

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

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

**ORDER GRANTING STIPULATION
BETWEEN THE ACE COMPANIES AND DEBTORS
REGARDING CERTAIN CLAIMS OF THE ACE COMPANIES**

AND NOW, upon consideration of the foregoing Stipulation, and good cause appearing for approval thereof, IT IS HEREBY ORDERED THAT:

1. The Stipulation attached hereto as Exhibit A is APPROVED, the terms and conditions of which are incorporated into this Order by reference as if fully set forth herein .
2. The Parties agree that pursuant to the terms of the Plan and the ACE Insurance Order, the Claims are Allowed Administrative Claims to be paid in the ordinary course of business without the need or requirement for the ACE Companies to file claims.
3. The Reorganized Debtors will continue to pay, in full, any and all claims and obligations arising under or pursuant to the ACE Insurance Program, as they become due and owing, in the ordinary course of business.
4. Nothing in the Stipulation and this Order is intended to, or shall be deemed to, (i) limit the ability of the Reorganized Debtors to dispute (or the ACE Companies to assert and/or defend) the validity or amount of the Allowed Administrative Claims provided for in the Stipulation and this Order and/or to bring an action in the appropriate forum in accordance with the terms of the ACE Insurance Program, or (ii) alter the ACE Companies' or the

Reorganized Debtors' rights and obligations under the ACE Insurance Program or modify the coverage provided for thereunder.

5. The Claims shall be deemed withdrawn without prejudice.

6. The Satisfaction Notice shall be automatically deemed withdrawn with respect to the ESIS Claim without further need on the Reorganized Debtors' part to file a notice of withdrawal with respect to such claim

7. Nothing in the Stipulation and this Order is intended to, or shall be deemed to amend or otherwise alter the terms and conditions of the Plan and the ACE Insurance Order.

8. The Stipulation shall not be modified, altered or amended without the proper written consent of all Parties thereto.

Dated: April 30, 2010
Wilmington, Delaware



KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY
JUDGE

EXHIBIT "A"

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

In re: : Chapter 11
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BUILDING MATERIALS HOLDING, : Case No. 09-12074 (KJC)
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**STIPULATION BETWEEN THE ACE COMPANIES AND DEBTORS
REGARDING CERTAIN CLAIMS OF THE ACE COMPANIES**

This Stipulation Between The ACE Companies And Debtors Regarding Certain Claims Of The ACE Companies (the "Stipulation") is entered into by and among Building Materials Holding Corporation and its direct and indirect subsidiaries, each as debtor and debtor-in-possession in the above-captioned chapter 11 cases (collectively, the "Debtors")¹ and ACE American Insurance Company (on behalf of itself and its affiliates per Stipulation and Order²) and ESIS, Inc. (together with each of their affiliates, the "ACE Companies" and together with the Debtors, the "Parties"), by their respective counsel.

RECITALS

A. On or about June 16, 2009 (the "Initial Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of United States Code (the "Bankruptcy

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Building Materials Holding Corporation (4269); BMC West Corporation (0454); SelectBuild Construction, Inc. (1340); SelectBuild Northern California, Inc. (7579); Illinois Framing, Inc. (4451); C Construction, Inc. (8206); TWF Construction, Inc. (3334); H.N.R. Framing Systems, Inc. (4329); SelectBuild Southern California, Inc. (9378); SelectBuild Nevada, Inc. (8912); SelectBuild Arizona, LLC (0036); SelectBuild Illinois, LLC (0792). The mailing address for the Debtors is 720 Park Boulevard, Suite 200, Boise, Idaho 83712.

² On or about August 26, 2009, the Court (as defined herein) entered that certain Stipulation and Order Permitting the ACE Companies to File A Single Proof of Claim Under One Case Number (the "Stipulation and Order") by and between the Debtors and the ACE Companies which provides, *inter alia*, that notwithstanding anything to the contrary set forth in the Bar Date Order (as defined therein) or notice thereof, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedures and/or local bankruptcy rules, (i) the Claimant on its own behalf and on behalf of all of the ACE Companies shall be permitted to file a single proof of claim and (ii) such claim shall be filed in the case of Building Materials Holding Corporation (Case No. 09-12074) but shall be deemed to have been filed by each of the ACE Companies in each of the Debtors' cases.

Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”), which cases are jointly administered as Case No. 09-12074.

B. On or about August 28, 2009, ACE American Insurance Company, on behalf of itself and its affiliates pursuant to the Stipulation and Order, timely filed a proof of claim against Building Materials Holding Corporation for claims arising under insurance policies and related agreements³ (the “ACE American Claim”).

C. On or about August 28, 2009, ESIS, Inc. timely filed a proof of claim against Building Materials Holding Corporation for claims arising under a risk management services agreement and insurance policies and related agreements (the “ESIS Claim”; together with the ACE American Claim, the “Claims”).

D. The Claims include the following:

1. The ACE American Claim was designated as proof of claim number 2153; and
2. The ESIS Claim was designated as proof of claim number 2154.

E. On or about October 30, 2009, the Court entered an order (I) Authorizing Assumption of Insurance Program; (II) Authorizing The Debtors To Enter Into Insurance Agreements; And (III) Granting Related Relief (the “ACE Insurance Order”).

F. On or about December 17, 2009, the Court entered an order confirming [Docket No. 1182] (the “Confirmation Order”) the Joint Plan of Reorganization For The Debtors Under Chapter 11 of The Bankruptcy Code Amended December 14, 2009 (With Technical Modifications) (the “Plan”).⁴

³ The insurance policies and related agreements (collectively, the “ACE Insurance Program”) are more particularly described in the Claims.

⁴ Terms not defined herein shall have the meaning attributed to them in the Disclosure Statement or Plan.

G. On or about March 18, 2010, the Debtors filed their Fifth Notice of Claims and Scheduled Amounts Previously Satisfied [Docket No. 1482] (the "Satisfaction Notice") pursuant to which the Debtors list the ESIS Claim as satisfied.

H. The Debtors and the ACE Companies (collectively, the "Parties") have agreed to resolve the Claims, as provided herein.

NOW, THEREFORE, THE UNDERSIGNED STIPULATE AND AGREE AS FOLLOWS:

AGREEMENT

1. The recitals set forth in Paragraphs A through H above are incorporated herein by this reference.
2. The Parties agree that pursuant to the terms of the Plan and the ACE Insurance Order, the Claims are Allowed Administrative Claims to be paid in the ordinary course of business without the need or requirement for the ACE Companies to file claims.
3. The Reorganized Debtors will continue to pay, in full, any and all claims and obligations arising under or pursuant to the ACE Insurance Program, as they become due and owing, in the ordinary course of business.
4. Nothing in this Stipulation is intended to, or shall be deemed to, (i) limit the ability of the Reorganized Debtors to dispute (or the ACE Companies to assert and/or defend) the validity or amount of the Allowed Administrative Claims provided for in this Stipulation and/or to bring an action in the appropriate forum in accordance with the terms of the ACE Insurance Program or (ii) alter the ACE Companies' or the Reorganized Debtors' rights and obligations under the ACE Insurance Program or modify the coverage provided for thereunder.

5. Upon Court approval of this Stipulation, the Claims shall be deemed withdrawn without prejudice.

6. Upon Court approval of this Stipulation, the Satisfaction Notice shall be automatically deemed withdrawn with respect to the ESIS Claim without further need on the Reorganized Debtors' part to file a notice of withdrawal with respect to such claim.

7. Nothing in this Stipulation is intended to, or shall be deemed to amend or otherwise alter the terms and conditions of the Plan and the ACE Insurance Order.

8. Any ambiguities are not to be construed against either party solely due to the identity of the drafter.

9. This Stipulation shall not be modified, altered or amended without the proper written consent of all Parties hereto.

10. Each person signing this Stipulation represents and warrants that s/he has been duly authorized and has the requisite authority to execute and deliver this Stipulation on behalf of such party and to bind her/his respective Party to the terms and conditions of the Stipulation.

11. This Stipulation may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when take together shall constitute one and the same Stipulation. Delivery of an executed counterpart of a signature page of this Stipulation by telecopy shall be as effective as delivery of a manually executed copy of this Stipulation.

IT IS SO STIPULATED.

April 28, 2010

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April 28, 2010

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