

March 25, 2010

2010 MAR 26 PM 10:35
U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

Via Federal Express Delivery

Mr. David D. Bird
Clerk of the Court
U.S. Bankruptcy Court
824 Market St., 5th Floor
Wilmington, DE 19801

Re: Case No. 09-12074; *In Re: Building Materials Holding Corporation, et al.*,
In the Bankruptcy Court of the District of Delaware

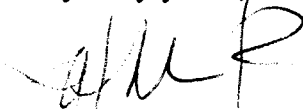
Dear Mr. Bird:

I am writing about the Proofs of Claim filed by Younas Chaudhary in the above case as Claim Nos. 00002113 through 00002124. These claims were filed on or about August 28, 2009, inclusive against BMC West, Building Materials Holding Corporation; SelectBuild Construction, Inc.; SelectBuild Northern California, Inc.; Illinois Framing, Inc.; C Construction, Inc.; TWF Construction, Inc.; H.N.R. Framing Systems, Inc.; SelectBuild Southern California, Inc.; SelectBuild Nevada, Inc.; SelectBuild Arizona, LLC; and SelectBuild Illinois, LLC.

Younas Chaudhary hereby withdraws and dismisses with prejudice Proofs of Claim Nos. 00002113 through 00002124. All of these claims have been settled, and the settlement has been paid in full, pursuant to the attached Settlement Agreement and Release.

I appreciate your cooperation on this matter. Please do not hesitate to contact me if you have any questions at 713.490.4019.

Very truly yours,



Kathleen Rose

KSR/pcg
Enclosure

Mr. David D. Bird, Clerk of the Court
March 25, 2010
Page 2

cc:

Via U.S. Certified Mail - RRR

Sean M. Beach

Donald J. Bowman, Jr.

Robert F. Poppiti, Jr.

Young Conaway Stargatt & Taylor, LLP

1000 West Street, 17th Floor

Wilmington, Delaware 19801

Michael A. Rosenthal

Matthew K. Kelsey

Aaron G. York

Gibson, Dunn & Crutcher, LLP

200 Park Avenue

New York, New York 10166-0193

Paul Street (Via Email)

Senior Vice President, Chief Administrative Officer,

General Counsel and Corporate Secretary

BMHC

720 Park Blvd., Suite 200

Boise, ID 83712

Gregory Guarton

The Garden City Group, Inc.

105 Maxess Road

Melville, NY 11747

Office of the U.S. Trustee

844 King Street

Suite 2207

Lockbox 35

Wilmington, Delaware 19801

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (hereinafter "Agreement") is entered into and made this 4 day of March, 2010, by and between: (1) YOUNAS CHAUDHARY ("CHAUDHARY"); and (2) BMC WEST CORPORATION, an Idaho corporation ("BMC WEST"). CHAUDHARY and BMC WEST may on occasion be referred to herein individually as a "Party" or collectively as "the Parties."

WHEREAS, CHAUDHARY is the owner of certain real property and improvements (the "Property") located at 8902 Cypresswood Drive, Spring, Texas 77379;

WHEREAS, BMC WEST provided plywood in 2007-2008 (the "Work") in connection with a remodel in 2007-2008 (the "Project") involving the Property;

WHEREAS, CHAUDHARY filed proofs of claim, as Claim Nos. 00002113 through 00002124, inclusive against BMC WEST, Building Materials Holding Corporation; SelectBuild Construction, Inc.; SelectBuild Northern California, Inc.; Illinois Framing, Inc.; C Construction, Inc.; TWF Construction, Inc.; H.N.R. Framing Systems, Inc.; SelectBuild Southern California, Inc.; SelectBuild Nevada, Inc.; SelectBuild Arizona, LLC; and SelectBuild Illinois, LLC, in connection with the case known as *In re Building Materials Holding Corporation*, Case No. 09-12074 (KJC) in the United States Bankruptcy Court for the District of Delaware, alleging that each of said entities is legally liable, pursuant to contract, tort or statutory schemes, including but not limited to breach of contract, breach of warranty and product liability torts, for damages (as well as attorney fees, other fees and expenses, prejudgment interest and postjudgment interest) arising out of defective plywood that was incorporated into the Property during the course of the Project (the "Proofs of Claims");

WHEREAS, the Parties thereafter decided to resolve their differences and to dismiss the Proofs of Claims pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of their mutual promises and agreements expressed herein, the sufficiency of which consideration the Parties hereby acknowledge, the Parties agree as follows:

1. **Payment.** BMC WEST shall pay to CHAUDHARY, by check made payable to the Trust Account of Wright, Brown and Close, the sum of Twenty-five Thousand and No/100 Dollars (\$25,000.00), and shall deliver same to CHAUDHARY's counsel, Kathleen S. Rose. Said sum will not be reduced by the percentage paid to unsecured creditors in the bankruptcy.

2. **Release.** CHAUDHARY hereby fully compromises and settles, and completely and forever releases and discharges, BMC WEST and all of the other RELEASEES (as defined herein) from any and all Claims (as defined herein). CHAUDHARY shall execute this Agreement and shall immediately deliver to Garden City the claims agent for BMC West a statement of withdrawal and dismissal with prejudice of the Proofs of Claims and deliver the executed Agreement and statement of withdrawal of the Proofs of Claims to counsel for BMC

WEST immediately upon delivery of the above-referenced sum of Twenty-five Thousand and No/100 Dollars (\$25,000.00) to CHAUDHARY's counsel, Kathleen S. Rose.

3. Contribution and Indemnity.

3.1 CHAUDHARY has had, has or may have other claims against the manufacturer of the plywood or other persons or entities that are not Parties to this Agreement, as a result of the Work, the Project or the Property. Nothing contained in this Agreement is intended to prevent CHAUDHARY from asserting such claims against those entities;

4. Further Agreements, Warranties and Representations. The Parties make the following additional agreements, representations and warranties to each other, which agreements, representations and warranties are material to this Agreement:

4.1 Each of the Parties represents and warrants to the other Parties that no promise, inducement or agreement, except those stated in this Agreement, has been made to said Party to induce said Party to make or sign this Agreement.

4.2 CHAUDHARY represents and warrants to BMC WEST that CHAUDHARY has not filed any Claim (other than his Proofs of Claims) as of the date of this Agreement against BMC WEST or any other RELEASEE, with any federal, state or other court, administrative agency, county recorder or other forum, and in the event any such Claim does exist, CHAUDHARY agrees to dismiss the Claim with prejudice and without award of costs or attorney fees.

4.3 BMC WEST represents and warrants to CHAUDHARY that Columbia Plywood Corporation, 222 SW Columbia Street, No. 1575, Portland, Oregon 97201, an affiliate of Columbia Forest Products, was the exclusive supplier of plywood to BMC WEST during the time period during which BMC WEST supplied plywood for the Project. BMC WEST will also supply CHAUDHARY with the address of any local Texas office of Columbia Plywood Corporation and/or Columbia Forest Products.

5. Definition of Claim(s).

5.1 The term Claim(s), as used in this Agreement, means any and all claims—whether past, present or future, known or unknown, legal or equitable, contingent or established—of every kind, name and nature (including but not necessarily limited to any and all types of arbitration, bills, costs, damages, demands, expenses, promises, contracts, attorney fees, liens, subrogation interests, controversies, actions, charges, causes of action, whether for bodily injury, property damage, economic loss or otherwise, arising out of the Work and the Project.

5.2 The term Claim(s) includes but is not limited to any and all (a) claims of breach of any contract or agreement; (b) claims of breach of warranty, (c) claims of breach of any implied covenant of good faith or fair dealing, (d) product liability claims, (e) statutory claims, and (f) claims of negligence, arising out of the Work and the Project.



5.3 The foregoing notwithstanding, the term Claim(s) shall not include any claim for breach of this Agreement.

5.4 Definition of Releasee(s). The term Releasee(s), as used in this Agreement, means (a) BMC WEST; (b) all of BMC WEST's past, present and/or future holding companies, subsidiaries and related entities (including but not limited to Building Materials Holding Corporation; SelectBuild Construction, Inc.; SelectBuild Northern California, Inc.; Illinois Framing, Inc.; C Construction, Inc.; TWF Construction, Inc.; H.N.R. Framing Systems, Inc.; SelectBuild Southern California, Inc.; SelectBuild Nevada, Inc.; SelectBuild Arizona, LLC; and SelectBuild Illinois, LLC); and (c) any and all other persons and entities acting for, by or through BMC WEST or on its behalf. Notwithstanding anything to the contrary in this Agreement, the definition of Releasee(s) shall not extend to Columbia Plywood Corporation, Columbia Forest Products, or those companies' subsidiaries and affiliates.

6. Miscellaneous Provisions.

6.1 Integration. The terms of this Agreement are contractual and not mere recitals. This Agreement constitutes the final and complete expression of the Parties and supersedes any and all of their prior statements, promises, representations, agreements and understandings, either oral or written, with respect to the matters set forth herein.

6.2 Modification. No Party, nor any agent or employee of any of the Parties, nor any other person or entity, may orally or by conduct modify, delete, vary, or contradict the terms or conditions of this Agreement or this Subsection 6.2. This Agreement may be modified only by a written agreement signed by all of the Parties.

6.3 Titles and Captions. The titles and captions of all sections and subsections in this Agreement are for convenience only and shall not be deemed part of the context nor affect the construction or interpretation of this Agreement.

6.4 Number and Gender. Whenever used herein, the singular number shall include the plural and the plural the singular, and the use of any gender shall include all.

6.5 No Third-Party Rights. Nothing in this Agreement shall be construed as creating or giving rise to any rights in any third parties or any persons other than the Parties hereto.

6.6 Severability. The invalidity or unenforceability of any provision herein, or portion thereof, shall in no way affect the enforceability of the remaining provisions of this Agreement, which remaining provisions shall remain in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated.

6.7 Governing Law. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of laws rules.

6.8 Attorney Fees. In any action brought to enforce or interpret the provisions of this Agreement, the prevailing Party or Parties shall be entitled to reasonable attorney fees and court costs in addition to any other relief that may be awarded.

6.9 Interpretation of Agreement. Each of the Parties has been represented by counsel or had the opportunity to be represented by counsel in the negotiation and preparation of this Agreement. The Parties agree that this Agreement is to be construed as jointly drafted. Accordingly, this Agreement will be construed according to the fair meaning of its language, and the rule of construction that ambiguities are to be resolved against the drafting Party will not be employed in the interpretation of this Agreement.

6.10 Waiver. Any waiver of any breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any other or subsequent breach or violation of this Agreement.

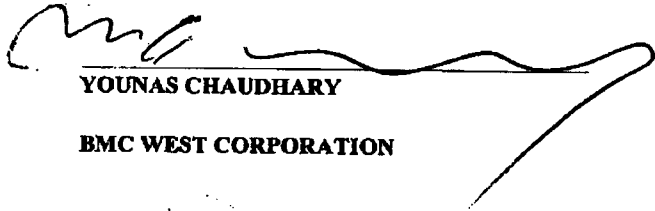
6.11 Nonadmission of Liability. This Agreement is entered into as a settlement of disputed claims and to avoid the expense and inconvenience of further litigation, and this Agreement is not an admission of any wrongdoing, liability or fault by any Party or of any damages to any Party.

6.12 Further Action. The Parties will execute and deliver to each other any and all other instruments, documents and/or writings and will take any other action reasonably necessary to effectuate the dismissal of CHAUDHARY's Proofs of Claims with prejudice and without award of costs or attorney fees or otherwise to effectuate the intent of this Agreement.

6.13 Incorporation by Reference. The Proofs of Claims referenced above as Claim Nos. 00002113 through 00002124, inclusive, and the Stipulation for Dismissal attached hereto as Exhibit A are incorporated herein by reference as if fully set forth herein.

6.14 Voluntary Agreement. This Agreement is made and entered into freely and voluntarily by both Parties, each being free from any duress or influence on the part of the other, and each fully understanding the terms and conditions and provisions hereof, and believing those terms and consideration to be fair, adequate, and reasonable.

6.15 Counterparts and Facsimile Signatures. This document may be executed in counterparts, and once so executed by the Parties, each such counterpart shall be deemed to be an original instrument, but both such counterparts together shall constitute but one Agreement. Any facsimile signature hereon shall be deemed to be an original signature.


YOUNAS CHAUDHARY

BMC WEST CORPORATION

By 
Paul S. Street, Chief Executive Officer

6.11 Nonadmission of Liability. This Agreement is entered into as a settlement of disputed claims and to avoid the expense and inconvenience of further litigation, and this Agreement is not an admission of any wrongdoing, liability or fault by any Party or of any damages to any Party.

6.12 Further Action. The Parties will execute and deliver to each other any and all other instruments, documents and/or writings and will take any other action reasonably necessary to effectuate the dismissal of CHAUDHARY's Proofs of Claims with prejudice and without award of costs or attorney fees or otherwise to effectuate the intent of this Agreement.

6.13 Incorporation by Reference. The Proofs of Claims referenced above as Claim Nos. 00002113 through 00002124, inclusive, and the Stipulation for Dismissal attached hereto as Exhibit A are incorporated herein by reference as if fully set forth herein.

6.14 Voluntary Agreement. This Agreement is made and entered into freely and voluntarily by both Parties, each being free from any duress or influence on the part of the other, and each fully understanding the terms and conditions and provisions hereof, and believing those terms and consideration to be fair, adequate, and reasonable.

6.15 Counterparts and Facsimile Signatures. This document may be executed in counterparts, and once so executed by the Parties, each such counterpart shall be deemed to be an original instrument, but both such counterparts together shall constitute but one Agreement. Any facsimile signature hereon shall be deemed to be an original signature.

YUNAS CHAUDHARY

BMC WEST CORPORATION

By 

Paul S. Street, Chief Executive Officer

EXHIBIT A

Stipulation for Dismissal

Counsel for Younas Chaudhary will file with the bankruptcy court a letter advising the withdrawal and dismissal with prejudice of the Proofs of Claims Nos. 00002113 through 00002124, to include a fully executed copy of the Settlement Agreement and Release.

785