

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

IN RE:

**BUILDING MATERIALS HOLDING
CORPORATION, *et al.*,¹**

Debtors.

Chapter 11

Case No. 09-12074 (KJC)

Jointly Administered

Ref. Docket No. 99

**ORDER APPROVING THE EMPLOYMENT OF
GIBSON, DUNN & CRUTCHER LLP AS ATTORNEYS FOR
DEBTORS IN POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

Upon consideration of the application (the "***Application***") of Building Materials Holding Corporation and its affiliates, as debtors and debtors in possession (collectively, the "***Debtors***"), for an order pursuant to section 327(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 for the United States Bankruptcy Court for the District of Delaware (the "***Local Rules***") approving their employment of Gibson, Dunn & Crutcher LLP ("***Gibson, Dunn***") as general bankruptcy and restructuring counsel, *nunc pro tunc* to June 16, 2009 (the "***Petition Date***"), for the Debtors in their Chapter 11 Cases;² upon the Declaration of Michael A. Rosenthal in support of the Application (the "***Rosenthal Declaration***"); and it appearing that this Court has jurisdiction to consider the Application; and it appearing that

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 Application.

adequate notice has been given; and any objections to the Application having been overruled; and it appearing that Gibson, Dunn does not hold or represent an interest adverse to the Debtors' estates, and is a disinterested person under section 101(14) of the Bankruptcy Code; and the Court finding that the employment of Gibson, Dunn is necessary and in the best interest of the Debtors and their estates and creditors; and after due deliberation and sufficient cause appearing therefor,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Subject to the provisions hereof, the Application is granted.
2. Pursuant to section 327(a) of the Bankruptcy Code and subject to the provisions hereof, the Debtors' employment of Gibson, Dunn as their general bankruptcy and restructuring counsel *nunc pro tunc* to the Petition Date, in accordance with the terms and conditions of the Engagement Letter (together with the Terms of Retention attached thereto, the "***Engagement Letter***") is hereby approved.
3. Gibson, Dunn shall file applications to be compensated in accordance with the terms of the Engagement Letter, the standards and procedures set forth in sections 330 and 331 of the Bankruptcy Code, all applicable Bankruptcy Rules, the Local Rules, any guidelines promulgated by the Office of the United States Trustee, and further orders of the Court. To the extent that there is a conflict between the terms of the Engagement Letter regarding expense reimbursement and the provisions of sections 330 and 331 of the Bankruptcy Code, any applicable Bankruptcy Rules, the Local Rules, or any guidelines promulgated by the Office of the United States Trustee, the provisions of sections 330 and 331 of the Bankruptcy Code, any applicable Bankruptcy Rules, the Local Rules, or any guidelines promulgated by the Office of the United States Trustee shall govern.

4. Gibson, Dunn shall hold the Advance Deposit as a security retainer; *provided*, *however*, that any fees or disbursements that are allowed to be paid to Gibson, Dunn shall be paid from the Advance Deposit until the Advance Deposit is reduced to \$355,381 before the firm seeks further payment for allowed fees/expenses from the Debtors. Gibson, Dunn may hold the remaining \$355,381 Advance Deposit as an evergreen retainer for the duration of the Chapter 11 Cases, the application of which shall be subject to further Court order.

5. Notwithstanding any terms of the Engagement Letter (including the attached Terms of Retention) to the contrary:

(a) Gibson, Dunn shall not be entitled to any late fees on unpaid fees and expenses due pursuant to the Engagement Letter;

(b) The arbitration provisions of the Engagement Letter shall be subject to applicable bankruptcy law related to the application and enforcement of arbitration provisions;

(c) Any references in the Engagement Letter to the waiver of the Debtors' right to seek punitive damages shall be stricken from the Engagement Letter;

(d) The Court shall have jurisdiction over any controversy arising from or related to the Application, the Engagement Letter, or Gibson, Dunn's retention in the Chapter 11 Cases.

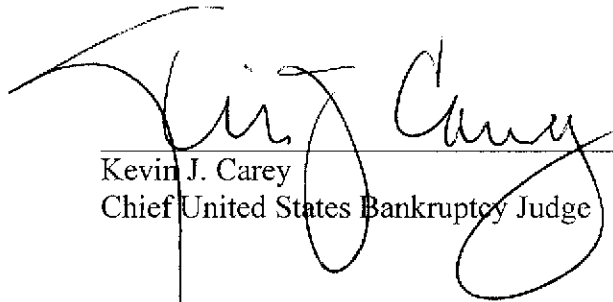
(e) Section 12.1 and 12.4 of the Terms of Retention, relating to the limitation of Gibson, Dunn's liability and Gibson Dunn's right to indemnification, shall be stricken from the Engagement Letter, and upon entry of this Order Gibson Dunn waives any right to assert a claim against the Debtors based upon the indemnity provision; and

(f) Gibson, Dunn's hourly rates shall be subject to review under section 330 of the Bankruptcy Code.

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

7. 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