

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

In re:

BUILDING MATERIALS HOLDING
CORPORATION, *et al.*¹

Reorganized Debtors.

Chapter 11

Case No. 09-12074(KJC)

Jointly Administered

Ref. Docket Nos. 956, 1692 and 1714

**ORDER APPROVING STIPULATION RESOLVING THE
MOTION OF TORREY PINES HOMEBUILDING COMPANY, LLC
AND COLRICH COMMUNITIES, LLC FOR RELIEF
FROM THE AUTOMATIC STAY AND PLAN INJUNCTION**

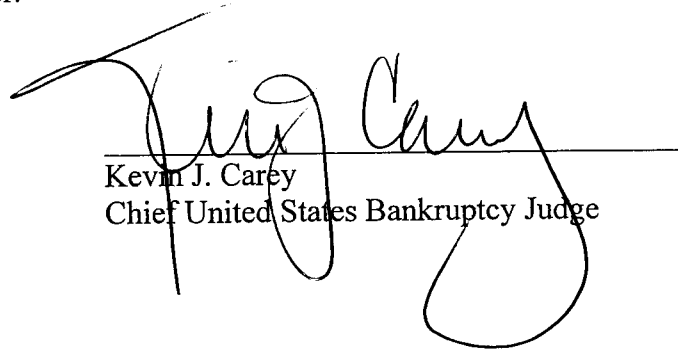
Upon consideration of the *Certification of Counsel Regarding Stipulation Resolving the Motion of Torrey Pines Homebuilding Company, LLC and Colrich Communities, LLC for Relief from the Automatic Stay and Plan Injunction* (the "Certification of Counsel"); and the Court having found, based on the statements made in the Certification of Counsel, that notice of the Stipulation (as defined in the Certification of Counsel) was provided in accordance with the Procedures Order (as defined in the Certification of Counsel); and good and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Stipulation, a copy of which is attached hereto as Exhibit A, is hereby approved.

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. (9378), SelectBuild Nevada, 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. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: October 8, 2010
Wilmington, Delaware



Kevin J. Carey
Chief United States Bankruptcy Judge

EXHIBIT A

Stipulation

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

STIPULATION RESOLVING THE MOTION OF TORREY PINES HOMEBUILDING COMPANY, LLC AND COLRICH COMMUNITIES, LLC FOR RELIEF FROM THE AUTOMATIC STAY AND PLAN INJUNCTION

Torrey Pines Homebuilding Company, LLC and Colrich Communities, LLC (the "*Claimant*"), and Building Materials Holding Corporation and its affiliates, the reorganized debtors in the above-referenced cases (collectively, the "*Debtors*," and together with the Claimant, the "*Parties*") hereby respectfully stipulate and agree as follows:

RECITALS

WHEREAS, on June 16, 2009 (the "*Petition Date*"), each of the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the "*Court*") voluntary petitions for relief under title 11 of the United States Code (the "*Bankruptcy Code*"). The Debtors' cases are being jointly administered pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure. 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*

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Order") confirming the Debtors' joint plan of reorganization (the "*Plan*"). On January 4, 2010 (the "*Effective Date*"), the Debtors' Plan became effective;

WHEREAS 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;

WHEREAS, on June 1, 2010, , the Claimant requested that the Debtors stipulate to relief from the automatic stay/plan in junction, seeking to proceed against the applicable Debtors in Case No. 37-2009-00095670-CU-CD-CTL pending in San Diego County Superior Court of the State of California (the "*State Court Action*");

WHEREAS, the Claimant asserts that the applicable Debtors are insured with respect to the claims alleged in the State Court Action by the insurance companies: Lloyd's of London and Steadfast Insurance Company (the "*Insurers*"); Policy Numbers 618A01635001015 and SCO 383737-00; Policy Terms August 7, 2000 – February 2, 2002 and January 23, 2002 and January 23, 2003 (the "*Policies*");

WHEREAS, the Debtors are willing to stipulate to relief from the Plan Injunction (and the automatic stay, to the extent applicable) in favor of the Claimant for the sole purpose of allowing the Claimant to proceed with the State Court Action to recover applicable insurance proceeds from the Policies, if applicable, with certain conditions as provided below to protect the Debtors from incurring any expense.

NOW THEREFORE, subject to the approval of the Court, in order to avoid the costs, risks and inconveniences of litigation, it is hereby stipulated and agreed as follows:

1. The Parties hereby acknowledge and agree to relief from the Plan Injunction (and the automatic stay, to the extent applicable) being granted in favor of the Claimant for the sole purpose of allowing the Claimant to prosecute and/or settle the State Court Action to recover applicable insurance proceeds from the Policies.

2. If any action by Claimant in prosecuting and/or settling the State Court Action causes, or will cause, any of the Insurers to have a claim against any of the Debtors on account of any deductible and/or self-insured retention under any of the Policies (including, but not limited to, with respect to defense costs), the Claimant must negotiate, pay, or otherwise satisfy such deductible and/or self-insured retention directly to the applicable Insurer, or the Claimant must withdraw its claim in the State Court Action (or portion thereof) causing the Insurer to have a claim against any Debtor before any Debtor incurs any obligation to pay any deductible and/or self-insured retention.

3. The Claimant acknowledges and agrees that the Debtors are making no representations concerning the availability of insurance under the Policies and that each Insurer has all available defenses under the Policies, including with respect to defenses, if any, that arise as the result of the Debtors entering into this stipulation with the Claimant. The Claimant further acknowledges and agrees that the Debtors retain all defenses they may have with respect to the State Court Action.

4. The Parties hereby acknowledge and agree that this Stipulation shall fully and finally resolve, and the Claimant waives and releases, and hereby withdraws without the need for any further action, any direct, pre-petition, post-petition, administrative, or other claim against the Debtors of any kind or nature, arising out of or related to the State Court Action only, provided, however, that the Claimant shall retain a claim to the extent necessary to obtain insurance proceeds from the Policies.

5. The Parties hereby acknowledge and agree that this Stipulation is entered into solely for the convenience of the Parties and neither this Stipulation nor the fact of its execution will constitute any admission or acknowledgment or liability or wrongdoing on the part of any of the Parties. The Parties will not offer this Stipulation or the fact of its execution into evidence in any proceeding other than a proceeding to approve or enforce this Stipulation or any of its terms.

6. Each party shall bear its own attorneys' fees and costs with respect to the execution and delivery of this Stipulation. Each of the undersigned are duly authorized and empowered to execute this Stipulation.

7. This Stipulation is governed by and shall be construed in accordance with the law of the State of Delaware, without regard to its conflict of laws provisions. The Court shall retain exclusive jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation.

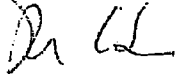
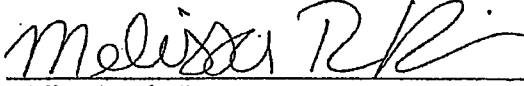
8. All of the recitals set forth above are incorporated by reference as if fully set forth herein. This Stipulation constitutes the complete express agreement of the Parties hereto concerning the subject matter hereof, and no modification or amendment to this Stipulation shall be valid unless it is in writing, and signed by the Party or Parties to be charged.

9. It is acknowledged that each Party has participated in and jointly consented to the drafting of this Stipulation and that any claimed ambiguity shall not be construed for or against either Party on account of such drafting.

10. This Stipulation may be executed in counterparts, any of which may be transmitted by facsimile or electronic mail, and each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

11. This Stipulation is subject to approval of the Court, and the Parties agree to present the Stipulation promptly to the Court for approval. If the Court does not approve this Stipulation, the Parties will revert to their pre-Stipulation positions, without any prejudice whatsoever from having entered into this Stipulation.

12. This Stipulation shall become effective immediately upon entry of an order approving the Stipulation.

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| <p>For Building Materials Holding Corporation and its affiliates, as Reorganized Debtors</p> <p></p> <hr/> <p>Maureen E. Thomas, Esq. 982 Coledale Ct. White Lake, MI 48386</p> <p>Dated: <u>9-16-10</u></p> | <p>For Claimant.</p> <p></p> <hr/> <p>Melissa Davis, Esq. Shulman Hodges & Bastian LLP 26632 Towne Centre Drive, Suite 300 Foothill Ranch, CA 92610</p> <p>Dated: <u>9/3/10</u></p> |
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