

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

In re:) Chapter 11
)
BUILDING MATERIALS HOLDING	) Case No. 09-12074 (KJC)
CORPORATION, <i>et al.</i> ,)
	) Jointly Administered
Debtors.)
	) Objection Deadline:
	) April 12, 2010 at 4:00 p.m. (ET)
	) Hearing Date:
	) April 19, 2010, 4:00 p.m. (ET)

**OPPOSITION OF SOUTHWEST MANAGEMENT, INC. TO DEBTORS'
SIXTEENTH (NON-SUBSTANTIVE) OBJECTION TO CLAIMS
PURSUANT TO SECTION 502(B) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 3003 AND 3007 AND LOCAL RULE 3007-1**

**[Declarations Of David I. Sunkin, Steven J. Moscrop and Steven R. Campbell
Filed Concurrently Herewith]**

Southwest Management, Inc. ("Southwest"), a creditor and party-in-interest, by and through undersigned counsel submits this Opposition ("Opposition") to the Debtor's Sixteenth Omnibus (Non-Substantive) Objection to Claims Pursuant to Section 502(d) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007 and Local Rule 3007-1 ("Claims Objection") filed by Building Materials Holding Corporation and its debtor affiliates (collectively, "Debtors") [Docket No. 1480] and, in support thereof, states as the following:

Procedural Background

1. On June 16, 2009 ("Petition Date"), the Debtors and their affiliates filed petitions for relief under Chapter 11 of the United States Bankruptcy Code.

2. On November 24, 2009, and after repeated verbal and written communications with Southwest's counsel stating that the Debtor Parties would assume the APA (as hereafter defined), the Debtor Parties provided Southwest's counsel with a Cure Notice related to Purchase and Sale Agreement (the "APA") between Debtors C Construction, Inc. and SelectBuild Construction, Inc. (formerly known as BMC Construction, Inc.) ("collectively, "Purchasing Debtors"), as buyers, and Southwest and certain other entities as sellers (collectively, the "Seller Parties") indicating that Debtors wished to assume the APA, but contending that the cure amount was zero.¹ [See Docket No. 1090, p. 5]

3. On December 8, 2009, Southwest filed its Objection of Contracting Party Southwest Management, Inc. to Cure Amounts Submitted by Debtors with Respect to Assumption of Purchase and Sale Agreement between Certain Debtors as Buyers and Southwest Management, Inc., *et al*, as Sellers ("Cure Objection") [Docket No. 1052], together with the supporting Declarations of David I. Sunkin [Docket No. 1052, Exh. 11] and Steven R. Campbell [Docket No. 1052, Attachment No. 1].

4. In the Cure Objection, Southwest stated that it was amenable to the Debtors assuming the APA. However, Southwest disagreed with Debtors' calculation of the proposed cure amount and objected thereto. Southwest demonstrated the existence of defaults in the APA, and, therefore, that the Debtors were obligated to cure those defaults as a condition to assuming the APA.

¹ The Cure Notice referenced a purchase agreement with C Construction, Inc. and a purchase agreement with Selectbuild Construction, Inc. Southwest is aware of only one purchase agreement (to which both of the Purchasing Debtors are parties) – the APA.

5. The Debtors responded to the Cure Objection. [Docket Nos. 1090, 1152] In reply to the Debtors' response, on December 9, 2009, Southwest filed its Reply of Contracting Party Southwest Management, Inc. to Debtor's Omnibus to Cure Claim Objections and Proposed Order Resolving Cure Claim Objections [Docket No. 1110] and on December 14, 2009, filed its Supplemental Objection of Contracting Party Southwest Management, Inc. to Cure Amounts Submitted by Debtors with Respect to Assumption of Purchase and Sale Agreement Between Certain Debtors as Buyers and Southwest Management, Inc., *et al.*, as Sellers [Docket No. 1129].

6. The Cure Objection was originally heard on December 17, 2009. [See Docket No. 1236]. The Court decided certain issues related to the Cure Objection at the December 17, 2009 hearing. *See id.*

7. Pursuant to the Court's December 30, 2010 Order Resolving Cure Claim Objections, the remaining issues raised in the Cure Objection were set for hearing on January 27, 2010. [Docket No. 1236] On the morning of the January 27, 2010 hearing, the Debtors advised Southwest of their decision to reject the APA. At the January 27, 2010 hearing, the Debtors advised the Court of their intent to reject the APA.

8. By Order Authorizing the Debtors to Reject the Purchase Agreement with Southwest Management, dated February 1, 2010 ("APA Rejection Order"), the Court authorized the Debtors to reject the APA [Docket No. 1380]. The APA Rejection Order was entered on the docket of this case on February 2, 2010.

9. The APA Rejection Order provided that Southwest had thirty (30) days after the entry thereof, or until March 4, 2010 in which to file a rejection damages claim arising out of the rejection of the APA. [Docket No. 1380]

Southwest's Rejection Damages Claims

10. On March 2, 2010, Southwest timely file rejection damages claims in the amount of \$1,299,407.50 against Debtors C Construction, Inc. [Claim No. 2910], and Select Build Construction, Inc. [Claim No. 2911] (collectively, "Southwest Claims"). In the Southwest Claims, Southwest asserted claims against each of the Purchasing Debtors for breaches of the APA arising out of the rejection thereof, including, but not limited to breaches of Articles 13 and 15 and Sections 22.8 and 22.10 of the APA.

11. The Debtors filed the Claims Objection on March 18, 2010. [Docket No. 1480] In the Claims Objection. The Debtors assert only a generic "books and records" objection to the Southwest Claims, to wit

Based on review of the Debtors' books and records, there is no amount owing to this claimant and the claimant has provided insufficient documentation to support the claim. As such, the Debtors object to this claim.

12. As will be demonstrated in detail below, Southwest has suffered and will continue to suffer substantial damages as a result of both (a) pre-rejection defaults by one or both of the Purchasing Debtors under the APA and (b) the rejection of the APA.

13. As set forth below, Southwest's contract rejection claims consist of the following components:

- a. the sum of \$300,000 arising out of the Purchasing Debtors' failure to honor their obligation, under § 13(a) of the APA to assume and be responsible for a portion of the Threshold Amount (as defined in the APA and in paragraph 18 below) of an indemnifiable claim;
- b. the cost of managing the administration and resolution of certain claims which the Purchasing Debtors assumed pursuant to the APA, but which they will no longer fund as a result of their rejection of the APA, and which an employee of the Purchasing Debtors acknowledges will likely exceed \$700,000;
- c. the cost of storing certain records the Purchasing Debtors will no longer be storing as a result of the rejection of the APA;
- d. actuarial consulting and analysis expenses of \$11,500 Southwest was required to incurred in connection with the Debtors' rejection of the APA.
- e. \$20,000 in consulting fees concerning potential future liabilities to Southwest Management and its affiliates arising out of activities occurring prior to the closing of the sale for which the APA provided that Southwest incurred in connection with the rejection of the APA; and
- f. \$125,478.42 in attorneys' fees incurred by Southwest following the Purchasing Debtors' commencement of its aborted attempt to assume the APA.

Factual Background: the APA

14. On or about July 29, 2005, pursuant to the APA between the Purchasing Debtors, as buyers (collectively, "Debtors"), and the Seller Parties (including Southwest), the Seller Parties sold their businesses (the "Business") to the Purchasing Debtors.² See the Declaration of Steven R. Campbell in Support of Southwest Management, Inc.'s Opposition to Debtors' Claims Objection ("Campbell Decl.") filed contemporaneously herewith, ¶2. In addition to the purchase and sale of the Business, the APA sets forth additional material provisions that are integral to the APA.

² The Business consisted of providing trenching services; composition forming and finishing of rapid rate concrete; engineering, forming and stressing post-tension steel; and insulation of residential waste, water and gas plumbing systems for homes and other buildings.

15. After the parties consummated the purchase and sale of the Business under the APA, the parties continued to perform the executory provisions of the APA.

16. As demonstrated below, the Debtors are indebted to Southwest in the amount of \$1,052,910 arising out of the rejection of the APA and pre-rejection breaches of the APA.

Pursuant to the Indemnification Provisions of the APA, the Debtors Are Indebted to Southwest for the First \$300,000 that the Seller Parties Advanced in the National Union Litigation

17. Pursuant to the indemnity provisions contained in § 13.1(a) of the APA, the Seller Parties (including Southwest) and the Purchasing Debtors expressly agreed to a specific and complex allocation of risk with respect to their respective indemnification obligations to each other.

18. By virtue of that allocation of risk, the Seller Parties (including Southwest Management) agreed to indemnify the Purchasing Debtors for certain losses resulting from the Seller Parties' breach of their warranties under the APA. APA, § 13.1(a)(i). For the Seller Parties' indemnification obligations to the Purchasing Debtors to be triggered, however, the liabilities eligible for indemnification had to exceed \$600,000. *Id.* Once the \$600,000 threshold amount ("Threshold Amount") was exceeded, the Purchasing Debtors were entitled to indemnification for any covered losses exceeding \$300,000, up to the ultimate cap on the Seller Parties' of 20% of the purchase price set forth in the APA. *Id.* Nevertheless, the Purchasing Debtors always remained liable for the first \$300,000 in losses, if the Threshold Amount were exceeded. *Id.*

19. Put another way, pursuant to § 13.1(a) of the APA, the Seller Parties agreed that, although there was a \$600,000.00 deductible for an indemnifiable claim, the Seller Parties would cover defense and liability costs in excess of \$300,000.00, up to the ultimate cap on the Seller Parties' of 20% of the purchase price set forth in the APA. If the total loss (including defense and liability costs) exceeded \$600,000.00, with the Debtors being responsible for the first \$300,000 of expenses.³ These types of deductible baskets are common in acquisition agreements in order to give sellers comfort that they will not be confronted with a bombardment of indemnity claims for immaterial claims. *See* the Certification of David Sunkin in Opposition to Claims Objection filed contemporaneously herewith ("Sunkin Decl.") ¶3 .

20. The indemnification provisions of the APA were heavily negotiated and were a material part of the APA. Sunkin Decl., ¶ 3. It was only as a result of those negotiations, the Seller Parties and the Purchasing Debtors agreed that although the deductible would be \$600,000, to the extent that ultimate exposure on a claim (including defense and liability costs) exceeded \$600,000, the Seller Parties would cover all amounts in excess of \$300,000, up to the ultimate cap on the Seller Parties' of 20% of the purchase price set forth in the APA., with the Purchasing Debtors covering the first \$300,000 (APA, § 13.1(a)). The parties' negotiated agreement in this regard is reflected in the plain language of § 13.1(a) of the APA. Nevertheless, Southwest Management reserves the right to present evidence of representations made during the negotiation of the APA should production of such evidence become necessary.

³ In the event that the Threshold Amount was not exceeded, the purchasing Debtors would have been responsible for the entire \$600,000 in losses. Campbell Decl., Exh. A., § 13(a).

21. In May, 2006, almost one year after the parties entered into the APA, National Union Fire Insurance Company ("National Union") filed a lawsuit against certain of the Seller Parties. Sunkin Decl., § 4. Pursuant to the APA, National Union served the Purchasing Debtors with notice of its suit. *Id.* National Union alleged that certain of the Seller Parties failed to pay certain additional worker's compensation premiums on insurance provided by National Union prior to the closing of the APA (the "National Union Litigation"). *Id.* The Seller Parties' failure to do so, if proven, would have constituted a breach of their representation and warranty contained in § 8.20 of the APA that all insurance premiums had been paid in full. Campbell Decl., Exh. A, § 8.20, p. 21.

22. It was for good reason that the APA provided for the Purchasing Debtors to receive notice of actions like the National Union Litigation. Pursuant to § 3.3(a) and (b) of the APA, the Purchasing Debtors had assumed "all Liabilities of the [Seller Parties] arising out of or relating to the operation of the Business" Campbell Decl., Exh. A, § 3.3(a) and (b), p. 9. It is beyond cavil that the obligations of a business entity to pay workers' compensation insurance premiums "arise out of and relate" to the entities "business." To be sure, the definition of "Assumed Liabilities" under the APA excludes liabilities of the Seller Parties for breaches of warranties or representation. *Id.*, Exh. A, § 3.3(b)(iv). However, the exclusion of liabilities grounded in breaches of warranty or representations from Assumed Liabilities is expressly "subject to the limitations set forth in Section 13" of the APA. *Id.* In other words, the exclusion

⁴ The insurance policies in question were not employee welfare benefit plans (*see* § 3.3(b)(vii) of the APA). They were assets assigned to the Purchasing Debtors pursuant to the APA. Clearly, the Debtors did not intend to operate the Seller Parties' business without workers compensation insurance in place.

of such claims from Assumed Liabilities is subject to and controlled by the risk-sharing provisions of the indemnity contained in § 13(a)(1) of the APA. Consequently, to the extent of those risk sharing provisions, the Purchasing Debtors indisputably assumed liability for the claims asserted by National Union in the National Union Litigation.

23. The Purchasing Debtors tendered the defense of the National Union Litigation to the Seller Parties. Sunkin Decl., ¶ 4. In light of National Union's allegations, the Seller Parties accepted Debtors' tender of defense. *Id.* Having done so, as set forth in more detail below, they advanced defense (and ultimately settlement) costs with respect to the National Union Litigation in an amount exceeding \$600,000.00.

24. As set forth in the Sunkin Declaration (¶¶ 4-6), the Seller Parties participated with the Purchasing Debtors in the National Union Litigation and the Debtors knew what was occurring in the National Union Litigation and settlement discussions related thereto. Debtors made strategic decisions in the National Union Litigation at various times and, initially, designed the defense strategy. *Id.* The Seller Parties kept the Debtors informed of the status of the National Union Litigation at all times. Before Seller Parties settled the National Union Litigation with National Union, the Seller Parties provided the Debtors with a copy of the Proposed Settlement Agreement. The parties settled the litigation for \$550,000. Defense costs exceeded \$50,000, bringing the total amount incurred and paid by the Seller Parties to over \$600,000. Pursuant to Section 13.1(a) and the definition of Expenses in the APA, defense costs are to be included in determining whether the \$600,000 threshold is met. The Seller Parties advanced the entire settlement amount and paid all defense costs, thereby entitling Southwest to reimbursement of \$300,000 from Debtors.

25. As set forth in the Sunkin Decl. (¶¶ 5-6), the Seller Parties kept the Purchasing Debtors informed of the National Union Litigation and settlement discussions in a manner that exceeded the Seller Parties' obligations under the APA. Although the Seller Parties paid over \$600,000 in connection with the National Union Litigation, under the terms of the APA, the Seller Parties were obligated only to pay amounts in excess of \$300,000. That is, the Seller Parties were not responsible for the first \$300,000 of the amount the Seller Parties actually paid. On that basis, on or about September 13, 2007, based on the allocation of risks contained in the indemnification provisions of § 13.1 of the APA, the Seller Parties rightfully demanded reimbursement from the Purchasing Debtors. The Purchasing Debtors failed to reimburse the \$300,000.00 to the Seller Parties as required by § 13.1(a) of the APA. Debtors' failure to reimburse the Seller Parties, despite demand for reimbursement, was a default under the APA.

26. Pursuant to § 13.1(a) of the APA, therefore, as of the Petition Date, the Purchasing Debtors were required to reimburse Southwest the first \$300,000, plus pre-petition interest thereon from the Seller Parties' September 13, 2007, demand for payment, as allowed by law.

As a Result of the Rejection of the APA, the Debtors Will No Longer Manage the Administration and Resolution of Certain Claims and Are no Longer Responsible for either the Deductible Amounts or the Expenses Incurred in Connection with the Administration and Resolution of Those Claims or the Storage of the Records Related to Those Claims.

27. Under the APA, the Purchasing Debtors had several ongoing obligations to Southwest in addition to their indemnity obligation, including, without limitation, an obligation to manage, in a commercially reasonable manner, and to provide reports on certain litigation and insurance and other claims, an obligation to satisfy and discharge assumed liabilities, an

obligation to retain books and records regarding the business sold and to provide Southwest with access to same, the obligation to manage any tax audits or other administrative judicial proceedings involving the business sold, and an obligation to provide administrative support. See §§ 3.3, 7.2, 12.2, 13.3, 13.4, 13.5, 13.7, 15.2, 15.5 and 22.8 of the APA. Campbell Decl., .
A. *See also* Sunkin Decl., ¶ 7.

28. The Purchasing Debtors' agreement to manage the litigation and insurance claims they assumed as a result of entering into the APA and to pay the deductible amounts they agreed to pay was an important part of the consideration that the Seller Parties received in exchange for the Business. Campbell Decl., ¶ 5; Sunkin Decl., ¶ 8. Indeed, had the Purchasing Debtors not agreed to manage the aforesaid claims, the Seller Parties would have insisted on substantially greater consideration for the Business. *Id.*

29. As a result of their rejection of the APA, the Debtors will no longer manage the litigation, insurance or other claims they assumed as a result of entering into the APA with the Seller Parties or pay any of the deductible amounts they were obligated to pay under the APA. Indeed, the Debtors have instructed other parties to contact Southwest and affiliates about these claims, and Southwest and its affiliates have been contacted by numerous parties about those claims. Campbell Decl., ¶ 5.

30. A substantial portion of that litigation and those claims are construction defect claims. Sunkin Decl., ¶ 10 The statute of limitations for such claims is ten years in the states in which the Business was operated. *Id.* The transactions contemplated under the APA closed on August 31, 2005. *Id.* Consequently, construction defect claims covered by the APA could be brought for the next five-and-one-half years (*i.e.*, through August 31, 2010). Southwest, perhaps

optimistically, estimates that it would take only another year and a half after the expiration of the ten-year statute of limitations to resolve such open claims. *Id.* Hence, it would take approximately seven years to completely manage the administration and resolution of the claims the Purchasing Debtors assumed pursuant to the APA. *Id.* In the meantime, as a result of the Debtors' rejection of the APA, it has been suddenly left to Seller Parties to review claims that the Purchasing Debtors, and not the Seller Parties, had the obligation to manage for the last four and one-half years to determine the nature of the claims, the entities against whom they are properly asserted if at all and to evaluate the merit, if any, of the claims. *Id.*

31. The Debtors themselves, through their in-house Legal and Risk Management Counsel, Maureen Thomas, have admitted that the management of the administration and resolution of the claims the Purchasing Debtor assumed pursuant to the APA and which they will no longer be managing will cost at least \$100,000 per year. Campbell Decl., ¶ 4, Exh. B. In fact, the Debtors admit that the actual cost of administering the claims is double that amount. *Id.* The Debtors estimation of the cost of administering the claim does not take into account their now rejected obligation to pay deductibles. *See* Exh. B to the Campbell Decl. Therefore, the management of the claims the Debtors agreed to manage under the APA for the seven years (or longer) remaining until the applicable statutes of limitations have expired and the claims not yet resolved at that time have been resolved would cost at least \$700,000, even without taking into consideration the deductibles the Debtors would have been obligated to pay had they not rejected the APA. Nevertheless, Southwest is willing to limit its claim to the extent that it relates to the administration of claim and the Debtors' rejection of their obligation to pay deductibles to \$700,000.

32. The Debtors have also advised Southwest of their intention to return the records they were required to maintain pursuant to the APA or to destroy them and, indeed, have returned some of those records already. Campbell Decl., ¶ 5; Sunkin Decl., ¶ 11. Southwest estimates that it will cost approximately \$21,800 to store those and others of its own records. *See* the Declaration of Steven Moscrop in Opposition to Claims Objection filed simultaneously herewith at ¶ 5.

33. Under the circumstances, as a result of the Debtors' rejection of the APA, Southwest has a valid claim for \$721,800 for the costs of managing claims that will no longer be borne by the Debtors and for record storage costs that will no longer be borne by the Debtors.

Additional Damages Southwest Has Suffered in Connection with the Rejection of the APA and Pre-Rejection Breaches of the APA

34. In connection with the rejection of the APA, Southwest has had to retain an accountant/financial advisor, Stephen J. Moscrop, to provide analysis and advise concerning potential future liabilities to the Seller Parties as a result of the rejection of the APA, among others, analyzing activities by the Seller Parties prior to the execution of the APA. Southwest has been billed \$20,000 for those services. Campbell Decl., ¶ 6, Exh. C.

35. In connection with the rejection of the APA, Southwest has been required to consult an actuary concerning potential future liabilities of Southwest as a result of the rejection of the APA arising out of the assets that were sold to, and the liabilities that were assumed by, the Purchasing Debtors pursuant to the APA. Southwest has been billed \$11,500 for those services. Campbell Decl., ¶ 7, Exh. D.

36. Interpretation and enforcement of the APA is expressly governed by California Law. Campbell Decl., Exh. A, § 22.10. In connection with and following the Debtors' aborted proposal to assume the APA the ultimate rejection of the APA, incurred \$125,478.42 in attorneys' fees. Campbell Decl., ¶ 8, Exh. E and F.

The Debtors' Threatened Offset

37. The Debtors have demanded that Southwest take possession of records they no longer wish to maintain as a result of their rejection of the APA. Sunkin Decl., ¶ 11. However, although the APA provides Southwest with the option of taking possession of records the Purchasing Debtors seek to dispose of, it does not obligate Southwest to do so. Campbell Decl., Exh. A, § 22.8(a).

38. Alternatively, the Debtors have advised Southwest of their intention to dispose of the aforesaid records and to unilaterally offset any expense they incur in disposing of those records against any distribution to Southwest (or any of its affiliates who hold claims against any of the Debtors⁵) under the Debtors' confirmed plan of reorganization. Sunkin Decl., ¶ 12. However, no provision of the APA obligates Southwest to pay for the disposition of records by the Debtors.

39. Moreover, as to the Southwest Claims, the Claims Objection merely states an expressly "non-substantive" "books and records" objection. The Claims Objection does not set

⁵ In fact, because none of the Debtors' alleged claims against Southwest under the APA could be asserted against any of Southwest's affiliates who have filed claims against the Debtors, the Debtors could not assert an offset against the distributions to those creditors.

out a basis for the assertion of a setoff by the Debtors. It is submitted, therefore, that the Debtors cannot effectuate any setoff against a distribution to Southwest (or any of its affiliates) under their confirmed plan absent an express Order of this Court and only after notice and a hearing.

40. Questions concerning reconciliation, settlement or resolution of Southwest's claim may be directed by the Debtors to David Sunkin, Esq., Sheppard Mullin Richter & Hampton, LLP, 333 South Hope Street, 43rd Floor, Los Angeles CA 90071-1448 (telephone: 213-617-4254. Debtors' counsel may contact David N. Crapo, Esq., Gibbons P.C., One Gateway Center, Newark, NJ 07102-5310 (973-596-4523).

Conclusion

41. It is respectfully submitted that the Southwest Claims should be allowed in full in the amount of \$1,052,190. It is further submitted that the Debtors are not entitled to offset any amounts against the dividend payable to Southwest under their confirmed plan.

Dated: April 12, 2010
Wilmington, Delaware

GIBBONS PC

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**DECLARATION OF DAVID I. SUNKIN IN SUPPORT OF SOUTHWEST
MANAGEMENT, INC.'S OPPOSITION TO DEBTORS' CLAIMS OBJECTION**

I, David I. Sunkin, say that:

1. I am an attorney at law licensed to practice in the State of California, and am a partner at Sheppard Mullin Richter & Hampton LLP, counsel herein for Southwest Management, Inc. ("Southwest"). I have personal knowledge of the facts stated in this declaration, or knowledge based upon my examination of the documents described herein, and if called as a witness, I could and would testify competently thereto under oath.

2. In July 2005, Southwest and certain other entities as sellers (collectively, the "Seller Parties") entered into a Purchase and Sale Agreement ("APA") with debtors C Construction, Inc. and SelectBuild Construction, Inc., formerly known as BMC Construction, Inc. (collectively, "Debtors") as buyers. I represented the Seller Parties in the negotiation and drafting of the APA. I participated in numerous communications with Debtors and their counsel and exchanged numerous drafts of the APA and the related ancillary documents called for by the APA.

3. The Indemnification provisions of Section 13 of the APA were highly negotiated. For example, with respect to the Seller Parties' indemnification obligations to Debtors set forth in Section 13.1(a), the Seller Parties and Debtors and/or their affiliates (collectively, the "Debtor Parties") agreed in the event that the amount of expenses incurred by the Debtor Parties by an indemnifiable claim exceeded \$600,000, then the Seller Parties would be responsible for all amounts in excess of \$300,000, up to the ultimate cap on Seller Parties' exposure of 20% of the purchase price under the APA, and the Debtor Parties would remain responsible for the first \$300,000 of expenses. The plain language of Section 13.1(a) of the APA expressly sets forth the parties' agreement in that regard. I have learned in my professional experience that these types of deductible baskets are common in acquisition agreements like the APA to give Sellers like the Seller Parties comfort that they will not be confronted with a bombardment of indemnity claims for immaterial claims.

4. After the parties entered into the APA, and specifically in May 2006, National Union Fire Insurance Company ("National Union") filed a lawsuit against certain of the Seller Parties. National Union alleged that certain of the Seller Parties failed to pay certain workers' compensation insurance premiums on insurance provided by National Union prior to the closing of the APA (the "Litigation"). In accordance with the terms of the APA, the Debtor Parties received service of the Litigation and tendered defense to the Seller Parties under the APA as an indemnifiable claim. In light of the substance of National Union's allegations, the Seller Parties accepted the tender and provided the defense as required by the APA. While not actually litigating the Litigation, I was intimately involved in decision-making and settlement negotiations and strategy with respect to the Litigation and worked closely with the Debtor

Parties, their employees and their counsel ("Litigation Counsel") who jointly represented the Seller Parties in the Litigation and represented the Debtor Parties in other National Union litigation involving the Debtor Parties (the "Debtor/NU Litigation").

5. While the Seller Parties took over defense of the Litigation as required in the APA, Debtors not only were aware of the negotiations and exposure, but were intimately involved in the process leading up to what ultimately was a settlement of the Litigation. Debtors' Director of Risk Management, Len Baumann (the "Director"), who maintained he had a strong relationship with senior executives at National Union, designed the strategy of defending the Litigation and the Debtor/NU Litigation and attended mediation in October 2006 which was an attempt to settle both the Litigation and the Debtor/NU Litigation. Even though the mediation failed, the Director was still making settlement proposals thereafter to settle globally all matters between the Seller Parties and the Debtor Parties, on the one hand, and National Union, on the other hand. Litigation Counsel also sent emails to Debtors updating Debtors on the status of settlement negotiations. Even after the Seller Parties concluded the settlement of the Litigation was hampered by the issues in the Debtor/NU Litigation and decided to pursue a separate settlement with National Union and communicated this fact to Debtors, Debtors were agreeable to this decision, and Mr. Baumann facilitated conversations between the Seller Parties' representative and the appropriate National Union senior executive. In fact, the Director specifically informed Litigation Counsel and the Seller Parties' representative that the Director did not want to be part of the negotiations with National Union regarding the Litigation. The Seller Parties continued to keep Debtors informed throughout the negotiations. Finally, the Litigation was settled but before the Seller Parties actually executed the Settlement Agreement

with National Union, the Seller Parties provided the Director and Debtors' Senior Vice President and General Counsel, Paul Street, with a copy of the proposed Settlement Agreement.

6. The Seller Parties and National Union ultimately settled the Litigation for \$550,000 and the Seller Parties paid such amount to National Union. The Seller Parties incurred well in excess of \$50,000 in defense costs in the Litigation. Thus, the total amount incurred and paid by the Seller Parties exceeded \$600,000. I understand that, despite repeated demands over the past few years, Debtors have failed to reimburse the Seller Parties for the first \$300,000 that Debtors are required to cover under the APA.

7. Under the APA, the Purchasing Debtors had several ongoing obligations to Southwest in addition to their indemnity obligation, including, without limitation, an obligation to manage, in a commercially reasonable manner, and to provide reports on certain litigation and insurance and other claims, and to pay related deductible amounts due under the applicable insurance policies, an obligation to satisfy and discharge assumed liabilities, an obligation to retain books and records regarding the business sold and to provide Southwest with access to same, the obligation to manage any tax audits or other administrative judicial proceedings involving the business sold, and an obligation to provide administrative support.

8. Having been involved in the negotiation of the APA, I can say that the Purchasing Debtors' agreement to manage the litigation and insurance claims they assumed as a result of entering into the APA and to pay the deductible amounts they agreed to pay was an important part of the consideration that the Seller Parties received under the APA. Indeed, I can say with

certainty that, had the Purchasing Debtors not agreed to manage the aforesaid claims, the Seller Parties would have insisted on substantially greater consideration for the sale under the APA.

9. I understand that, as a result of their rejection of the APA, the Debtors will no longer manage the litigation, insurance or other claims they assumed as a result of entering into the APA with the Seller Parties or pay any of the deductible amounts they were obligated to pay under the APA. Indeed, I am aware that the Debtors have instructed claimants to contact Southwest and affiliates about these claims and Southwest and its affiliates have been contacted by numerous parties about those claims.

10. A substantial portion of that litigation and those claims are construction defect claims. The statute of limitations for such claims is ten years in the states in which the Seller Parties operated the businesses that they sold to the Debtors pursuant to the APA. The transactions contemplated by the APA closed on August 31, 2005. Consequently, construction defect claims covered by the APA could be brought for the next five-and-one-half years (*i.e.*, through August 31, 2015). Southwest, perhaps optimistically, estimates that it would take only another year and a half after the expiration of the ten-year statute of limitations to resolve such open claims. Hence, it would take approximately seven years to completely manage the administration and resolution of the claims the Purchasing Debtors assumed pursuant to the APA. In the meantime, as a result of the Debtors' rejection of the APA, it has been suddenly left to the Seller Parties to review claims that the Purchasing Debtors, and not the Seller Parties, had the obligation to manage for the last four and one-half years to determine the nature of the claims, the entities against whom they are properly asserted if at all and to evaluate the merit, if any, of the claims.

11. In the wake of their rejection of the APA, the Debtors's Legal and Risk Management Counsel, Maureen Thomas has demanded that Southwest take possession of records the Debtors no longer wish to maintain as a result of their rejection of the APA. In fact, the Debtors have returned some of those records to the Seller Parties.

12. Alternatively, as Ms. Thomas has also advised me, the Debtors will dispose of the aforesaid records and offset any expense they incur in disposing of documents they no longer wish to maintain against any distribution to Southwest (and perhaps to certain affiliates of Southwest that have asserted claims against the Debtors) under the Debtors' confirmed plan of reorganization.

The foregoing statements made by me are true. I understand that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Executed this 9th day of April, 2010, at Los Angeles, California.

/s/ David I. Sunkin

David I. Sunkin

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

In re:	) Chapter 11
)
BUILDING MATERIALS HOLDING	) Case No. 09-12074 (KJC)
CORPORATION, <i>et al.</i> ,)
	) Jointly Administered
Debtors.)
	) Objection Deadline:
	) April 12, 2010, 4:00 p.m. (ET)
	) Hearing Date:
	) April 19, 2010, 11:00 a.m. (ET)
)

**DECLARATION OF STEVEN J. MOSCROP IN SUPPORT OF SOUTHWEST
MANAGEMENT, INC.'S OPPOSITION TO DEBTORS' CLAIMS OBJECTION**

I, Steven J. Moscrop, say that:

1. I am a financial consultant with a principal place of business in California. Previously, I served as the Chief Financial Officer of Southwest Management, Inc. ("Southwest"), and several of its affiliates (collectively, "Seller Parties"). I have personal knowledge of the facts stated in this declaration, or knowledge based upon my experience as the Seller Parties CFO and as a financial consultant. If called as a witness, I could and would testify competently thereto under oath.

2. In July of 2005, the "Seller Parties" entered into a Purchase and Sale Agreement ("APA") with debtors C Construction, Inc. and SelectBuild Construction, Inc., formerly known as BMC Construction, Inc. (collectively, "Debtors") as buyers. I was serving as the CFO at the time of the negotiation and drafting of the APA and the closing of the sale of the business and certain assets (collectively, the "Business") of the Seller Parties and participated in the negotiation of the sale.

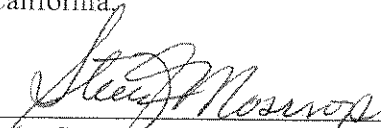
3. In my role as familiar with the records of the Seller Parties, as well as generally being familiar with the volume of records maintained by the Seller Parties. I was specifically familiar with the documents relating to the Business that were sold pursuant to the APA, including the general volume of those records.

4. I now have my own financial consulting practice and am no longer CFO of the Seller Parties. However, since ceasing to be the Seller Parties' CFO, I have been retained by one or more of them (or their affiliates) for consultation on financial matters. Among the matters for which I have been retained are matters relating to their real estate holdings. As a result of my experience as CFO of the Seller Parties and as a financial consultant, I have become aware of and familiar with warehouse charges for storing documents in the areas of the country in which the Seller Parties conduct business or have previously conducted business.

5. I understand that the Debtors have rejected the APA and have insisted that the Seller Parties take possession of the records related to certain litigation and insurance claims that they had agreed to assume in connection with their purchase of the Business (collectively, "Claims Records"). Based on my familiarity with the volume of the records of the Seller Parties and the warehouse charges for storing documents in the areas in which the Seller Parties conduct or have conducted business, I have concluded that it would cost \$21,800 to store the Claims Records for a period of seven years.

The foregoing statements made by me are true. I understand that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Executed this 16th day of April, 2010, at San Marcos, California.



Steven J. Moscrop

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

In re:	)	Chapter 11
)	
BUILDING MATERIALS HOLDING	)	Case No. 09-12074 (KJC)
CORPORATION, <i>et al.</i> ,)	
	)	Jointly Administered
Debtors.)	
	)	Objection Deadline:
	)	April 12, 2010, 4:00 p.m. (ET)
	)	Hearing Date:
	)	April 19, 2010, 2:00 p.m. (ET)
)	

**DECLARATION OF STEVEN R. CAMPBELL IN SUPPORT OF SOUTHWEST
MANAGEMENT, INC.'S OPPOSITION TO DEBTORS' CLAIMS OBJECTION**

I, Steven R. Campbell, say that:

1. At the time of the events described herein, I was an officer of Southwest Management, Inc. ("Southwest"). I have personal knowledge of the facts stated in this declaration, or knowledge based upon my examination of the documents described herein, and if called as a witness, I could and would testify competently thereto under oath.

2. In July 2005, Southwest and certain other entities as sellers (collectively, the "Seller Parties") entered into a Purchase and Sale Agreement ("APA") with debtors C Construction, Inc. and SelectBuild Construction, Inc., formerly known as BMC Construction, Inc. (collectively, "Debtors") as buyers. I negotiated the material business terms of and signed the APA as an officer of each of the Seller Parties. A true and correct copy of the APA (without exhibits and schedules is attached hereto as Exhibit A.

3. Under the terms of the APA, the Seller Parties sold their businesses as defined in the APA (the "Business") to Debtors. I am advised that the Debtors have rejected the APA in their bankruptcy case.

4. In connection with their purchase of the Seller Parties' Business pursuant to the APA, the Debtors agreed to manage the administration and resolution of certain claims and pay any "deductible" amount due for prior construction defect claims, related to the Business but arising out of events occurring before the sale of the Business to the Debtors. I understand that, as part of their rejection of the APA, the Debtors are no longer required to manage those claims or pay such deductible amounts. Nevertheless, on February 15, 2010, I received a letter by e-mail from Maureen Thomas, the Legal and Risk Management Counsel for the Debtors. A copy of that letter is attached to this Declaration as Exhibit B. By her letter of February 15, 2010, Ms. Thomas advised me that the Debtors would be willing to continue managing the claims, (but not pay any deductible amount due) for another year for \$100,000.

5. The Purchasing Debtors' agreement to manage the litigation and insurance claims they assumed as a result of entering into the APA and to pay the deductible amounts they agreed to pay was in important part of the consideration that the Seller Parties received in exchange for the Business. Indeed, had the Purchasing Debtors not agreed to manage the aforesaid claims, the Seller Parties would have insisted on substantially greater consideration for the Business.

6. Since they rejected the APA, the Debtors have instructed other parties to contact Southwest and its affiliates about these claims, and Southwest and its affiliates have been contacted by numerous parties about those claims.

7. By her letter of February 15, 2010, Ms. Thomas also advised me of the Debtor's intention to return the records they were required to maintain pursuant to the APA. I am advised by Steven J. Moscrop, who served as Chief Financial Officer of the Seller Parties at the time of the Sale and whom I have retained in connection with various financially-related matters in the past that storage of those and other records will cost approximately \$21,800 over the time we estimate such records should be retained.


8. In connection with the rejection of the APA, Southwest has had to retain Mr. Moscrop to provide analysis and advise concerning potential future liabilities to the Southwest Management and its related Seller Parties as a result of the rejection of the Debtor's rejection of the APA arising from activities by the Seller Parties prior to the execution of the APA. Southwest has been billed \$20,000 for those services. A copy of Mr. Moscrop's invoice is attached to this Declaration as Exhibit C.

9. In connection with the Debtors' rejection of the APA, Southwest has been required to consult an actuary concerning potential future liabilities of Southwest as a result of the rejection of the APA arising out of the assets that were sold to and the liabilities that were assumed by the Purchasing Debtors pursuant to the APA. Southwest has been billed \$11,500 for those services. A copy of the invoice is attached to this Declaration as Exhibit D.

10. As a result of the Debtors' aborted attempt to assume the APA and rejection of the APA, Southwest Management has been required to retain counsel to protect its interests. Attached to this Declaration as Exhibit E are invoices from Sheppard Mullin Richter & Hampton, LLP. Invoices from Gibbons P.C. are attached to this Declaration as Exhibit F.

The foregoing statements made by me are true. I understand that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Executed this 11th day of April, 2010, at Las Vegas, Nevada.



Steven R. Campbell

EXHIBIT A

PURCHASE AND SALE AGREEMENT

among

C CONSTRUCTION, INC.

(Buyer)

BMC CONSTRUCTION, INC.

(Parent)

and

CAMPBELL CONCRETE OF NEVADA, INC.
CAMPBELL CONCRETE OF CALIFORNIA, INC.,
CAMPBELL CONCRETE OF ARIZONA, INC.,
CAMPBELL CONCRETE, INC.,
CAMPBELL CONCRETE OF NORTHERN CALIFORNIA, INC.,
STERLING TRENCHING, INC.,
SR CAMPBELL PLUMBING OF CALIFORNIA, INC.,
SR CAMPBELL PLUMBING OF NEVADA, INC.,
SRC ENTERPRISES, INC.,

and

SOUTHWEST MANAGEMENT, INC.,

(collectively, Campbell)

and

Steven R. Campbell

(Shareholder)

Dated as of July 29, 2005

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EXHIBITS

- Exhibit 1— Contracts
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- Exhibit 3— Form of Escrow Agreement
- Exhibit 4— Shareholder's Licenses
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- Exhibit 14— Shareholder Consulting Agreement
- Exhibit 15— Allocation of Value

- Schedule 8— Disclosure Schedules

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement"), dated as of July 29, 2005, is among Campbell Concrete of Nevada, Inc., a Nevada corporation, Campbell Concrete of California, Inc., a California corporation, Campbell Concrete of Arizona, Inc., an Arizona corporation, Campbell Concrete, Inc., a California corporation, Campbell Concrete of Northern California, Inc., a California corporation, Sterling Trenching, Inc., a Nevada corporation, SR Campbell Plumbing of California, Inc., a California corporation, SR Campbell Plumbing of Nevada, Inc., a Nevada corporation, SRC Enterprises, Inc., a Nevada corporation, and Southwest Management, Inc., a Nevada corporation (each a "Campbell Entity" and collectively, "Campbell" or the "Company"), Steven R. Campbell, the sole shareholder of each Campbell Entity ("Shareholder" and collectively with Campbell, "Sellers"), C Construction, Inc., a Delaware corporation ("Buyer"), and BMC Construction, Inc., a Delaware corporation ("Parent").

RECITALS

A. Buyer has negotiated an agreement with Sellers to acquire certain of the assets of Campbell related to the Business (as defined below), including certain existing contracts, certain intangible assets, fixed assets and non-cash net working capital and Buyer has agreed to assume certain liabilities of the Business;

B. Shareholder desires that Campbell sell certain of Campbell's assets to Buyer;

C. Parent is the parent corporation of Buyer and will benefit from the transactions contemplated by this Agreement and therefore desires that the transactions contemplated by this Agreement be consummated; and

C. Buyer and Sellers wish to document the terms and conditions of the transaction.

AGREEMENT

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

1. DEFINITIONS

For purposes of this Agreement, the capitalized terms identified in this Section shall have the following meanings:

"Acquisition Proposal" means any bona fide proposal or offer (i) for a merger, share exchange, consolidation or other business combination concerning Campbell, (ii) to Campbell or Shareholder to acquire in any manner, directly or indirectly, any material part of the assets or 10% or more of the equity securities, as outstanding on the date hereof, of any Campbell Entity, (iii) with respect to any recapitalization or restructuring concerning Campbell or (iv) with respect to any other transaction similar to any of the foregoing; provided, however, that any such proposal or offer relating solely to any Excluded Assets or Excluded Liabilities shall not be deemed an Acquisition Proposal.

"Assignable Insurance Products" means those insurance policies (whether from third parties or through Campbell's captive insurance programs), and Contracts and deposits in Campbell's captive insurance programs related to such policies, in each case that are assignable to Buyer.

"Business" means the business of providing trenching services; composition forming and finishing of rapid rate concrete; engineering, forming and stressing post-tension steel; and installation of residential waste, water and gas plumbing systems for homes and other buildings, all as presently conducted by Campbell.

"Buyer Related Party" means any Person who, directly or indirectly, controls or is controlled by, or is under common control with Buyer or Parent.

"Campbell Financial Statements" means the Financial Statements and the Interim Financial Statements.

"Closing" means the exchange of closing documents, the transfer of the Purchased Assets and the payment of the Purchase Price (less the Reserve) to Campbell by Buyer.

"Closing Date" means the date on which the Closing occurs.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral Agreements" means the Escrow Agreement and the Shareholder Consulting Agreement.

"Construction Defect" means any of the following: (i) performance of services which are not of workmanlike quality in conformance with the requirements of the underlying Contract documents or of applicable building codes, industry and professional standards, and/or manufacturers' recommendations, (ii) violation of any standards set forth in California Civil Code sections 895-897, Nevada Revised Statutes section 40.615 or any similar Arizona Law (if any), or (iii) construction which is based on design documents containing errors, omissions, or otherwise falling below the applicable standard of care; provided, however, that in no event shall "Construction Defect" be deemed to include fraud or willful misconduct in the provision of construction services.

"Continued Plans" means the Campbell employee benefit plans which are specifically described in Schedule 8.14 of the Disclosure Schedule as plans to be continued by Buyer through December 31, 2005 with respect to employees who remain employed by Buyer.

"Contracts" means each contract, agreement, commitment, purchase order, or other instrument of any kind, whether written or oral, related to the operation of the Business, including those that are listed on *Exhibit I*, which shall be updated as of the Closing Date.

"Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 *et seq.*, the Emergency Planning and

Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. §§ 2601 *et seq.*, the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§ 136 *et seq.*, the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*, the Clean Water Act (Federal Water Pollution Control Act), 33 U.S.C. §§ 1251 *et seq.*, the Safe Drinking Water Act, 42 U.S.C. §§ 300f *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. §§ 651 *et seq.*, and the Hazardous Materials Transportation Act, 49 U.S.C. §§ 5101 *et seq.*, as in effect from time to time, all rules and regulations promulgated pursuant to any of the above statutes, and any other foreign, federal, state or local law, statute, ordinance, rule or regulation governing Environmental Matters, as in effect from time to time, including any common law cause of action providing any right or remedy relating to Environmental Matters.

"Environmental Matter" means any matter or condition arising out of, relating to, or resulting from pollution, contamination, protection of the environment, human health or safety, health or safety of employees, sanitation, and any matters relating to emissions, discharges, disseminations, releases or threatened releases, of Hazardous Substances into the air (indoor and outdoor), surface water, groundwater, soil, land surface or subsurface, buildings, facilities, real property or fixtures, or otherwise arising out of, relating to, or resulting from the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling, release or threatened release of Hazardous Substances.

"Equipment" means all tools, equipment, rolling stock, office furniture, computers and equipment and other pieces of tangible personal property and fixed assets (and interests in any of the foregoing), including spare parts, supplies, office equipment and products used by Campbell in the Business, including those items described on *Exhibit 2* attached hereto.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any corporation that is a member of a controlled group of corporations with Campbell within the meaning of Section 414(b) of the Code, a trade or business (including a sole proprietorship, partnership, trust, estate or corporation) which is under common control with any Campbell Entity within the meaning of Section 414(c) of the Code, or a member of an affiliated service group with Campbell within the meaning of Section 414(m) or (o) of the Code.

"Escrow Agreement" means that certain Escrow Agreement in the form of *Exhibit 3*.

"Excluded Assets" means the following assets of Sellers:

- (i) all cash, cash equivalents and securities,
- (ii) all notes, drafts, intercompany accounts, and accounts receivable (excluding Trade Accounts Receivable) and other obligations for the payment of money,
- (iii) Shareholder's licenses set forth on *Exhibit 4*,
- (iv) Existing Shareholder Leases and all leasehold improvements located on the real property underlying the Existing Shareholder Leases,

- deposit boxes,
- (v) all bank and other depository accounts, corporate records and safe
 - (vi) all rights under this Agreement and the Purchase Price,
 - (vii) the automobiles listed on *Exhibit 5*,
 - (viii) all employee benefit plans other than the Continued Plans,
 - (ix) all causes of action, claims, demands, set-offs, rights and privileges against third parties that relate to any Excluded Assets or Excluded Liabilities (as defined in Section 3.3(c)),
 - (x) those other contracts or assets of Campbell which are listed on *Exhibit 6* attached hereto,
 - (xi) any and all real property and improvements owned by the Shareholder (whether leased to Campbell or otherwise),
 - (xii) any and all Tax returns, Tax refunds or Tax loss carryforwards and records related to the foregoing of Campbell relating to the Business or the Purchased Assets for any period or portion thereof ending on or prior to the Closing Date (and any such refunds received by Buyers shall be promptly paid over by Buyer to Campbell),
 - (xiii) any and all attorney-client privileged information and/or work product related to the Excluded Assets, Excluded Liabilities or prepared in connection with the transactions contemplated hereby,
 - (xiv) any and all supplier or vendor rebates earned by Campbell through the Closing Date from those parties listed on *Exhibit 7* and that are not reflected on the Campbell Financial Statements,
 - (xv) all assets used primarily in connection with the corporate functions of Campbell (including but not limited to corporate charters, taxpayer and other identification numbers, records, seals, minute books and stock transfer books),
 - (xvi) all personnel files related to (i) former employees of Campbell, and (ii) current employees of Campbell to the extent that the transfer of such files, in the reasonable judgment of Sellers, is likely to violate any applicable Law, and
 - (xvii) the Non-Assignable Insurance Products.

"Existing Shareholder Leases" means those leases of real property pursuant to which Campbell leases real property owned by the Shareholder or his affiliates, which are related to the Business. All Existing Shareholder Leases are listed on *Exhibit 8* attached hereto.

"Expenses" means any and all reasonable expenses incurred in connection with investigating, defending or asserting any claim, action, suit or proceeding incident to any matter indemnified against hereunder (including, without limitation, court filing fees, court costs,

arbitration fees or costs, witness fees and fees and disbursements of legal counsel, investigators, expert witnesses, accountants and other professionals).

"Financial Statements" means the unaudited combined financial statements of Campbell, together with all schedules and notes thereto, which are dated as of December 31, 2003 and December 31, 2004, for the respective 12-month periods then ended, copies of which have been delivered to Buyer.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Governmental Authority" means any foreign, domestic, federal, territorial, state or local Governmental Authority, quasi-Governmental Authority, court, commission, board, bureau, agency or instrumentality, or any regulatory, administrative or other department, agency, or any political or other subdivision, department or branch of any of the foregoing.

"Hazardous Substances" means any pollutants, contaminants, toxic or hazardous or extremely hazardous substances, materials, wastes, constituents, compounds, chemicals, natural or man-made elements or forces that are regulated by, or form the basis of liability under, any Environmental Laws.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Insured Liabilities" means the amount of those claims, demands and Liabilities that are covered by the Non-Assignable Insurance Products, but not including the amounts (i) of any deductible or self-insured retentions associated therewith, or (ii) in excess of such policy limits.

"Intangible Personal Property" means each patent and patent application, copyright, copyright application, trademark, trademark application, service mark, service mark application, trade name and trade name registration (in any such case, whether registered or to be registered in the United States of America or elsewhere) applied for, issued to or owned by Sellers and used in the Business and all processes, inventions, trade secrets, trade names, customer lists, customer contacts and relationships, computer programs, formulae, know how and other intangible personal property owned by Sellers and used in the Business, and all right, title and interest therein and thereto, including without limitation, the names "Campbell Concrete", "Campbell Plumbing", "Sterling Trenching", "SR Campbell Plumbing", "Campbell Companies" and derivations thereof used in the Business, and the internet domain name www.campbellconcrete.com. All Intangible Personal Property is listed on *Exhibit 9* attached hereto.

"Interim Financial Statements" means the internally prepared unaudited combined financial statements of Campbell together with all schedules and notes thereto, which are dated as of June 30, 2005 and for the 6-month period then-ended, copies of which have been delivered to Buyer.

"Inventory" means any materials owned by Campbell and used in the Business as of the Closing Date.

"Key Employees" means James Cleven, Paul Braval, Mike Joseph, Charles Conoway Cockey III and Jack Crocker.

"Key Employee Employment, Confidentiality and Noncompetition Agreements" means the agreements to be entered into between each Key Employee and Buyer at the Closing, in a form mutually acceptable to the parties thereto.

"Knowledge of Sellers" means, as to a particular matter, the actual knowledge of Shareholder, James Cleven, Steven Moscrop, Susan Casterton, Susan Beam, Mike Joseph, Paul Braval, Charles Conoway Cockey, III, Jack Crocker and Laura Stewart (without any duty of inquiry). "Law" means any law, statute, treaty, rule, regulation, ordinance, order, decree, consent decree or similar instrument or determination or award of an arbitrator or a court or any other Governmental Authority.

"Liabilities" means all indebtedness, obligations, penalties and other liabilities (or contingencies that have not yet become liabilities), whether absolute, accrued, matured, contingent (or based upon any contingency), known or unknown, fixed or otherwise, or whether due or to become due, including without limitation, any fines, penalties, judgments, awards or settlements respecting any judicial, administrative, arbitration or other proceedings or any damages, losses, claims or demands with respect to any Law or otherwise.

"Material Adverse Effect" means with reference to a business, any state of facts, change, circumstance, condition, development, event or occurrence that has, or reasonably could be expected to have, a material adverse effect on the assets, financial condition or results of operations of such business, provided, however, that Material Adverse Effect shall exclude any adverse changes or conditions as and to the extent such changes or conditions relate to or result from (i) public or industry knowledge of the transactions contemplated by this Agreement (including but not limited to any action or inaction by the business' vendors) or (ii) general economic conditions or other conditions generally affecting the industry in which the business competes (but shall not exclude any significant or substantial event or series of events that materially and adversely affects general economic conditions or conditions generally affecting the business' industry, such as, and by way of example only, a terrorist attack, major earthquake, widespread collapse of financial institutions, unanticipated and significant increase in mortgage rates, or significant change in laws or regulations, etc.); provided, however, that the fact that, between the date hereof and the Closing Date, Sellers become parties to routine lawsuits or other legal proceedings involving construction defects that arise in the ordinary course of Sellers' business and are of a type and scope consistent with Sellers' recent experience will not be deemed a Material Adverse Effect. Notwithstanding the foregoing, the inclusion by Sellers of an item in the Schedules to this Agreement shall not by itself be deemed to be an acknowledgement by Sellers that such item would have a Material Adverse Effect on any business or further define the meaning of such term for the purposes of this Agreement.

"Material Campbell Customer" means the following material customers of the Business: KB Home, Pulte, Pardee, Lennar, John Laing, Forecast, Centex, DR Horton, Beazer and William Lyon.

"Net Assets" means Non-Cash Net Working Capital, exclusive of the current portion of any long term debt, plus the net book value of all property, plant and equipment of the Business.

"New Shareholder Leases" means those leases of real property to be executed and delivered at the Closing by Buyer and Shareholder pursuant to which Buyer will lease the real property owned by Shareholder or his affiliates which is presently leased by Campbell under the Existing Shareholder Leases, each in a form mutually acceptable to the parties thereto

"Non-Assignable Insurance Products" means those insurance policies (whether from third parties or through Campbell's captive insurance programs), and Contracts and deposits in Campbell's captive insurance programs related to such policies, in each case that are not assignable to Buyer.

"Non-Cash Net Working Capital" means an amount equal to (i) the current assets of Campbell, consisting of Trade Accounts Receivable, Inventory, costs in excess of billings and prepaid expenses that are transferable, less (ii) the current Liabilities of Campbell, consisting of Trade Accounts Payable (excluding accrued vacation to the extent not assumed pursuant to Section 3.3(c)(vii), and accrued payroll and payroll taxes) and billings in excess of costs, determined in accordance with GAAP, provided that any and all intercompany accounts shall not be included.

"Permits" means all federal, state and local licenses, permits and other governmental authorizations relating to the Business. All Permits are listed on *Exhibit 10* attached hereto.

"Permitted Encumbrances" means (a) liens for Taxes and other governmental charges and assessments which are not yet due and payable, (b) statutory liens of landlords and statutory liens of carriers, warehousemen, mechanics and materialmen and other like statutory liens arising in the ordinary course of business for sums not yet due and payable, (c) other liens or imperfections on property which are not material in amount or do not materially detract from the value of or materially impair the existing use of the property affected by such lien or imperfections, (d) liens relating to deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or to secure the performance of leases, trade contracts or other similar agreements, (e) purchase money liens on personal property acquired in the ordinary course of business, (f) liens specifically identified in the Financial Statements, (g) liens securing executory obligations under any lease that constitutes a "capital lease" under GAAP, (h) any and all requirements of Law including those affecting the real property assets relating to zoning and land use, (i) any utility company rights, easements and franchises, and (j) the other liens, if any, set forth on Section 8.2 of the Disclosure Schedules.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Personal Property Leases" means those leases of personal property, involving the Business. All Personal Property Leases are listed on *Exhibit 11* attached hereto.

"Purchase Price" means (i) \$80,000,000, (ii) minus the present value of all long-term operating Personal Property Leases, calculated as set forth on *Exhibit 12* attached hereto, (iii) plus or minus, as the case may be, any Estimated Net Asset Adjustment (as defined and calculated in Section 5 below), as such figure may be adjusted pursuant to Section 3.4 and

Section 6, and (iv) minus the amount of accrued vacation specifically assumed by Buyer pursuant to Section 11.5.

"Purchased Assets" means the Contracts, Equipment, Intangible Personal Property, Non-Cash Net Working Capital, Permits, Personal Property Leases, Records, Real Property Leases, Unbilled Retention Amounts, Unbilled Services, the Assignable Insurance Products, and all other assets owned by Campbell and used in the Business, all goodwill of the Business and all rights, claims, credits, causes of action or rights of set-off against third parties relating to the foregoing and the Assumed Liabilities, other than Excluded Assets.

"Real Property Leases" means those leases of real property (other than the Existing Shareholder Leases), involving the Business. All Real Property Leases are listed on *Exhibit 13* attached hereto.

"Records" means all customer lists, sales brochures, computer software, books, records, accounts, correspondence, production records, employment records and any confidential information relating to the Business.

"Related Party" means any Person who, prior to the Closing, directly or indirectly, controls or is controlled by, or is under common control with Campbell or Shareholder.

"Reserve" means an amount equal to 10% of the Purchase Price payable at the Closing.

"Shareholder Consulting Agreement" means the agreement to be entered into between Shareholder and Buyer at the Closing, a copy of which is attached hereto as *Exhibit 14*.

"Tax" (and, with correlative meaning, "Taxes") means any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add-on minimum, ad valorem, transfer or excise Tax, or any other Tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty, imposed by any Governmental Authority.

"Trade Accounts Payable" means the obligations arising out of the Business to make payment to third parties for goods and services furnished to Campbell in the ordinary course of the Business incurred prior to the Closing.

"Trade Accounts Receivable" means all obligations arising out of the Business to make payment to Campbell, including obligations owed but not yet due, as of the Closing by all third-party purchasers of goods and services from Campbell in the ordinary course of the Business prior to the Closing, but excluding any and all Unbilled Retention Amounts and Unbilled Services.

"Unbilled Retention Amounts" means all obligations arising out of the Business owed by all third-party purchasers of goods and services to make payment to Campbell that are unbilled and retained by Campbell until the completion of work for such third party purchasers pursuant to the terms of applicable Contracts.

"Unbilled Services" means all obligations arising out of the Business through the Closing Date owed by all third-party purchasers of goods and services to make payment to Campbell that are not pursuant to a written contract or change order.

2. PURCHASE AND SALE

2.1 Purchase and Sale. At Closing, Campbell agrees to sell and convey to Buyer, and Buyer agrees to purchase and accept from Campbell, the Purchased Assets (and all of Campbell's right, title and interest therein and thereto) for the Purchase Price and Buyer's agreement to assume the Assumed Liabilities, on the covenants, terms and conditions contained herein. The Purchased Assets shall not include the Excluded Assets. To the extent that any of the Purchased Assets are owned by or in the name of Shareholder or any of Shareholder's Related Parties which are not Campbell Entities, Shareholder shall convey all right, title and interest therein to Buyer at the Closing.

3. PURCHASE PRICE; LIABILITIES

3.1 Purchase Price. As consideration for the purchase of the Purchased Assets, Buyer shall pay to Campbell, in the aggregate and in the manner set forth in Section 4 hereof, the Purchase Price.

3.2 Allocation of Value. The parties mutually agree that the allocation for tax purposes of the total of the Purchase Price and the value of Assumed Liabilities among the Purchased Assets shall be as set forth on *Exhibit 15*, and the parties shall file all Tax returns or other Tax reports in a manner that is consistent with such allocation. If such allocation is challenged by a Governmental Authority and a reallocation is required, each party hereto shall be responsible for its own additional Tax Liabilities arising from such reallocation, if any.

3.3 Assumption of Certain Liabilities.

(a) Upon the terms and subject to the conditions set forth herein, at the Closing Buyer shall assume and agree to thereafter pay when due and discharge and indemnify each of Sellers harmless with respect to the Assumed Liabilities (as defined below).

(b) For all purposes of and under this Agreement, the term "Assumed Liabilities" shall mean, refer to and include all Liabilities of Sellers arising out of or relating to the operation of the Business and/or the Purchased Assets, including, without limitation, the Assumed Leases (as defined below), letters of credit, bank overdrafts, accounts payable and any Liabilities or obligations relating to or arising out of a Construction Defect with respect to products sold or services performed by Campbell on or prior to the Closing Date, including but not limited to liabilities or obligations set forth in California Civil Code Sections 895 et. seq. and 1375 et. seq., Arizona Statutes Sections 12-361 et. seq. and 33-2001 et. seq., or Nevada Revised Statutes Sections 40.645 et. seq. and 40.668 et. seq. (the "Construction Defect Liabilities"), whether arising before or after the Closing Date, known or unknown, contingent or mature, but excluding the Excluded Liabilities (as defined below).

(c) Buyer shall not assume, and the term "Assumed Liabilities" shall not mean, refer to or include (and, therefore, the "Excluded Liabilities" shall mean) the following:

(i) Liabilities for Taxes of Sellers, including without limitation, those arising as a result of the transactions contemplated by this Agreement, other than Buyer's portion of the Sales Tax assumed by Buyer pursuant to Section 3.4(e) and all personal property Taxes of Sellers;

(ii) Liabilities of Sellers in respect of expenses payable by them pursuant to Section 3.4 hereof;

(iii) Liabilities of Sellers not arising out of or relating to the Business or the Purchased Assets;

(iv) any liability of Sellers to any person or entity the existence of which constitutes a breach of any covenant, agreement, representation or warranty of Sellers contained in this Agreement subject to the limitations set forth in Section 13;

(v) intercompany accounts;

(vi) the funded indebtedness and capitalized leases of Sellers including the items listed on Schedule 3.3 (the "Indebtedness"), including any principal, interest or other amount owing in respect of any such Indebtedness;

(vii) except as specifically assumed by Buyer pursuant to Section 11.5, any accrued or other liability of Campbell for vacation pay earned by Campbell employees through the Closing Date, any accrued or other liability of Campbell under any employee pension benefit plan, employee welfare benefit plan (except for claims incurred or premiums due with respect to the period following the Closing Date under the Continued Plans), multiemployer plan, collective bargaining agreement, or any other plan or agreement with respect to any of Campbell's employees, past or present, including any liability under the Worker Adjustment and Retraining Notification Act arising as a consequence of employment losses occurring through the Closing Date, and any liabilities arising under ERISA with respect to any employee benefit plan, as defined in Section 3(3) of ERISA, sponsored by any Campbell Entity or any ERISA Affiliate, including the obligation to comply with Section 4980B of the Code and Part 6 of Title I of ERISA with respect to any group health plan, within the meaning of Section 5000(b)(1) of the Code, sponsored by any Campbell Entity as of the Closing Date, but excluding any Liability of Campbell under COBRA;

(viii) any Liabilities under any Environmental Laws with respect to or arising out of occurrences on or prior to the Closing Date or actions by Sellers on or prior to the Closing Date;

(ix) Liabilities of Sellers as set forth in Section 11.2 hereof;

(x) the Insured Liabilities; and

(xi) any Liabilities of Sellers other than the Assumed Liabilities.

3.4 Certain Expenses.

(a) Buyer shall not pay or be liable for any of the following fees, expenses, Taxes or liabilities incurred by Shareholder, Campbell or any of their respective Related Parties, all of which shall be borne and timely paid or caused to be paid by Campbell or Shareholder:

(i) the fees and expenses, if any, of any person retained by Campbell or Shareholder or any of their respective Related Parties for brokerage, financial advisory or investment banking services or services as a finder rendered to Campbell or Shareholder or any of their respective Related Parties in connection with the proposed sale of the Purchased Assets, including without limitation, the transactions contemplated by this Agreement;

(ii) the fees and expenses of legal counsel, auditors and accountants retained or employed by Campbell or Shareholder or any of their respective Related Parties for services rendered to Campbell or Shareholder or any of their respective Related Parties solely in connection with the proposed sale of the Purchased Assets, including without limitation, the transactions contemplated by this Agreement; and

(iii) any income, capital gains or other Tax incurred by Campbell or Shareholder as a result of the consummation of the transactions contemplated by this Agreement.

(b) If Buyer shall pay any fee, expense, Tax or liability described in Section 3.4(a), the sum of all such payments shall be deducted from the Purchase Price provided Buyer receives Sellers' prior written consent. If any such payment is not deducted from the Purchase Price as provided in the preceding sentence, the amount of such payments not so deducted shall be, at Buyer's election, paid to Buyer from the Reserve or paid promptly by Sellers to Buyer upon demand.

(c) Sellers shall not pay or be liable for any of the following fees, expenses or liabilities incurred by Buyer or any Buyer Related Party, all of which shall be borne and timely paid or caused to be paid by Buyer:

(i) the fees and expenses, if any, of any person retained by Buyer or a Buyer Related Party for brokerage, financial advisory or investment banking services or services as a finder rendered to Buyer or any Buyer Related Party in connection with the proposed purchase of the Purchased Assets, including without limitation, the transactions contemplated by this Agreement; and

(ii) the fees and expenses of legal counsel, auditors and accountants retained or employed by Buyer or any Buyer Related Party for services rendered to Buyer or any Buyer Related Party in connection with the proposed purchase of the Purchased Assets, including without limitation, the transactions contemplated by this Agreement.

(d) If Sellers shall pay any fee, expense or liability described in Section 3.4(c), the sum of all such payments shall be added to the Purchase Price. If any such payment is not added to the Purchase Price as provided in the preceding sentence, the amount of such payments not so added shall be paid promptly by Buyer to Sellers upon demand.

(e) Buyer and Campbell shall each bear fifty percent (50%) of any documentary stamp or transfer Taxes or other similar charges, Taxes or expenses arising in connection with the sale of the Purchased Assets to the Buyer (the "Sales Tax"). To the extent permitted by law, Buyer and Sellers shall cooperate fully in minimizing any such Sales Tax. Sellers shall prepare and file any and all documents required to pay the Sales Tax (the "Sales Tax Forms"). Sellers shall first provide a copy of such documents to Buyer for its review and approval (which shall not be unreasonably withheld or delayed) and Buyer shall pay to Seller Buyer's share of the Sales Tax at the time such documentation is to be filed with the appropriate Taxing authorities and the Sales Taxes are to be paid. To the extent a Taxing authority provides notice to a party of an audit of any Sales Tax, such party shall immediately notify the other parties, and Buyer shall assume responsibility for such audit and shall have complete authority to control, settle or defend any proposed adjustment to the Sales Tax on terms reasonably satisfactory to Sellers, and Sellers shall fully cooperate with Buyer in such settlement or defense. Any failure by Campbell to pay any Sales Tax for which it is responsible hereunder shall cause Buyer to deduct such amount from the Purchase Price, be paid such amount from the Reserve or be paid promptly by Sellers upon demand. Any failure by Buyer to pay any Sales Tax for which it is responsible hereunder shall cause Buyer to add such amount to the Purchase Price or be paid promptly by Buyer to Campbell upon demand.

(f) All state, county and local ad valorem taxes on real property shall be apportioned between Buyer and Sellers as of 11:59 P.M. on the Closing Date, computed on the basis of the fiscal year for which the same are levied and all utility charges, gas charges, electric charges, water charges, water rents and sewer rents, if any, shall be apportioned between Buyer and Sellers as of 11:59 P.M. on the Closing Date, computed on the basis of the most recent meter charges or, in the case of annual charges, on the basis of the established fiscal year. All prepaid expenses (including any rent) of Sellers paid prior to the Closing Date in respect of the Business shall be apportioned between Buyer and Sellers as of 11:59 P.M. on the Closing Date computed on the basis of the benefit received by Sellers prior to the Closing Date and the benefit to be received by Buyer subsequent to the Closing Date with respect to any contract or other matter to which the prepaid expense relates. All prorations shall be made and the Purchase Price shall be adjusted insofar as feasible on the Closing Date, except to the extent such prorations are reflected in the Closing Date estimate described in Section 5.1. During the Post-Closing Adjustment Period (as defined in Section 6.1), Sellers shall advise Buyer and Buyer shall advise Sellers of any actual changes to such prorations, and the Purchase Price shall be increased or decreased, as applicable, at the end of the Post-Closing Adjustment Period. In the event Buyer or Sellers shall receive bills after the Closing Date for expenses incurred prior to the Closing Date that were not prorated in accordance with this Section 3.4(f), then Buyer or Sellers, as the case may be, shall promptly notify the other party as to the amount of the expense subject to proration and the responsible party shall promptly pay its portion of such expense (or, in the event such expense has been paid on behalf of the responsible party, reimburse the other party for its portion of such expenses).

4. TERMS OF PAYMENT

4.1 Payment Due at Closing. At Closing, Buyer shall pay to Campbell the Purchase Price for the Purchased Assets as set forth in Section 3, less the Reserve described in Section 4.2. Such payment shall consist of immediately available funds delivered by wire transfer in

accordance with payment instructions provided by Sellers to Buyer at least two days prior to the Closing.

4.2 Reserve. Sellers agree that Buyer shall withhold the Reserve from the Purchase Price for the Purchased Assets and deposit the Reserve with City National Bank, as escrow agent ("Escrow Agent"), on the terms and conditions of the Escrow Agreement and this Section 4.2 for a period of one hundred and twenty (120) days following Closing ("Post Closing Adjustment Period") as a reserve to be applied to the satisfaction of: (i) any Liabilities of Sellers that are not Assumed Liabilities and are paid by Buyer or that Buyer determines it wants to pay directly after the Post Closing Adjustment Period, provided Buyer has provided Sellers a detailed list at least fifteen (15) days prior to the end of such period with regard to such items and Sellers have not objected in writing thereto within ten (10) days of receipt thereof (and if Sellers so object in writing, Sellers must also indicate in such written instrument that Sellers shall assume responsibility for all such Liabilities) (ii) subject to the limitations in Section 13, any Liabilities and Expenses for which Buyer is entitled to be indemnified pursuant to Section 13.1(a)(i), (ii) or (iii); and (iii) payment of any amounts, not in dispute, owing by Sellers to Buyer at the end of the Post Closing Adjustment Period. Escrow Fees incurred with respect to the escrow shall be borne by Sellers. Interest shall accrue on the Reserve and be added to the Reserve in accordance with the terms of the Escrow Agreement. Any interest earned on the Reserve shall be distributed proportionally to Sellers and Buyer based upon the proportion of the Reserve paid to them. After deducting all amounts owed to Buyer by Sellers from the Reserve, including all interest accrued thereon, Escrow Agent shall pay to Sellers the net amount of the Reserve within three (3) days of the end of the Post Closing Adjustment Period, or such later time as any disputed matters related thereto shall have been resolved between the parties. If Sellers owe Buyer more than the amount of the Reserve, such additional amount shall be paid by Sellers to Buyer in immediately available funds at the end of the Post Closing Adjustment Period. Buyer's recovery for (i) through (iii) above shall not be limited to the amount of the Reserve.

5. CLOSING DATE NET ASSETS ADJUSTMENT

5.1 Estimated Net Assets Adjustment. The Purchase Price will be subject to adjustment on the Closing Date based on a good faith estimate, using the same Methodologies (as defined below) as used by Campbell in the preparation of the Financial Statements, of the amount by which the Net Assets of Campbell (the "Net Assets Estimate") as of the Closing Date is greater than or less than the average month-end Net Assets of Campbell for the twelve months ended June 30, 2005 (the "June 30 Net Assets Average"). This difference will be the "Estimated Net Assets Adjustment" to be applied to the Purchase Price. If the Net Assets Estimate is greater than the June 30 Net Assets Average, then the difference shall be added to the Purchase Price; and if the Net Assets Estimate is less than the June 30 Net Assets Average, then the difference shall be subtracted from the Purchase Price. For purposes of the estimation of the Net Assets (including the June 30 Net Assets Average) of Campbell pursuant to this Section 5.1, (i) Trade Accounts Receivable that are booked by Campbell as of the Closing Date but that are more than ninety (90) days past due as of the Closing Date shall be treated as though written off prior to the Closing Date and (ii) Unbilled Retention Amounts which shall be treated as written off prior to the Closing Date if such Unbilled Retention Amounts are booked by Campbell as of the Closing Date and are more than three hundred sixty-five (365) days old as of the Closing Date.

5.2 Net Assets Estimate. Shareholder, Campbell, and Buyer shall cooperate in good faith to discuss and determine the Net Assets Estimate set forth in Section 5.1 which shall be calculated using the Methodologies no later than two days prior to the Closing Date. Sellers shall provide to Buyer any documentation reasonably requested by Buyer that may assist in making or confirming such estimates.

6. POST CLOSING ADJUSTMENT

6.1 Post Closing Adjustment. Prior to the termination of the Post Closing Adjustment Period (defined below), Buyer shall prepare a balance sheet of Campbell as of the Closing Date for the purpose of determining the actual Net Assets of Campbell as of the Closing Date (the "Actual Closing Date Net Assets"). The Actual Closing Date Net Assets (i) shall be prepared using the same accounting methods, policies, practices and procedures, with consistent classifications and estimation methodologies (collectively, "Methodologies") as were used in the preparation of the Financial Statements, (ii) will use the same method to calculate Trade Accounts Receivable as described in Section 5.1 above and (iii) will not include any changes in assets or liabilities as a result of purchase accounting adjustments arising from the transactions contemplated by or resulting from this Agreement or subsequent changes in accounting policy or procedure. Within one hundred five (105) days after the Closing Date (the "Post Closing Adjustment Period"), Buyer shall submit to Sellers all adjustments (together with supporting detail, including the calculations of the Actual Closing Date Net Assets) to be made to the Purchase Price. Sellers shall have thirty (30) days after receipt of such list of adjustments to object in writing to any of the adjustments to Buyer or to request additional supporting detail. In the event Sellers request additional supporting detail, Sellers shall have a single additional period of seven (7) days after receipt of such additional supporting detail to object in writing to any of the adjustments to Buyer. Any adjustments that are not objected to during such thirty (30) day period (or such longer period, as the case may be) shall be deemed to be agreed to by Sellers. Buyer and Sellers agree to negotiate and attempt to resolve in good faith any adjustments to which objections have been raised during the period of ten (10) days following receipt of objections. Each party shall provide the other party and its representatives with reasonable access (without material disruption to the Business) to books and records and relevant personnel during the preparation of the balance sheet from which the Actual Closing Date Net Assets are derived and the resolution of any disputes that may arise under this Section 6.1. Any adjustments to the Purchase Price that Sellers have objected to and not resolved during the ten (10) day period following the objection shall be settled in accordance with the CPA Procedure (as defined in Section 6.4). If the amount of (a) the Actual Closing Date Net Assets as finally determined is greater than (b) the Net Assets Estimate, then the difference shall be deemed added to the Purchase Price and shall be paid within three (3) business days by Buyer to Sellers. If the amount of (y) the Actual Closing Date Net Assets as finally determined is less than (z) the Net Assets Estimate, then the difference shall be deemed subtracted from the Purchase Price and shall be paid within three (3) business days by Sellers to Buyer or, at Buyer's discretion, paid to Buyer from the Reserve. Any payments shall be made by wire transfer of immediately available funds in accordance with the payment instructions provided by the applicable party. Any uncontested amounts shall be paid promptly.

6.2 Accounts Receivable. For purposes of the calculation of Actual Closing Date Net Assets, all Trade Accounts Receivable that are booked by Campbell as of the Closing Date but

that are more than ninety (90) days past due as of the ninetieth (90th) day following the Closing Date shall be treated as though written off prior to the Closing Date. For all calculations under this Agreement, accounts payable and accrued expenses shall be reviewed and valued in a manner consistent with the preparation of the Financial Statements.

6.3 Unbilled Retention Amounts. All Unbilled Retention Amounts that are booked by Campbell as of the Closing date but that are older than three hundred sixty-five (365) days on the one (1) year anniversary of the Closing (the "One Year Uncollected Retention Amounts") shall be treated as though written off prior to the Closing Date and Sellers shall pay the One Year Uncollected Retention Amounts to Buyer in immediately available cash.

6.4 Reporting of Post-Closing Adjustments. Buyer and Sellers agree to treat any adjustments pursuant to this Section 6 as adjustments to the Purchase Price for federal and state income tax purposes.

6.5 CPA Procedure. In the event the parties cannot agree on the adjustments, they shall refer the matter to their respective outside certified public accountants to resolve. The accountants will only consider those items and amounts set forth on the balance sheet from which the Actual Closing Date Net Assets are derived as to which the parties have disagreed within the time periods and on the terms specified above and must resolve the matter in accordance with the terms and provisions of this Agreement. If the accountants cannot agree on the adjustments within fifteen (15) business days of the submission to them of the disputed items, the accountants shall select a third accountant ("CPA") who shall be instructed based solely on the evidence presented by the accountants to determine the appropriate adjustment. The foregoing dispute resolution procedure is referred to as the "CPA Procedure." The CPA Procedure shall not permit the introduction of different Methodologies for purposes of determining the asset and liability balances from those used in the preparation of the Financial Statements. The CPA shall only select as a resolution the position of either Buyer or Sellers for each item of disagreement or a position between the two, and shall not impose any other resolution.

7. **CONTRACTS AND LEASES**

7.1 Contracts. Concurrently with the execution of this Agreement, Campbell shall deliver to Buyer, as *Exhibit 1*, a schedule setting forth all material Contracts, which shall include, as applicable: the name of parties; location of project and total contract price. Campbell shall deliver an update to *Exhibit 1* not less than 3 days prior to the Closing. The update to the Exhibit shall be in a form reasonably acceptable to Buyer, and Buyer shall have the opportunity to verify the information in the update to the Exhibit prior to the Closing.

7.2 Real Property Leases and Personal Property Leases. Buyer shall assume and perform all Real Property Leases and Personal Property Leases as of the Closing Date, to the extent that such Leases can be assigned to Buyer. Campbell agrees to make lease payments through the Closing Date. Buyer and Sellers agree to cooperate in obtaining consent to the assignment of such Leases to Buyer. To the extent that any of such Leases cannot be assigned, Buyer agrees to sublease from Campbell the real property, equipment or other property covered by such Leases for an amount equal to Campbell's total remaining cost under such Leases.

7.3 Existing Shareholder Leases. All Existing Shareholder Leases shall not be assumed by Buyer and shall be terminated as of the Closing Date. At and effective on the Closing, Buyer and Shareholder agree to execute and deliver the New Shareholder Leases.

8. REPRESENTATIONS AND WARRANTIES OF CAMPBELL AND SHAREHOLDER

Each Campbell Entity and Shareholder hereby jointly and severally represent to Buyer and Parent, except as specifically disclosed in the disclosure schedules delivered to Buyer (the "Disclosure Schedule") herewith, as follows, and the representations contained in this Section or elsewhere in this Agreement shall be deemed to be made on the date hereof and as of the Closing Date, and shall survive the Closing for the applicable periods set forth in Section 13:

8.1 Good Standing; Authorization. Each Campbell Entity is duly organized, validly existing and in good standing under the laws of the state of its incorporation, with full corporate power to carry on its business as it is now and has since its organization been conducted and to own, lease or operate the Purchased Assets owned, leased or operated by it, and is qualified to do business in the States of California and Nevada and in every other jurisdiction in which the conduct of the Business requires it to qualify, except for such failures to qualify or be in good standing in such other jurisdictions which individually or in the aggregate could not have a Material Adverse Effect with respect to the Business. Each Campbell Entity and Shareholder have all requisite power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. This Agreement has been duly executed and delivered by each Campbell Entity and Shareholder, assuming the due authorization and execution of this Agreement by Buyer, is the valid, binding obligation of each Campbell Entity and Shareholder enforceable against each Campbell Entity and Shareholder in accordance with its terms, except that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights, and (ii) the remedies of specific performance and injunctive and other equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceedings may be brought.

8.2 Ownership of Purchased Assets. Sellers, or any of them, are the lawful owner of each of the Purchased Assets, and the Purchased Assets are free and clear of any liens, mortgages, pledges, security interests, restrictions, prior assignments, encumbrances, options or claims of any kind or nature whatsoever except for Permitted Encumbrances (collectively, "Liens"). At the Closing, Sellers will transfer to Buyer all of their right, title and interest in the Purchased Assets, free and clear of all Liens. The Purchased Assets include all assets, rights and interests used in the Business as currently conducted other than the Excluded Assets. The Business is an operating business and the transfer of the Purchased Assets to Buyer pursuant to this Agreement will enable Buyer to continue to operate the Business in the manner currently conducted immediately after the Closing, subject to Buyer's engaging the necessary personnel, purchasing necessary insurance policies and continuing the Business in accordance with Sellers' historical practices.

8.3 Tax Matters. Sellers have timely filed all material Tax returns heretofore required to be filed with respect to Taxes imposed on the Business, all such returns were true, complete and correct and Campbell has paid or will have paid all Taxes shown to be due on such returns. There are no liens for Taxes upon the Purchased Assets, except liens for current Taxes not yet

due or delinquent. Campbell has made provision, consistent with its past accounting practices, in its Interim Financial Statements for payment of all Taxes, including without limitation, all federal, state and local Taxes, that have been incurred but are not currently due as of the date of the Interim Financial Statements. No extension of a statute of limitations relating to Taxes with respect to Campbell is in effect. No Campbell Entity has received notice that it is or may be subject to Tax in a jurisdiction in which such entity has not filed, or does not currently file, Tax returns. Each Campbell Entity has withheld for its employees or the employees of the Business any applicable Taxes for all pertinent periods in compliance with the Tax withholding provisions of all applicable Laws. Campbell has delivered to Buyer true copies of every Tax return of each Campbell Entity for the years ended December 31 of 2002, 2003 and 2004.

8.4 Compliance with Laws, Licenses and Permits. To the Knowledge of Sellers, Campbell and Shareholder are not in violation of (i) any applicable order, judgment, injunction, award or decree, or (ii) any Law, statute, ordinance, regulation or other requirement of any governmental entity, relating to the Business. To the Knowledge of Sellers, Campbell and Shareholder have received and maintain, as current, all material Permits and licenses required to conduct the Business, and all such Permits are set forth on *Exhibit 10*. Each Permit is valid and in full force and effect, and to the Knowledge of Sellers, none of such Permits will be terminated or become terminable or impaired as a result of the transactions contemplated hereby. None of Sellers have received any written notice of any asserted present or past failure by Campbell to comply with any such Laws or, to the Knowledge of Sellers, any oral notice. Sellers have properly and timely remitted to the applicable Governmental Authority any and all unclaimed property as required pursuant to applicable law, and the Financial Statements reflect all Liabilities related to any such unclaimed property.

8.5 Financial Statements. Campbell has delivered to Buyer the Campbell Financial Statements. The Financial Statements: (i) have been prepared in accordance with the books and records of Campbell, (ii) have been prepared in accordance with Campbell's normal practices for the Business (which practices are in accordance with GAAP) consistently applied, and (iii) present fairly, in all material respects, the financial position and the results of operations of Campbell, at and for the fiscal periods then indicated. The Interim Financial Statements: (i) have been prepared in accordance with the books and records of Campbell, (ii) have been prepared in accordance with Campbell's normal practices for the financial statements for periods other than at year-end (which practices are in accordance with GAAP, except for the absence of footnotes and statement of cash flows, as required by GAAP) consistently applied, and (iii) present fairly, in all material respects, the financial position and the results of operations of Campbell, at and for the fiscal periods indicated therein, subject to normal year-end adjustments.

8.6 Absence of Certain Changes. Since the date of the Interim Financial Statements, Campbell has conducted the Business in the ordinary course consistent with past practice, and there has not been:

(a) any event, occurrence, state of circumstances or facts or change in respect of Campbell or the Business that has had or that may be reasonably expected to have, either alone or together, a Material Adverse Effect on Campbell or the Business;

(b) any change in any liabilities of Campbell that has had, or that may be reasonably expected to have, a Material Adverse Effect on the Business or the Purchased Assets;

(c) any (i) payments by Campbell in satisfaction of any liabilities, other than in the ordinary course of business consistent with past practice or (ii) creation, assumption or sufferance of (whether by action or omission) the existence of any lien on any of the Purchased Assets;

(d) any waiver, amendment, termination or cancellation of any Contract or any relinquishment of any material rights thereunder by Campbell, other than, in each such case, actions taken in the ordinary course of business consistent with past practice that are not material with respect to any such Contract;

(e) any change by Campbell in its historical accounting policies, except any such change required by a change in GAAP; or

(f) any (i) capital expenditure commitment by Campbell individually in excess of \$100,000 or in excess of \$250,000 in the aggregate for additions to property, plant, equipment or intangible capital assets comprising Purchased Assets likely to occur, in whole or in part, after the Closing Date or (ii) sale, assignment, transfer, lease or other disposition of or agreement to sell, assign, transfer, lease or otherwise dispose of any Purchased Asset except in the ordinary course of Business.

8.7 Legal Proceedings. To the Knowledge of Sellers (which Knowledge shall include, without limitation, the results of a public records search by a third party vendor within thirty (30) days of the Closing Date), there are no lawsuits, assertion of claims, charges, hearings, or arbitrations pending, threatened against or involving Campbell, Shareholder, the Business or the Purchased Assets, or that seek to prevent or enjoin, alter or delay the transactions contemplated by this Agreement.

8.8 Contracts and Assumed Leases. The Contracts listed at *Exhibit 1* represent each Contract to which Campbell is a party or by which the Purchased Assets are bound other than an agreement, arrangement or Contract involving aggregate payments of less than \$10,000, or having a remaining term of less than twelve (12) months and cancelable by the Company (and by Buyer following the Closing) upon no more than sixty (60) days notice. The Personal Property Leases and Real Property Leases listed at *Exhibits 11* and *13* respectively (the "Assumed Leases") represent each Personal Property Lease and Real Property Lease to which Campbell is a party. Each such Contract and Assumed Lease is a legal, valid and binding obligation of Campbell and, to Sellers' knowledge, each other person who is a party thereto, and is in full force and effect. Campbell has made available to Buyer complete and accurate copies of each of the Contracts and Assumed Leases. Except as disclosed on Schedule 8.8, there are no agreements or arrangements not reflected in the written contracts, other than an agreement or arrangement involving payments of less than \$10,000, or having a remaining term of less than twelve (12) months and cancelable by the Company (and by Buyer following the Closing) upon no more than sixty (60) days notice. The Assumed Leases are current and no past due amounts are owing. To the Knowledge of Sellers, there has not occurred any material default under any Contract or Assumed Lease on the part of Campbell or on the part of the other parties thereto, and no event has occurred which, with the giving of notice or the lapse of time, or both, would constitute any default under any Contract or Assumed Lease.

8.9 Agreement Not In Breach of Other Instruments. The execution, delivery and performance of this Agreement by each Campbell Entity and Shareholder and the consummation of the transactions contemplated hereby will not result in a breach of (i) to the Knowledge of Sellers, any of the terms and provisions of, or constitute a default under, or conflict with, or give rise to any right of consent, termination, cancellation, modification or acceleration of, or a loss of any benefit under any Contract, Assumed Lease or any other material agreement, indenture or other instrument to which Campbell or Shareholder are a party or by which Campbell or Shareholder, or the Purchased Assets are bound, (ii) the articles of incorporation or bylaws of any Campbell Entity, or (iii) any judgment, decree, order or award of any court, governmental body or arbitrator, or any Law, rule or regulation applicable to Campbell or Shareholder which breach would not materially adversely affect the Business. The execution and delivery by each of Sellers of this Agreement and each agreement contemplated by this Agreement, and the performance by each of Sellers of its respective obligations hereunder or thereunder, do not and will not require a registration, filing, application, notice, consent, approval, order, qualification or waiver with, to or from any Government Authority, except as required under the HSR Act.

8.10 Accounts Receivable. All Trade Accounts Receivable shown on the Campbell Financial Statements and estimated by Campbell as of the Closing Date represent bona fide transactions made in the ordinary course of the Business.

8.11 Equipment. A complete and accurate list of the material Equipment currently utilized in the operation of the Business is attached as *Exhibit 2*. Campbell has free and clear title to the Equipment. The Equipment is in good operating condition and repair and is adequate for the uses to which it is put, and none of such Equipment is in need of replacement, maintenance or repair except for routine replacement, maintenance or repair.

8.12 Trade Accounts Payable. All Trade Accounts Payable incurred by Campbell prior to the date hereof and prior to the Closing Date were incurred in the ordinary course of business and the amount of the Trade Accounts Payable reflected in the Interim Financial Statements and estimated by Campbell as of the Closing Date is true and correct.

8.13 Prepaid Expenses. All prepaid expenses transferred to Buyer are true and correct.

8.14 Labor Matters. To the Knowledge of Sellers, there are no material disputes, employee grievances or other disciplinary actions pending or threatened involving any of the present or former employees of the Business. To the Knowledge of Sellers there is no labor strike, dispute, slowdown or stoppage pending or threatened against or affecting the Business likely to result in a Material Adverse Effect on the Business, and the Business has not experienced any work stoppage or material labor difficulty within the past twelve (12) months. Campbell has no material agreement, arrangement or commitment to create any additional plan or arrangement or to modify or amend any existing employee benefit plan of the Business other than as may be necessary for Buyer's continuation of the Continued Plans pursuant hereto. Neither Shareholder nor Campbell is a party to any organized labor contracts nor does Campbell have any liability to any organized labor pension plan.

Campbell has made available to Buyer true, correct and complete copies of all written employee benefit plans, all contracts related thereto, and the most recently available annual report, summary plan descriptions, IRS Form 5500s (or 5500 Cs or 5500 Rs) and favorable

determination letters for such employee benefit plans of the Business. All employee benefit plans of Campbell are set forth on Section 8.14 of the Disclosure Schedule, including specific identification of the Continued Plans.

8.15 Brokers and Finders. Neither Campbell nor Shareholder have agreed to pay, or have taken any action that will result in any third party becoming obligated to pay or be entitled to receive, any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

8.16 Environmental Laws. To the Knowledge of Sellers, Campbell has at all times been operated and is in compliance, in all material respects, with all Environmental Laws. To the Knowledge of Sellers, Campbell is in compliance with all permits required by all Environmental Laws ("Environmental Permits"), and the Business has made all required filings for issuance or renewal of such Environmental Permits. There are no claims, notices, civil, criminal or administrative actions, suits, hearings, proceedings or to the Knowledge of Sellers, investigations or inquiries pending against Campbell or, to the Knowledge of Sellers, threatened that are based on or related to any Environmental Matters or the failure of Campbell to have any required Environmental Permits. To the Knowledge of Sellers, there are no past or present conditions, events, circumstances, facts, activities, practices, incidents, actions, omissions or plans that would: (a) interfere with or prevent continued material compliance by Campbell with Environmental Laws and the requirements of Environmental Permits or (b) result in a judgment against Campbell for the violation of any Environmental Law. Sellers have not received (x) any notice or other communication that Campbell is or may be a potentially responsible person or otherwise liable in connection with any waste disposal site used by the Business for the disposal of any Hazardous Substances, or (y) notice of any material failure of the Business to comply with any Environmental Law or the requirements of any Environmental Permit. Campbell has not been at any time requested or required by any Governmental Authority having jurisdiction under any Environmental Laws to perform any investigative or remedial activity or other action in connection with any Environmental Matter in respect of the Business. To the Knowledge of Sellers, the Business has not used any waste disposal site, or otherwise disposed of or transported any Hazardous Substances in violation of Environmental Laws. To the Knowledge of Sellers, Campbell has not arranged for the transportation of any Hazardous Substances to any place or location, in violation of any Environmental Laws. During the period of ownership, lease or control by Campbell, to the Knowledge of Sellers, there has been no release of any Hazardous Substances in violation of Environmental Laws at, on, under, or within any assets or properties currently or formerly owned, leased, or controlled by Campbell (other than pursuant to and in accordance with Environmental Permits held by Campbell). Sellers have made available to Buyer any and all third party environmental reports that are in the possession of or reasonably available to Sellers regarding Environmental Matters pertaining to the Business.

8.17 No Undisclosed Liabilities. To the Knowledge of Sellers, the Business does not have any Liabilities or obligations of a nature required by GAAP to be reflected on or disclosed in the footnotes to a balance sheet of the Business except for (i) Liabilities disclosed, reflected or reserved against in the Interim Financial Statements, (ii) Liabilities incurred after the date of this Agreement in the ordinary course of business, (iii) the matters disclosed in or arising out of matters set forth on the Disclosure Schedule or which are the subject of other representations and

warranties set forth herein, and (iv) Liabilities and obligations incurred in connection with this Agreement and the transactions contemplated hereby.

8.18 Competitive Restrictions. Neither Campbell, the Shareholder nor the Business is subject to any Contract or is bound in any other way that restricts its ability to conduct its or his operations in any material respect or engage in any kind of business or sell any kind of product in any market.

8.19 Intangible Personal Property. Each item of material Intangible Personal Property is set forth on *Exhibit 9*. Campbell owns all Intangible Personal Property free and clear of all encumbrances and has taken commercially reasonable steps to protect its rights therein. Campbell has not (i) received written notice of any infringement by it of the rights of any Person with respect to such Person's intellectual property, or (ii) to the Knowledge of Sellers, infringed, misappropriated or otherwise violated (and the operation of the Business as currently conducted does not infringe, misappropriate or otherwise violate) any intellectual property rights of any person. To the Knowledge of Sellers, no Person has infringed, misappropriated or otherwise violated any of Campbell's Intangible Personal Property.

8.20 Insurance. Campbell maintains insurance with reputable insurers for the Business against all risks normally insured against. All such insurance policies are in full force and effect and are valid, outstanding and enforceable, and all premiums due thereon have been paid in full. All such insurance policies are listed on Section 8.20 of the Disclosure Schedule, and copies of all such policies have been made available to Buyer. Prior to the Closing, Section 8.20 of the Disclosure Schedule shall be updated to specifically identify the Assignable Insurance Products and the Non-Assignable Insurance Products. Campbell has complied in all material respects with the provisions of all such insurance policies covering Campbell or any of Campbell's assets and properties. No insurer under any insurance policy has canceled or generally disclaimed liability under any such policy or, to the Knowledge of Sellers, indicated any intent to do so or not to renew any such policy. To the Knowledge of Sellers, the consummation of the transactions contemplated by this Agreement will not cause a cancellation or reduction in the coverage of such policies.

8.21 Projections. All written cost estimates, written forecasts, written projections, written business plans or other written projections or written forward-looking information that may have been prepared and provided by Campbell to Buyer prior to the date hereof (the "Projections") were prepared in good faith by the officers of Campbell and based on assumptions that were reasonable to such officers at the time they were made.

9. REPRESENTATIONS AND WARRANTIES OF BUYER AND PARENT

Buyer and Parent hereby jointly and severally represent and warrant to Campbell and Shareholder as follows, and the warranties and representations contained in this Section or elsewhere in this Agreement shall be deemed to be made on the date hereof and as of the Closing Date, and shall survive the Closing for the applicable periods set forth in Section 13:

9.1 Corporate Status. Each of Buyer and Parent is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and, prior to

Closing, is qualified or licensed to do business in the State of California and Buyer is further qualified or licensed to do business in Nevada and Arizona.

9.2 Authority. Each of Buyer and Parent has full power and authority to execute and perform this Agreement. Upon execution hereof, this Agreement shall be a valid and legally binding obligation of Buyer and Parent, enforceable against Buyer and Parent in accordance with its terms, except that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights, and (ii) the remedies of specific performance and injunctive and other equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceedings may be brought. Neither the execution nor the performance of this Agreement will violate the terms or any provision of Buyer's or Parent's Certificate of Incorporation or Bylaws or any material note, loan agreement, lease or other material contract or agreement to which Buyer or Parent is a party except that the consent of certain lenders of Parent and its affiliates shall be required to consummate the transactions contemplated hereby.

9.3 Brokers and Finders. Neither Buyer nor Parent has agreed to pay, or has taken any action that will result in any third party becoming obligated to pay or be entitled to receive, any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

9.4 No Violation of Law and Agreements. The execution and delivery by Buyer and Parent of this Agreement and each agreement contemplated by this Agreement, and the performance by Buyer and Parent of their respective obligations hereunder or thereunder, do not and will not:

- (a) violate any provision of the charter or bylaws of Buyer or Parent;
- (b) (i) violate any provision of applicable Law relating to Buyer or Parent; (ii) violate any provision of any order, arbitration award, judgment or decree to which Buyer or Parent is subject; or (iii) except as required under the HSR Act, require a registration, filing, application, notice, consent, approval, order, qualification or waiver with, to or from any Government Authority; or
- (c) to the knowledge of Buyer and Parent, (i) require a consent, approval or waiver from, or notice to, any party to any material contract to which Buyer or Parent is a party; or (ii) result in a breach of or cause a default under any provision of a contract to which Buyer or Parent is a party.

9.5 No Litigation or Regulatory Action.

- (a) There are no lawsuits, assertion of claims, charges, hearings, arbitrations or proceedings pending or, to the knowledge of Buyer or Parent, threatened against Buyer or Parent or its affiliates which would reasonably be expected to prevent, hinder or delay the consummation of any of the transactions contemplated thereby; and
- (b) There are no lawsuits, assertion of claims, charges, hearings, arbitrations pending or, to the knowledge of Buyer or Parent, threatened, that question the legality or

propriety of the transactions contemplated by this Agreement or any agreement contemplated by this Agreement.

9.6 Financial Ability. Buyer has, and will have on the Closing Date, the financial ability to consummate the transactions contemplated by this Agreement.

9.7 Independent Analysis.

(a) Buyer has relied solely on the results of its own independent investigation and the representations and warranties of the Sellers set forth in this Agreement and in the Schedules and Exhibits to this Agreement. Such representations and warranties by the Sellers constitute the sole and exclusive representations and warranties of the Sellers to Buyer in connection with the transactions contemplated hereby, and Buyer acknowledges and agrees that the Sellers are not making any representation or warranty whatsoever, express or implied, beyond those expressly given in this Agreement, any ancillary agreement contemplated hereby or in a Schedule or Exhibit to this Agreement.

(b) Without limiting the foregoing, Buyer acknowledges that neither Campbell nor the Shareholder has made any representation or warranty, express or implied, as to the accuracy or completeness of any memoranda, charts, summaries, presentations or schedules (excluding Schedules to this Agreement) heretofore made available by Campbell or the Shareholder to Buyer or any other information which is not made in this Agreement or in a Schedule or Exhibit to this Agreement. Buyer further acknowledges and agrees that the Projections were prepared for internal planning purposes only and are not representations or warranties of Campbell or Shareholder, and no assurances can be given that any estimated, forecasted, projected or predicted results will be achieved.

9.8 Relationships with Sellers' Material Customers. To the knowledge of Buyer and Parent, (i) there are no outstanding material disputes between Buyer and/or its affiliates with any Material Campbell Customers in the Territory, (ii) none of the Material Campbell Customers have expressly stated to Buyer that such Material Campbell Customer would not do business with Buyer and/or its affiliates in the Territory and (iii) none of such Material Campbell Customers have expressly stated they would withhold their consent to the assignment to Buyer of any contracts with Campbell.

10. NONCOMPETITION AGREEMENTS

10.1 Campbell Noncompete. Each Campbell Entity agrees that for a period of five (5) years following the Closing Date, it shall not:

(a) directly or indirectly, as owner, employer, creditor or otherwise, engage in any aspect of the Business in the States of California, Nevada or Arizona (the "Territory");

(b) directly or indirectly, solicit, divert, take away, or attempt to solicit, divert or take away, any of the customers of Buyer or Parent, or the business or patronage of any such customers, either for itself or on behalf of any other person, firm, partnership, limited liability company or corporation within Buyer's market or Parent's market; provided, however, that this

Section 10.1(b) shall not prohibit such entity from soliciting such customers with respect to business that is non-competitive with Buyer's or Parent's business;

(c) directly or indirectly facilitate, encourage, or participate in any way in the solicitation or recruitment of any employee of Buyer or Parent either for itself or on behalf of any other person, firm, partnership, limited liability company or corporation; provided, however, that general advertising by or on behalf of a business that is non-competitive with Buyer's or Parent's business shall not be considered solicitation or recruitment for purposes hereof; and

(d) Campbell shall not, directly or indirectly, hire James Cleven or any Campbell General Manager until one (1) year after such individual's employment with Buyer or Parent has terminated.

As used in this Section 10, the term "directly or indirectly" includes an investment in any partnership, corporation or other business entity and includes, without limitation, the solicitation of any employee of Buyer on behalf of itself or any other person for employment in a business that is competitive with the Business.

10.2 Shareholder Noncompete. Shareholder will not during the term of the Shareholder Consulting Agreement and for a period of two (2) years following expiration of the term of that Agreement or the termination of employment for any reason:

(a) directly or indirectly, as owner, employer, creditor, employee, partner, member, consultant, advisor or otherwise, engage in any aspect of the Business in the Territory; provided, however that Shareholder may engage, directly or indirectly, in the business of designing and installing residential patios (the "Permitted Activity");

(b) directly or indirectly, solicit, divert, take away, or attempt to solicit, divert or take away, any of the customers of Buyer or Parent, or the business or patronage of any such customers, either for himself or on behalf of any other person, firm, partnership, limited liability company or corporation within Buyer's market or Parent's market; provided, however, that this Section 10.1(b) shall not prohibit Shareholder from soliciting such customers with respect to business that is non-competitive with Buyer's or Parent's business with respect to the Permitted Activity;

(c) directly or indirectly facilitate, encourage, or participate in any way in the solicitation or recruitment of any employee of Buyer or Parent either for himself or on behalf of any other person, firm, partnership, limited liability company or corporation; provided, however, that general advertising by or on behalf of a business that is non-competitive with Buyer's or Parent's business shall not be considered solicitation or recruitment for purposes hereof; and

(d) Shareholder shall not, directly or indirectly, hire James Cleven or any Campbell General Manager until one (1) year after such individual's employment with Buyer or Parent has terminated.

The noncompetition agreement of Shareholder set forth in this Section 10.2 is in addition to the Shareholder Consulting Agreement to be delivered by Shareholder at the Closing.

10.3 Reasonableness of Restrictions. Shareholder and Campbell acknowledge that compliance with the provisions of Section 10 is reasonable and necessary to protect the value of the Purchased Assets and Buyer's and its affiliates' legitimate business interests.

10.4 Irreparable Harm and Injunctive Relief. Shareholder and Campbell acknowledge that a breach of their obligations under Section 10 will result in great, irreparable and continuing harm and damage to Buyer for which there is no adequate remedy at law. Shareholder and Campbell agree that in the event Shareholder or Campbell breaches this Agreement, Buyer and Parent shall be entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief to enforce the terms of this Agreement, in addition to any and all monetary damages allowed by law, against Shareholder and Campbell.

10.5 Extension of Covenants. In the event Shareholder or Campbell violates any one or more of the covenants contained in Section 10, the term of each such covenant so violated shall be automatically extended for a period equal to the period during which Shareholder or Campbell is in violation of such covenants.

10.6 Judicial Modification. The non-competition provisions of this Agreement shall be deemed to consist of a series of separate covenants, one for each line of business carried on by Buyer (and its affiliates, as applicable) and each county included within the Territory. The parties expressly agree that the character, duration and geographical scope of such provisions are reasonable in light of the circumstances as they exist on the date upon which this Agreement has been executed. The parties have attempted to limit Campbell's and Shareholder's right to compete only to the extent necessary to protect the value of the Purchased Assets and Buyer's and its affiliates goodwill and business interests related thereto. The parties recognize, however, that reasonable people may differ in making such a determination. Consequently, the parties hereby agree that a court having jurisdiction over the enforcement of this Agreement shall exercise its power and authority to reform the covenants under Section 10 to the extent necessary to cause the limitations contained therein as to time, geographic area and scope of activity to be restrained to be reasonable and to impose a restraint that is not greater than necessary to protect the value of the Purchased Assets and Buyer's and its affiliates goodwill and business interests related thereto.

11. EMPLOYEES

11.1 Definition. Sellers have furnished to Buyer a list as of the date hereof of all persons regularly employed on either a part-time or full-time basis by Campbell in connection with the Business, including their current wages and salary rates. The term "Employees" shall mean all persons included on such list, including employees on leave of absence, as well as those persons who become regularly employed by Campbell between the date hereof and the Closing Date.

11.2 Termination. On the Closing Date, Campbell shall terminate all Employees then employed by the Business. With respect to terminated Employees and any persons who terminated employment, including by notice of termination prior to Closing, Campbell shall be solely responsible for payment, when and if due, of all salaries, wages, bonuses, vacation (subject to Section 11.5) and other obligations (excluding COBRA Liabilities), if any, owed to Employees or past employees of the Business as of the Closing Date.

11.3 Key Employees; Certain Other Employees. Buyer shall offer employment to the Key Employees under the Key Employee Employment, Confidentiality and Noncompetition Agreements which shall provide, among other things, minimum terms of employment and minimum base salaries. Buyer shall offer to Susan Casterton and Steven Moscrop employment under transition and retention agreements in a form to be mutually agreed to by the parties thereto (each, a "Transition and Retention Agreement").

11.4 Buyer's Offer of Employment. Buyer shall offer employment to all terminated Employees, excluding Key Employees, effective immediately following the Closing (except for Shareholder, whose consulting relationship shall be as described in the Shareholder Consulting Agreement) at wages and salary rates of compensation (inclusive of Campbell's bonus or other incentive pay programs through at least December 31, 2005), and with benefits, in each case substantially comparable to those presently offered by Campbell. All offers of employment shall be "at will." Buyer shall include the Employees who accept offers of employment from Buyer in Buyer's employment benefit plans; including group health plan, in accordance with the terms of such plans following the Closing Date, giving each Employee credit for his/her time of employment with Campbell; provided that Buyer shall continue, through December 31, 2005, the Continued Plans for covered employees who remain employed by Buyer.

11.5 Nonassumption of Certain Obligations Owed Employees. Buyer assumes no responsibility whatsoever for obligations and/or benefits owed, on or before, or with respect to the period on or before, the Closing Date, by Shareholder, Campbell or the Business to their current or former employees pursuant to Section 3.3(c)(vii), Section 11.2 or otherwise. Notwithstanding the foregoing, Buyer agrees, subject to applicable Law and Buyer's receipt of any required consent of employees (such employee consent shall be solicited by Buyer), to assume accrued vacation payable by Campbell to its employees through the Closing Date, and the amount of any such accrued vacation payable assumed by Buyer shall be deducted from the Purchase Price.

12. FURTHER ASSURANCES

12.1 Further Assurances of Sellers. From time to time after the Closing (as hereinafter defined), Campbell and Shareholder will execute and deliver to Buyer such instruments of sale, transfer, conveyance, assignment and delivery, consents, assurances, powers of attorney and other instruments as may be reasonably requested by Buyer in order to vest in Buyer all right, title and interest of Campbell and Shareholder, and each of them, in and to the Purchased Assets and otherwise in order to carry out the purpose and intent of this Agreement.

12.2 Further Assurances of Buyer. From time to time after the Closing (as hereinafter defined), Buyer will execute and deliver to Sellers 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 Sellers in order to vest in Buyer all right, title and interest of Buyer, in and to the Assumed Liabilities and release Sellers therefrom, and otherwise in order to carry out the purpose and intent of this Agreement.

13. INDEMNIFICATION

13.1 Indemnification by Sellers.

(a) Subject to the limitations set forth herein, Sellers agree, jointly and severally, to indemnify, defend and hold harmless Buyer and the Buyer Related Parties (by counsel reasonably satisfactory to Buyer) from and against any and all Liabilities and Expenses incurred by Buyer and the Buyer Related Parties in connection with or arising from: (i) any breach of any warranty or the inaccuracy of any representation of Sellers contained in this Agreement, the Collateral Agreements or any certificate or other document delivered by or on behalf of Sellers pursuant hereto or thereto, (ii) any breach by Sellers of, or failure by Sellers to perform, any of its covenants or obligations contained in this Agreement, the Collateral Agreements or any certificate or other document delivered by or on behalf of Sellers pursuant hereto or thereto, (iii) any failure to pay any Excluded Liability, and (iv) any failure to pay the One Year Uncollected Retention Amounts; provided, however, that Sellers, except as described in Section 13.1(c), shall be required to indemnify and hold harmless under clause (i) of this Section 13.1(a) with respect to Liabilities and Expenses incurred by Buyer only to the extent that the aggregate amount of such Liabilities and Expenses exceeds Six Hundred Thousand Dollars (\$600,000) (the "Threshold Amount"), provided, that if the Liabilities and Expenses exceed the Threshold Amount, Buyer and the Buyer Related Parties shall be entitled to indemnification for all Liabilities and Expenses in excess of Three Hundred Thousand Dollars (\$300,000), and provided, further, that the aggregate amount required to be paid by Sellers pursuant to Section 13.1(a)(i) shall not exceed twenty percent (20%) of the Purchase Price.

*breach
of warrant.*

(b) The indemnification provided for in Section 13.1(a)(i) shall terminate eighteen (18) months after the Closing Date (and no claims shall be made by Buyer under Section 13.1(a)(i) thereafter), except that the indemnification by Sellers shall continue as to the representations and warranties of Sellers (i) set forth in Sections 8.3 (Tax Matters), 8.14 (Labor Matters) and 8.16 (Environmental Laws), which shall survive until the expiration of the relevant statutory period of limitations applicable to the underlying claim, giving effect to any waiver, mitigation or extension thereof; (ii) set forth in Section 8.2 (Ownership of Purchased Assets) which shall terminate seven (7) years after the Closing Date; and (iii) set forth in Sections 8.1 (Good Standing; Authorization) and 8.15 (Brokers and Finders) which shall have no termination date. The indemnification provided for in Sections 13.1(a)(ii), (iii) and (iv) shall survive indefinitely.

(c) The foregoing notwithstanding, (i) the Threshold Amount and limitation on liability set forth in Section 13.1(a) above shall not apply to any breach of the representations and warranties made by Sellers in Section 8.1 (Good Standing; Authorization), Section 8.2 (Ownership of Purchased Assets) and Section 8.15 (Brokers and Finders); it being understood, however, that in no event shall the Liability of Sellers (including any Affiliate, agent, representative, officer, director, or shareholder of Sellers) for Liabilities and Expenses incurred by the Buyer in connection with any breach of the foregoing representations and warranties exceed the Purchase Price, and (ii) the Threshold Amount and limitation on liability set forth in Sections 13.1(a) and 13.6 shall not apply to any fraud or intentional misrepresentation by any of Sellers.

13.2 Shareholder. Shareholder shall hold harmless and defend Buyer and the Buyer Related Parties (by counsel reasonably satisfactory to Buyer) from and against any Construction Defect Liability and from and against all reasonable and actual losses, damages, claims, Liabilities, Taxes, penalties, costs and Expenses incurred by Buyer and/or the Buyer Related Parties arising out of, related to, or involving, directly or indirectly, Construction Defect Liabilities caused by Campbell prior to the Closing Date or with respect to which Campbell is alleged to have responsibility to the extent in excess of Sellers' insurance coverage, provided that Buyer shall be responsible for any deductible payments or self-insured retention amounts required thereon (it being acknowledged by all parties that if an insurer fails to pay all or any part of a claim as a result of such insurer's financial insolvency, bankruptcy or the like, that no part of the actual losses, damages, claims, Liabilities, Taxes penalties, costs and Expenses incurred by Buyer and/or the Buyer Related Parties shall be deemed to be a 'deductible payment' for purposes of the foregoing proviso). Buyer shall handle any claims for Construction Defect Liabilities in accordance with Section 15.2 of this Agreement. If any insurer assumes responsibility for the defense of such claim for Construction Defect Liabilities and reimburses Buyer for any and all losses, damages, claims, Liabilities, Taxes, penalties, costs and Expenses relating to such Construction Defect Liabilities, then Buyer and the Buyer Related Parties shall not pursue any claim against Shareholder pursuant to this Section 13.2 with respect to such specific Construction Defect Liabilities. Notwithstanding any provisions of this Section 13.2, Shareholder's indemnity obligations pursuant to this Section 13.2 shall not exceed \$5,000,000 in the aggregate and shall terminate ten (10) years after the Closing Date. The Threshold Amount and limitation on liability set forth in Section 13.1(a) above shall not apply to Shareholder's obligations under this Section 13.2.

13.3 Indemnification by Buyer and Parent.

(a) Subject to the limitations set forth herein, Buyer and Parent agree, jointly and severally, to indemnify, defend and hold harmless Campbell and Shareholder (by counsel reasonably satisfactory to Campbell and Shareholder) from and against any and all Liabilities and Expenses incurred by Campbell or Shareholder in connection with or arising from: (i) any breach of any warranty or the inaccuracy of any representation of Buyer or Parent contained in this Agreement, any Collateral Agreement or in any certificate delivered by or on behalf of Buyer or Parent pursuant hereto or thereto, (ii) any breach by Buyer or Parent of, or failure by Buyer or Parent to perform, any of their covenants and obligations contained in this Agreement or any Collateral Agreement, (iii) Buyer's agreement to assume and satisfy the Assumed Liabilities under Section 3.3 of this Agreement, and (iv) Buyer's operation of the Business after the Closing, in the case of clauses (ii) and (iii), subject to the provisions of Section 13.2; provided, however, that Buyer and Parent, except as described in Section 13.3(c), shall be required to indemnify and hold harmless under clause (i) of this Section 13.3(a) with respect to Liabilities and Expenses incurred by Campbell and Shareholder only to the extent that the aggregate amount of such Liabilities and Expenses exceeds the Threshold Amount; provided, that if the Liabilities and Expenses exceed the Threshold Amount, Sellers shall be entitled to indemnification for all Liabilities and Expenses in excess of Three Hundred Thousand Dollars (\$300,000), and provided, further, that the aggregate amount required to be paid by Buyer and Parent pursuant to Section 13.3(a)(i) shall not exceed twenty percent (20%) of the Purchase Price. ✓

(b) The indemnification provided for in Section 13.3(a)(i) shall terminate eighteen (18) months after the Closing Date (and no claims shall be made by any Sellers under Section 13.3(a)(i) thereafter). The indemnification provided for in Sections 13.3(a)(ii), (iii) and (iv) shall survive indefinitely.

(c) The foregoing notwithstanding, (i) the Threshold Amount and limitation on liability set forth in Section 13.3(a) above shall not apply to any breach of the representations and warranties made by Buyer in Section 9.1 (Corporate Status), Section 9.2 (Authority) and Section 9.3 (Brokers and Finders); it being understood, however, that in no event shall the Liability of Buyer and Parent (including any Buyer Related Parties) for Liabilities and Expenses incurred by Campbell or Shareholder in connection with any breach of the foregoing representations and warranties exceed the Purchase Price, and (ii) the Threshold Amount and limitation on liability set forth in Sections 13.3(a) and 13.6 shall not apply to any fraud or intentional misrepresentation by Buyer or Parent.

13.4 Indemnification Procedure.

(a) The party seeking indemnification pursuant to this Section 13 (the "Indemnified Party") with respect to any claim, demand, action, proceeding or other matter for which such party is entitled to seek indemnification hereunder (a "Claim") shall notify the indemnifying party(ies) (the "Indemnitor") of the existence of the Claim, setting forth in reasonable detail the facts and circumstances pertaining thereto and the basis for the indemnified party's right to indemnification (a "Notice of Claim"), which Notice of Claim shall contain the following information to the extent it is reasonably available to the indemnified party: (i) an estimate of the amount then reasonably ascertainable of the alleged losses, damage, claims, liabilities, taxes, penalties, costs or expenses against which the indemnified party is indemnified; (ii) a description, in reasonable detail, of the circumstances giving rise to the alleged loss, expense, or liability; and (iii) a statement identifying each party against whom a Claim is asserted.

(b) After the giving of any Notice of Claim pursuant hereto, the amount of indemnification to which an Indemnified Party shall be entitled under this Section 13 shall be determined: (i) by the written agreement between the Indemnified Party and the Indemnitor; (ii) by a final judgment or decree of any court of competent jurisdiction; or (iii) by any other means to which the Indemnified Party and the Indemnitor shall agree. The judgment or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined. The Indemnified Party shall have the burden of proof in establishing the amount of Liabilities and Expenses suffered by it. All amounts due to the Indemnified Party as so finally determined shall be paid by wire transfer within ten (10) calendar days after such final determination.

13.5 Third Party Claims.

(a) If any third party shall notify any Indemnified Party with respect to any matter which may give rise to a Claim for indemnification against the Indemnitor under this Agreement, then the Indemnified Party shall notify the Indemnitor thereof, which notice shall set forth the information required in Section 13.4(a) and be furnished promptly after the Indemnified Party's receipt of notice from the third party; provided, however, that no delay on the part of the

Indemnified Party in notifying any Indemnitor shall relieve the Indemnitor from any liability or obligation hereunder unless (and then solely to the extent) the Indemnitor thereby is materially prejudiced by such failure to give notice. If the Indemnitor notifies the Indemnified Party within twenty (20) days of the Indemnified Party's Notice of a Claim that it will assume the defense thereof:

(i) the Indemnitor shall defend the Indemnified Party against the matter with counsel of its choice reasonably satisfactory to the Indemnified Party;

(ii) the Indemnified Party may retain separate counsel at its sole cost and expense (except that the Indemnitor will be responsible for the fees and expenses of the separate counsel to the extent the Indemnified Party reasonably concludes, based upon advice of counsel, that a conflict of interest exists between the Indemnified Party and Indemnitor such that there may be one or more legal defenses available to the Indemnified Party which are not available to the Indemnitor, or available to the Indemnitor, but the assertion of which would be adverse to the interest of the Indemnified Party);

(iii) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the matter without the written consent of the Indemnitor (not to be withheld unreasonably); and

(iv) the Indemnitor will not consent to the entry of any judgment or enter into any settlement which does not include a provision whereby the plaintiff or claimant in the matter releases the Indemnified Party from all liability with respect thereto, without the written consent of the Indemnified Party (not to be withheld unreasonably).

(b) If the Indemnitor does not notify the Indemnified Party within twenty (20) days of the Indemnified Party's delivery of a Notice of Claim that it will assume the defense thereof, then the Indemnified Party may defend against, or enter into any settlement with respect to, the matter in any manner it reasonably may deem appropriate, without prejudice to any of its rights hereunder; provided, however, the Indemnified Party (i) must disclose to the Indemnitor any material new or materially changed allegations being asserted against the Indemnified Party, (ii) in the case where a lawsuit has been filed, must provide a copy of such lawsuit and all amended complaints to Indemnitor and (iii) upon request of the Indemnitor, provide a written summary of the status of the Claim to the Indemnitor (all the information provided in (i) or (ii), or in (iii) if such summary discloses a change in the status of the Claim that is materially adverse to Indemnitor, shall be referred to as the "New Facts"). Indemnitor may, within twenty (20) days of the delivery by the Indemnified Party of New Facts, notify the Indemnified Party that it will assume the defense of such Claim and proceed in accordance with Section 13.5(a).

(c) The Indemnified Party shall be entitled to reimbursement for Expenses, included in damages with respect to any Claim (including, without limitation, the cost of defense, preparation and investigation relating to such Claim) as such Expenses are incurred by the Indemnified Party.

13.6 Limitations.

(a) Any indemnity payment hereunder shall be treated for Tax purposes as an adjustment of the Purchase Price to the extent such characterization is proper or permissible under relevant Tax Law, including court decisions, statutes, regulations and administrative promulgations. Buyer is responsible for preparing an amended form 8594 which shall be provided to Sellers no later than thirty (30) days after Sellers provide in writing their consent to such Tax treatment.

(b) In calculating any Liability or Expense there shall be deducted (i) any insurance benefits and proceeds received in respect thereof (and no right of subrogation shall accrue hereunder to any insurer), except that in the case of any Liability or Expense relating to a Construction Defect, only insurance benefits and proceeds from Sellers' insurance carriers (and not Buyer's insurance carriers) shall be deducted; (ii) any indemnification, contribution or other similar payment actually recovered by the Indemnified Party from any third party with respect thereto; and (iii) any Tax benefit or refund actually received or enjoyed by, the applicable Indemnified Party as a result of such Liability or Expense. Any such amounts or benefits received by an Indemnified Party with respect to any indemnity claim after it has received an indemnity payment hereunder shall be promptly paid over to the Indemnitor, but not in excess of the amount paid by the Indemnitor to the Indemnified Party with respect to such claim.

(c) Except for (i) remedies that cannot be waived as a matter of Law, (ii) injunctive and provisional relief, and (iii) claims for Liabilities and Expenses or contribution arising under any Environmental Law, if the Closing occurs, this Section 13 shall be the exclusive remedy for breaches of this Agreement (including any covenant, obligation, representation or warranty contained in this Agreement or in any certificate delivered pursuant to this Agreement) or otherwise in respect of the sale of the Purchased Assets contemplated hereby. With respect to claims for which this Section 13 is the exclusive remedy, Buyer and Sellers hereby waive and release on their own behalf and on behalf of each other applicable Indemnified Party, to the fullest extent permitted under applicable Law, any and all rights, claims and causes of action it or they may have against Sellers or Buyer, as the case may be, arising under or based upon common law or any federal, foreign, state or local Law, rule or regulation. Notwithstanding the foregoing, the provisions of this Section 13.6(c) shall not be applicable to any claims for Liabilities or Expenses arising out of or relating to any fraud or intentional misrepresentation by a party.

(d) No party hereto shall have any liability for any incidental, special, exemplary, multiple, punitive or consequential damages (including loss of profit or revenue) or any equitable equivalent thereof or substitute therefor suffered or incurred by Buyer, Parent or Sellers, as the case may be.

13.7 Mitigation. Each of the parties agrees to take all reasonable steps to mitigate their respective Liabilities and expenses upon and after becoming aware of any event or condition which could reasonably be expected to give rise to any Liabilities and expenses that are indemnifiable hereunder.

13.8 Subrogation. Upon making any payment to the Indemnified Party for any indemnification claim pursuant to this Section 13, the Indemnitor shall be subrogated, to the

extent of such payment, to any rights which the Indemnified Party may have against any third-parties with respect to the subject matter underlying such indemnification claim and the Indemnified Party shall assign any such rights to the Indemnitor.

13.9 No Offset. The obligations hereunder of Sellers, on the one hand, and Buyer and Parent, on the other hand, are independent of the obligations of the other hereunder and shall not be subject to any right of offset, counterclaim or deduction.

14. CONDUCT OF OPERATIONS PRIOR TO CLOSING

14.1 Interim Operating Covenants.

(a) Ordinary Course of Operations. From the date hereof until Closing, Campbell shall, and Shareholder shall cause Campbell to, conduct its operation of the Business in the ordinary course and consistent with its prior practices. Campbell and Shareholder shall immediately notify Buyer of any material change in the customers of the Business or any known intentions by customers of the Business to materially reduce the volume of their business they have historically done with Campbell.

(b) Affirmative Covenants. From the date hereof until Closing, unless otherwise agreed in writing by Buyer (which consent shall not be unreasonably withheld), Campbell shall, and Shareholder shall cause Campbell to:

(i) maintain and use the Purchased Assets in the ordinary course of business consistent with past practice, reasonable wear and tear, damage by fire and other casualty excepted;

(ii) comply in all material respects with all applicable Laws;

(iii) properly and timely file all Tax returns required to be filed and pay the expenses of preparation therefor, and make timely payment of all applicable Taxes when due;

(iv) take all reasonable actions necessary to be in material compliance with all Contracts and to maintain the effectiveness of all Permits;

(v) notify Buyer of any action, event, condition or circumstance, or group of actions, events, conditions or circumstances, that has resulted in, or could reasonably be expected at the time to result in, a Material Adverse Effect on the Business or the Purchased Assets;

(vi) notify Buyer of the commencement of any material proceeding by or against Sellers or any threatened proceeding of which Sellers become aware that relates to the Business, any of the Purchased Assets or the transactions contemplated by this Agreement;

(vii) pay Trade Accounts Payable and pursue collection of Trade Accounts Receivable in the ordinary course of business consistent with past practice;

(viii) use commercially reasonable efforts to maintain the relations and goodwill with the material suppliers, customers, distributors, licensors, licensees, landlords, trade

creditors, agents, and others having business relationships with Sellers relating to the Business, with the goal of preserving materially unimpaired the goodwill and ongoing business of the Business as of the Closing;

(ix) use commercially reasonable efforts to prevent the occurrence of a Construction Defect occurring with respect to products sold or services performed by Campbell; and

(x) maintain Records on a basis consistent with prior practice, except for any change required by a change in GAAP or applicable Law.

(c) Negative Covenants. From the date hereof until Closing, Campbell will not, and Shareholder shall cause Campbell not to, without the prior written consent of Buyer (which consent shall not be unreasonably withheld):

(i) sell, lease, pledge, subject to Liens or otherwise transfer or dispose of any of the Purchased Assets to any third party, other than in the ordinary course of business consistent with past practice;

(ii) enter into any Contract other than in the ordinary course of business consistent with past practices;

(iii) materially amend or modify, other than in the ordinary course of business, or violate the terms of, any of the Contracts to be assumed hereunder;

(iv) propose to conduct the Business in any new markets or conduct any new lines of business;

(v) permit the corporate existence of any Campbell Entity, or the existence of any Permit to be suspended, lapsed, dissolved, revoked or modified in any material respect;

(vi) except as otherwise contemplated by this Agreement, allow any insurance policy to be amended or terminated without replacing such policy with a policy providing at least equal coverage, insuring comparable risks and issued by an insurance company financially comparable to the prior insurance company;

(vii) except for normal salary adjustments consistent with past practice, or changes made pursuant to existing employment agreements or required by applicable Law, increase any salaries or benefits payable to any employee of the Business;

(viii) incur any Indebtedness relating to the Business or any of the Purchased Assets, except Trade Accounts Payable or other Liabilities incurred in the ordinary course of business, and Expenses incurred in connection with the consummation of the transactions contemplated by this Agreement;

(ix) issue or sell or enter into any agreement (written or oral) to issue or sell any equity securities of any Campbell Entity or any securities convertible into equity securities of any Campbell Entity; or

(x) take any other action that would reasonably be expected to prevent Sellers from performing or cause Sellers not to perform Sellers' covenants hereunder.

14.2 Governmental Approvals. Buyer and Sellers have filed with the United States Federal Trade Commission (the "FTC") and the United States Department of Justice (the "DOJ") the notification and report form pursuant to the HSR Act, if required for the transactions contemplated hereby. Each of Sellers and Buyer shall, as promptly as practicable, substantially comply with any request for additional information and documents pursuant to the HSR Act. Each of Buyer and Sellers shall inform the other promptly of any communication made by or on behalf of such party to, or received from, the FTC or the DOJ and shall furnish to the other such information and assistance as the other may reasonably request in connection with such party's preparation of any filing, submission or other act that is necessary or advisable under the HSR Act. Sellers and Buyer shall keep each other timely apprised of the status of any communications with, and any inquiries or requests for additional information from, the FTC or the DOJ, and shall comply promptly with any such inquiry or request. Each of Sellers and Buyer shall use commercially reasonable efforts to promptly obtain any clearance under the HSR Act required for the consummation of the transactions contemplated hereby. All fees associated with filings under the HSR Act pursuant to this Section 14.2 shall be borne by Buyer.

14.3 Access to Information. Between the date hereof and the Closing, Sellers agree to provide to Buyer and Buyer's authorized agents (including attorneys, accountants and auditors) reasonable access to the offices and properties of Campbell and the Records of Campbell upon reasonable prior notice, in order to conduct a review of the Purchased Assets, the Assumed Liabilities, the Assumed Leases and the Business. In no event, however, shall Buyer or its representatives visit Campbell's facilities or job sites or contact Campbell's suppliers, customers, employees or other business relations without the prior specific written (which may be via email) approval of James Cleven in each instance. Sellers shall, and shall cause Campbell's employees, agents and representatives to, reasonably cooperate with such examination. Each of the parties will hold, and will cause each of such party's consultants and advisers to hold, in confidence all documents and information furnished to such consultants and advisers by or on behalf of another party to this Agreement in connection with the transactions contemplated by this Agreement pursuant to the terms of that certain Confidentiality Agreement entered into between Parent and Campbell dated November 16, 2004 (the "2004 NDA") or that certain Confidentiality Agreement dated July 14, 2005 (the "2005 NDA"), whichever is applicable. The parties hereto agree that the 2004 NDA and the 2005 NDA shall be binding upon Buyer and Shareholder.

14.4 Employee Information and Access. Sellers shall provide to Buyer certain general information concerning Campbell's compensation and benefit programs and specific information relating to individual Business employees, subject to any such employee's proper consent, solely for the purpose of Buyer formulating offers to such employees; provided, however, that Sellers will not make personnel records available for inspection or copying prior to the Closing. Sellers shall provide Buyer with reasonable access to the Business employees during normal working hours following the date hereof on mutually agreeable dates, to deliver offers of employment and to provide information to such employees about Buyer.

14.5 Campbell Contractual Consents.

(a) Campbell shall, with the reasonable assistance of Buyer, use commercially reasonable efforts (subject to Section 14.5(d)) to obtain all material contractual consents to the assignment of the Contracts and/or Assumed Leases in form and substance that will not impair the rights or increase the liabilities to be assumed by Buyer under the Contracts to which such contractual consents relate. Between the date hereof and the Closing, Buyer and Sellers shall consult with each other regarding Campbell's customers, vendors and distributors to consider whether Buyer's relationship, or lack of relationship, with any of such customers, vendors or distributors may materially interfere with the assignment of the Contracts.

(b) In the event that any contractual consents or assignments of any of the Contracts or Assumed Leases, or any right or benefit arising thereunder or resulting therefrom, are not obtained prior to the Closing Date, then as of the Closing, this Agreement, to the extent permitted by Law, shall constitute full and equitable assignment by Campbell to Buyer of all right, title and interest of Campbell in and to, and all obligations and Liabilities of Campbell under, such Contracts and Assumed Leases, and Buyer shall be deemed Campbell's agent for purpose of completing, fulfilling and discharging all Liabilities of Campbell from and after the Closing Date under any such Contract or Assumed Lease. The parties shall take all necessary steps and actions to provide Buyer with the benefits of such Contracts or Assumed Leases, and to relieve Campbell of the performance and other obligations thereunder, including entry into subcontracts for the performance thereof. Buyer agrees to pay, perform and discharge, and indemnify Sellers against and hold Sellers harmless from, all obligations and Liabilities of Sellers or Buyer relating to such performance or failure to perform under such Contracts or Assumed Leases.

(c) In the event that Sellers are unable to make the equitable assignment described in Section 14.5(b), or if such attempted assignment would give rise to any right of termination, or would otherwise adversely affect the rights of Campbell or Buyer under any such Contract or Assumed Lease, or would not assign all of the rights of Campbell thereunder at the Closing, Sellers and Buyer shall continue to cooperate and use all reasonable efforts to provide Buyer with all such rights and to relieve Sellers of all such obligations thereunder. To the extent that any such consents and waivers are not obtained, or until the impediments to such assignment are resolved, Sellers shall use all reasonable commercial efforts to (i) provide to Buyer, at the request of Buyer, the benefits of any such Contract or Assumed Lease to the extent related to the Business and to relieve Sellers of all such obligations thereunder, (ii) cooperate in any lawful arrangement designed to provide such benefits to Buyer and to relieve Sellers of all such obligations thereunder and (iii) enforce, at the request of and for the account of Buyer, any rights of Campbell arising from any such Contract or Assumed Lease against any third party (including any Governmental Authority), including the right to elect to terminate in accordance with the terms thereof upon the advice of Buyer. To the extent that Buyer is provided the benefits of any Contract or Assumed Lease referred to herein (whether from Sellers or otherwise), Buyer shall perform at the direction of Sellers and for the benefit of any third party (including any Governmental Authority), and shall assume the liabilities and obligations of Sellers thereunder or in connection therewith. Buyer agrees to pay, perform, discharge and indemnify Sellers against and hold Sellers harmless from, all liabilities and obligations of Sellers relating to such performance or failure to perform. In the event of a failure of such indemnity, Sellers shall cease

to be obligated under this Agreement in respect of the Contract or Assumed Lease which is the subject of such failure.

(d) Except as otherwise specifically provided in this Agreement, the obligations of the parties under this Section 14.5 shall not include any requirement of Sellers or Buyer to expend money or incur any financial or other obligation (other than normal legal and professional fees, transaction costs or filing fees not otherwise required to be incurred by the other party), commence or participate in any litigation or offer or grant any accommodation (financial or otherwise) to any third party.

14.6 Additional Insured. Sellers shall use commercially reasonable efforts to assign to Parent and Buyer, and have each of Parent and Buyer named as additional insured parties under, each of the insurance policies of Campbell set forth at Section 8.20 of the Disclosure Schedule, effective as of the Closing Date, and Campbell, Buyer and Parent shall execute all documents necessary to effect the foregoing.

14.7 Transition. Between the date hereof and the Closing Date, Sellers shall provide, without cost to Buyer, subject to availability and upon reasonable notice, assistance to Buyer in connection with all reasonably requested transition matters arising under the transactions contemplated by this Agreement, including arrangement (at a mutually agreeable time) of personal introductions to vendors and customers of the Business.

14.8 Obligation to Update Exhibits and Schedules. Sellers shall update all Exhibits and Schedules, where appropriate, to be prepared by Sellers hereunder, prior to the Closing Date; provided, that any such update or supplement shall not cure any breach of any representation or warranty of the Sellers made in this Agreement (and Sellers shall, for all purposes of this Agreement, therefore, be in breach of any representation or warranty with respect to any previously undisclosed information required to be disclosed in order that such representation or warranty be true and correct as of the date hereof) unless, and to the extent that, (a) such update or supplement contains or discloses facts or information which arose after the date hereof, or (b) such update or supplement contains or discloses facts or information which arose prior to the date hereof but of which Sellers first acquired Knowledge after the date hereof; provided that an update or supplement provided under this subsection (b) shall not cure a breach of a representation or warranty of the Sellers that is not qualified by Sellers' Knowledge. If the information disclosed in any such update or supplement would constitute a Material Adverse Effect on the Business, then Buyer shall have the right to either accept the update and proceed with the Closing or to terminate this Agreement in accordance with the provisions of Section 21, and to the extent that such update or supplement cured a breach of any representation or warranty of the Sellers pursuant to the foregoing sentence, neither Buyer nor any Buyer Related Party would be eligible to make any Claim for indemnification under Section 13.1(a)(i) with respect to the information so disclosed.

14.9 No Solicitation. From and after the date hereof, and until the earlier of the Closing or the termination of this Agreement pursuant to Section 21 hereof (the "Non-Solicitation Period"), except as expressly contemplated by this Agreement, each Campbell Entity and Shareholder shall not, directly or indirectly, and none of their respective directors, officers, agents or representatives shall, directly or indirectly (a) initiate, solicit, seek, support or encourage any action that constitutes or is reasonably likely to lead to an Acquisition Proposal;

(b) provide information with respect to the Business to any Person relating to, or otherwise cooperate with, facilitate or encourage any effort or attempt by any Person or entity with regard to any Acquisition Proposal; or (c) enter into any agreement with respect to any Acquisition Proposal. Sellers shall notify Buyer promptly, but in any event within two (2) business days, if any Acquisition Proposal, or any inquiry or other contact with any Person with respect thereto, is made during the Non-Solicitation Period. Any such notice to Buyer shall indicate in reasonable detail the identity of the Person making such Acquisition Proposal, inquiry or other contact and the terms and conditions of such Acquisition Proposal, inquiry or other contact. Sellers agree that any such discussions or negotiations in progress with any other Person as of the date hereof will be suspended or terminated during the Non-Solicitation Period.

15. CONDUCT OF BUSINESS FOLLOWING CLOSING

15.1 Collection of Trade Accounts Receivable and Unbilled Retention Amounts.

(a) During the ninety (90) day period following the Closing, Buyer shall use commercially reasonable efforts in the ordinary course of business and consistent with Campbell's past practices to collect the Trade Accounts Receivable. During such 90-day period, Buyer shall (i) provide Sellers with periodic collection reports every thirty (30) days and provide Sellers with reasonable access to all other available records, documents and information relating to Trade Accounts Receivable, and the opportunity to monitor and assist Buyer's efforts to collect the Trade Accounts Receivable and (ii) apply all payments received from customers on and after the Closing Date to the respective customer's oldest accounts first, unless a debtor indicates the specific account it is paying in which event payment shall be applied to that account. Buyer and Sellers agree that they will not influence account specification pursuant to the preceding sentence. To the extent any of the Trade Accounts Receivable are aged greater than ninety (90) days and remain uncollected ninety (90) days after the Closing, such Trade Accounts Receivable shall be deducted from the calculation of Campbell's Actual Closing Date Net Assets and Buyer shall irrevocably assign such uncollected Trade Accounts Receivable to Shareholder free and clear of all liens and encumbrances. Thereafter, Shareholder may use any means reasonably necessary to collect the uncollected Trade Accounts Receivable and Buyer shall provide Shareholder with all records relating to such uncollected Trade Accounts Receivable and all other available information. Buyer shall promptly remit to Shareholder any amounts subsequently received by Buyer with respect to the uncollected Trade Accounts Receivable assigned to Sellers hereunder.

(b) During the one (1) year period following the Closing, Buyer shall use commercially reasonable efforts in the ordinary course of business and consistent with Campbell's past practices to collect the Unbilled Retention Amounts. During such one (1)-year period, Buyer shall (i) provide Sellers with periodic collection reports every thirty (30) days and provide Sellers with reasonable access to all other available records, documents and information relating to Unbilled Retention Amounts, and the opportunity to monitor and assist Buyer's efforts to collect the Unbilled Retention Amounts and (ii) apply all payments received from customers on and after the Closing Date to the respective customer's oldest accounts first, unless a debtor indicates the specific account it is paying in which event payment shall be applied to that account. Buyer and Sellers agree that they will not influence account specification pursuant to the preceding sentence. Provided Sellers have paid to Buyer the One Year Uncollected Retention Amounts as set forth in Section 6.3, Buyer shall irrevocably assign such One Year

Uncollected Retention Amounts to Shareholder free and clear of all liens and encumbrances. Thereafter, Shareholder may use any means reasonably necessary to collect the One Year Uncollected Retention Amounts and Buyer shall provide Shareholder with all records relating to such Unbilled Retention Amounts and all other available information. Buyer shall promptly remit to Shareholder any amounts subsequently received by Buyer with respect to the One Year Uncollected Retention Amounts assigned to Sellers hereunder.

15.2 Construction Defect Liabilities and Non-Assignable Insurance Products Claims Handling Procedures. Following the Closing, Buyer and Parent, on behalf of the Sellers, agree to manage, in a commercially reasonable manner, all aspects of any and all claims (i) for Construction Defect Liabilities made against Campbell and (ii) under the Non-Assignable Insurance Products. Such claims are to be handled consistent with the claims handling procedures used by Parent in administering its own similar third party claims. Buyer shall provide Sellers with copies of all regularly generated written status reports of Buyer or Parent with respect to such claims, which reports shall be generated not less frequently than quarterly. Sellers shall have the right to review all such claims tendered pursuant to this Section and such other information as Sellers may reasonably request from time to time. Without limiting the generality of the foregoing, Buyer shall provide Sellers with reasonable access to records and correspondences related to all such claims for Construction Defect Liabilities or under the Non-Assignable Insurance Products.

15.3 Use of Campbell Names. Sellers agree that following the Closing they will not utilize any of the trade names, corporate names or, dba names of any Campbell Entity or other name that is confusingly similar to such names outside of any use thereof by Buyer or Parent (the "Campbell Names"), other than (i) in connection with any insurer under any of the Non-Assignable Insurance Products or Assignable Insurance Products, and (ii) commencing on the fifth anniversary of the Closing Date, Shareholder may use the names "Campbell Companies" and "Campbell Concrete" except for the purpose of engaging in any aspect of the Business. Buyer and Parent agree that they will not so utilize the Campbell Names following the third anniversary of the Closing.

15.4 Insurance Proceeds. Following the Closing, Sellers covenant to use reasonable efforts to diligently pursue the collection of any insurance proceeds under all applicable insurance policies of Sellers with respect to any claim related to a Purchased Asset or Assumed Liability. Sellers shall forward to Buyer, immediately upon payment thereof, any insurance proceeds received by Sellers which relate to a Purchased Asset or an Assumed Liability. Buyer shall forward to Campbell, immediately upon payment thereof, any insurance proceeds received by Buyer or a Buyer Related Party which relate to an Excluded Asset or an Excluded Liability.

15.5 Administrative Support. Following the Closing, Buyer, on behalf of Sellers and at Sellers' direction, shall manage the process of the wind down of Campbell in a reasonable manner and shall provide Sellers with such assistance and any information with respect thereto as Campbell may reasonably request, which shall include, without limitation, payroll, insurance and tax assistance. As may be reasonably requested by Buyer in order for Buyer to manage the wind down process, Sellers shall cooperate with and assist Buyer and shall execute any documentation and provide any information required or advisable in connection with the wind down activities.

15.6 Assignment of Non-Assignable Insurance Products. Following the Closing, Shareholder, Campbell, Buyer and Parent shall use commercially reasonable efforts to obtain consent to the assignment to Buyer of the Non-Assignable Insurance Products. If the consent to the assignment to Buyer of a Non-Assignable Insurance Product is obtained following the Closing, then such Non-Assignable Insurance Product shall be deemed automatically assigned to Buyer upon the receipt of such consent, and, from and after the date of such assignment such Non-Assignable Insurance Product shall be deemed to be an Assignable Insurance Product for all purposes under this Agreement.

16. CLOSING

16.1 Closing. Closing shall occur on the second business day following the satisfaction or waiver of all conditions precedent set forth below in Sections 17 and 18, in San Francisco, California, or at such other time or place as the parties may agree upon. For purposes herein, the Closing shall be deemed to occur at 11:59 P.M. on the Closing Date.

16.2 Time is of the Essence. Time is of the essence for the Closing of this transaction.

17. CONDITIONS PRECEDENT TO BUYER'S DUTY TO CLOSE

Buyer shall have no duty to close unless and until each and every one of the following conditions precedent have been fully and completely satisfied:

17.1 No Misrepresentation or Breach of Covenants and Warranties. The representations and warranties of Sellers made in this Agreement (i) that are qualified by materiality or Material Adverse Effect shall be true and correct as of the date hereof and on and as of the Closing Date, as though made on the Closing Date, (ii) that are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects as of the date hereof and on and as of the Closing Date, as though made on the Closing Date; provided, in each case, (x) except for those representations and warranties which refer to facts existing at a specific date, and (y) except as specifically contemplated by this Agreement.

17.2 Performance of Obligations. Campbell and Shareholder shall have substantially performed or tendered performance of each and every one of their obligations hereunder which by their terms are capable of being performed before Closing.

17.3 Delivery of Closing Documents. Campbell and Shareholder shall have tendered delivery to Buyer of all the documents required to be delivered to Buyer by Campbell and Shareholder prior to or at Closing pursuant to this Agreement.

17.4 Litigation. No lawsuit, administrative proceedings or other legal action shall have been filed which seeks to restrain or enjoin the acquisition of the Purchased Assets or the operation of the Business in any material respect.

17.5 Material Adverse Effect. Except as disclosed to Buyer in this Agreement or on an Exhibit or a Schedule hereto (subject to the provisions of Section 14.8 regarding updates or supplements to the Schedules and Exhibits), there shall have been no Material Adverse Effect on the Business or the Purchased Assets subsequent to the date of this Agreement.

17.6 Key Employee Employment, Confidentiality and Noncompetition Agreements, Etc. Each of the Key Employees shall have executed and delivered a Key Employee Employment, Confidentiality and Noncompetition Agreement, and each of Susan Casterton and Steven Moscrop shall have executed and delivered a Transition and Retention Agreement.

17.7 Shareholder Consulting Agreement. The Shareholder shall have executed and delivered the Shareholder Consulting Agreement.

17.8 New Shareholder Leases. The Shareholder shall have executed and delivered the New Shareholder Leases.

17.9 HSR Waiting Period. The waiting period, if any, under the HSR Act applicable to the transactions contemplated by this Agreement shall have expired or otherwise been terminated.

17.10 Legal Opinion. Buyer shall have received a legal opinion from counsel to Campbell, in a form reasonably acceptable to Buyer.

17.11 Due Diligence. Prior to August 23, 2005, Buyer shall have performed and completed such due diligence on Campbell and the Business as it should reasonably deem appropriate, including, without limitation, business, contractual and financial reviews and audit, customer inquiries, review of employee matters, inspections, and environmental assessments to its satisfaction. On and after August 23, 2005, Buyer shall have no right to terminate this Agreement as a result of its due diligence investigation.

17.12 Approval of BMHC Board and Lenders. The Board of Directors of Building Materials Holding Corporation, and certain lenders of Building Materials Holding Corporation from whom consent is required to consummate the transactions contemplated hereby, shall have approved this Agreement and the transactions contemplated hereby.

17.13 Certificate. Campbell and Shareholder shall have delivered a certificate, dated as of the Closing, signed by an authorized officer of each Campbell Entity, certifying that the conditions set forth in Sections 17.1, 17.2, 17.4 and 17.5 have been satisfied.

18. CONDITIONS PRECEDENT TO CAMPBELL'S AND SHAREHOLDER'S DUTY TO CLOSE

Campbell and Shareholder shall have no duty to close this transaction unless and until each and every one of the following conditions precedent have been fully and completely satisfied:

18.1 No Misrepresentation or Breach of Covenants and Warranties. The representations and warranties of Buyer and Parent made in this Agreement (i) that are qualified by materiality or Material Adverse Effect shall be true and correct as of the date hereof and on and as of the Closing Date, as though made on the Closing Date, (ii) that are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects as of the date hereof and on and as of the Closing Date, as though made on the Closing Date; provided, in

each case, (x) except for those representations and warranties which refer to facts existing at a specific date, and (y) except as specifically contemplated by this Agreement.

18.2 Performance of Obligations. Buyer and Parent shall have substantially performed or tendered substantial performance of each and every one of their obligations hereunder which by their terms is capable of being performed before Closing.

18.3 Payment of Purchase Price and Delivery of Closing Documents. Buyer shall have paid the Purchase Price to Sellers and paid the Reserve to the Escrow Agent and Buyer shall have tendered delivery to Campbell and Shareholder all the documents required to be delivered to Campbell and Shareholder by Buyer and Parent at Closing pursuant to this Agreement.

18.4 Litigation. No lawsuit, administrative proceedings or other legal action shall be pending or threatened against Campbell which seeks to restrain or enjoin Campbell's sale, or Buyer's acquisition of, the Purchased Assets.

18.5 New Shareholder Leases. Buyer shall have executed and delivered the New Shareholder Leases.

18.6 Shareholder Consulting Agreement. The Buyer shall have executed and delivered the Shareholder Consulting Agreement.

18.7 HSR Waiting Period. The waiting period under the HSR Act applicable to the transactions contemplated by this Agreement shall have expired or otherwise been terminated.

18.8 Legal Opinions. Sellers shall have received legal opinions from in-house counsel and outside counsel to Buyer and Parent, in a form reasonably acceptable to Sellers.

18.9 Substitute Letters of Credit; Captive Insurance. Buyer shall have posted substitute letters of credit, in an acceptable form, in favor of the beneficiaries for whom Campbell has existing letters of credit for purposes of the Assignable Insurance Products, and the deposits related to the Assignable Insurance Products in Campbell's captive insurance company shall have been transferred to Buyer's captive insurance company.

18.10 Escrow Agreement. Sellers shall have received a fully executed Escrow Agreement.

18.11 Certificate. Buyer and Parent shall have delivered a certificate, dated as of the Closing, and signed by an authorized officer of each of Buyer and Parent, certifying that the conditions set forth in Sections 18.1, 18.2, and 18.4 have been satisfied.

19. ITEMS TO BE DELIVERED AT CLOSING BY CAMPBELL AND SHAREHOLDER

At Closing, Campbell and Shareholder shall, unless waived by Buyer, deliver the following items to Buyer:

19.1 Bill of Sale. A duly executed warranty bill of sale (in a form reasonably acceptable to Buyer) conveying the Purchased Assets to Buyer;

19.2 Assignment and Assumption Agreements. Agreements (in a form reasonably acceptable to Sellers) duly executed by each of the Shareholder and Campbell under which Campbell assigns, and Buyer assumes and agrees to fully and faithfully perform, the Contracts, Personal Property Leases and Real Property Leases;

19.3 Certified Resolutions. A copy of the resolutions of the Board of Directors and the shareholders of each Campbell Entity authorizing the execution and performance of this Agreement, certified by the secretary of Campbell;

19.4 Automobile Titles. Campbell shall have delivered to Buyer duly executed titles to the vehicles and other rolling stock included in the Equipment;

19.5 Legal Opinion. The legal opinion described in Section 17.10;

19.6 UCC Termination Statements. All Uniform Commercial Code termination or release statements necessary to transfer the Purchased Assets free and clear of all Liens;

19.7 Key Employee Employment, Confidentiality and Noncompetition Agreements, Etc. A fully executed Key Employee Employment, Confidentiality and Noncompetition Agreement from each Key Employee, and a fully executed Transition and Retention Agreement from each of Susan Casterton and Steven Moscrop;

19.8 Shareholder Consulting Agreement. Fully executed Shareholder Consulting Agreement from the Shareholder;

19.9 New Shareholder Leases. Fully executed New Shareholder Leases from the Shareholder; and

19.10 Escrow Agreement. A fully executed Escrow Agreement from Sellers.

20. ITEMS TO BE DELIVERED AT CLOSING BY BUYER AND PARENT

At Closing, Buyer shall, unless waived by Sellers, deliver the following items to Sellers:

20.1 Certified Resolutions. A copy of the resolutions of the Board of Directors of Buyer and Parent authorizing the execution and performance of this Agreement, certified by the secretary of Buyer and Parent, respectively;

20.2 New Shareholder Leases. Fully Executed New Shareholder Leases from Buyer;

20.3 Shareholder Consulting Agreement. Fully executed Shareholder Consulting Agreement from Buyer;

20.4 Assignment and Assumption Agreements. Agreements duly executed by Buyer and Sellers, providing, among other things, for the assignment of the Assumed Liabilities of Sellers to Buyer and the assumption of same by Buyer, executed by a duly authorized officer of Buyer, and all other instruments and certificates of assumption, novation and release as Sellers may reasonably request in order to effectively make Buyer responsible for all Assumed Liabilities and release Sellers therefrom to the fullest extent permitted under applicable law;

20.5 Charter Documents of Buyer and Parent. (a) A copy of Buyer's and Parent's Certificate of Incorporation certified as of a recent date by the Secretary of State of Delaware; and (b) a certificate of good standing of Buyer and Parent issued as of a recent date by the Secretary of State of Delaware;

20.6 Buyer's and Parent's Legal Opinions. Buyer shall deliver the legal opinions described in Section 18.8;

20.7 Purchase Price. The Purchase Price (less the Reserve) to be paid in accordance with Section 3.1;

20.8 Substitute Letters of Credit. The substitute letters of credit described in Section 18.9 shall be posted; and

20.9 Escrow Agreement. A fully executed Escrow Agreement from Buyer.

21. TERMINATION

21.1 Grounds for Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of all of the parties;

(b) by Buyer or Sellers if the Closing has not been effected on or prior to the close of business on September 30, 2005; provided, however, that the right to terminate this Agreement pursuant to this Section 21.1(b) shall not be available to any party whose willful failure to fulfill any of such party's obligations contained in this Agreement has been the cause of, or resulted in, the failure of the Closing to have occurred on or prior to the aforesaid date;

(c) by Buyer at any time upon written notice to Sellers of any one or more inaccuracies or misrepresentations in or breaches of the representations or warranties made by Sellers contained herein that have had, or if not cured prior to the Closing could be reasonably expected to have, a Material Adverse Effect on the Business, the Purchased Assets or the Assumed Liabilities, considering in the aggregate all such inaccuracies, misrepresentations and breaches which are specified in such notice; provided, however, that a termination pursuant to this Section 21.1(c) shall become effective ten (10) business days after such notice is given and only if Sellers have not cured such inaccuracies, misrepresentations and breaches so specified in such notice within such ten (10) business day period; provided, further, that, if such breach is curable within 30 days from notice to Sellers through the exercise of Sellers' commercially reasonable efforts, Buyer may not terminate this Agreement under this Section 21.1(c) until the expiration of such period without such breach having been cured (but in no event shall the preceding proviso be deemed to extend the date set forth in Section 21.1(b));

(d) by Buyer at any time upon written notice to Sellers of the failure by Sellers to materially perform and satisfy any of Sellers' obligations under this Agreement required to be performed and satisfied by Sellers on or prior to the Closing; provided, however, that a termination pursuant to this Section 21.1(d) shall become effective ten (10) business days after such notice is given and only if Sellers have not cured the failures so specified in such

notice within such ten (10) business day period; provided that there shall be no cure period for any material breach of Section 14.9; provided, further, that, if such breach is curable within 30 days from notice to Sellers through the exercise of Sellers' commercially reasonable efforts, Buyer may not terminate this Agreement under this Section 21.1(d) until the expiration of such period without such breach having been cured (but in no event shall the preceding proviso be deemed to extend the date set forth in Section 21.1(b));

(e) by Sellers at any time upon written notice to Buyer of any one or more inaccuracies or misrepresentations in or breaches of the representations or warranties made by Buyer herein that have had or, if not cured prior to the Closing could be reasonably expected to have, a Material Adverse Effect on Buyer's ability to consummate the transactions contemplated by this Agreement, considering in the aggregate all such inaccuracies, misrepresentations and breaches which are specified in such notice; provided, however, that a termination pursuant to this Section 21.1(e) shall become effective ten (10) business days after such notice is given and only if Buyer has not cured such inaccuracies, misrepresentations and breaches so specified in such notice within such ten (10) business day period; provided, further, that, if such breach is curable within 30 days from notice to Buyer through the exercise of Buyer's commercially reasonable efforts, Sellers may not terminate this Agreement under this Section 21.1(e) until the expiration of such period without such breach having been cured (but in no event shall the preceding proviso be deemed to extend the date set forth in Section 21.1(b));

(f) by Sellers at any time upon written notice to Buyer of Buyer's material failure to perform and satisfy any of Buyer's obligations under this Agreement required to be performed and satisfied by Buyer on or prior to the Closing; provided, however, that a termination pursuant to this Section 21.1(f) shall become effective ten (10) business days after such notice is given and only if Buyer has not cured the failures so specified in such notice within such ten (10) business day period; provided, further, that, if such breach is curable within 30 days from notice to Buyer through the exercise of Buyer's commercially reasonable efforts, Sellers may not terminate this Agreement under this Section 21.1(f) until the expiration of such period without such breach having been cured (but in no event shall the preceding proviso be deemed to extend the date set forth in Section 21.1(b)); and/or

(g) by Sellers or Buyer if any applicable law shall be enacted or become applicable that makes the transactions contemplated hereby or the consummation of the Closing illegal or otherwise prohibited, or if any judgment, injunction, order or decree enjoining any party from consummating the transactions contemplated hereby is entered, and such judgment, injunction, order or decree shall become final and nonappealable; provided, however, that the right to terminate this Agreement pursuant to this Section 21.1(g) shall not be available to any party who has failed to fulfill any of such party's obligations contained in Section 14.2 of this Agreement.

21.2 Effect of Termination.

(a) Limit of Liability. If this Agreement is terminated pursuant to Section 21.1(a)-(g), all obligations of the parties hereunder shall terminate without liability of any Party to any other Party, except as provided in this Section 21.2 and Section 22.6. The representations and warranties made herein shall not survive beyond a termination of this Agreement and no party shall have any liability for breach of any representation or warranty

upon a termination of this Agreement prior to the Closing, except as provided in this Section 21.2.

(b) Alternative Transaction Payment and Buyer Termination Expenses. If, prior to the Closing, this Agreement is terminated by the mutual written agreement of all of the parties pursuant to Section 21.1(a), by Buyer pursuant to Section 21.1(b), 21.1(c) or 21.1(d) or by Sellers pursuant to Section 21.1(b), and, if at the time of such termination any of the Sellers shall have received an Acquisition Proposal, whether or not any of Sellers shall have been in breach of Section 14.9, and within six (6) months after such termination any of the Sellers shall have consummated or entered into an agreement with respect to any Acquisition Proposal, then Sellers, jointly and severally, shall be obligated to pay to Parent (by wire transfer of immediately available funds), concurrently with the consummation of such transaction, a total amount equal to \$1,000,000, plus 100% of the Expenses incurred by Buyer or the Buyer Related Parties in connection with this Agreement and all related agreements and the transactions contemplated hereby and thereby, up to a maximum amount of \$100,000 (the "Alternative Transaction Payment"). If this Agreement is terminated by Buyer pursuant to Sections 21.1(c) or 21.1(d) and the foregoing sentence is not applicable and the Alternative Transaction Payment is not payable, then upon such termination Sellers, jointly and severally, shall also be obligated to reimburse Parent (by wire transfer of immediately available funds), no later than five business days after such termination, for 100% of the Expenses incurred by Buyer or the Buyer Related Parties in connection with this Agreement and all related agreements and the transactions contemplated thereby, up to a maximum amount of \$100,000 (the "Buyer Termination Expenses").

(c) Sellers acknowledge that the agreements in Section 21.2(b) are an integral part of the transactions contemplated by this Agreement and that, without these agreements, Buyer would not enter into this Agreement. Accordingly, if Campbell or Shareholder fail promptly to pay any amount due to Parent pursuant to Section 21.2(b), Sellers also shall pay any and all Expenses incurred by Buyer or a Buyer Related Party in connection with a legal action to enforce this Agreement that results in a judgment against any of Sellers for the Alternative Transaction Payment or the Buyer Termination Expenses. Buyer and Parent acknowledge and agrees that, except for (i) any willful breaches of any of the agreements or other provisions of this Agreement prior to the termination hereof, (ii) breaches of obligations of confidentiality under this Agreement, or (iii) fraud by any of Sellers, Sellers shall not have any liability or further obligation to Buyer or the Buyer Related Parties except for the Alternative Transaction Payment or Buyer Termination Expenses (as applicable), which payment is liquidated damages to Buyer and the Buyer Related Parties, and such parties shall not be entitled to any monetary damages or injunctive relief (including specific performance) as a result of such termination, or any indemnification under Section 13.

(d) If this Agreement is terminated by Sellers pursuant to Sections 21.1(e) or 21.1(f), then upon such termination Buyer and Parent, jointly and severally, shall be obligated to reimburse Campbell (by wire transfer of immediately available funds), no later than five business days after such termination, for 100% of the Expenses incurred by Sellers or their Related Parties in connection with this Agreement and all related agreements and the transactions contemplated thereby, up to a maximum amount of \$100,000 (the "Sellers Termination Expenses"). Buyer and Parent acknowledge that the agreements in this Section 21.2(d) are an integral part of the transactions contemplated by this Agreement and that, without these agreements, Sellers would

not enter into this Agreement. Accordingly, if Buyer or Parent fails promptly to pay any amount due to Campbell pursuant to this Section 21.2(d), Sellers also shall pay any costs and expenses incurred by Sellers in connection with a legal action to enforce this Agreement that results in a judgment against Buyer for the Seller Termination Expenses. Sellers acknowledge and agree that, except for (i) any willful breaches of any of the agreements or other provisions of this Agreement prior to the termination hereof, (ii) breaches of obligations of confidentiality under this Agreement, or (iii) fraud by Buyer or Parent, Buyer and Parent shall not have any liability or further obligation to Sellers or their respective Related Parties except for the Seller Termination Expenses, which payment is liquidated damages to Sellers, and such parties shall not be entitled to any monetary damages or injunctive relief (including specific performance) as a result of such termination, or any indemnification under Section 13.

22. MISCELLANEOUS

22.1 No Other Agreements. This Agreement and all schedules and Exhibits hereto, the Escrow Agreement, the Key Employee Employment, Confidentiality and Noncompetition Agreements, the Shareholder Consulting Agreement, the New Shareholder Leases, the 2004 NDA and the 2005 NDA 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 Buyer and an authorized representative of Campbell.

22.2 Waiver. Either Buyer or Sellers 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, including its obligations to close. Any such waiver shall be valid only if contained in writing signed by an authorized representative of Buyer and an authorized representative of Campbell.

22.3 Public Announcements. No public announcements of this Agreement shall be made unless Buyer and Sellers 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.

22.4 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 Campbell and Shareholder: Steven R. Campbell
9435 W Tropicana #102-230
Las Vegas, Nevada 89147

Copies to: Lawrence M. Braun, Esq.
Sheppard Mullin, Richter & Hampton LLP
333 S. Hope St., 48th Floor
Los Angeles, CA 90071
Facsimile: (213) 443-2814

To Buyer and Parent: c/o Building Materials Holding Corporation
720 Park Boulevard, Suite 200
Boise, ID 83712-7714
Attn: Paul Street, Senior VP and General Counsel

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

22.5 No Third Party Beneficiary. Nothing contained herein shall create or give rise to any third-party beneficiary rights for any individual as a result of the terms and provisions of this Agreement.

22.6 Confidential Information. The parties agree that all information acquired from the other in connection with the negotiation, execution and consummation of this Agreement is confidential and shall not be disclosed to any other party (other than attorneys, accountants and agents of the party) without the written consent of the other; provided that following the Closing Buyer may disclose information relating to the Business as it may deem necessary or advisable. Notwithstanding anything herein to the contrary, any party to this Agreement (and their employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the Tax treatment and Tax structure of the transactions contemplated by this Agreement (the "Transactions") and all materials of any kind (including opinions or other Tax analyses) that are provided to it relating to such Tax treatment and Tax structure; provided, however, that this sentence shall not permit any disclosure that otherwise is prohibited by this Agreement (i) until the earlier of (x) the date of the public announcement of discussion relating to the Transactions, and (v) the date of the public announcement of the Transactions; or (ii) if such disclosure would result in a violation of federal or state securities laws; or (iii) to the extent not related to the Tax aspects of the transaction. Moreover, nothing in this Agreement shall be construed to limit in any way any party's ability to consult any Tax advisor regarding the Tax treatment or Tax structure of the Transactions.

22.7 Assignment. The parties shall not assign this Agreement without the prior written consent of the other parties. Any attempt to assign this Agreement without prior written consent shall be void.

22.8 Records after Closing.

(a) Access. For a period of ten (10) years after the Closing Date and to the extent of claims pending so long as claims are still pending, Sellers and their representatives shall have reasonable access to all of the books and records of the Business (including any books and records relating to Taxes and Tax Returns of the Business), to the extent that such access

may reasonably be required by Sellers in connection with matters relating to or affected by the operations of the Business prior to the Closing Date, including Excluded Liabilities and/or Excluded Assets, the preparation of Sellers' financial reports or Tax returns, any Tax audits, the defense or prosecution of litigation (including arbitration or mediation), and any other reasonable need of Sellers to consult such books and records. Such access shall be afforded by Buyer upon receipt of reasonable advance notice and during normal business hours in a manner so as to not unreasonably interfere with the conduct of the Business. Sellers shall be exclusively responsible for any costs or expenses incurred by them pursuant to this Section 22.8(a). If any such books or records, or any other documents relating to the Business prior to the Closing Date which Sellers have the right to have access to pursuant to this Section 22.8(a) are produced by Buyer to an actual or potentially adverse party (e.g., in litigation or in connection with a government investigation), Buyer shall endeavor to make all such books, records and/or documents produced available for inspection and copying by Sellers concurrently with the production of such books, records and/or documents. In addition, if Buyer shall desire to dispose of any of such books or records prior to the expiration of such ten (10) year period, Buyer shall, prior to such disposition, give Sellers a reasonable opportunity, at Sellers' expense, to segregate and remove such books and records as Sellers may select. Buyer shall provide Sellers with reasonable assistance, at Sellers' actual expense, by providing employees to act as witnesses and preparing documents, reports and other information requested by Sellers in support of the activities described in this Section 22.8(a).

(b) Retention. Buyer agrees that Sellers may retain (i) copies of all materials made available to Buyer in the course of its investigation of the Business, together with a copy of all documents referred to in such materials, (ii) all books and records prepared in connection with the transactions contemplated by this Agreement, including bids received from others and information relating to such bids, (iii) copies of any books and records which may be relevant in connection with the defense of (A) the matters referred to in Section 13 or (B) disputes or proceedings arising under the transactions contemplated by this Agreement, with Governmental Authorities or with other third Persons, and (iv) all financial information and all other accounting books and records prepared or used in connection with the preparation of financial statements of Sellers. Any such information retained by Sellers shall be subject to the provisions of Section 22.6.

(c) Tax Audits. Buyer and Sellers shall provide reasonable assistance to each other with any tax audits or other administrative or judicial proceedings involving the Business at no cost to the other. Neither party shall, without the prior written consent of the other, unless required by applicable law, initiate any contact or voluntarily enter into any agreement with, or volunteer any information to, any taxing authorities with regard to Tax Returns or declarations of the other party. A change by either party in the method of tax reporting or the contents of Tax Returns shall not be considered a voluntary disclosure of information regarding Tax Returns or declarations of the other party.

(d) Tax Return Information. Buyer and Sellers shall furnish, at no cost to the other, such data relating to the Purchased Assets as the other party may reasonably require to prepare Tax Returns. Such data shall be made available to support the allocation made under this Agreement; provided, however, that if additional data is reasonably required by Sellers or Buyer for preparation of Tax returns or tax examinations, such additional information (including

reproduction of tax assessments and records) shall be furnished, at no cost within a reasonable time after requested in writing.

22.9 Bulk Sales Laws. The parties hereby waive compliance with the bulk sales laws of any state in which the Purchased Assets are located or in which operations relating to the Business are conducted.

22.10 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 CALIFORNIA WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS THAT WOULD APPLY THE LAWS OF ANY OTHER JURISDICTION. IN THE EVENT OF ANY LEGAL ACTION TO ENFORCE THE TERMS OF THIS AGREEMENT, THE LEGAL ACTION SHALL BE CONDUCTED ONLY IN LOS ANGELES COUNTY, CALIFORNIA. EACH PARTY HEREBY IRREVOCABLY CONSENTS AND SUBMITS TO THE PERSONAL JURISDICTION OF AND VENUE IN COURTS OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES, OR, IF IT HAS OR CAN ACQUIRE JURISDICTION, IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, IN ANY ACTION ARISING OUT OF OR RELATED TO THIS AGREEMENT. IN ANY LEGAL ACTION PURSUANT TO THIS AGREEMENT, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER ITS REASONABLE ATTORNEY'S FEES AND COSTS.

22.11 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 BY THIS AGREEMENT.

22.12 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.

22.13 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 GAAP 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 and Exhibits to this Agreement constitute material terms of this Agreement and are incorporated fully into the terms of this Agreement. All information disclosed in a Schedule or Exhibit shall be deemed disclosed under and incorporated into any other Schedule or Exhibit to which it is expressly cross-referenced and to the extent a matter in such Schedule or Exhibit is disclosed in such a way as to make its relevance readily apparent.

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

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

CAMPBELL:

CAMPBELL CONCRETE OF NEVADA, INC.

By: 

Name: Steven R. Campbell

Title: Pres.


CAMPBELL CONCRETE OF CALIFORNIA, INC.

By: 

Name: Steven R. Campbell

Title: Pres.


CAMPBELL CONCRETE OF ARIZONA, INC.

By: 

Name: Steven R. Campbell

Title: Pres.

CAMPBELL CONCRETE, INC.

By: 

Name: Steven R. Campbell

Title: Pres.

CAMPBELL CONCRETE OF NORTHERN
CALIFORNIA, INC.

By: 

Name: Steven R. Campbell

Title: Pres.

STERLING TRENCHING, INC.

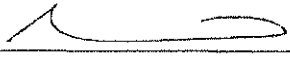
By: 

Name: Steven R. Campbell


Title: Pres.

[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]

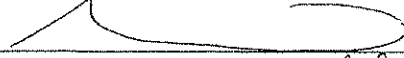
SR CAMPBELL PLUMBING OF CALIFORNIA,
INC.

By: 
Name: Steven R. Campbell
Title: Pres.

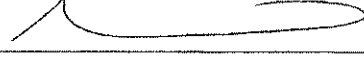
SR CAMPBELL PLUMBING OF NEVADA, INC.

By: 
Name: Steven R. Campbell
Title: Pres.

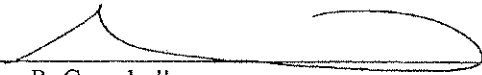
SRC ENTERPRISES, INC.

By: 
Name: Steven R. Campbell
Title: Pres.

SOUTHWEST MANAGEMENT, INC.

By: 
Name: Steven R. Campbell
Title: Pres.

SHAREHOLDER:


Steven R. Campbell

BUYER:

C CONSTRUCTION, INC.

By: Michael Mahre

Name: Michael Mahre

Title: President

PARENT:

BMC CONSTRUCTION, INC.

By: Michael Mahre

Name: Michael Mahre

Title: CEO

EXHIBIT B

BMHC

LEGAL DEPARTMENT
720 Park Boulevard, Suite 200
Boise, Idaho 83712-7764

February 15, 2010

Via Email Only

Mr. Steven Campbell
Campbell Development Company LLC
7912 W. Sahara
Las Vegas, Nevada 89117

Re: Campbell Companies

Dear Mr. Campbell:

Pursuant to Section 15.2 of the Purchase and Sale Agreement, a status of insured construction defect litigation for the Campbell Companies as of the end of the fourth quarter 2009 is as set forth below. Our next report will be sent to you when we turn over the files to you on March 1, 2010. However, if you elect to engage us to manage these claims for another year, the next report will be provided 60 days after the end of the next quarter.

I have been authorized by Paul Street to extend an offer to continue to have BMHC manage these claims from March 1, 2010 through March 1, 2011 for \$100,000 (less than half of what Campbell Companies was paying before the asset sale to have the claims managed in house). Payment would be due in advance, but we would be open to a quarterly payment arrangement. The claim management services would be the same as are currently being performed (with the exception of payment of the Zurich and AIG deductibles) and would include:

- Acceptance of service of process in Nevada and California through CSC;
- Review of applicable files to confirm Campbell's involvement in the project/lots in claim; scope of work, dates of completion, and contractual obligations applicable to defense, indemnity and AI coverage provided to the developer;
- Targeted tender to the applicable carriers/policies to minimize deductible exposure;
- Review of defense counsel and adjuster handling to minimize the risk of uninsured exposure and/or premature exhaustion of limits;
- Creation and storage of claim files;
- Production of current employees when applicable to serve as PMK witnesses;
- Review and production of job files and other requested documents;
- Review and production of information for interrogatories and for defense counsel, expert or adjuster requests;
- Serve as insured representative at mediations and settlement conferences as required;
- Review of outside counsel and expert invoices on NI claims for AIG and Arch;

Mr. Steven Campbell
February 15, 2010
Page 2 of 2


- Storage of Campbell job and bid files for 1998-2005 and destruction as appropriate;
- Primary interface with Zurich, AIG and Arch;
- Research and reconcile Zurich deductible invoices;
- Research and reconcile AIG deductible and ALAE invoices;
- Research and reconcile Gallagher Bassett claim fee invoices; and
- Quarterly reporting as in the past.

LITIGATION REPORT

Nevada and California Pending and Closed Files:

Litigation Reports for all pending litigated construction defect matters in the States of California and Nevada are enclosed. The second page of the Nevada report notes those matters that have been resolved. A separate report for resolved California Concrete matters is enclosed. I have also included a report of Ch 40 claims that are pending. We have also enclosed a list of any Chapter 40 claims that have been tendered to a Campbell carrier or are covered under a wrap insurance policy as these matter will likely move to litigation in the near future.

Very truly yours,



Maureen Thomas
Legal and Risk Management Counsel

cc: Paul Street (via email w/out attachments)

Attachments:

- Exhibit "A" – Pending Concrete CA
- Exhibit "B" – Closed Concrete CA
- Exhibit "C" – Pending Plumbing CA
- Exhibit "D" - Pending/Closed NV
- Exhibit "E" - Tendered Chapter 40 Claims NV

EXHIBIT C

Steven J. Moscrop
PO Box 1436 * San Marcos * CA * 92079
Steven.Moscrop@gmail.com * 760.505.1704

February 1, 2010

Mr. Steven R. Campbell
Southwest Management, Inc.
7912 W Sahara Avenue
Las Vegas, NV 89117

Re: **Invoice # SMI-001 (BMHC Bankruptcy)**

Consultation concerning potential liabilities from Pre-Closing activities of Campbell Companies for future periods.

Total Due this invoice \$20,000.00

Thank you for the opportunity to serve your firm.

Steven J. Moscrop

EXHIBIT D



McGRIFF, SEIBELS & WILLIAMS, INC.

INSURANCE BROKERS

One Premier Plaza, Suite 300
5605 Glenridge Drive, Atlanta, GA 30342
Tel (404) 497-7500 Fax (404) 497-7565

Sheppard, Mullin, Richter & Hampton, LLP
333 South Hope Street
43rd Floor
Los Angeles, CA 90071-1448

INVOICE

INVOICE DATE	INVOICE NUMBER
2/25/10	126314
ASSURED NUMBER	AGENT
12 062233-888	Tasker, Trey
EFFECTIVE DATE	AMOUNT ENCLOSED
2/25/10	

PLEASE NOTE
PREMIUMS ARE DUE AND PAYABLE BY
EFFECTIVE DATE

DETACH AND RETURN WITH REMITTANCE TO: McGRIFF, SEIBELS & WILLIAMS, INC., DRAWER #456
P.O. BOX 11407, BIRMINGHAM, AL 35246-0001

ALL OTHER CORRESPONDENCE TO: McGriff, Seibels & Williams, Inc.
One Premier Plaza, Suite 300
5605 Glenridge Drive,
Atlanta, GA 30342

ACTUARIAL ANALYSIS

11,500.00

INVOICE DATE	INVOICE NUMBER
2/25/10	126314

AMOUNT DUE	\$11,500.00
------------	-------------

McGRIFF, SEIBELS & WILLIAMS, INC.

DRAWER #456
P.O. BOX 11407
BIRMINGHAM, AL 35246-0001
(404) 497-7500

Thank You!

EXHIBIT E



48th Floor | 333 South Hope Street | Los Angeles, CA 90071-1448
213-620-1780 office | 213-620-1398 fax | www.sheppardmullin.com

Kathy Meece
Southwest Management Inc.
7912 West Sahara
Las Vegas, NV 89117

SMRH Tax ID 95-1463164
December 4, 2009
Invoice 222723059

Our Matter No. 20NB-145142
Southwest Management - BMHC Transaction Matters
Billing Atty: David I. Sunkin

INVOICE SUMMARY

FOR PROFESSIONAL SERVICES THROUGH NOVEMBER 30, 2009

Current Fees
Current Disbursements

~~\$ 21,863.50~~ \$16,179.00
\$ 21.26

Total Current Activity

Total Due for This Invoice

10,200.26 _____
10,200.26 _____

Payment Terms: Balance due upon receipt of this statement.



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213-620-1780 office | 213-620-1398 fax | www.sheppardmullin.com

20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

December 4, 2009
Invoice 222723059
Page 4 of 6

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
11/23/09	Conferred re APA strategy and assumption/cure issues and revised lease payments chart.	0292	.60 hrs.
11/23/09	Checked docket to see if cure notice was filed.	0585	.20 hrs.
11/24/09	Participated in call with Mrs. Meece at Campbell Development Company, LLC re Replacement Lease Expenses. Edited and revised chart of BMHC and LVPD Lease Payments. Created chart of Replacement Lease Expenses.	2519	2.40 hrs.
11/24/09	Attention to bankruptcy matters and creditors claims; telephone conference with Mr. Campbell and Mrs. Meece; conferred re Cure Notices and strategy.	0292	3.20 hrs.
11/24/09	Checked docket to determine whether cure notices were filed. Conferred with BMHC's counsel re same. Conferred with R. Park of Alvarez and Marsal re Spencer claim. Researched 502(b)(6) issues. Reviewed and analyzed correspondence from K. Meece. Conferred re responding to cure notice. Reviewed files re issues on cure issues.	0585	3.50 hrs.
11/29/09	Conferred re declarations and filings and exchanged correspondence re same.	0292	.60 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

December 4, 2009
Invoice 222723059
Page 5 of 6

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
11/29/09	Exchanged correspondence re filing response to cure notice. Analyzed issues re same.	0585	.50 hrs.
11/30/09	Searched for citations of bankruptcy court cases the [REDACTED] [REDACTED]	2519	.50 hrs.
11/30/09	Attention to objection to cure notice and related; telephone conference with Mrs. Meece.	0292	3.20 hrs.
11/30/09	Conferred with R. Poppitti (BMHC counsel) re proposal to recast plan votes. Exchanged correspondence re same. Conferred re same and re responding to cure notice. Conferred with H. Geneslaw re local counsel issues. Conferred with R. Poppitti to communicate rejection of proposal to recast votes. Exchanged correspondence with K. Meece. Drafted response to cure notice. Drafted Sunkin and Campbell declarations in support of response to cure notice.	0585	5.90 hrs.

SUMMARY OF TIMEKEEPER FEES

<u>Tkpr</u> <u>Code</u>	<u>Timekeeper Name</u>	<u>Hours</u>	<u>Avg.</u> <u>Rate/Hr</u>	<u>Dollars</u>
0338	John P. Stigi	.50	\$ 615.00	\$ 307.50
0292	David I. Sunkin	19.40	\$ 550.00	\$ 10,670.00
0585	Theodore A. Cohen	17.40	\$ 515.00	\$ 8,961.00
2519	Allison N. Berkley	7.00	\$ 275.00	\$ 1,925.00

Total Fees for Professional Services

\$ 21,863.50



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20NB-145142: Southwest Management - BMHC Transaction Matters
David L. Sunkin

December 4, 2009
Invoice 222723059
Page 6 of 6

SUMMARY OF DISBURSEMENTS

Duplication	15.75
Telephone	5.51

Total Disbursements

\$ 21.26



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Remittance Copy

Please return this page with your payment.

Kathy Meece
Southwest Management Inc.
7912 West Sahara
Las Vegas, NV 89117

SMRH Tax ID 95-1463164
January 12, 2010
Invoice 222730869

Our Matter No. 20NB-145142
Southwest Management - BMHC Transaction Matters
Billing Atty: David I. Sunkin

INVOICE SUMMARY

FOR PROFESSIONAL SERVICES THROUGH DECEMBER 31, 2009

Current Fees	\$ 42,417.50
Current Disbursements	\$ 218.65
Total Current Activity	\$ 42,636.15
Total Due for This Invoice	<u>\$ 42,636.15</u>

Payment Terms: Balance due upon receipt of this statement.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

January 12, 2010
Invoice 222730869
Page 2 of 6

FOR PROFESSIONAL SERVICES THROUGH 12/31/09

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
12/01/09	Worked on preparation of Brief; Affidavits, etc. for Decl. filing and related conferences and telephone conferences with client's reps.	0292	7.60 hrs.
12/01/09	Revised and edited objection to cure notice, D. Sunkin declaration and S. Campbell declaration. Reviewed and analyzed APA for additional issues. Exchanged correspondence with local counsel re: filing. Conferred with A. York (counsel for BMHC) re recasting ballots on plan.	0585	6.00 hrs.
12/02/09	Worked on Cure objection filing.	0292	5.20 hrs.
12/02/09	Exchanged correspondence with D. Crapo and B. Firth (local counsel) re filing pleadings in support of objection to Cure Notice. Analyzed risk of disclosing negotiations of the APA given confidentiality provision therein for information. Revised and edited pleadings.	0585	1.20 hrs.
12/03/09	Exchanged correspondence with D. Crapo re filing and whether A. York was served. Analyzed whether to contact A. York. Drafted correspondence to A. York.	0585	.30 hrs.
12/04/09	Conferred re next steps to bankruptcy filing; reviewed docket; prepared comments to Colliers Listing Agreement.	0292	1.70 hrs.
12/04/09	Conferred re strategy.	0585	.10 hrs.
12/07/09	Telephone conference with Mrs. Meece and reviewed Collier's comments; reviewed BMHC filing re vote tabulation.	0292	.90 hrs.
12/07/09	Exchanged correspondence re lack of response from debtors. Exchanged correspondence re voting issues. Began reviewing tabulation memo.	0585	.60 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

January 12, 2010
Invoice 222730869
Page 3 of 6

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
12/08/09	Reviewed court docket and reviewed new language from Colliers and prepared email to Mrs. Meece.	0292	1.00 hrs.
12/08/09	Exchanged correspondence with D. Crapo re confirmation and cure objections.	0585	.20 hrs.
12/09/09	Reviewed/analyzed BMHC opposition and motions re Sale of C Construction; worked on strategy and reply brief and conferred with local counsel.	0292	5.50 hrs.
12/09/09	Reviewed and analyzed ballot summary. Drafted analysis re same. Exchanged correspondence with D. Crapo re open issues. Reviewed and analyzed Debtors' response to cure objections. Drafted analysis of same. Reviewed and analyzed framing business sale motion and APA. Drafted analysis re same. Conferred re strategy. Participated in conference call to discuss supplemental filings. Analyzed tax issues. Reviewed, analyzed, revised and edited reply to response to cure objections.	0585	5.10 hrs.
12/10/09	Attention to request re Valley Glen/Pulte Project; attention to sale motion and wind-down of C Construction and conferred with local counsel re strategy and motion to prove adequate assurances.	0292	3.80 hrs.
12/10/09	Exchanged correspondence re filing of reply to response to cure objections. Checked docket on same. Analyzed adequate assurance of future performance issues. Conferred re same.	0585	1.00 hrs.
12/11/09	Worked on second cure objection strategies and revised pleading.	0292	3.30 hrs.
12/11/09	Exchanged correspondence with D. Crapo. Analyzed supplement cure notice objection issues. Revised and edited supplemental objection to cure notice.	0585	1.00 hrs.
12/14/09	Reviewed latest filings and conferred.	0292	1.30 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

January 12, 2010
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FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
12/14/09	Exchanged correspondence with D. Crapo.	0585	.30 hrs.
12/15/09	Analyzed latest BMHC motion and conferred and prepared correspondence to Mr. Campbell.	0292	2.80 hrs.
12/15/09	Reviewed and analyzed confirmation pleadings. Conferred re issues. Reviewed correspondence to S. Campbell. Reviewed and analyzed agenda for hearings on December 17. Drafted analysis re same. Reviewed and analyzed BMHC's supplemental pleading in support of cure amount. Drafted analysis re same.	0585	1.60 hrs.
12/16/09	Analyzed/revised Brief filed by BMHC and worked on strategy for Southwest responses; researched/obtained evidence of APA negotiations and conferred with local counsel.	0292	3.90 hrs.
12/16/09	Arranged for telephonic court appearance. exchanged correspondence re status and issues. Reviewed and analyzed correspondence re responding to BMHC's arguments. Analyzed same. Analyzed issues. Strategized re same. Conferred with D. Crapo.	0585	1.90 hrs.
12/17/09	Prepared for and attended BMHC confirmation hearing; telephone conference with Mr. Campbell.	0292	5.90 hrs.
12/17/09	Participated in confirmation, sale motion and cure objection hearings. Reviewed and analyzed list of rejected contracts. Conferred re issues.	0585	3.10 hrs.
12/21/09	Reviewed Proposed Court Order and conferred.	0292	.70 hrs.
12/21/09	Exchanged correspondence re proposed order on cure objection. Reviewed and analyzed proposed order. Suggested changes to same.	0585	.50 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

January 12, 2010
Invoice 222730869
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FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
12/22/09	Attention to settlement issues.	0292	.80 hrs.
12/22/09	Exchanged correspondence re cure objection order and scheduling. Conferred with D. Crapo re issues. Reviewed and analyzed assignment agreement motion on C Construction sale.	0585	.90 hrs.
12/23/09	Worked on Purchase Agreement issues; telephone conference with Mr. Street; telephone conference with Mr. Campbell; prepared correspondence to Mr. Campbell.	0292	2.20 hrs.
12/23/09	Exchanged correspondence with J. Graves, D. Crapo and D. Sunkin re settling cure objection and lease claims. Conferred re status and issues. Reviewed and analyzed emails. Reviewed and analyzed recent pleadings filed by BMHC. Drafted analysis re same. Calculated current claim amounts. Drafted analysis re same. Exchanged correspondence re same.	0585	2.10 hrs.
12/24/09	Prepared correspondence to Client re strategy and worked on delay.	0292	.60 hrs.
12/24/09	Reviewed and analyzed correspondence to S. Campbell. Analyzed issues.	0585	.50 hrs.
12/28/09	Attention to extension on hearing date; multiple correspondence with Ms. Thomas and analyzed detail regarding indemnity payments made by BMHC on AIG and Zurich policies post closing.	0292	1.80 hrs.
12/28/09	Exchanged correspondence re status. Reviewed and analyzed agenda for December 30 hearing. Drafted correspondence re same.	0585	.40 hrs.
12/29/09	Attention to issues re: unsecured lease claims and guaranty by SelectBuild.	0292	.50 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

January 12, 2010
Invoice 222730869
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FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
12/29/09	Exchanged correspondence re cure objection order. Reviewed, analyzed, revised and edited same. Reviewed and analyzed most recently filed claims objections. Drafted analysis re same. Exchanged correspondence re same. Drafted correspondence to R. Poppitti (BMHC counsel) re latest claims objections. Conferred with R. Park of Alvarez and Marsal re Spencer claim. Exchanged correspondence with R. Park re same.	0585	2.20 hrs.
12/30/09	Reviewed and analyzed agenda for January 5 hearings. Checked claim 2350 to against which debtor it was filed. Analyzed issues.	0585	.50 hrs.

SUMMARY OF TIMEKEEPER FEES

<u>Tkpr</u> <u>Code</u>	<u>Timekeeper Name</u>	<u>Hours</u>	<u>Avg.</u> <u>Rate/Hr</u>	<u>Dollars</u>
0292	David I. Sunkin	49.50	\$ 550.00	\$ 27,225.00
0585	Theodore A. Cohen	29.50	\$ 515.00	\$ 15,192.50

Total Fees for Professional Services

\$ 42,417.50

SUMMARY OF DISBURSEMENTS

12/29/09	T. Cohen - court call appearance fee 12/17/09	142.00
	Duplication	69.50
	Telephone	7.15

Total Disbursements

\$ 218.65



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Kathy Meece
Southwest Management Inc.
7912 West Sahara
Las Vegas, NV 89117

SMRH Tax ID 95-1463164
February 5, 2010
Invoice 222739762

Our Matter No. 20NB-145142
Southwest Management - BMHC Transaction Matters
Billing Atty: David I. Sunkin

INVOICE SUMMARY

FOR PROFESSIONAL SERVICES THROUGH JANUARY 31, 2010

Current Fees	\$ 17,894.50
Current Disbursements	\$ 1.65
Total Current Activity	\$ 17,896.15
Total Due for This Invoice	<u>\$ 17,896.15</u>

Payment Terms: Balance due upon receipt of this statement.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

February 5, 2010
Invoice 222739762
Page 2 of 5

FOR PROFESSIONAL SERVICES THROUGH 01/31/10

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
01/04/10	Exchanged correspondence with D. Crapo. Exchanged correspondence with R. Poppitti re additional claims objections. Reviewed agenda for January 5 hearings. Exchanged correspondence and conferred with R. Park re Spencer claim. Made proposal to R. Poppitti to resolve all claims. Reviewed correspondence from R. Poppitti re same.	0585	1.20 hrs.
01/05/10	Conferred re landlord claims.	0292	.70 hrs.
01/05/10	Reviewed and analyzed pleadings. Exchanged correspondence with D. Crapo. Conferred with R. Park re Spencer claim. Conferred with K. Meece re Spencer claim. Exchanged correspondence with R. Park re finalizing claims. Conferred re timing of distributions. Exchanged correspondence with R. Poppitti.	0585	1.50 hrs.
01/07/10	Conferred re unsecured lease claims.	0292	.30 hrs.
01/07/10	Exchanged correspondence with R. Poppitti re stipulating to claims. Exchanged correspondence re open issues on APA.	0585	.60 hrs.
01/12/10	Reviewed, analyzed, revised and edited order on SRC claims. Reviewed and analyzed newly filed pleadings. Drafted correspondence to R. Poppitti re order on SRC claims. Drafted correspondence to R. Poppitti re deadline for filing APA rejection claim.	0585	1.40 hrs.
01/14/10	Reviewed and analyzed correspondence from R. Poppitti re claim objection order and time to file rejection claim. Reviewed and analyzed proposed language. Responded to R. Poppitti. Drafted proposed language.	0585	1.00 hrs.
01/15/10	Exchanged correspondence with Mr. Thomas re Loss Runs and Zarich.	0292	.30 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

February 5, 2010
Invoice 222739762
Page 3 of 5

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
01/18/10	Analyzed and exchanged correspondence with various parties re Zurich and AIG losses; telephone conference with Ms. Stewart.	0292	1.70 hrs.
01/19/10	Reviewed and analyzed recently filed pleadings.	0585	.20 hrs.
01/20/10	Conferred re reviewing Senior Secured Credit Agreement for the [REDACTED] and interest rates. Reviewed Senior Secured Credit Agreement for the [REDACTED].	2519	1.20 hrs.
01/20/10	Prepared Memo to client re status/alternative; calculated cost of [REDACTED].	0292	3.70 hrs.
01/20/10	Reviewed exhibits to order on claim objection.	0585	.20 hrs.
01/21/10	Conferred re [REDACTED].	2519	.30 hrs.
01/21/10	Worked on Memo to client re status and alternatives.	0292	2.70 hrs.
01/21/10	Reviewed and analyzed claims objection order. Drafted correspondence re same with analysis of claim amounts.	0585	.30 hrs.
01/22/10	Prepared memo to client.	0292	2.90 hrs.
01/22/10	Reviewed and analyzed options for resolving cure objection on APA. Exchanged correspondence re same. Reviewed recently filed pleadings. Exchanged correspondence with R. Poppiti re finalizing order allowing SRC Entities' claims. Reviewed correspondence to S. Campbell.	0585	.50 hrs.
01/25/10	Telephone conference with Mr. Moscrop; telephone conference with Mr. Street and related follow-up; telephone conference with Mr. Crapo.	0292	2.90 hrs.



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 213-620-1780 office | 213-620-1198 fax | www.sheppardmullin.com

20NB-145142: Southwest Management - BMHC Transaction Matters
 David I. Sunkin

February 5, 2010
 Invoice 222739762
 Page 4 of 5

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
01/26/10	Conferred re status and strategy; telephone conference with Ms. Thomas.	0292	1.00 hrs.
01/26/10	Conferred re status. Reviewed and analyzed agenda for hearings.	0585	.40 hrs.
01/27/10	Attention to APA issues; telephone conference with Mr. Street and Ms. Thomas, multiple calls with local counsel; telephone conference with Mr. Campbell and Mr. Moscrop; attended Del. Court hearing by teleconference.	0292	5.60 hrs.
01/27/10	Exchanged correspondence with D. Crapo re hearing, orders and proofs of claim. Exchanged correspondence re BMHC's rejection of APA. Exchanged correspondence re entry of order.	0585	.80 hrs.
01/28/10	Analyzed court filings re APA rejection.	0292	.50 hrs.
01/28/10	Exchanged correspondence re orders on lease rejection claims and rejection of apa. Reviewed and analyzed order on 9th Omnibus Claims Objections.	0585	.40 hrs.
01/29/10	Conferred re rejection order and related.	0292	.40 hrs.
01/29/10	Reviewed, analyzed, revised and edited order on APA rejection. Exchanged correspondence re same.	0585	.50 hrs.

SUMMARY OF TIMEKEEPER FEES

<u>Tkpr</u> <u>Code</u>	<u>Timekeeper Name</u>	<u>Hours</u>	<u>Avg.</u> <u>Rate/Hr</u>	<u>Dollars</u>
0292	David I. Sunkin	22.70	\$ 560.00	\$ 12,712.00
0585	Theodore A. Cohen	9.00	\$ 530.00	\$ 4,770.00
2519	Allison N. Berkley	1.50	\$ 275.00	\$ 412.50



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

February 5, 2010
Invoice 222739762
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Total Fees for Professional Services

\$ 17,894.50

SUMMARY OF DISBURSEMENTS

Telephone

1.65

Total Disbursements

\$ 1.65



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213-620-1780 office | 213-620-1398 fax | www.sheppardmullin.com

Remittance Copy

Please return this page with your payment.

Kathy Meece
Southwest Management Inc.
7912 West Sahara
Las Vegas, NV 89117

SMRH Tax ID 95-1463164
March 4, 2010
Invoice 222746732

Our Matter No. 20NB-145142
Southwest Management - BMHC Transaction Matters
Billing Atty: David I. Sunkin

INVOICE SUMMARY

FOR PROFESSIONAL SERVICES THROUGH FEBRUARY 28, 2010

Current Fees	\$ 26,583.00
Current Disbursements	\$ 1.86

Total Current Activity	<u>\$ 26,584.86</u>
Total Due for This Invoice	<u>\$ 26,584.86</u>

Payment Terms: Balance due upon receipt of this statement.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

March 4, 2010
Invoice 222746732
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FOR PROFESSIONAL SERVICES THROUGH 02/28/10

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
02/01/10	Conferred re CD claims data and worked on strategy; multiple emails to Maureen Thomas and Laura Stewart; conferred re [REDACTED]	0292	1.40 hrs.
02/01/10	Reviewed correspondence from D. Crapo and certification of counsel on APA rejection order. Reviewed and analyzed recently filed pleadings.	0585	.40 hrs.
02/02/10	Multiple correspondence with BMHC re claim details.	0292	.70 hrs.
02/02/10	Reviewed correspondence from D. Crapo re entry of rejection order on APA. Calendared deadlines. Reviewed and analyzed recently filed pleadings.	0585	.30 hrs.
02/03/10	Conference call with Mr. Cobias re Actuary for proof of claim; analyzed Zurich data and related.	0292	2.90 hrs.
02/03/10	Conferred and strategized re payment of unsecured claims and filing of APA rejection claim.	0585	.40 hrs.
02/04/10	Telephone conference with Mr. Cobias and interviewed actuary; reviewed updated claims data; telephone conference with Mr. Moscrop.	0292	2.00 hrs.
02/04/10	Reviewed and analyzed additional pleadings. Began drafting proof of claim forms for APA rejection claim.	0585	.50 hrs.
02/05/10	Conference call with Mr. Moscrop and actuary firm and broker; attention to [REDACTED] data.	0292	2.20 hrs.
02/05/10	Completed drafts of proof of claim forms for APA rejection claims against C Construction and SelectBuild Construction.	0585	.50 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

March 4, 2010
Invoice 222746732
Page 3 of 5

FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
02/08/10	Telephone conference with Mr. Colias re Actuary; attention to numerous claims data issues; attention to Proof of Claim issues.	0292	2.70 hrs.
02/08/10	Revised and edited APA rejection claims. Analyzed whether any administrative claims exist. Determined effective date of APA rejection. Analyzed whether Southwest can raise new claims that Debtor failed to pay in full on its liabilities. Drafted analysis re same. Conferred with D. Crapo and D. Sunkin re strategy. Analyzed administrative claim issues.	0585	1.70 hrs.
02/09/10	Attention to claims data and actuarial assignment; various telephone conference with parties re same.	0292	2.90 hrs.
02/09/10	Reviewed correspondence re Southwest. Reviewed changes to rejection claims. Analyzed same.	0585	.30 hrs.
02/10/10	Worked on proposals for [REDACTED], revised BB&T proposal document.	0292	3.20 hrs.
02/10/10	Exchanged correspondence re status of [REDACTED]	0585	.10 hrs.
02/11/10	Analyzed proposed engagement letter from McGriff; telephone conference with Trey; reviewed Centric proposal.	0292	1.20 hrs.
02/12/10	Revised McGriff letter and appendix; telephone conference with Mr. Moscrop.	0292	3.40 hrs.
02/12/10	Conferred re rejection claim and strategy.	0585	.10 hrs.
02/15/10	Exchanged correspondence with BMHC; exchanged correspondence with Actuary.	0292	.70 hrs.
02/16/10	Analyzed McGriff engagement letter; assembled back-up claims and policy information for distribution to McGriff; reviewed Q4 claims data.	0292	1.80 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

March 4, 2010
Invoice 222746732
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FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
02/17/10	Corresponded with Actuary re steps and attended to data request and sent same to actuary.	0292	1.40 hrs.
02/18/10	Analyzed and revised letter to Willis.	0292	.90 hrs.
02/18/10	Received correspondence re actuary engagement letter. Responded to same.	0585	.10 hrs.
02/19/10	Telephone conference with Mr. Tasker; telephone conference with Mr. Williams; telephone conference with Mr. Moscrop.	0292	1.50 hrs.
02/20/10	Attention to damages analysis.	0292	.40 hrs.
02/20/10	Reviewed February 22 agenda to make sure nothing affects Southwest. Reviewed correspondence re rejection claim. Responded to same. Determined claim objection deadline.	0585	1.00 hrs.
02/22/10	Analyzed email from BMHC re records/storage and considered strategic issues.	0292	.40 hrs.
02/22/10	Reviewed correspondence re [REDACTED] going forward.	0585	.10 hrs.
02/23/10	Conferred re bankruptcy and insurance issues.	0254	.40 hrs.
02/23/10	Attention to various claims issues; conferred re strategic matters.	0292	1.70 hrs.
02/24/10	Attention to insurance policy matters and researched policy limits issues; telephone conference with Mahony Group.	0292	1.90 hrs.
02/25/10	Attention to transfer of [REDACTED] prepared correspondence to Mr. Williams re Willis; prepared additional date for Mr. Tasker; telephone conference with Mrs. Lovell of Mahoney.	0292	2.30 hrs.
02/25/10	Reviewed and analyzed recently filed claims objections.	0585	.20 hrs.



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20NB-145142: Southwest Management - BMHC Transaction Matters
David I. Sunkin

March 4, 2010
Invoice 222746732
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FEE DETAIL

<u>Date</u>	<u>Description of Services</u>	<u>Tkpr</u>	<u>Hours</u>
02/26/10	Review and respond to request regarding claim filing; conf regarding same.	0536	.40 hrs.
02/26/10	Conference call with Mr. Tasker and Mr. Moscrop; conferred re Proof of Claim; worked on XXXXXX matter and correspondence with Mrs. Thomas.	0292	3.30 hrs.
02/26/10	Prepared for meeting re APA rejection claim. Attended same. Prepared revised claim and Campbell signature page. Exchanged correspondence with D. Crapo re form of claim.	0585	2.40 hrs.

SUMMARY OF TIMEKEEPER FEES

<u>Tkpr</u> <u>Code</u>	<u>Timekeeper Name</u>	<u>Hours</u>	<u>Avg.</u> <u>Rate/Hr</u>	<u>Dollars</u>
0254	Andre J. Cronthall	.40	\$ 585.00	\$ 234.00
0536	Carren Shulman	.40	\$ 680.00	\$ 272.00
0292	David I. Sunkin	38.90	\$ 560.00	\$ 21,784.00
0585	Theodore A. Cohen	8.10	\$ 530.00	\$ 4,293.00

Total Fees for Professional Services

\$ 26,583.00

SUMMARY OF DISBURSEMENTS

02/08/10	T. Cohen - client phone calls 1/10-2/9/10	0.70
	Telephone	1.16

Total Disbursements

\$ 1.86

EXHIBIT F



GIBBONS P.C.
ONE GATEWAY CENTER
NEWARK, NJ 07102-5310
973-596-4500

TAX ID: 22-2366099

January 12, 2010

Southwest Management
Attn: Kathy Meece, Controller
7912 West Sahara
Las Vegas, NV 89117

COPY

- to -

GIBBONS P.C.

RE: SOUTHWEST MANAGEMENT
Building Materials Holding Corporation Bankruptcy
Invoice Number: 1238999

FOR: Professional Services Rendered Through December 31, 2009
As Per Attached Description of Services

22,270.00

FOR: Disbursements Through December 31, 2009
As Per Attached Description

\$279.89

Total Services and Disbursements

22,549.89

Southwest Management
Building Materials Holding Corporation Bankruptcy

Services Through December 31, 2009

File Number 109585-67818

Invoice Number 1238999

<u>Date</u>	<u>Services</u>	<u>Atty</u>	<u>Hours</u>
11/30/09	[REDACTED]	DC	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
11/30/09	Review cure notice and information from plan.	DC	0.20
12/01/09	E-mails to/from T. Cohen and D. Sunkin. Review pro hac vice and cure objection papers. Review assumption and assignment law and procedures in Delaware.	DC	3.60
12/01/09	Telephone conference with U.S. Trustee Attorney J. McMahon re: cure objection.	DC	0.20
12/01/09	Reviewed cure objection and declarations; correspondence with D. Crapo re: same; prepared pro hac motions for DE filing.	WRF	1.00
12/02/09	Prepared cure objection for DE filing; conferred with T. Cohen and D. Crapo re: same; coordinated filing and service of pro hac papers on chambers; coordinated filing and service of cure objection.	WRF	3.50
12/02/09	Revisions to cure objection pleadings. Review documents. Review law re: interests. E-mails to/from T. Cohen, D. Sunkin and W. Firth re: filings. Finalize pleadings. E-mails to/from court re: filing.	DC	4.50
12/02/09	Telephone conference with T. Cohen re: status and strategy.	DC	0.20
12/03/09	Conference with H. Geneslaw re: status. Review of docket. E-mails to/from T. Cohen.	DC	0.30
12/03/09	E-mails to/from T. Cohen re: cure objection.	DC	0.20
12/03/09	Reviewed docket re: confirmation of service of objection; conferred with D. Crapo re: same.	WRF	0.30
12/04/09	Reviewed docket re: entry of pro hac orders; conferred with D. Crapo and chambers re: same.	WRF	0.30
12/04/09	Telephone conference with D. Sunkin re: status and strategy. E-mails to/from T. Cohen re: same.	DC	0.20
12/04/09	Review of docket.	DC	0.30
12/07/09	Review docket. E-mails to/from T. Cohen and D. Sunkin re: status.	DC	0.20

Southwest Management
Building Materials Holding Corporation Bankruptcy
Services Through December 31, 2009

File Number 109585-67818

Invoice Number 1238999

<u>Date</u>	<u>Services</u>	<u>Atty</u>	<u>Hours</u>
12/08/09	Review docket, modified plan and confirmation brief. E-mails to/from T. Cohen re: status.	DC	0.70
12/08/09	Conferred with D. Crapo re: notice of appearance and service; reviewed docket re: same; conferred with R. Fitzgerald re: same.	WRF	0.30
12/08/09	Telephone call with chambers re: entry of pro hac orders.	WRF	0.10
12/09/09	Prepared and electronically filed reply to cure objection.	RAF	0.40
12/09/09	Telephone conference with D. Sunkin and T. Cohen re: confirmation and cure issues. Draft opposition to adjournment. Review article forwarded by D. Sunkin. E-mails to/from T. Cohen and D. Sunkin. Revisions to Opposition.	DC	2.60
12/09/09	Preparation for 12/10/09 Confirmation/Cure objection hearing.	DC	0.10
12/09/09	Review Debtors' omnibus response to cure objections. E-mails to/from T. Cohen and D. Sunkin re: same.	DC	0.50
12/10/09	Reviewed e-mail from W. Firth regarding service in case; arranged for same.	RAF	0.20
12/10/09	Composed E-mail to W. Firth regarding the filing of a Certification of Service for Reply of Contracting Party Southwest Management, Inc.	JM1	0.20
12/10/09	Electronically filed Certification of Service for Reply of Contracting Party Southwest Management, Inc.	JM1	0.40
12/10/09	Review Ontario Framing sale pleadings and agreement. Review docket.	DC	1.20
12/10/09	Telephone conference with T. Cohen and D. Sunkin re: supplemental cure objection.	DC	0.20
12/10/09	Conferred with D. Crapo re: cure objection; confirmed filing of pro hac papers and notice of appearance; reviewed hearing agenda notices.	WRF	0.70
12/11/09	Conferred with D. Crapo re: 12/17 hearing.	WRF	0.10
12/11/09	Review APA. Draft, review and revise supplemental cure objection. E-mails to/from D. Sunkin and T. Cohen with Firth re: same. Review docket.	DC	4.70
12/14/09	Composed Certification of Service for the Supplemental Objection of the Contracting Party Southwest Management, Inc.	JM1	0.50
12/14/09	Composed E-mail to W. Firth regarding the electronic filing of Supplemental Objection of the Contracting Party Southwest Management, Inc. and Certification of Service.	JM1	0.20

Southwest Management
Building Materials Holding Corporation Bankruptcy
Services Through December 31, 2009

File Number 109585-67818

Invoice Number 1238999

<u>Date</u>	<u>Services</u>	<u>Atty</u>	<u>Hours</u>
12/14/09	Electronically filed Supplemental Objection of the Contracting Party Southwest Management, Inc. and Certification of Service for D. Crapo.	JM1	0.60
12/14/09	Review docket and pleadings. E-mails to/from D. Sunkin and T. Cohen re: same.	DC	0.60
12/15/09	Telephone call to A. York re: status of hearing.	DC	0.20
12/15/09	Review confirmation related pleadings. E-mails to/from D. Sunkin and T. Cohen re: same.	DC	0.50
12/15/09	Conferred with D. Crapo re: 12/17 hearing.	WRF	0.10
12/16/09	Conferred with D. Crapo re: 12/17 hearing; reviewed pleadings and prepared for same; reviewed revised hearing agenda.	WRF	1.00
12/16/09	Preparation for 12/17/09 hearing.	DC	3.80
12/16/09	Telephone conference with D. Sunkin and T. Cohen re: 12/17/09 hearing.	DC	0.30
12/17/09	Complete preparation for 12/17/09 hearing. Attend hearing and argue. E-mails to/from D. Sunkin re: issues raised at hearing. Conferences with debtors' counsel re: adjournment and substance.	DC	11.40
12/17/09	Conferred with D. Crapo re: hearing; preparation for hearing and attended same.	WRF	6.00
12/18/09	Review court notices and Order.	DC	0.70
12/21/09	E-mails to/from D. Sunkin, T. Cohen, A. York and J. Graves re: cure hearing order. Review order and cure hearing.	DC	0.50
12/22/09	Participate in conference call with A. York, J. Graves, L. Bauman and M. Thomas re: resolution of cure objection. Telephone conference with D. Sunkin re: same. Telephone call to/and e-mail to A. York and J. Graves re: same.	DC	0.60
12/22/09	E-mails to/from J. Graves and D. Sunkin re: settlement conference. Telephone conference with D. Sunkin and telephone call to J. Graves re: same.	DC	0.50
12/22/09	Correspondence re: settlement of cure claim.	WRF	0.20
12/23/09	Correspondence re: settlement of Building Materials cure matter; conferred with D. Crapo re: hearing scheduling.	WRF	0.30
12/23/09	E-mails from J. Graves, D. Sunkin and T. Cohen re: rejection settlement. Conference with T. Cohen re: same.	DC	0.30
12/23/09	Telephone conference with D. Sunkin re: cure objection.	DC	0.20

Southwest Management
Building Materials Holding Corporation Bankruptcy
Services Through December 31, 2009

File Number 109585-67818

Invoice Number 1238999

<u>Date</u>	<u>Services</u>	<u>Atty</u>	<u>Hours</u>
12/24/09	E-mails to/from D. Sunkin, J. Graves and A. York re: cure objection. Telephone call to A. York re: same. Review court notices and pleadings.	DC	0.50
12/28/09	E-mails to/from D. Sunkin, T. Cohen and J. Graves re: cure objection issues. Review notices from court. Review claims objections.	DC	0.50
12/29/09	E-mails to/from J. Graves re: cure procedures order. E-mails to/from D. Sunkin re: same. E-mails to/from T. Cohen re: same.	DC	0.50
12/30/09	E-mails re: claims objections. Review of court notice.	DC	0.10

Total Services


22,270.00

<u>Date</u>	<u>Disbursements</u>	<u>Value</u>
12/02/09	Messenger Service: Parcels, Inc.; INVOICE#: 215259; 12/2/2009. To: Judge Kevin J. Carey, 824 N. Market St., Wilmington, DE.	\$7.50
12/08/09	Messenger Service: Parcels, Inc.; INVOICE#: 216285; 12/8/2009. Pick up from: Bankruptcy Court, Wilmington, DE.	\$7.50
12/10/09	Messenger Service: Parcels, Inc.; INVOICE#: 216735; 12/10/2009. To: Judge Kevin J. Carey, 824 N. Market St., Wilmington, DE.	\$7.50
12/10/09	Messenger Service: Parcels, Inc.; INVOICE#: 216819; 12/10/2009. Deliver to: US District Court, 844 N. King St., Floor #4, Wilmington, DE.	\$45.00
12/11/09	Messenger Service: Parcels, Inc.; INVOICE#: 217249; 12/11/2009. Pick up from Judge Kevin J. Carey, Wilmington, DE.	\$7.50
12/04/09	Expedited Delivery Service (Federal Express): To: Theodore A. Cohen, Esq., Los Angeles CA	\$33.05
12/10/09	Expedited Delivery Service (Federal Express): To: Sean M. Beach, Esq., Wilmington DE	\$10.17
12/10/09	Expedited Delivery Service (Federal Express): To: Paul S. Street, Boise ID	\$16.61
12/10/09	Expedited Delivery Service (Federal Express): To: Michael A. Rosenthal, Esq., New York NY	\$10.17
12/10/09	Expedited Delivery Service (Federal Express): To: Christopher J. Giaimo, Esq., Washington DC	\$12.02
12/10/09	Expedited Delivery Service (Federal Express): To: Bradford J. Sandler, Esq., Wilmington DE	\$10.17
12/10/09	Expedited Delivery Service (Federal Express): To: Kevin B. Fisher, Esq., San Francisco CA	\$16.61
12/10/09	Expedited Delivery Service (Federal Express): To: Paul N. Heath, Esq., Wilmington DE	\$10.17
12/14/09	Expedited Delivery Service (Federal Express): To: Paul N. Heath, Esq., Wilmington DE	\$10.17

Southwest Management
Building Materials Holding Corporation Bankruptcy
Services Through December 31, 2009

File Number 109585-67818

Invoice Number 1238999

<u>Date</u>	<u>Disbursements</u>	<u>Value</u>
12/14/09	Expedited Delivery Service (Federal Express): To: Christopher J. Giaimo, Esq., Washington DC	\$12.02
12/14/09	Expedited Delivery Service (Federal Express): To: Michael A. Rosenthal, Esq., New York NY	\$10.17
12/14/09	Expedited Delivery Service (Federal Express): To: Kevin B. Fisher, Esq., San Francisco CA	\$16.61
12/14/09	Expedited Delivery Service (Federal Express): To: Bradford J. Sandler, Esq., Wilmington DE	\$10.17
12/14/09	Expedited Delivery Service (Federal Express): To: Paul S. Street, Boise ID	\$16.61
12/14/09	Expedited Delivery Service (Federal Express): To: Robert F. Poppiti, Jr., Esq., Wilmington DE	\$10.17
	Total Disbursements	\$279.89
	Total Services and Disbursements	

22,549.89

Payments Received After January 12, 2010 Are Not Included in Balances.



GIBBONS P.C.
ONE GATEWAY CENTER
NEWARK, NJ 07102-5310
973-596-4500

TAX ID: 22-2366099

February 8, 2010

Southwest Management
Attn: Kathy Meece, Controller
7912 West Sahara
Las Vegas, NV 89117

COPY

- to-

GIBBONS P.C.

RE: SOUTHWEST MANAGEMENT
Building Materials Holding Corporation Bankruptcy
Invoice Number: 1240943

FOR:	Professional Services Rendered Through January 31, 2010	
	As Per Attached Description of Services	\$5,225.00
FOR:	Disbursements Through January 31, 2010	
	As Per Attached Description	\$386.11
Total Services and Disbursements		\$5,611.11

Southwest Management
Building Materials Holding Corporation Bankruptcy

Services Through January 31, 2010

File Number 109585-67818

Invoice Number 1240943

<u>Date</u>	<u>Services</u>	<u>Atty</u>	<u>Hours</u>
12/09/09	Reviewed Building Materials hearing agenda and conferred with H. Stanford re: same; reviewed response to cure claims objection and conferred with D. Crapo re: same; telephone call to chambers; reviewed second revised reply and coordinated filing and service of same.	WRF	1.20
01/05/10	E-mails to/from T. Cohen re: claims and cure objection.	DC	0.20
01/19/10	Review court notices.	DC	0.10
01/20/10	E-mail to D. Sunkin re: cure/assignment of contract. Telephone conference with D. Sunkin re: same.	DC	0.30
01/20/10	Review pleadings papers re: exit financing.	DC	0.50
01/21/10	Review court notices.	DC	0.20
01/22/10	E-mails to/from D. Sunkin re: cure issues. E-mails to/from J. Graves re: same.	DC	0.30
01/22/10	Review of court notices.	DC	0.20
01/25/10	Scheduled telephonic appearance for David Sunkin for January 27, 2010 Cure Claim Objections.	RAF	0.30
01/25/10	Follow-up e-mail to David Sunkin regarding telephonic appearance.	RAF	0.10
01/25/10	Telephone conference with David Sunkin re: settlement.	DC	0.20
01/25/10	Review court filings and notices.	DC	0.20
01/25/10	E-mails to/from Graves re: 1/27/10 hearing.	DC	0.20
01/25/10	E-mails to/from D. Sunkin 1/27/10 hearing. Review docket.	DC	0.30
01/26/10	E-mail from D. Sunkin re: settlement.	DC	0.10
01/26/10	E-mails from D. Sunkin re: settlement. Telephone conference with D. Sunkin re: same. E-mail to BMHC's counsel re: same.	DC	0.50
01/27/10	E-mails to/from D. Sunkin and BMHC representatives re: 1/27/10 hearing and settlement. Telephone conference with D. Sunkin. Telephone conference with J. Graves and S. Beach re: same. Prepare for hearing.	DC	1.10
01/27/10	Travel to/from and attend contract assumption/rejection hearing.	DC	5.50

Southwest Management
Building Materials Holding Corporation Bankruptcy
Services Through January 31, 2010

File Number 109585-67818

Invoice Number 1240943

<u>Date</u>	<u>Services</u>	<u>Atty</u>	<u>Hours</u>
01/28/10	E-mails to/from D. Sunkin and T. Cohen re: contract rejection motions. Review docket for claims objection motion. Review Order. Transmit order to T. Cohen. Consider elements of rejection claim.	DC	1.00
01/29/10	E-mails to/from J. Graves, D. Sunkin and T. Cohen re: contract rejection order. Revisions to Order.	DC	0.50

Total Services	\$5,225.00
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<u>Date</u>	<u>Disbursements</u>	<u>Value</u>
12/17/09	Travel: David N. Crapo; INVOICE#: 091219DNC; 12/19/2009 - Train to Wilmington for Hearing.	\$74.00
12/17/09	Travel: David N. Crapo; INVOICE#: 091219DNC; 12/19/2009 - Train returning from Wilmington.	\$134.00
12/21/09	Filing and Miscellaneous Fees: David N. Crapo; INVOICE#: 091221DNC; 12/21/2009 - Filing fee for Automatic Stay Motion.	\$150.00
12/17/09	Meals: David N. Crapo; INVOICE#: 091219DNC; 12/19/2009 - Meal on train from Wilmington.	\$5.95
12/17/09	Taxi: David N. Crapo; INVOICE#: 091219DNC; 12/19/2009 - Cab from train to courthouse.	\$10.00
12/17/09	Taxi: David N. Crapo; INVOICE#: 091219DNC; 12/19/2009 - Cab from courthouse to train.	\$10.00
12/31/09	Legal Research: PACER online research.	\$2.16

Total Disbursements	\$386.11
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Total Services and Disbursements	\$5,611.11
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Payments Received After February 8, 2010 Are Not Included in Balances.



GIBBONS P.C.
ONE GATEWAY CENTER
NEWARK, NJ 07102-5310
973-596-4500

TAX ID: 22-2366099

March 3, 2010

Southwest Management
Attn: Kathy Meece, Controller
7912 West Sahara
Las Vegas, NV 89117

COPY

- to -

GIBBONS P.C.

RE: SOUTHWEST MANAGEMENT
Building Materials Holding Corporation Bankruptcy
Invoice Number: 1242971

FOR:	Professional Services Rendered Through February 28, 2010	
	As Per Attached Description of Services	\$954.50
FOR:	Disbursements Through February 28, 2010	
	As Per Attached Description	\$243.00
Total Services and Disbursements		\$1,197.50

Southwest Management
Building Materials Holding Corporation Bankruptcy

Services Through February 28, 2010

File Number 109585-67818

Invoice Number 1242971

<u>Date</u>	<u>Services</u>	<u>Atty</u>	<u>Hours</u>
02/01/10	Review APA rejection order. E-mail to T. Cohen and D. Sunkin re: same.	DC	0.20
02/02/10	Review docket. E-mail APA rejection order to T. Cohen and D. Sunkin.	DC	0.40
02/08/10	Review court notices and plan.	DC	0.20
02/08/10	E-mails to/from D. Sunkin and T. Cohen re: plan and administrative claims issues. Review Third Circuit Law.	DC	0.60
02/08/10	Telephone conference with D. Sunkin and T. Cohen re: administrative and pre-petition claims.	DC	0.30
02/09/10	Review court notices.	DC	0.10
02/15/10	E-mails to/from D. Sunkin re: claim.	DC	0.20
02/26/10	E-mails to/from T. Cohen re: rejection damages claim. Review claim.	DC	0.30

Total Services \$954.50

<u>Date</u>	<u>Disbursements</u>	<u>Value</u>
01/27/10	Travel: David N. Crapo; INVOICE#: 100127DNC; 1/27/2010 - Train to Wilmington for Hearing.	\$134.00
01/27/10	Travel: David N. Crapo; INVOICE#: 100127DNC; 1/27/2010 - Train from Wilmington to Newark.	\$89.00
01/27/10	Taxi: David N. Crapo; INVOICE#: 100127DNC; 1/27/2010 - From Train Station to Courthouse.	\$10.00
01/27/10	Taxi: David N. Crapo; INVOICE#: 100127DNC; 1/27/2010 - From Courthouse to Train Station.	\$10.00

Total Disbursements \$243.00

Total Services and Disbursements \$1,197.50

Payments Received After March 3, 2010 Are Not Included in Balances.