

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)
)	
Debtors.)	Jointly Administered
)	
)	Ref. Docket Nos. 10, 58 and <u>207</u>

**FINAL ORDER (A) AUTHORIZING THE DEBTORS TO CONTINUE INSURANCE
COVERAGE ENTERED INTO PREPETITION; (B) AUTHORIZING THE DEBTORS
TO MAINTAIN POSTPETITION FINANCING OF INSURANCE PREMIUMS; AND (C)
AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED
CHECKS AND TRANSFERS**

Upon consideration of the motion (the "*Motion*") of Building Materials Holding Corporation and its affiliates, as debtors and debtors in possession (collectively, the "*Debtors*") for entry of an order (a) authorizing the Debtors to continue insurance coverage currently in effect, including performance under their self-insurance program, and to pay any prepetition premiums, deductibles, adjustments, administrative expenses, brokers' fees, and other charges related to their Policies² (together, the "*Insurance Obligations*"), to the extent that the Debtors determine in their discretion that such payment is necessary or appropriate; (b) authorizing the Debtors to maintain premium financing agreements with respect to insurance premiums (the "*Premium Financing Agreements*"); and (c) authorizing banks and other financial

¹ The Debtors, along with the last four digits of each 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 Debtors is 720 Park Boulevard, Suite 200, Boise, Idaho 83712.

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

institutions to receive, process, honor, and pay checks or electronic transfers used by the Debtors to pay the foregoing and to rely on the representations of such Debtors as to which checks are issued and authorized to be paid in accordance with this Order, all as set forth in the Motion; and upon the Street Declaration in support thereof; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. sections 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances; and the Court having reviewed the Motion and having considered the statements in support of the relief requested therein at a hearing before the Court (the "*Hearing*"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Motion is granted as set forth below on a final basis.
2. The Debtors are authorized to continue the current and prior year Policies uninterrupted (including any Certificates of Insurance issued to contractors) and, in their sole discretion, to pay any Insurance Obligations, including prepetition amounts, to the extent that the Debtors determine that such payment is necessary or appropriate. The Debtors are also authorized to continue, in the ordinary course of business, their prepetition practices with respect to the Policies, including, without limitation, practices relating to the Cash Collateral Accounts.
3. The Debtors are authorized, but not directed, to honor the terms of the Premium Financing Agreements.

4. All applicable banks and other financial institutions are hereby authorized, when requested by the Debtors, to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under this Order whether presented prior to or after the Petition Date. Such banks and financial institutions may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this order, and such bank or financial institution shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

5. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests in respect of the Policies and the Financing Agreements that are dishonored or rejected.

6. Nothing in the Motion or this Order, nor as a result of the Debtors' payment of any prepetition amounts pursuant to this Order, shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtors, a waiver of the right to dispute any claim, or an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code.

8. Pursuant to section 362(d) of the Bankruptcy Code, the Debtors' employees are authorized to proceed with their workers' compensation claims in the appropriate judicial or administrative forum under the Workers' Compensation Programs and the Debtors are authorized to continue the Workers' Compensation Programs and the stay (to the extent applicable) is lifted with respect to workers' compensation claims to permit the insurers (to the extent such claims are covered by the Policies) and third party claims administrators, as applicable, to adjust, settle

and pay such workers' compensation claims in the ordinary course of business under and subject to the terms of the parties' insurance Policies and applicable agreements.

9. Nothing in this Order shall prohibit the Debtors from seeking Court authority to increase the prepetition amounts authorized to be paid hereunder.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

11. Rule 6003(b) of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*") has been satisfied.

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such motion and the requirements of Bankruptcy Rule 6004(a).

13. Pursuant to Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

14. This Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: Wilmington, Delaware
July 16, 2009



KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY JUDGE