IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re:)) Chapter 11
BUILDING MATERIALS HOLDING CORPORATION, <i>et al.</i> , ¹)) Case No. 09-12074 (KJC)
Reorganized Debtors.) Jointly Administered
) Ref. Docket Nos. 597, 817 and 1591

COMBINED ORDER GRANTING (I) MOTION OF WEIS BUILDERS, INC. FOR ENTRY OF AN ORDER ENLARGING THE CLAIMS BAR DATE <u>AND (II) MODIFYING THE PLAN INJUNCTION</u>

Upon consideration of the (a) *Motion of Weis Builders, Inc. for Entry of an Order Enlarging the Claims Bar Date* [Docket No. 817] (the "*Motion to Enlarge*"),² (b) *Debtors' Objection to Weis Builders, Inc.'s Motion for Entry of an Order Enlarging the Claims Bar Date* [Docket No. 917], (c) *Reply to Debtors' Objection to Weis Builders, Inc.'s Motion for Entry of an Order Enlarging the Claims Bar Date* [Docket No. 1352], (d) *Motion of Weis Builders, Inc. for Order Granting Modification of the Automatic Stay* [Docket No. 597] (the "*Lift Say Motion*", and together with the Motion to Enlarge, the "*Motions*"), (e) *Debtors' Objection to Weis Builders, Inc.'s Motion for Order Granting Modification of the Automatic Stay* [Docket No. 664], and (f) *Reply to Debtors' Objection to Weis Builders, Inc. 's Motion for Order Granting Modification of the Automatic Stay* [Docket No. 815]; and based upon the contested hearing held before the Court on January 27, 2010 (the "Hearing") and for the reasons stated on the record at

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

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

the Hearing; and based upon the agreement of Weis Builders, Inc. ("Weis") and the Debtors to the form of this Order; and after due deliberation thereon; and good cause appearing therefore:

IT IS HEREBY FOUND AND DETERMINED THAT:

- A. On June 16, 2009 (the "Petition Date"), each of the Debtors filed with the Court voluntary petitions for relief under title 11 of the Unites States Code (the "Bankruptcy Code"). On December 17, 2009, the Court entered an Order Confirming Joint Plan of Reorganization for the Debtors Under Chapter 11 of the Bankruptcy Code Amended December 14, 2009 (With Technical Modifications) [Docket No. 1182] (the "Confirmation Order") confirming the Debtors' joint plan of reorganization (the "Plan"). On January 4, 2010 (the "Effective Date"), the Debtors' Plan became effective.
- B. From the Petition Date until the Effective Date, the automatic stay imposed by 11 U.S.C.
 § 362 prevented persons or entities from bringing or continuing any actions against the Debtors on account of prepetition claims, and from and after the Effective Date the injunction imposed by the Plan and Confirmation Order (the "*Plan Injunction*") prevents persons or entities from bringing or continuing any actions against the Debtors on account of prepetition claims.
- C. Weis received adequate notice of the Claims Bar Date.
- D. At the Hearing, the Court held that Weis' failure to timely file a proof of claim was the result of excusable neglect under Bankruptcy Rule 9006(b)(1).
- E. The Debtors were not surprised or caught unaware of Weis' claim.
- F. The record does not establish that enlarging the Claims Bar Date for Weis will open the floodgates to future claims.
- G. The Plan was confirmed with the Debtors' knowledge of the existence of Weis' claim.

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- H. Weis' length of delay in filing its claim and its potential impact on judicial proceedings weighs in favor of granting the Motion to Enlarge in light of Weis' agreement to directly satisfy any deductible and/or self-insured retention amount that the Debtors might otherwise be obligated to pay on account of any claim asserted by Weis against any of the Debtors' insurance policies.
- I. Weis acted in good faith.
- J. Weis' agreement to directly satisfy any deductible and/or self-insured retention amount that the Debtors might otherwise be obligated to pay on account of any claim asserted by Weis against any of the Debtors' insurance policies supports, in part, a finding that Weis has demonstrated excusable neglect with respect to its failure to file a timely proof of claim because such an agreement ameliorates, in part, certain prejudice to the Debtors arising from allowance of the late-filed claim.
- K. Absent Weis' agreement to directly satisfy any deductible and/or self-insured retention amount that the Debtors might otherwise be obligated to pay on account of any claim asserted by Weis against any of the Debtors' insurance policies, the Court would not have found that Weis has demonstrated excusable neglect.
- L. This ruling is limited to the particular facts and circumstances relating to Weis.

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

- 1. The Motions are granted as set forth below.
- The Claims Bar Date with respect to Weis is hereby enlarged and Weis' claim against the Debtors shall be deemed timely filed provided that Weis' claim is filed on or before 14 days after entry of this Order.

- 3. The automatic stay imposed by section 362 of the Bankruptcy Code and the Plan Injunction (together, the "Stay"), as applicable, are modified in order to permit Weis to proceed with liquidating its claims against the Debtors in the State Court Action.
- 4. Weis may not seek to collect from the Debtors on any judgment rendered against the Debtors in the State Court Action, other than from available insurance.
- 5. The Stay is not effective against claims by and between Weis and the remaining nondebtor third-party defendants in the State Court Action.
- 6. The Stay is not effective against claims by Weis related to additional insurance coverage available in the State Court Action.
- 7. If any action by Weis causes any of the Debtors' insurance carriers to have a claim against the Debtors on account of any deductible and/or self-insured retention under the policies (which may include defense costs under the terms of the policies), Weis is obligated to satisfy, and shall directly satisfy with the insurance carrier, any deductible and/or self-insured retention under the policies (which may include defense costs under the terms of the policies), and, if any action or inaction by Weis causes any of the Debtors' insurance carriers to draw on a letter of credit on account of any deductible and/or self-insured retention under the policies (which may include defense costs under the terms of the policies), and, if any action or inaction by Weis causes any of the Debtors' insurance carriers to draw on a letter of credit on account of any deductible and/or self-insured retention under the policies (which may include defense costs under the terms of the policies), then Weis shall be obligated to reimburse the Debtors in the amount drawn on such letter of credit.
- 8. If any action by Weis causes any of the Debtors' surety holders to have a claim against the Debtors or results in any costs or other prejudice to the Debtors' estates, then Weis shall be obligated to reimburse the Debtors in the same amount sought by the surety holders against the Debtors or incurred by the Debtors as a result of any action or inaction

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by Weis. Weis shall be permitted to discontinue its pursuit against said surety holder, but shall remain liable to the Debtors for any claim, cost or other prejudice to the Debtors' estates.

Dated: May <u>}</u>, 2010 Wilmington, Delaware

Kevin J. Carey Chief United States Bankruptcy Judge