meanings:

"Assignment Order" means the final, non-appealable order of the Bankruptcy Court which has been entered with respect to the Assignment, approving the transactions contemplated by this Agreement, and approving and authorizing Assignor to consummate the transaction contemplated by this Agreement.

"Contracts" means each contract or other instrument listed on *Exhibit 1* attached hereto.



"Effective Date" means 11:59 p.m. on the date on which the Assignor and Assignee execute this Agreement and deliver their respective signatures to each other and the Assignment takes place pursuant to this Agreement.

"Trade Accounts Receivable" means all obligations arising out of the Contracts to make payment to Assignor, including obligations owed but not yet due as of the Effective Date, by all third-party purchasers of goods and services from Assignor prior to the Effective Date.

## 2. CONTRACTS

Assignor has delivered to Assignee, as *Exhibit 1*, a schedule setting forth all Contracts, including the current status of such Contracts.

## 3. ASSIGNMENT AND ASSUMPTION

Upon the terms and subject to the conditions set forth herein, as of the Effective Date, Assignor hereby assigns to Assignee, and Assignee hereby assumes, and agrees to hereafter satisfy pay when due and discharge and indemnify and hold harmless Assignor with respect to, any and all executory liabilities and obligations of Assignor as of the Effective Date under each of the Contracts. Other than the liabilities and obligations set forth in the foregoing sentence, Assignee shall assume no other liabilities of Assignor, including any liabilities or obligations not arising out of or relating to the Contracts.

## 4. FURTHER ASSURANCES; BANKRUPTCY MATTERS

4.1 Further Assurances of Assignor. From time to time after the Effective Date, Assignor will execute and deliver to Assignee such instruments of sale, transfer, conveyance, assignment and delivery, consents, assurances, powers of attorney and other instruments as may be reasonably requested by Assignee in order to vest in Assignee all right, title and interest of Assignor in and to the Contracts and otherwise in order to carry out the purpose and intent of this Agreement.

4.2 Further Assurances of Assignee. From time to time after the Effective Date, Assignee will execute and deliver to Assignor such instruments of sale, transfer, conveyance, assignment and assumption, consents, assurances, novation, releases, powers of attorney and other instruments as may be reasonably requested by Assignor in order to vest in Assignee all right, title and interest of Assignee, in and to the Contracts and release Assignor therefrom, and otherwise in order to carry out the purpose and intent of this Agreement.

### 4.3 Bankruptcy Matters.

(a) Assignee shall not, without the prior written consent of Assignor, file, join in, or otherwise support in any manner whatsoever any motion or other pleading relating to the assignment of the Contracts hereunder.

(b) In the event the entry of the Assignment Order shall be appealed, Assignor and Assignee shall promptly defend such appeal with reasonable diligence.

(c) Assignee shall not be obligated to pay any out-of-pocket costs or expenses in connection with its obligations under this Section 4.3, other than the salaries and miscellaneous expenses of Assignee's employees and the cost of counsel and any other advisors retained by Assignee.

## 5. PAYMENT UNDER CONTRACTS

(a) Assignor shall retain, and not transfer to Assignee, the Trade Accounts Receivable that are outstanding as of the Effective Date with respect to the Contracts. Subject to the provisions of this Section 5, Assignor shall have the right to retain any and all amounts collected with respect to such Trade Accounts Receivable that relate to actual work completed as of the Effective Date, which is reflected in *Exhibit 1*.

(b) Upon completion of all of the work under each Contract, Assignee shall pay to Assignor any net amount reflected on *Exhibit 1* as being payable to Assignor by Assignee, and Assignor shall pay to Assignee any net amount reflected on *Exhibit 1* as being payable to Assignee by Assignor, with respect to such Contract.

(c) *Exhibit 1* also sets forth the amounts that Assignor will pay Assignee for any "punch out" work that Assignee performs after the Effective Date on projects completed by Assignor prior to the Effective Date.

## 6. MISCELLANEOUS

6.1 No Other Agreements. This Agreement and all Exhibits hereto (including the Subcontract Agreement for Warranty Program, dated as of the date hereof between Assignor and Assignee) constitute the entire agreement between the parties with respect to its subject matter. All prior and contemporaneous negotiations, proposals and agreements between the parties are included in, and superseded by, this Agreement. Any changes to this Agreement must be agreed to in writing signed by an authorized representative of each of Assignee and Assignor.

6.2 Waiver. Either Assignee or Assignor may waive the performance of any obligation owed to it by another party hereunder for the satisfaction of any condition precedent to the waiving party's duty to perform any of its covenants. Any such waiver shall be valid only if contained in writing signed by an authorized representative of each of Assignee and Assignor.

6.3 Public Announcements. No public announcements of this Agreement shall be made unless Assignee and Assignor have mutually agreed on the timing, distribution and contents of such announcements, except as may be required by applicable securities laws or regulations or the requirements of any securities exchange or market.

6.4 Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been duly given when delivered to the party to whom addressed or when received by a party if sent by telecopy (or 3 days after mailing if sent by registered or certified mail, return receipt requested, prepaid and addressed) at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

To Assignee: Michael Nicholas LLC  
[NEED ADDRESS AND FAX]

In each case, with copies to: [NEED NAME, ADDRESS AND FAX OF ATTORNEY]

To Assignor: SelectBuild Illinois, LLC  
c/o Building Materials Holding Corporation  
720 Park Boulevard, Suite 200  
Boise, ID 83712-7714  
Attn: Paul Street  
Facsimile: (208) 331-4477

Copies to: Gregory T. Davidson  
Gibson, Dunn & Crutcher LLP  
1881 Page Mill Road  
Palo Alto, CA 94304  
Facsimile: (650) 849-5333

6.5 Assignment. The parties shall not assign this Agreement without the prior written consent of the other party. Any attempt to assign this Agreement without prior written consent shall be void *ab initio*.

6.6 Choice of Law; Jurisdiction. This Agreement shall be governed by, and any disputes or controversies related hereto, shall be interpreted in accordance with the laws of the State of Illinois without regard to the conflicts of laws provisions that would apply the laws of any other jurisdiction, except as may be governed by the Bankruptcy Code. Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and Assignee and Assignor hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 6.4. Assignee and Assignor hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of Assignee and Assignor hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 6.4.

6.7 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE)

ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

6.8 Paragraph Headings. The Section and Section paragraph headings contained herein are for convenience only and shall have no substantive bearing on the interpretation of this Agreement.

6.9 Rules of Interpretation. The following rules of interpretation shall apply to this Agreement, the Exhibits hereto, and any certificates, reports or other documents or instruments made or delivered pursuant to or in connection with this Agreement, unless otherwise expressly provided herein or therein, and unless the context hereof or thereof clearly requires otherwise:

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms, and if a term is said to have the meaning assigned to such term in another document or agreement and the meaning of such terms therein is amended, modified or supplemented, then the meaning of such term herein shall be deemed automatically amended, modified or supplemented in a like manner.

(b) References to the plural include the singular, the singular the plural and the part the whole.

(c) The words "include," "includes," and "including" are not limiting.

(d) A reference to any law includes any amendment or modification to such law which is in effect on the relevant date.

(e) A reference to any person or entity includes its successors, heirs and permitted assigns.

(f) Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for purposes of this Agreement or any Exhibit hereto or certificate, report or other document or instrument made or delivered pursuant to or in connection with this Agreement, such determination or computation shall be done in accordance with generally accepted accounting principles at the time in effect, to the extent applicable, except where such principles are inconsistent with the express requirements hereof or of such exhibit, certificate, report, document or instrument.

(g) The words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement.

(h) All Schedules, including the Exhibits to this Agreement constitute material terms of this Agreement and are incorporated fully into the terms of this Agreement.

6.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original, but which shall together constitute but one agreement.

6.11 Certain Expenses. Each party shall pay and be liable for its own fees, costs, expenses and taxes arising out of the preparation and negotiation this Agreement and the consummation of the transactions contemplated hereby.

6.12 Attorney's Fees. In any legal action, proceeding or arbitration arising out of this Agreement, regardless of which party hereto initiated such action, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

6.13 Approval of Bankruptcy Court. Notwithstanding anything herein to the contrary, all of Assignor's obligations under this Agreement are subject to approval of the Bankruptcy Court.

The parties have executed this Assignment Agreement on the day and year first written above.

**ASSIGNEE:**

Michael Nicholas, LLC.

By: Charles W Carrano Jr

Name: CHARLES W CARRANO JR

Title: MANAGER

**ASSIGNOR:**

SelectBuild Illinois, LLC

By: Beth J Kotche

Name: BETH J. Kotche

Title: SR. VP.

*Signature Page to Assignment Agreement*

Exhibit 1  
SelectBuild Illinois, LLC  
Business Unit 8750  
Union Work To Be Assigned To Michael Nicholas LLC

Project	Project Location	Customer	Lot #	Original Contract	Billed To Date	For rem. rough work	Trim draws	Rem hours	Billable Union Rate @ 70.00	Shortfall Payable To Nicholas
Crossing of Morton Grove Renaissance Estates	Morton Grove, IL Chicago, IL	Toll Brothers JTA Development	604-0002	145,840	125,550	14,267	20,290	493.7	(34,557)	(14,267)
				194,906	194,906	25,725	0	367.5	(25,725)	(25,725) Chuck needing 5% over orig.
Remington Point Concord Commons	Volo, IL Des Plaines, IL	Town & Country Lennar	559-0228 598-0020	114,127	106,972	0	7,155	106.0	(7,420)	(265)
				67,134	55,998	0	11,136	177.0	(12,390)	(1,254)
Wooddale Train Station	Wooddale, IL	FBG Corp	764-0001	65,741	54,860	0	0	16.0	(1,120)	(1,120)
				587,748	538,286	39,992	38,581	1160.2	(81,212)	(42,631)



**SUBCONTRACT AGREEMENT  
FOR  
SELECTBUILD ILLINOIS LLC. - WARRANTY PROGRAM**

SELECTBUILD'S NAME: SelectBuild Illinois LLC ("SelectBuild")  
BUSINESS ADDRESS: 1060 Lake Street  
CITY: Hanover Park STATE: IL ZIP: 60133  
BUSINESS PHONE: 630 736 0200  
FAX NUMBER: 630 736 0400

SUBCONTRACTOR'S NAME: Michael Nicholas, LLC ("Subcontractor")  
BUSINESS ADDRESS: 1331 Davis Rd  
CITY: Elgin STATE: IL ZIP: 60123  
BUSINESS PHONE: 630-682-0900 FAX NUMBER: 847-742-0694  
FEDERAL EMPLOYER ID NO: 27-0498025  
WORKERS' COMPENSATION: WC067712631  
GENERAL LIABILITY: GL0949054

THIS AGREEMENT, together with Addendums A, B and C and any subsequent Work Orders or Purchase Orders issued by SelectBuild shall constitute the entire agreement between Subcontractor and SelectBuild regarding warranty work.

1. SelectBuild has entered into an agreement with Subcontractor to perform certain framing warranty work pursuant to requests received by SelectBuild from its customers. SelectBuild has engaged Subcontractor to perform the work which shall be set forth in a Work Order or Purchase Order issued by SelectBuild to Subcontractor from time to time (the "Work"). The Work shall be performed based upon a schedule provided by SelectBuild and its customers.
2. SelectBuild will issue a Work Order requesting that Subcontractor investigate and estimate the cost to complete the warranty work. SelectBuild will issue a Purchase Order to cover the estimate made by Subcontractor (as modified by SelectBuild in its sole discretion). If Subcontractor does not agree with the cost modification, Subcontractor shall notify SelectBuild within 24 hours of receipt of the Purchase Order. Upon completion of the Purchase Order, Subcontractor shall obtain acceptance of the Work from the Homeowner or Builder as evidenced by their signature on the SelectBuild Purchase Order.
3. Payment for the Work is described in Addendum A. SelectBuild shall not be required to pay Subcontractor until the Work is completed and has been accepted by Builder or the Homeowner. SelectBuild shall assist Subcontractor as necessary to obtain the required Builder or Homeowner acceptance.
4. Subcontractor shall provide and pay for all labor, materials, equipment, tools and services necessary for the proper execution and completion of the Work. Subcontractor shall provide reasonable protection for the Work until it has been accepted by either the Homeowner or the Builder and shall be liable for all losses until that time.
5. Subcontractor shall perform all Work according to standard industry practice, and warrants that all workmanship and any materials furnished by Subcontractor will meet FHA minimum property standards, VA requirements, any applicable local building codes and other applicable requirements.

Initials MLC  
SB Sub



6. Subcontractor agrees to maintain, during the term of this Agreement, workers compensation, employers' liability, and automobile insurance as required by law and general liability insurance of at least \$1,000,000. Prior to commencing the Work, Subcontractor shall provide SelectBuild with certificates of insurance evidencing compliance with this Agreement. SelectBuild shall be named as additional insured on Subcontractor's general liability insurance using forms CG 2010 (07-04) and CG 2037 (07-04) or its equivalent, such that Selectbuild shall be additional insured on Subcontractor's completed operations coverage for the Work.

7. The Subcontractor represents and warrants the following to SelectBuild:

(a) that it is authorized to do business in the State where the Work is located and is or will be properly licensed by all necessary governmental, public and quasi-public authorities having jurisdiction over it and over the Work and the site of the Work prior to performance of the Work;

(b) that its execution of the Agreement and the performance of the Work is within its duly authorized powers;

(c) (1) the Work will be performed in conformance with the requirements, terms, and time frames set out in this Agreement, the Work Order, or the Purchase Order, and shall comply with all applicable laws and regulations of federal, state and local governments (including subdivisions or agencies thereof) in effect during the performance of the Work; (2) the Work will be performed by the proper number of experienced, skilled, and/or licensed personnel, qualified to perform their assigned tasks; and (3) the Work will be performed in accordance with sound construction practices, standards of care, skill and diligence to assure that the Work will be of good quality, proper and sufficient for the purposes contemplated in this Agreement.

8. Subcontractor hereby assumes full responsibility for any damage to the Work site, all loss, damage or injury to lands and improvements adjacent or contiguous to the Work site, and all persons or property of such land or improvements, to the extent such damage results from the acts, errors and/or omissions of Subcontractor, its employees, suppliers, and all persons, firms or companies engaged by it.

9. Subcontractor further warrants all workmanship and material furnished by it to be free of defects for the greater of one year, or the time period required by SelectBuild's underlying warranty to the Builder. Subcontractor agrees to make all repairs and correct such defects under its warranty within twenty four (24) hours of notice of such defect.

10. Subcontractor shall enforce strict discipline and good order among Subcontractor's employees and other persons performing the Work. Subcontractor shall not employ or hire unfit persons or persons not skilled in tasks assigned to them as it relates to the Work. Subcontractor shall also comply with the safety requirements set forth by industry standards and/or standards set forth by regulatory agencies, the attached Addendum B and the Drug Policy set forth in Addendum C, as well as any designated safety rules posted by Subcontractor at any of their job sites.

11. Subcontractor shall clean the site upon completion of the Work. All cleanup refuse shall be placed in receptacles or locations provided or designated by the Homeowner, the Builder, or the Subcontractor.

12. Subcontractor, in performance of the Work, is a licensed contractor and shall have the sole discretion in the performance of the Work, except that the Work must be performed in accordance with this Agreement, the Work Order or the Purchase Order.

13. Subcontractor shall defend and indemnify SelectBuild against any claim for death, bodily injury or property damage (a "Claim") including a lawsuit related to this Agreement, the Work or any Work Order or Purchase Order.

14. Either party may terminate this Agreement at any time, without cause, after 60 days prior written notice to the non terminating party. In the event of termination without cause, Subcontractor shall be paid for all Work Orders and Purchase Orders performed up to the date of termination. If SelectBuild is the terminating party, it shall also pay Subcontractor for materials ordered by the Subcontractor prior to termination.

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15. In the event of termination of this Agreement by SelectBuild due to Subcontractor's default (e.g. failure to timely and fully perform a Work Order or Purchase Order, failure to timely repair its defective work, failure to indemnify SelectBuild as required above), SelectBuild shall be entitled to retain all sums due to Subcontractor under any Work Order or Purchase Order and shall be entitled to cause the Work to be performed by others, and shall apply any withheld sums against such costs of completion and the costs of performing Subcontractor's warranty obligations for the Work, and after all warranties have expired, any excess shall be paid to Subcontractor. This remedy is in addition to all other remedies available to SelectBuild at law or in equity.

16. In the event that Subcontractor's performance of the Work is delayed or interfered with, for any reason and for any period of time, by acts or omissions of SelectBuild, the Homeowner or the Builder, inclement weather conditions or anyone other than Subcontractor or Subcontractor's employees, agents and suppliers, Subcontractor may request an extension of time for performance of the Work Order or Purchase Order which request shall be granted so long as SelectBuild is able to obtain a similar extension from the Homeowner or Builder.

17. All notices to be sent to Subcontractor or SelectBuild shall be sent to the addresses shown above.

18. This Agreement may not be orally modified. Subcontractor may not assign this Agreement or subcontract any portion of the Work Orders or Purchase Order without SelectBuild's prior written approval.

19. Without securing the written consent of SelectBuild, Subcontractor shall not divulge the terms of this Agreement (including all Work Orders, Purchase Orders, and attachments) to any third party, including the Homeowner or the Builder. This provision shall survive the expiration or termination of this Agreement.

**SUBCONTRACTOR HAS READ AND UNDERSTANDS ALL OF IT TERMS AND REQUIREMENTS. SUBCONTRACTOR AGREES TO COMPLY WITH ALL TERMS AND REQUIREMENTS APPLICABLE TO THE WORK AS SET FORTH IN THIS AGREEMENT AND SHALL BE BOUND TO SELECTBUILD IN THE EXACT SAME MANNER THAT SELECTBUILD IS BOUND TO THE HOMEOWNER AND THE BUILDER.**

SUBCONTRACTOR

BY: 

PRINT NAME: Charles M. Carvino

DATE: 12-18-09

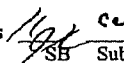
SELECTBUILD

BY: 

PRINT NAME: Keith J. Kotche

DATE: 12-18-09

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**ADDENDUM "A": PRICING**

SelectBuild. agrees to pay Subcontractor for each completed Work Order and Purchase Order as set forth below.

<b>LABOR:</b>	<b>\$70 per hour</b>
<b>MATERIAL:</b>	<b>Subcontractor's Verified Cost.</b>
<b>EQUIPMENT RENTAL:</b>	<b>Subcontractor's Verified Cost</b>

Subcontractor shall submit invoice(s) (and lien waivers as may be required by SelectBuild and/or the Homeowner or Builder) to SelectBuild properly identifying the Selectbuild Work Order or Purchase Order whichever applies. Payment shall be issued by SelectBuild within thirty (30) days after its receipt of the invoice, subject to Section 3 above.

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#### ADDENDUM "B"

##### **General Job Safety Rules:**

- A) Project safety standards will be according to the latest additions of OSHA standards.
- B) The construction site is a hard hat area. Personal protective wear is also required and must be adequate for safe construction activities.
- C) Persons exposed to operations subjecting the eyes and face to dust of flying particles shall use eye and/or face protection.
- D) Electrical equipment and tools shall be grounded by multi-conductor cord with grounding conductor, and multi-conductor polarized plug-in receptacles.
- E) Compressed gas cylinders shall be in a secured upright position at all times.
- F) Housekeeping must be conducted by each trade on a daily basis.
- G) Employees or contractors are responsible for becoming familiar with the location of the first aid station and emergency telephone number and for reporting all injuries as soon as possible to their supervisor.
- H) Fire extinguisher should be adequately marked, located and accessible.
- I) Adequate shoring and sloping-back shall be maintained for all trenching or excavating activities.
- J) All heavy (motor) equipment shall be inspected prior to use, and seat belts must be worn.
- K) Fall protection (rails, lanyards, etc.) shall be used as required.
- L) Horseplay, scuffling and other acts that tend to endanger the safety or well being of employees are prohibited.
- M) This project has been designated a "Drug Free" work place. This project will be regulated according to the guidelines of the attached drug and alcohol policy.
- N) Everyone is responsible for safety awareness, jobsite cleanliness, and practicing accident prevention.

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#### ADDENDUM "C"

##### Drug Abuse Policy:

- A) Statement of Purpose and Scope: In recognizing that alcohol and drug abuse in the work place has become a major concern, we believe that by reducing drug and alcohol abuse, we will improve the safety, health, productivity of workers, and prevent accidents.
- The use, possession, sale, transfer, purchase, or being under the influence of drugs by workers at any time on the jobsite is prohibited. The illegal use of any drug is prohibited. Workers must not report for duty or be on the jobsite with any drug.
- B) Definition of Drug: For the purpose of this policy, the term "drug" whenever it appears in this policy statement shall include alcoholic beverages, abusable glue, aerosol paint, or a controlled substance.
- C) Consequences of Violating the Drug Abuse Policy: Violation of this drug abuse policy will result in one of the following forms or corrective action: *immediate discharge, suspension, probation, oral warning, or written warning.* In arriving at a decision for proper action, the seriousness of the infraction, the past record of the workers, and the circumstances surrounding the matter, will all be taken into consideration.
- D) Treatment Programs: While we do not sponsor or endorse any specific drug treatment program, such programs are available through public and private health care facilities in our area. Affected workers are encouraged to seek assistance for themselves and their dependents.
- E) Education and Training Programs: We do not offer, nor require participation in drug and alcohol abuse education and training programs, however, various public and private facilities in our area offer such programs and affected workers are encouraged to seek assistance.
- F) Drug Testing: Subject to applicable law, we reserve the right to require drug testing as a condition for employment, or in case of a worker's involvement in an accident.

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# **EXHIBIT C**

## **Illinois Framing Assignment Agreement**

## ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Agreement"), dated as of December 18, 2009, is made and entered into by and among **Woodmark LLC**, an Arizona limited liability company ("Assignee"), and **Illinois Framing, Inc.**, a Delaware corporation ("Assignor"), with reference to the following.

### RECITALS

A. Assignee has negotiated an agreement with Assignor to assume certain specified Contracts (defined below) of Assignor;

B. Assignor is a debtor in possession under Title 11 of the United States Code, 11 U.S.C. §§ 101 - 1532 (as amended, the "Bankruptcy Code") and filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on June 16, 2009, in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") (Case No. 09-12074) (the "Bankruptcy Case");

C. The Bankruptcy Court has entered an Assignment Order (defined below) with respect to the transactions contemplated by this Agreement, including the assignment of the Contracts by Assignor to Assignee (the "Assignment"), and the Assignment and this Agreement are subject to applicable provisions of the Bankruptcy Code;

D. Pursuant to the terms, and subject to the conditions contained herein, Assignor will assign the Contracts to Assignee;

E. Assignee and Assignor wish to document the terms and conditions of the Assignment.

### AGREEMENT

NOW, THEREFORE, IT IS AGREED among the parties as follows:

#### 1. DEFINITIONS

All capitalized terms defined in the introductory paragraph, recitals or elsewhere in this Agreement shall have the meanings ascribed thereto. For purposes of this Agreement, the capitalized terms identified in this Section shall have the following meanings:

"Assignment Order" means the final, non-appealable order of the Bankruptcy Court which has been entered with respect to the Assignment, approving the transactions contemplated by this Agreement, and approving and authorizing Assignor to consummate the transaction contemplated by this Agreement.

"Contracts" means each contract or other instrument listed on *Exhibit I* attached hereto.

"Effective Date" means 11:59 p.m. on the date on which the Assignor and Assignee execute this Agreement and deliver their respective signatures to each other and the Assignment takes place pursuant to this Agreement.

"Trade Accounts Receivable" means all obligations arising out of the Contracts to make payment to Assignor, including obligations owed but not yet due as of the Effective Date, by all third-party purchasers of goods and services from Assignor prior to the Effective Date.

## 2. CONTRACTS

Assignor has delivered to Assignee, as *Exhibit 1*, a schedule setting forth all Contracts, including the current status of such Contracts.

## 3. ASSIGNMENT AND ASSUMPTION

Upon the terms and subject to the conditions set forth herein, as of the Effective Date, Assignor hereby assigns to Assignee, and Assignee hereby assumes, and agrees to hereafter satisfy pay when due and discharge and indemnify and hold harmless Assignor with respect to, any and all executory liabilities and obligations of Assignor as of the Effective Date under each of the Contracts. Other than the liabilities and obligations set forth in the foregoing sentence, Assignee shall assume no other liabilities of Assignor, including any liabilities or obligations not arising out of or relating to the Contracts.

## 4. EMPLOYEES

4.1 Definition of "Employees." Assignor has furnished to Assignee a list as of the date hereof of certain field and office employees of Assignor in connection with the Contracts. The term "Employees" shall mean all persons included on such list.

4.2 Termination. On the Effective Date, Assignor shall terminate all Employees. With respect to terminated Employees and any persons who terminated employment, including by notice of termination prior to the Effective Date, Assignor shall be solely responsible for payment, when and if due, of all salaries, wages, bonuses, vacation, COBRA liabilities and other obligations, if any, owed to Employees or any other employees of Assignor as of the Effective Date. Assignee assumes no responsibility whatsoever for obligations and/or benefits owed to any Employees or other employees before, or with respect to the period before, the Effective Date.

4.3 Assignee's Offer of Employment. Assignee will offer employment to each of the Employees as of the Effective Date.

4.4 Workers' Compensation. Assignor assumes all responsibility for liability arising from workers' compensation claims by Employees, both medical and disability, which have been filed on or prior to the Effective Date or which arose out of incidents that occurred on or prior to the Effective Date. Assignee shall be responsible for all claims for Employees which arise out of, or are based upon, incidents which occur subsequent to the Effective Date.



## 5. FURTHER ASSURANCES; BANKRUPTCY MATTERS

5.1 Further Assurances of Assignor. From time to time after the Effective Date, Assignor will execute and deliver to Assignee such instruments of sale, transfer, conveyance, assignment and delivery, consents, assurances, powers of attorney and other instruments as may be reasonably requested by Assignee in order to vest in Assignee all right, title and interest of Assignor in and to the Contracts and otherwise in order to carry out the purpose and intent of this Agreement.

5.2 Further Assurances of Assignee. From time to time after the Effective Date, Assignee will execute and deliver to Assignor such instruments of sale, transfer, conveyance, assignment and assumption, consents, assurances, novation, releases, powers of attorney and other instruments as may be reasonably requested by Assignor in order to vest in Assignee all right, title and interest of Assignee, in and to the Contracts and release Assignor therefrom, and otherwise in order to carry out the purpose and intent of this Agreement.

### 5.3 Bankruptcy Matters.

(a) Assignee shall not, without the prior written consent of Assignor, file, join in, or otherwise support in any manner whatsoever any motion or other pleading relating to the assignment of the Contracts hereunder.

(b) In the event the entry of the Assignment Order shall be appealed, Assignor and Assignee shall promptly defend such appeal with reasonable diligence.

(c) Assignee shall not be obligated to pay any out-of-pocket costs or expenses in connection with its obligations under this Section 5.3, other than the salaries and miscellaneous expenses of Assignee's employees and the cost of counsel and any other advisors retained by Assignee.

## 6. PAYMENT UNDER CONTRACTS

(a) Assignor shall retain, and not transfer to Assignee, the Trade Accounts Receivable that are outstanding as of the Effective Date with respect to the Contracts. Subject to the provisions of this Section 6, Assignor shall have the right to retain any and all amounts collected with respect to such Trade Accounts Receivable that relate to actual work completed as of the Effective Date, which is reflected in *Exhibit 1*.

(b) Upon completion of all of the work under each Contract, Assignee shall pay to Assignor any net amount reflected on *Exhibit 1* as being payable to Assignor by Assignee, and Assignor shall pay to Assignee any net amount reflected on *Exhibit 1* as being payable to Assignee by Assignor, with respect to such Contract.

(c) *Exhibit 1* also sets forth the amounts that Assignor will pay Assignee for any "punch out" work that Assignee performs after the Effective Date on projects completed by Assignor prior to the Effective Date.

## 7. MISCELLANEOUS

7.1 No Other Agreements. This Agreement and all Exhibits hereto (including the Subcontract Agreement for Warranty Program, dated as of the date hereof between Assignor and Assignee) constitute the entire agreement between the parties with respect to its subject matter. All prior and contemporaneous negotiations, proposals and agreements between the parties are included in, and superseded by, this Agreement. Any changes to this Agreement must be agreed to in writing signed by an authorized representative of each of Assignee and Assignor.

7.2 Waiver. Either Assignee or Assignor may waive the performance of any obligation owed to it by another party hereunder for the satisfaction of any condition precedent to the waiving party's duty to perform any of its covenants. Any such waiver shall be valid only if contained in writing signed by an authorized representative of each of Assignee and Assignor.

7.3 Public Announcements. No public announcements of this Agreement shall be made unless Assignee and Assignor have mutually agreed on the timing, distribution and contents of such announcements, except as may be required by applicable securities laws or regulations or the requirements of any securities exchange or market.

7.4 Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been duly given when delivered to the party to whom addressed or when received by a party if sent by telecopy (or 3 days after mailing if sent by registered or certified mail, return receipt requested, prepaid and addressed) at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

To Assignee: Woodmark LLC

[NEED ADDRESS AND FAX]

In each case, with copies to: [NEED NAME, ADDRESS AND FAX OF ATTORNEY]

To Assignor: Illinois Framing, Inc.  
c/o Building Materials Holding Corporation  
720 Park Boulevard, Suite 200  
Boise, ID 83712-7714  
Attn: Paul Street  
Facsimile: (208) 331-4477

Copies to: Gregory T. Davidson  
Gibson, Dunn & Crutcher LLP  
1881 Page Mill Road  
Palo Alto, CA 94304  
Facsimile: (650) 849-5333

7.5 Assignment. The parties shall not assign this Agreement without the prior written consent of the other party. Any attempt to assign this Agreement without prior written consent shall be void *ab initio*.

7.6 Choice of Law; Jurisdiction. This Agreement shall be governed by, and any disputes or controversies related hereto, shall be interpreted in accordance with the laws of the State of Illinois without regard to the conflicts of laws provisions that would apply the laws of any other jurisdiction, except as may be governed by the Bankruptcy Code. Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and Assignee and Assignor hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 7.4. Assignee and Assignor hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of Assignee and Assignor hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 7.4.

7.7 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

7.8 Paragraph Headings. The Section and Section paragraph headings contained herein are for convenience only and shall have no substantive bearing on the interpretation of this Agreement.

7.9 Rules of Interpretation. The following rules of interpretation shall apply to this Agreement, the Exhibits hereto, and any certificates, reports or other documents or instruments made or delivered pursuant to or in connection with this Agreement, unless otherwise expressly provided herein or therein, and unless the context hereof or thereof clearly requires otherwise:

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms, and if a term is said to have the meaning assigned to such term in another document or agreement and the meaning of such terms therein is amended, modified or supplemented, then the meaning of such term herein shall be deemed automatically amended, modified or supplemented in a like manner.

(b) References to the plural include the singular, the singular the plural and the part the whole.

(c) The words "include," "includes," and "including" are not limiting.

(d) A reference to any law includes any amendment or modification to such law which is in effect on the relevant date.

(e) A reference to any person or entity includes its successors, heirs and permitted assigns.

(f) Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for purposes of this Agreement or any Exhibit hereto or certificate, report or other document or instrument made or delivered pursuant to or in connection with this Agreement, such determination or computation shall be done in accordance with generally accepted accounting principles at the time in effect, to the extent applicable, except where such principles are inconsistent with the express requirements hereof or of such exhibit, certificate, report, document or instrument.

(g) The words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement.

(h) All Schedules, including the Exhibits to this Agreement constitute material terms of this Agreement and are incorporated fully into the terms of this Agreement.

7.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original, but which shall together constitute but one agreement.

7.11 Certain Expenses. Each party shall pay and be liable for its own fees, costs, expenses and taxes arising out of the preparation and negotiation this Agreement and the consummation of the transactions contemplated hereby.

7.12 Attorney's Fees. In any legal action, proceeding or arbitration arising out of this Agreement, regardless of which party hereto initiated such action, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

7.13 Approval of Bankruptcy Court. Notwithstanding anything herein to the contrary, all of Assignor's obligations under this Agreement are subject to approval of the Bankruptcy Court.

The parties have executed this Assignment Agreement on the day and year first written above.

**ASSIGNEE:**

Woodmark LLC

By: 

Name: Charles M Carano

Title:

**ASSIGNOR:**

Illinois Framing, Inc.

By: 

Name: Keith J. Kotch

Title: Sr. VP

*Signature Page to Assignment Agreement*

Exhibit 1  
 Illinois Framing, LLC  
 Business Unit 8751  
 Non-Union Work To Be Assigned To Woodmark LLC

Project	Project Location	Customer	Lot #	Trim draws	Rem hours	Labor @ \$30 +22.5% burden	Nicholas Est. Profit
Lancaster Falls South	Volo, IL	Ryland Homes	100-0044	4,625	76.8	(2,822)	1,803
Lancaster Falls North	Volo, IL	Ryland Homes	101-0052	5,653	76.3	(2,804)	2,849
Lancaster Falls Landmark	Volo, IL	Ryland Homes	102-0009	3,421	38.7	(1,422)	1,999
Spring Gate	Oswego, IL	Orleans	410-0014	4,525	79.3	(2,914)	1,611
Spring Gate	Oswego, IL	Orleans	410-0015	4,496	88.1	(3,238)	1,258
				22,720	359.2	(13,200)	9,520

**SUBCONTRACT AGREEMENT  
FOR  
ILLINOIS FRAMING, INC. - WARRANTY PROGRAM**

CONTRACTOR'S NAME: Illinois Framing, Inc. ("IFI")

BUSINESS ADDRESS: 1060 Lake Street

CITY: Hanover Park STATE: IL ZIP: 60133

BUSINESS PHONE: 630 736 0200

FAX NUMBER: 630 736 0400

SUBCONTRACTOR'S NAME: Woodmark, LLC ("Subcontractor")

BUSINESS ADDRESS: 451 Dunham Rd, Suite 200

CITY: St. Charles STATE: IL ZIP: 60542

BUSINESS PHONE: FAX NUMBER:

FEDERAL EMPLOYER ID NO: 01-0939034

WORKERS' COMPENSATION: WC067712631

GENERAL LIABILITY: GL0949054

THIS AGREEMENT, together with Addendums A, B and C and any subsequent Work Orders or Purchase Orders issued by IFI shall constitute the entire agreement between Subcontractor and IFI regarding warranty work.

1. IFI has entered into an agreement with Subcontractor to perform certain framing warranty work pursuant to requests received by IFI from its customers. IFI has engaged Subcontractor to perform the work which shall be set forth in a Work Order or Purchase Order issued by IFI to Subcontractor from time to time (the "Work"). The Work shall be performed based upon a schedule provided by IFI and its customers.

2. IFI will issue a Work Order requesting that Subcontractor investigate and estimate the cost to complete the warranty work. IFI will issue a Purchase Order to cover the estimate made by Subcontractor (as modified by IFI in its sole discretion). If Subcontractor does not agree with the cost modification, Subcontractor shall notify IFI within 24 hours of receipt of the Purchase Order. Upon completion of the Purchase Order, Subcontractor shall obtain acceptance of the Work from the Homeowner or Builder as evidenced by their signature on the IFI Purchase Order.

3. Payment for the Work is described in Addendum A. IFI shall not be required to pay Subcontractor until the Work is completed and has been accepted by Builder or the Homeowner. IFI shall assist Subcontractor as necessary to obtain the required Builder or Homeowner acceptance.

4. Subcontractor shall provide and pay for all labor, materials, equipment, tools and services necessary for the proper execution and completion of the Work. Subcontractor shall provide reasonable protection for the Work until it has been accepted by either the Homeowner or the Builder and shall be liable for all losses until that time.

5. Subcontractor shall perform all Work according to standard industry practice, and warrants that all workmanship and any materials furnished by Subcontractor will meet FHA minimum property standards, VA requirements, any applicable local building codes and other applicable requirements.

6. Subcontractor agrees to maintain, during the term of this Agreement, workers compensation, employers' liability, and automobile insurance as required by law and general liability insurance of at least \$1,000,000. Prior to commencing the Work, Subcontractor shall provide IFI with certificates of insurance evidencing compliance with this Agreement. IFI shall be named as additional insured on Subcontractor's general liability insurance using forms CG 2010 (07-04) and CG 2037 (07-04) or its equivalent, such that IFI shall be additional insured on Subcontractor's completed operations coverage for the Work.

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7. The Subcontractor represents and warrants the following to IFI:

(a) that it is authorized to do business in the State where the Work is located and is or will be properly licensed by all necessary governmental, public and quasi-public authorities having jurisdiction over it and over the Work and the site of the Work prior to performance of the Work;

(b) that its execution of the Agreement and the performance of the Work is within its duly authorized powers;

(c) (1) the Work will be performed in conformance with the requirements, terms, and time frames set out in this Agreement, the Work Order, or the Purchase Order, and shall comply with all applicable laws and regulations of federal, state and local governments (including subdivisions or agencies thereof) in effect during the performance of the Work; (2) the Work will be performed by the proper number of experienced, skilled, and/or licensed personnel, qualified to perform their assigned tasks; and (3) the Work will be performed in accordance with sound construction practices, standards of care, skill and diligence to assure that the Work will be of good quality, proper and sufficient for the purposes contemplated in this Agreement.

8. Subcontractor hereby assumes full responsibility for any damage to the Work site, all loss, damage or injury to lands and improvements adjacent or contiguous to the Work site, and all persons or property of such land or improvements, to the extent such damage results from the acts, errors and/or omissions of Subcontractor, its employees, suppliers, and all persons, firms or companies engaged by it.

9. Subcontractor further warrants all workmanship and material furnished by it to be free of defects for the greater of one year, or the time period required by IFI's underlying warranty to the Builder. Subcontractor agrees to make all repairs and correct such defects under its warranty within twenty four (24) hours of notice of such defect.

10. Subcontractor shall enforce strict discipline and good order among Subcontractor's employees and other persons performing the Work. Subcontractor shall not employ or hire unfit persons or persons not skilled in tasks assigned to them as it relates to the Work. Subcontractor shall also comply with the safety requirements set forth by industry standards and/or standards set forth by regulatory agencies, the attached Addendum B and the Drug Policy set forth in Addendum C, as well as any designated safety rules posted by Subcontractor at any of their job sites.

11. Subcontractor shall clean the site upon completion of the Work. All cleanup refuse shall be placed in receptacles or locations provided or designated by the Homeowner, the Builder, or the Subcontractor.

12. Subcontractor, in performance of the Work, is a licensed contractor and shall have the sole discretion in the performance of the Work, except that the Work must be performed in accordance with this Agreement, the Work Order or the Purchase Order.

13. Subcontractor shall defend and indemnify IFI against any claim for death, bodily injury or property damage (a "Claim") including a lawsuit related to this Agreement, the Work or any Work Order or Purchase Order.

14. Either party may terminate this Agreement at any time, without cause, after 60 days prior written notice to the non terminating party. In the event of termination without cause, Subcontractor shall be paid for all Work Orders and Purchase Orders performed up to the date of termination. If IFI is the terminating party, it shall also pay Subcontractor for materials ordered by the Subcontractor prior to termination.

15. In the event of termination of this Agreement by IFI due to Subcontractor's default (e.g. failure to timely and fully perform a Work Order or Purchase Order, failure to timely repair its defective work, failure to indemnify IFI as required above), IFI shall be entitled to retain all sums due to Subcontractor under any Work Order or Purchase Order and shall be entitled to cause the Work to be performed by others, and shall apply any withheld sums against such costs of completion and the costs of performing Subcontractor's warranty obligations for the Work, and after all warranties have expired, any excess shall be paid to Subcontractor. This remedy is in addition to all other remedies available to IFI at law or in equity.

16. In the event that Subcontractor's performance of the Work is delayed or interfered with, for any reason and for any period of time, by acts or omissions of IFI, the Homeowner or the Builder, inclement weather conditions or anyone other than Subcontractor or Subcontractor's employees, agents and suppliers, Subcontractor may request an extension of time for performance of the Work Order or Purchase Order which request shall be granted so long as IFI is able to obtain a similar extension from the Homeowner or Builder.

17. All notices to be sent to Subcontractor or IFI shall be sent to the addresses shown above.

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18. This Agreement may not be orally modified. Subcontractor may not assign this Agreement or subcontract any portion of the Work Orders or Purchase Order without IFI's prior written approval.

19. Without securing the written consent of IFI, Subcontractor shall not divulge the terms of this Agreement (including all Work Orders, Purchase Orders, and attachments) to any third party, including the Homeowner or the Builder. This provision shall survive the expiration or termination of this Agreement.

**SUBCONTRACTOR HAS READ AND UNDERSTANDS ALL OF IT TERMS AND REQUIREMENTS. SUBCONTRACTOR AGREES TO COMPLY WITH ALL TERMS AND REQUIREMENTS APPLICABLE TO THE WORK AS SET FORTH IN THIS AGREEMENT AND SHALL BE BOUND TO IFI IN THE EXACT SAME MANNER THAT IFI IS BOUND TO THE HOMEOWNER AND THE BUILDER.**

SUBCONTRACTOR

BY: \_\_\_\_\_

PRINT NAME: Charles M. Camero

DATE: 12-18-09

IFI

BY: \_\_\_\_\_

PRINT NAME: Keith J. Kotche

DATE: 12-18-09

Initials KJ CK  
SB Sub

**ADDENDUM "A": PRICING**

IFI agrees to pay Subcontractor for each completed Work Order and Purchase Order as set forth below.

<b>LABOR:</b>	<b>\$36.75 per hour</b>
<b>MATERIAL:</b>	<b>Subcontractor's Verified Cost.</b>
<b>EQUIPMENT RENTAL:</b>	<b>Subcontractor's Verified Cost</b>

Subcontractor shall submit invoice(s) (and lien waivers as may be required by IFI and/or the Homeowner or Builder) to IFI properly identifying the IFI Work Order or Purchase Order whichever applies. Payment shall be issued by IFI within thirty (30) days after its receipt of the invoice, subject to Section 3 above.

Initials 19/50  
SB Sub

### ADDENDUM "B"

#### **General Job Safety Rules:**

- A) Project safety standards will be according to the latest additions of OSHA standards.
- B) The construction site is a hard hat area. Personal protective wear is also required and must be adequate for safe construction activities.
- C) Persons exposed to operations subjecting the eyes and face to dust of flying particles shall use eye and/or face protection.
- D) Electrical equipment and tools shall be grounded by multi-conductor cord with grounding conductor, and multi-conductor polarized plug-in receptacles.
- E) Compressed gas cylinders shall be in a secured upright position at all times.
- F) Housekeeping must be conducted by each trade on a daily basis.
- G) Employees or contractors are responsible for becoming familiar with the location of the first aid station and emergency telephone number and for reporting all injuries as soon as possible to their supervisor.
- H) Fire extinguisher should be adequately marked, located and accessible.
- I) Adequate shoring and sloping-back shall be maintained for all trenching or excavating activities.
- J) All heavy (motor) equipment shall be inspected prior to use, and seat belts must be worn.
- K) Fall protection (rails, lanyards, etc.) shall be used as required.
- L) Horseplay, scuffling and other acts that tend to endanger the safety or well being of employees are prohibited.
- M) This project has been designated a "Drug Free" work place. This project will be regulated according to the guidelines of the attached drug and alcohol policy.
- N) Everyone is responsible for safety awareness, jobsite cleanliness, and practicing accident prevention.

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#### ADDENDUM "C"

##### Drug Abuse Policy:

- A) Statement of Purpose and Scope: In recognizing that alcohol and drug abuse in the work place has become a major concern, we believe that by reducing drug and alcohol abuse, we will improve the safety, health, productivity of workers, and prevent accidents.
- The use, possession, sale, transfer, purchase, or being under the influence of drugs by workers at any time on the jobsite is prohibited. The illegal use of any drug is prohibited. Workers must not report for duty or be on the jobsite with any drug.
- B) Definition of Drug: For the purpose of this policy, the term "drug" whenever it appears in this policy statement shall include alcoholic beverages, abusable glue, aerosol paint, or a controlled substance.
- C) Consequences of Violating the Drug Abuse Policy: Violation of this drug abuse policy will result in one of the following forms or corrective action: *immediate discharge, suspension, probation, oral warning, or written warning.* In arriving at a decision for proper action, the seriousness of the infraction, the past record of the workers, and the circumstances surrounding the matter, will all be taken into consideration.
- D) Treatment Programs: While we do not sponsor or endorse any specific drug treatment program, such programs are available through public and private health care facilities in our area. Affected workers are encouraged to seek assistance for themselves and their dependents.
- E) Education and Training Programs: We do not offer, nor require participation in drug and alcohol abuse education and training programs, however, various public and private facilities in our area offer such programs and affected workers are encouraged to seek assistance.
- F) Drug Testing: Subject to applicable law, we reserve the right to require drug testing as a condition for employment, or in case of a worker's involvement in an accident.

Initials SB CC  
SB Sub

# **EXHIBIT D**

## **Cure Schedule**

SelectBuild Illinois, LLC  
Business Unit 8750  
Union Work To Be Assigned To Michael Nicholas LLC

Project	Project Location	Customer	Lot #
Crossing of Morton Grove Renaissance Estates	Morton Grove, IL Chicago, IL	Toll Brothers JTA Development	604-0002 101-0003
Remington Point Concord Commons	Volo, IL Des Plaines, IL	Town & Country Lennar	559-0228 598-0020
Wooddale Train Station	Wooddale, IL	FBG Corp	764-0001

Toll Brothers  
1600 Patriot Commons Dr  
Glenview, IL 60026  
Fax (847) 901-5284  
Contact: Brian Wulfestieg

JTA Development  
1555 E. 122nd Street  
Chicago, IL 60643  
Fax (773) 589-9570  
Contact: John Powen

Town & Country Homes  
1806 S. Highland Ave.  
Lombard, IL 60148  
Fax (630) 953-1131  
Contact: Rich Ackman

Lennar Homes  
2300 N. Barrington Road  
Hoffman Estates, IL 60169  
Fax (847) 303-2250  
Contact: Matt Brown

FBG Corp  
1015 S. IL Route 83  
Elmhurst, IL 60126  
Fax (630) 941-7799  
Contact: Mac Marshall

**Illinois Framing, LLC**

Business Unit 8751

Non-Union Work To Be Assigned To Woodmark LLC

Project	Project Location	Customer	Lot #
Lancaster Falls South	Volo, IL	Ryland Homes	100-0044
Lancaster Falls North	Volo, IL	Ryland Homes	101-0052
Lancaster Falls Landmark	Volo, IL	Ryland Homes	102-0009
Spring Gate	Oswego, IL	Orleans	410-0014
Spring Gate	Oswego, IL	Orleans	410-0015

Ryland Homes  
1141 E. Main Street  
East Dundee, IL 60118  
Fax (224) 293-3101  
Contact: Erik Borg

Orleans Homes  
650 Algonquin Road  
Schaumburg, IL 60173  
Fax (847) 925-1403  
Contact: Kent Kubacki

# **EXHIBIT E**

## **Cure Notice**



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

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

**PLEASE TAKE NOTICE THAT**, on the date hereof, the above-captioned debtors and debtors-in-possession (collectively, the "***Debtors***") filed the Debtors' Motion for an Order, pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9004, and 9014, Authorizing SelectBuild Illinois, LLC and Illinois Framing, Inc. To Enter into Assignment Agreements *Nunc Pro Tunc* to December 18, 2009 and Granting Related Relief (the "***Motion***") on December 8, 2009. Under the Motion, the Debtors seek authority, among other things, to assume and assign certain Contracts<sup>1</sup> to the Assignees pursuant to the terms and conditions of two Assignment Agreements.<sup>2</sup>

**PLEASE TAKE FURTHER NOTICE THAT** you have been identified as a counterparty to a Contract that the Debtors may potentially assume and assign to an Assignee pursuant to the terms of the Assignment Agreements. You should identify your contract on ***Exhibit A*** annexed hereto.

**PLEASE TAKE FURTHER NOTICE THAT** the undisputed cure costs that the Debtors intend to pay and believe must be paid to cure all defaults under the Contracts (the "***Cure Amounts***") are set forth in the "***Cure Schedule***" attached as ***Exhibit A***. You should locate your Contract on the Cure Schedule to determine the Cure Amount that the Debtors believe is undisputed.

**PLEASE TAKE FURTHER NOTICE THAT** unless a non-debtor party to a Contract files an objection (a "***Cure Objection***") to (a) its scheduled Cure Amount and/or (b) to the proposed assumption, assignment, and/or transfer of such Contract by 10:00 AM (prevailing Eastern time) December 28, 2009 (the "***Cure Objection Deadline***") and serves a copy of the Cure Objection so as to be received no later than the Cure Objection Deadline to: (a) Gibson, Dunn & Crutcher LLP, 200 Park Ave., 47<sup>th</sup> Floor, New York, New York 10166-0193 (Attn: Michael A. Rosenthal, Esq. and Matthew K. Kelsey, Esq. (Tel. (212) 351-4000 and Facsimile (212) 351-4035), counsel to Debtors;

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order.

<sup>2</sup> Copies of the Supplement and all exhibits to the same, including without limitation the Assignment Agreements, are available by request to Co-Counsel for the Debtors and Debtors-in-Possession.

(b) Young, Conaway, Stargatt & Taylor, LLP, The Brandywine Building, 1000 West St., 17<sup>th</sup> Floor, Wilmington, Delaware, DE 19801 (Attn: Sean M. Beach, Esq. and Robert F. Poppiti, Jr., Esq. (Tel. (302) 571-6600; Facsimile (302) 571-1253), counsel to Debtors; (c) Office of the United States Trustee for the District of Delaware, 844 King street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Joseph J. McMahon, Jr. (Tel. (302) 573-6491, Facsimile (302) 573-6497); (d) Paul, Hastings, Janofsky & Walker, LLP, 55 Second Street, San Francisco, CA 94105-3441 (Attn: Kevin B. Fisher, Esq. (Tel. (415) 856-7219, Facsimile ((415) 856-7200) and 75 East 55<sup>th</sup> Street, New York, New York 10022 (Attn: Thomas L. Kent, Esq. (Tel. (212) 318-6060 and Facsimile (212) 230-7899), counsel to the agent under the Debtors' postpetition debtor in possession credit facility; (e) Richards, Layton & Finger, P.A., One Rodney Square, 920 King Street, Wilmington, DE 19801 (Attn: Paul N. Heath, Esq. (Tel. (302) 651-7590, Facsimile (302) 498-7590)), counsel to the agent under the Debtors' postpetition debtor in possession credit facility; and (f) either (i) in the case of the SelectBuild Assignment Agreement, Michael Nicholas, LLC, 1331 Davis Rd, Elgin, IL 60123, or (ii) in the case of the Illinois Framing Assignment Agreement, Woodmark, LLC, 451 Dunham Rd, Suite 200, St Charles, IL 60542, such non-debtor party shall (y) be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to such Contract and the Debtors should be entitled to rely solely upon the Cure Amount, and (z) be deemed to have consented to the assumption, assignment, and/or transfer of such Contract and be forever barred and estopped from asserting or claiming against the Debtors or the Assignees that any additional amounts are due or defaults exist, or conditions to assumption, assignment, and/or transfer must be satisfied, under such Contract.

Dated: Wilmington Delaware  
December 21, 2009

<p>YOUNG, CONAWAY, STARGATT &amp; TAYLOR, LLP Sean M. Beach (No. 4070) Donald J. Bowman, Jr. (No. 4383) Robert F. Poppiti, Jr. (No. 5052) The Brandywine Building 1000 West Street, 17<sup>th</sup> Floor Wilmington, Delaware 19801 Telephone: (302)571-6600 Facsimile: (302) 571-1253</p>	<p>GIBSON, DUNN, &amp; CRUTCHER LLP Matthew Kelsey Michael A. Rosenthal 200 Park Avenue New York, New York 10166-0193 Telephone: (212) 728-8000 Facsimile: (212) 728-8111</p>
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Co-Counsel for the Debtors and Debtors in Possession

**EXHIBIT A**

SelectBuild Illinois, LLC  
Business Unit 8750  
Union Work To Be Assigned To Michael Nicholas LLC

Project	Project Location	Customer	Lot #
Crossing of Morton Grove Renaissance Estates	Morton Grove, IL Chicago, IL	Toll Brothers JTA Development	604-0002 101-0003
Remington Point Concord Commons	Volo, IL Des Plaines, IL	Town & Country Lennar	559-0228 598-0020
Wooddale Train Station	Wooddale, IL	FBG Corp	764-0001

Toll Brothers  
1600 Patriot Commons Dr  
Glenview, IL 60026  
Fax (847) 901-5284  
Contact: Brian Wulfestieg

JTA Development  
1555 E. 122nd Street  
Chicago, IL 60643  
Fax (773) 589-9570  
Contact: John Powen

Town & Country Homes  
1806 S. Highland Ave.  
Lombard, IL 60148  
Fax (630) 953-1131  
Contact: Rich Ackman

Lennar Homes  
2300 N. Barrington Road  
Hoffman Estates, IL 60169  
Fax (847) 303-2250  
Contact: Matt Brown

FBG Corp  
1015 S. IL Route 83  
Elmhurst, IL 60126  
Fax (630) 941-7799  
Contact: Mac Marshall

**Illinois Framing, LLC**

Business Unit 8751

Non-Union Work To Be Assigned To Woodmark LLC

Project	Project Location	Customer	Lot #
Lancaster Falls South	Volo, IL	Ryland Homes	100-0044
Lancaster Falls North	Volo, IL	Ryland Homes	101-0052
Lancaster Falls Landmark	Volo, IL	Ryland Homes	102-0009
Spring Gate	Oswego, IL	Orleans	410-0014
Spring Gate	Oswego, IL	Orleans	410-0015

Ryland Homes  
1141 E. Main Street  
East Dundee, IL 60118  
Fax (224) 293-3101  
Contact: Erik Borg

Orleans Homes  
650 Algonquin Road  
Schaumburg, IL 60173  
Fax (847) 925-1403  
Contact: Kent Kubacki