

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

<b>IN RE:</b>	)	
	)	<b>Chapter 11</b>
<b>BUILDING MATERIALS HOLDING</b>	)	
<b>CORPORATION, <i>et al.</i>,<sup>1</sup></b>	)	<b>Case No. 09-12074 (KJC)</b>
	)	
<b>Debtors.</b>	)	<b>Jointly Administered</b>
	)	
	)	<b>Ref. Docket No. 102</b>

**ORDER PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY  
CODE AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY  
ALVAREZ & MARSAL NORTH AMERICA, LLC AS RESTRUCTURING  
ADVISORS *NUNC PRO TUNC* TO THE PETITION DATE**

Upon consideration of the application (the "*Application*") of Building Materials Holding Corporation and certain of its affiliates, as debtors and debtors in possession (collectively, the "*Debtors*") for entry of an order pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "*Bankruptcy Code*"), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*"), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "*Local Rules*") for authorization to employ and retain Alvarez & Marsal North America, LLC, together with its wholly owned subsidiaries, agents, affiliates (all of which are wholly-owned by Alvarez & Marsal North America, LLC's parent company and employees) and independent contractors (collectively, "*A&M*") to serve as restructuring advisors to the Debtors,

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<sup>1</sup> 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.

all as set forth in the Application; and upon the declaration of Steven Varner in support of the Application; and the Court having found that venue of this proceeding and the Application 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 Application is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Application and the opportunity for a hearing on the Application was appropriate under the particular circumstances; and the Court having reviewed the Application 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 Application 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 Application is granted as set forth below.
2. In accordance with sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1, the Debtors are authorized to employ and retain A&M *nunc pro tunc* to the Petition Date as their restructuring advisors on the terms set forth in the Application as modified by this Order.
3. A&M shall be compensated in accordance with section 330 of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and such procedures as may be fixed by order of this Court.
4. A&M shall be authorized to retain its evergreen retainer; *provided, however*, that such evergreen retainer shall be drawn down to \$300,000 with respect to any fees and expenses of A&M approved by the Court from and after the date hereof before A&M seeks further payments from the Debtors on account of its allowed fees and expenses.

5. The indemnification provisions of the Engagement Letter<sup>2</sup> are approved, subject to the following:

- (a) Subject to the provisions of subparagraphs (c) and (d) below, the Debtors are authorized to indemnify, and shall indemnify, A&M, in accordance with the Engagement Letter and to the extent permitted by applicable law, for any claim arising from, related to, or in connection with A&M's performance of the services described in the Engagement Letter;
- (b) A&M shall not be entitled to indemnification, contribution, or reimbursement for services provided under the Engagement Letter, unless such services and the indemnification, contribution, or reimbursement therefor are approved by the Court;
- (c) Notwithstanding anything to the contrary in the Engagement Letter, the Debtors shall have no obligation to indemnify any person, or provide contribution or reimbursement to any person, for any claim or expense to the extent that it is (i) judicially determined (the determination having become final and no longer subject to appeal) to have arisen from that person's gross negligence or willful misconduct; (ii) for a contractual dispute in which the Debtors allege the breach of A&M's contractual obligations unless the Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which that person should not receive indemnity, contribution, or reimbursement under the terms of the Engagement Letter as modified by this Order; and
- (d) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing the Chapter 11 Cases, A&M believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, or reimbursement obligations under the Engagement Letter, including without limitation the advancement of defense costs, A&M must file an application before this Court, and the Debtors may not pay any such amounts to A&M before the entry of an order by this Court approving the payment. This subparagraph (d) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for

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<sup>2</sup> Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Application.

payment by A&M for indemnification, contribution, or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify A&M.

6. Notwithstanding any terms of the Engagement Letter to the contrary, paragraph D of the Indemnification Agreement attached to the Engagement Letter shall be struck in its entirety.

7. Notwithstanding any terms of the Engagement Letters to the contrary, the Court shall have jurisdiction over any controversy arising from or related to the Application, the Engagement Letters, or A&M's retention in the Chapter 11 Cases.

8. Notwithstanding anything in the Application, the Engagement Letter or the attachments thereto to the contrary, reimbursement of expenses for legal advice is not being pre-approved as a term or condition of employment under section 328(a) of the Bankruptcy Code, and expense reimbursement requests for legal counsel shall remain subject to applicable law.

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

10. The Court shall retain jurisdiction with respect to all matters arising under or relating to the implementation and enforcement of this Order.

Dated: Wilmington, Delaware  
July 16, 2009



Kevin J. Carey  
Chief United States Bankruptcy Judge