

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.)	Joint Administration Requested
)	
)	Objection Deadline: TBD
)	Hearing Date: TBD

**DEBTORS' FIRST OMNIBUS MOTION FOR AN ORDER AUTHORIZING
REJECTION OF CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS,
NUNC PRO TUNC TO THE REJECTION EFFECTIVE DATE**

Building Materials Holding Corporation and its affiliates, as debtors and debtors in possession (collectively, the "*Debtors*"), submit this motion (the "*Motion*") for entry of an order, substantially in the form annexed hereto as *Exhibit A*, authorizing the Debtors to reject certain unexpired leases. In support thereof, the Debtors respectfully represent:²

JURISDICTION AND VENUE

1. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. sections 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. section 157(b). Venue is proper pursuant to 28 U.S.C. sections 1408 and 1409.

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- 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 A description of the Debtors' business and the reasons for filing these Chapter 11 Cases is set forth in the Declaration of Paul S. Street in Support of Chapter 11 Petitions and First Day Relief (the "*Street Declaration*"), filed contemporaneously with this Motion. This Motion is supported by the Street Declaration.

RELIEF REQUESTED

2. By this Motion, the Debtors, pursuant to sections 365(a), 1107(a), and 1108 of title 11 of the United States Code (the "*Bankruptcy Code*") and Federal Rule of Bankruptcy Procedure 6006, seek entry of an order authorizing them to reject the unexpired leases and subleases of nonresidential real property set forth on *Exhibit B* (the "*Real Property Leases*" or the "*Leases*"), which is attached to this Motion. Parties receiving this Motion should consult Exhibit B to locate the Leases sought to be rejected and the names of the counterparties to such Real Property Leases (the "*Counterparties*").

BACKGROUND

3. On the date hereof (the "*Petition Date*"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "*Chapter 11 Cases*"). The Debtors continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases, and no committees have been appointed or designated.

4. The Debtors are one of the largest providers of residential building products and construction services in the United States. The Debtors distribute building materials, manufacture building components (e.g., millwork, floor and roof trusses, and wall panels), and provide construction services to professional builders and contractors through a network of 31 distribution facilities, 43 manufacturing facilities, and five regional construction services facilities.

5. The Debtors operate under two brand names: BMC West® and SelectBuild®.

- ***BMC West.*** Under the BMC West brand, the Debtors market and sell building products, manufacture building components, and provide construction services to professional builders and contractors. Products include structural lumber and building materials purchased from manufacturers, as well as manufactured building components such as millwork, trusses, and wall panels. Construction services include installation of various building products and framing. The Debtors currently offer these products and services in major metropolitan markets in Texas, Washington, Colorado, Idaho, Utah, Montana, North Carolina, California, and Oregon.
- ***SelectBuild.*** Under the SelectBuild brand, the Debtors offer integrated construction services to production homebuilders, as well as commercial and multi-family builders. Services include wood framing, concrete services, managing labor and construction schedules, and sourcing materials. The Debtors currently offer these services in major metropolitan markets in California, Arizona, Nevada and Illinois.

6. The Debtors operate in metropolitan areas that have historically outpaced U.S. averages for residential building permit activity (largely in the Southern and Western portions of the United States). Based on National Association of Home Builders building permit activity, the Debtors provide building products and construction services in 9 of the top 25 single-family construction markets.

7. Prior to the Petition Date, the Debtors, with the assistance of their professionals and advisors, pursued several avenues to try to maximize the value of the Debtors' business, including conducting a process to sell the Debtors' business. The Debtors' prepetition sale process did not, however, yield offers that reflected, in the Debtors' business judgment, the true value of the Debtors' business operations.

8. Contemporaneously with this prepetition marketing and sale effort, the Debtors engaged in good faith, arm's-length negotiations with significant holders of the Debtors' prepetition secured indebtedness to develop a way to de-lever the Debtors' business, while at the same time providing the Debtors' unsecured creditor constituency with a

substantial recovery. These negotiations culminated in the proposed chapter 11 plan (the "*Plan*") and accompanying disclosure statement (the "*Disclosure Statement*"), filed contemporaneously with this Motion.

9. As set forth in greater detail in the Plan and Disclosure Statement, the Plan contemplates a restructure of the Debtors' balance sheet and ownership structure, as well as an immediate cash distribution to unsecured creditors and an opportunity for such creditors to receive full payment from the Reorganized Debtors, depending on business performance. The Debtors believe that the restructuring proposal embodied in the Plan provides the Debtors' creditors with the best means of maximizing value of the Debtors and their businesses. To implement this restructuring, the Debtors have obtained a commitment to provide \$80 million in the form of debtor-in-possession financing, which the Debtors seek to have approved by the Court contemporaneously herewith.

10. As of the Petition Date, the Debtors employ approximately 5,500 people. Approximately 300 of the Debtors' employees are represented by seven unions with whom the Debtors have collective bargaining agreements. For the 12 months ended March 31, 2009, the Debtors' total revenue totaled approximately \$1.1 billion. As of March 31, 2009 the book value of the Debtors' assets totaled approximately \$480 million and its liabilities totaled approximately \$481 million.

UNEXPIRED REAL PROPERTY LEASES

11. Prior to the Petition Date, the Debtors entered into various Real Property Leases for the use and occupancy of real property. As part of their extensive prepetition restructuring efforts, the Debtors discontinued operations at many of these sites and, accordingly, no longer need certain of the Real Property Leases. As part of their continuing restructuring efforts, the Debtors intend to discontinue operations at other of these

sites and accordingly will no longer need the corresponding Real Property Leases on a going-forward basis.

12. In addition, the Debtors entered into various subleases of the property leased pursuant to the above-referenced Real Property Leases. Because the Debtors seek to reject the underlying Leases, the Debtors seek to reject these subleases as well.

BASIS FOR RELIEF REQUESTED

A. The Court Should Authorize Rejection of the Real Property Leases as a Sound Exercise of the Debtors' Business Judgment

13. Pursuant to section 365(a) of the Bankruptcy Code, the Debtors seek authority to reject the Real Property Leases. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). "[T]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to 'renounce title to and abandon burdensome property.'" *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993) (quoting 2 COLLIER ON BANKRUPTCY ¶ 365.01[1] (15th ed. 1993)).

14. Courts defer to a debtor's business judgment in rejecting executory contracts or unexpired leases, and upon finding that a debtor has exercised its sound business judgment, approve such rejections under section 365(a) of the Bankruptcy Code. *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 523 (1984) (recognizing the "business judgment" standard used to authorize rejection of executory contracts), *superseded by statute on other grounds*, 11 U.S.C. § 1113, *as recognized in Mason v. Official Comm. of Unsecured Creditors (In re FBI Distrib. Corp.)*, 330 F.3d 36, 44 (1st Cir. Mass. 2003); *Sharon Steel Corp. v. Nat'l Fuel Gas*

Distrib. Corp. (In re Sharon Steel Corp.), 872 F.2d 36, 39-40 (3d Cir. 1989) (recognizing the "business judgment" standard, which requires only that the rejection will benefit the estate); *In re Trans World Airlines, Inc.*, 261 B.R. 103, 120 (Bankr. D. Del. 2001) ("A debtor's determination to reject an executory contract is governed by the business judgment standard."). The business judgment standard is "not a difficult standard to satisfy and requires only a showing that rejection will benefit the estate." *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006); *see also In re III Enters., Inc. V*, 163 B.R. 453, 469 (Bankr. E.D. Pa. 1994) (observing that courts do not "disturb [a debtor's] decision to reject [a lease] unless the decision is so unreasonable that it could not be based on sound business judgment, but only on bad faith or whim") (internal citations and quotations omitted).

15. The Debtors have reviewed the Real Property Leases and have determined that they are no longer of any value or utility to them. The Debtors no longer need certain of the Real Property Leases because they relate to vacant or unoccupied parcels of real property. The Debtors are obligated to pay approximately \$558,000 per month on account of these Leases. Thus, these Leases are a substantial drain on the Debtors' resources but do not confer any corresponding benefit to the Debtors.

16. Certain other Real Property Leases are no longer of any value or utility to the Debtors because they relate to properties that the Debtors have determined, in the exercise of their sound business judgment, are no longer needed for the Debtors' continued operations. Because the Debtors no longer need these properties, rejection of the corresponding Leases will benefit the Debtors' estates by allowing the Debtors to consolidate their operations and avoid paying unnecessary rent.

17. The Debtors have explored the possibility of assuming the Leases and, where applicable, subleasing the properties related thereto. In this regard, the Debtors have marketed many of the properties in an effort to sublease them but have been unsuccessful in their attempts. Thus, the Debtors have determined that, generally speaking, the rents due under these Leases are above-market and that accordingly, this alternative is not in their best interests. The Debtors believe that the costs associated with marketing these Leases, coupled with the payment of postpetition obligations as may be required by section 365(d)(3) of the Bankruptcy Code, would be significantly greater than any potential value that might be realized by a sublease of the Leases. With respect to the properties that the Debtors have been able to successfully sublease, the subleases are either unprofitable or are marginally profitable. Because the Debtors are not in the business of leasing real property, the Debtors seek to reject these Leases as well.

18. For these reasons, the Debtors' decision to reject the Real Property Leases is an exercise of sound business judgment that will tremendously benefit the Debtors' estates.

B. The Court Should Authorize Rejection of the Real Property Leases Effective as of the Date Hereof

19. The Debtors also respectfully submit that it is appropriate for the Court to order that the effective date of rejection for each Real Property Lease be the date listed in Exhibit B (the "*Rejection Effective Date*").

20. While section 365 of the Bankruptcy Code does not specifically address whether the Court may order rejection to be effective retroactively, many courts have held that bankruptcy courts may, in their discretion, authorize rejection retroactive to a date prior to entry of the order authorizing the rejection where the balance of equities weighs in favor of

retroactive application of rejection. *See, e.g., Pac. Shores Dev., LLC v. At Home Corp. (In re At Home Corp.)*, 392 F.3d 1064, 1074 (9th Cir. 2004) (affirming bankruptcy court's approval of retroactive rejection); *Thinking Machs. Corp. v. Mellon Fin. Servs. Corp. #1 (In re Thinking Machs., Corp.)*, 67 F.3d 1021, 1028 (1st Cir. 1995) ("[B]ankruptcy courts may enter retroactive orders of approval, and should do so when the balance of equities preponderates in favor of such remediation"); *Stonebriar Mall Ltd. P'ship v. CCI Wireless, LLC (In re CCI Wireless, LLC)*, 297 B.R. 133, 140 (D. Colo. 2003) (holding that "because section 365 does not, as a matter of law, prohibit selection of a retroactive date for rejection, the bankruptcy court has authority under section 365(d)(3) to set the effective date of rejection at least as early as the filing date of the motion to reject."); *Constant Ltd. P'ship v. Jamesway Corp. (In re Jamesway Corp.)*, 179 B.R. 33, 37 (S.D.N.Y. 1995) (stating that section 365 does not include "restrictions as to the manner in which the court can approve rejection"); *In re Chi-Chi's, Inc.*, 305 B.R. 396, 399 (Bankr. D. Del. 2004) (Case, J.) (holding that when principles of equity dictate, a bankruptcy court may approve rejection of a nonresidential lease pursuant to section 365(a) retroactive to the motion filing date); *In re Amber's Stores, Inc.*, 193 B.R. 819, 827 (Bankr. N.D. Tex. 1996) (holding that the lease at issue should be deemed rejected as of the petition date due to the equities of the case where the debtor turned over its keys and vacated the premises prepetition and served the motion to reject the lease as soon as possible).

21. Here, the balance of the equities favors granting the Debtors' request for a retroactive effective date of rejection. Without a retroactive date of rejection, the Debtors will be forced to incur unnecessary administrative charges for leases that provide no tangible benefit to the Debtors' estates. Moreover, the Counterparties to the Real Property Leases will not be unduly prejudiced if the rejection is deemed effective as of the Rejection Effective

Date because they will receive notice of this Motion and have sufficient opportunity to act accordingly. Indeed, all of the Counterparties have been mailed notice of the Debtors' unequivocal abandonment of the properties relating to the Real Property Leases, and, where applicable, have been mailed the keys to those premises. The Debtors respectfully submit that it is fair and equitable for the Court to find that the Real Property Leases are rejected as of the Rejection Effective Date, as the retroactive rejection of the Real Property Leases promotes the purposes of section 365 by relieving the estate of additional and unnecessary administrative expenses.

22. Courts in this jurisdiction have routinely approved relief similar to the relief requested herein.³ See, e.g., *In re Aleris Int'l, Inc.*, Case No. 09-10478 (BLS) (Bankr. D. Del. Apr. 23, 2009) (authorizing the rejection of leases and granting retroactive relief requested); *In re Masonite Corp.*, Case No. 09-10844 (PJW) (Bankr. D. Del. Apr. 14, 2009) (same); *In re Smurfit-Stone Container Corp.*, Case No. 09-10235 (BLS) (Bankr. D. Del. Feb. 23, 2009) (authorizing the rejection of certain leases retroactive to the date the motion was filed); *In re Leiner Health Prods., Inc.*, Case No. 08-10446 (KJC) (Bankr. D. Del. Apr. 4, 2008) (authorizing the rejection of leases retroactive to the date the motion was filed); *In re Buffets Holdings, Inc.*, Case No. 08-10141 (MFW) (Bankr. D. Del. Feb. 13, 2008) (authorizing the rejection of leases retroactive to the petition date); *In re Pope & Talbot, Inc.*, Case No. 07-11738 (CSS) (Bankr. D. Del. Dec. 12, 2007) (authorizing the rejection of executory contracts retroactive to the petition date); *In re Am. Home Mortgage Holdings, Inc.*,

³ The Debtors have not annexed copies of the unreported orders cited herein because of their size. Copies of these orders, however, are available upon request of the Debtors' counsel, including at the hearing to consider the Motion.

Case No. 07-11047 (CSS) (Bankr. D. Del. Sept. 20, 2007) (authorizing the rejection of leases and granting retroactive relief requested).

REQUEST FOR WAIVER OF STAY

23. To implement the foregoing, the Debtors seek a waiver of any stay of the effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), any "order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 10 days after entry of the order, unless the court orders otherwise." While the Debtors do not believe that Bankruptcy Rule 6004(h) applies to the relief requested in this Motion, ample cause exists to waive any stay of the effectiveness of this order because the Debtors' estates may be liable to pay any postpetition obligations arising under the Real Property Leases as administrative expenses. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the 10-day stay possibly imposed by Bankruptcy Rule 6004(h).

NOTICE

24. No trustee, examiner, or creditors' committee has been appointed in these Chapter 11 Cases. The Debtors have provided notice of filing of the Motion either by electronic mail or facsimile and/or by overnight mail to: (a) the Office of the United States Trustee for the District of Delaware; (b) the 50 largest unsecured creditors of the Debtors on a consolidated basis as identified in the Debtors' chapter 11 petitions; (c) counsel to Wells Fargo Bank, as agent for both of the Debtors' prepetition lenders and proposed postpetition lenders; and (d) the Counterparties listed on Exhibit B. Due to the nature of the relief requested, the Debtors respectfully submit that no further notice of this Motion is required.

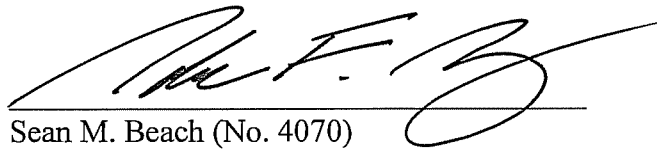
NO PRIOR REQUEST

25. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: Wilmington, Delaware
June 16, 2009

YOUNG CONAWAY STARGATT &
TAYLOR, LLP



Sean M. Beach (No. 4070)
Donald J. Bowman, Jr. (No. 4383)
Robert F. Poppiti, Jr. (No. 5052)
The Brandywine Building
1000 West St., 17th Floor
Wilmington, DE 19801
Telephone: 302.571.6600
Facsimile: 302.571.1253

---- and ----

GIBSON, DUNN & CRUTCHER LLP
Michael A. Rosenthal (*pro hac vice* pending)
Matthew K. Kelsey (*pro hac vice* pending)
Saeed M. Muzumdar (*pro hac vice* pending)
200 Park Ave, 47th Floor
New York, NY 10166-0193
Telephone: 212.351.4000
Facsimile: 212.351.4035

Aaron G. York (*pro hac vice* pending)
Jeremy L. Graves (*pro hac vice* pending)
2100 McKinney Ave, Suite 1100
Dallas, TX 75201-6911
Telephone: 214.698.3100
Facsimile: 214.571.2900

PROPOSED ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT A

Proposed Order

**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 No. _____

**FIRST ORDER AUTHORIZING THE DEBTORS TO
REJECT CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS,
NUNC PRO TUNC TO THE REJECTION EFFECTIVE DATE**

Upon consideration of the first omnibus 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 authorizing the Debtors to reject certain unexpired leases, as set forth in the Motion; and upon the Street Declaration² 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

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.

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.
2. Pursuant to section 365(a) of the Bankruptcy Code, the Debtors are authorized to reject the Real Property Leases listed in **Exhibit B** that was annexed to the Motion. Effective immediately, such Real Property Leases are deemed rejected (the "**Rejections**"), with the Rejections being effective as of the dates listed in Exhibit B (the "**Rejection Effective Date**").
3. The Counterparties to the Real Property Leases shall have until the date fixed by this Court pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(3) to file any claim for damages arising from rejection of a Real Property Lease.
4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.
5. The Debtors do not waive any claims they may have against the Counterparties to the Real Property Leases, whether or not such claims arise under, are related to the rejection of, or are independent of the Real Property Leases.
6. Nothing herein shall prejudice the rights of the Debtors to argue that any claim for damages arising from the rejection of the Real Property Leases is limited to the remedies available under any applicable termination provision of such Real Property Lease, or that any such claim is an obligation of a third party, and not that of the Debtors or their estates.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such motion and the requirements of Bankruptcy Rule 6006(c) and the Local Bankruptcy Rules are satisfied by such notice.

8. Notwithstanding the possible application of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

Date: Wilmington, Delaware
_____, 2009

KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Leases to be Rejected

Leases to Be Rejected

Counterparty	Counterparty Contact Information	Leased Property Address	Property Type	Initial Lease Date	Lease Expiration Date	Lease Rate	Rejection Effective Date
2930 Marco St, LLC	15-04 130th St. College Point, NY 11356 Attn: Vivian or Allison	2930 Marco St. Las Vegas, NV 89115	31,500 sq ft office/warehouse bldg on 3.14 acres	7/1/07	6/30/11	\$ 30,933.00	6/16/2009
Cactus Bloom LLC	Opus West Management Corp. APMF OIRE 2508 Paysphere Circle Chicago, IL 60674	1410 Rocky Ridge Dr, Roseville, CA 95661	Warehouse/Office 33600 sq ft	6/1/06	7/31/11	\$ 14,030.00	6/16/2009
Chamberlain Development, LLC (Greenwood & McKenzie Real Estate Investments)	440 W. First Street, Ste. 201 Tuslin, CA 92780	4863 E Ingram, Mesa AZ 85205		7/4/02	6/30/12	\$ 38,794.00	6/30/2009
Crow, Darryl	Tinetti Realty Group 2926 G St. Ste. 207 Merced, CA 95340	2260 Cooper Av. Ste B, Merced, CA 95348	Office - 3250 sq ft	9/1/05	8/31/10	\$ 2,230.00	6/16/2009
Dependable Sheet Metal	1855 N. First St. Ste. A Dixon, CA 95620	1855 N 1st St. Ste C, Dixon, CA 95620	Office - 12400 sq ft	9/4/04	8/31/09	\$ 15,508.00	6/30/2009
Eckenrode, David	Dave Eckenrode PO Box 603 Tempe, AZ 85280	3781 N. Highway Drive, Building 2, Suite 109 Tucson, AZ 85705 - Utilities, Insurance and Taxes	Office	5/1/05	4/30/11	\$ 8,885.00	6/16/2009
Federal Boulevard Properties LP	Steve Scott C/O E R Management, Inc. 14031 Midland Rd. Poway, CA 92064	1021 W Mission Ave, Ste A, Escondido, CA 92025	Office	10/1/05	9/30/09	\$ 13,716.00	6/30/2009
Gillis, John David	10101 Refier Street Helioles TX 78023 David Gillis 210-695-5568 home 210-695-3239	11634 Rainbow Ridge, Helioles, TX 22065	office/mtg space	1/1/07	1/1/10	\$ 7,017.00	6/16/2009
Gregg Street LLC	Gregg Street, LLC 1205 Prospect Street #400 La Jolla, CA 92037 Contact: Richard K. Circuit	13465 & 13495 Gregg St. Poway, CA	Office	10/1/05	9/30/10	\$ 42,349.00	6/16/2009
Hawley Family Trust	Hawley Family Trust - Attn: Stephen L. Hawley 4075 Lossee Rd. Las Vegas, NV 89030	3823 Lossee Rd., N. Las Vegas, NV 89030	Location	8/1/04	7/31/09	\$ 12,000.00	6/16/2009
Houston Distributing Company, Inc.	PO Box 891368 Houston TX 77269-1368 Debra Baggett 281-880-2730	16001 Tomball Parkway, Houston TX 77063	Warehouse	2/3/04	2/28/10	\$ 5,872.00	6/16/2009
JH Associates LLC	JH Associates, LLC 8401 W. El Camino del Cerro Tucson, AZ 85745-9703	3824 N. Highway Drive, Tucson AZ	Lumber Yd-3acres	6/1/05	4/30/10	\$ 4,463.00	6/16/2009
Kubich, David & Patricia	11099 Mountainer Trail Grass Valley, CA 95945	EWP Lease - Marysville	Engineered Wood Products lease	9/1/06	4/21/14	\$ 4,750.00	6/16/2009
Kubich, David & Patricia	11099 Mountainer Trail Grass Valley, CA 95945	Marysville	Kline/Rail Cars - Storage	9/1/06	4/21/14	\$ 1,512.00	6/16/2009
Lainer One, L.P. (Massie & Co.)	1801 Tribute Rd, Sacramento CA 95815 Heather Johnson 916-923-4000	650 Innovation Drive, Unit C, Reno, NV	Location	8/1/02	7/31/10	\$ 13,773.00	6/16/2009
Leaman Building Materials, L.P.	PO BOX 80 Thompsons TX 77481 Mark Sorenson 402-544-8560	1621 Avenue G, Rosenberg, TX	Design Center	3/1/06	12/31/09	\$ 6,900.00	6/16/2009
MW LLC	MW LLC 5795 Rogers St, Las Vegas, NV 89118	Office/Warehouse/Yard - Office 15,000 sq ft/ Warehouse 8,800 sq ft/Yard 25,600 sq ft			12/31/10	\$ 19,150.00	6/16/2009
Northpark, LLC	Northpark LLC c attn: Eugene MonkKash, 9061 Santa Monica Boulevard Los Angeles, CA 90069	1220 S Commerce St. Suite A, Las Vegas, NV	Location	5/1/04	11/30/09	\$ 12,908.00	6/16/2009
NWV Center LTD	Co Beer Wells Real Estate Services- East Texas, Inc. P.O. Box 3449, Longview, TX 75606 Attn: Lynda Bobo Longview TX 75605 Lynda Bobo 903-753-2191	2191 Mendenhall Dr Las Vegas, NV 89061	Office space	12/1/05	2/1/11	\$ 1,250.00	6/30/2009
Price Lakeshore LLC	250 South 5th Street, 2nd Floor Boise, ID 83702 Michelle Crenshaw mgr, Katie Woods asst mgr 208-947-0805 947-0835	12040 West Executive Drive, Boise, ID	Location	3/1/00	2/28/12	\$ 24,846.00	6/16/2009
Ralph Road LLC	Gregg Street, LLC 1205 Prospect Street #400 La Jolla, CA 92037 Contact: Richard K. Circuit	340 W Ralph Road, Imperial CA	Shop/Warehouse	10/1/05	9/30/10	\$ 29,385.00	6/16/2009
Sargent, Waller	8212 Taos Paseo Ave Las Vegas, NV 89128	6255 Range Rd Las Vegas, NV	Land	12/1/05	11/30/10	\$ 3,000.00	6/16/2009
Scottsdale Ridge Property Office LLC & Condominium LLC	7025 North Scottsdale Rd, Ste 220 Scottsdale, AZ 85253	21803 North Scottsdale Rd., Suite 101-2ND FLOOR		4/1/07	3/31/17	\$ 14,125.00	6/16/2009
Space Center Mira Loma, Inc.	Lessor: Space Center Mira Loma, Inc 3401 Etiwanda Ave. Bldg 1011-D Mira Loma, CA 91752	3401 Etiwanda Bldg 831C Mira Loma, CA 91752	Bldg + 3 Acres Land	1/1/07	12/31/09	\$ 91,624.00	6/16/2009
Space Center Mira Loma, Inc.	Lessor: Space Center Mira Loma, Inc 3401 Etiwanda Ave. Bldg 1011-D Mira Loma, CA 91752	3401 Etiwanda Bldg 831C Mira Loma, CA 91752	10 Acres Land	1/1/07	5/1/09	\$ 17,500.00	6/16/2009

SRC Oates LLC	SRC Oates, LLC 7912 W. Sahara Las Vegas, NV 89117 Attn: Steve Campbell	49751 OATES LANE COACHELLA, CA 92236	Office/Storage/Warehouse	6/1/07	8/31/09	\$ 14,853.00	6/16/2009
SRC Pellisier, LLC	SRC Pellisier, LLC 7912 W Sahara, Las Vegas, NV 89117, Attn: Steve Campbell	1640 W. Pellisier, Colton, CA 92324	Office/Storage Yard	9/1/05	8/31/09	\$ 17,990.00	6/30/2009
SRC Polaris LLC	SRC Polaris, LLC 7912 W. Sahara Las Vegas, NV 89117 Attn: Steve Campbell	5201 S Polaris, Las Vegas, NV 89118	Yard	9/1/05	8/31/09	\$ 20,762.00	6/16/2009
SRC Spencer LLC	SRC Spencer, LLC 7912 W. Sahara Las Vegas, NV 89117 Attn: Steve Campbell	6767 Spencer St. Las Vegas, NV 89119	Office/Warehouse	7/1/06	6/30/10	\$ 27,053.00	6/16/2009
Sludemaker, Steve & Becky	906 S. Spruce St., Burlington WA 98233	940 Spruce St. Burlington WA 98233	Office	6/1/07	6/1/10	\$ 3,000.00	6/16/2009
Sundance Investments L.P.	9100 West Blackeagle Dr. Boise, ID 83709 Lori K Fischer 208-322-7300	2925 S Cole Rd., Boise ID 83401	Warehouse	4/1/05	3/31/12	\$ 16,487.00	6/16/2009
The Home Emporium	1568 Hill Rd. Idaho Falls, ID 83401	8 x 20' Booth at 1568 Hill Rd. Idaho Falls, ID 83401	Exhibit Booth	9/1/08	8/31/09	\$ 995.00	6/30/2009
Thunderhead Holdings	7887 San Felipe Ste 237,ouston, TX 77063 Attn: Mike or Vanessa or Jennifer Shoemaker	3428 Fondren, Houston, TX	Showroom/Warehouse	9/1/05	12/31/09	\$ 16,000.00	6/16/2009
Union Pacific Railroad	1400 Douglas St, Stop 1690 Omaha NE 68179 Jill Bazzell 402-544-8134	Foilder 02363-52	Railroad	8/1/06	7/31/09	\$ 11,578.00	6/16/2009
VEPA III, LLC	3149 Finley Drive Kingsburg CA 93631 Valerie Mauldin, Eileen Dorfmeier 559-999-6206 or 559-281-4118	4685 E Hedges, Fresno CA	Add'l Truss storage space	10/1/05	10/1/10	\$ 2,285.00	6/16/2009
Waycon Development	4820 W Highway 248 Kamas, UT 84036 James or Paula Conway-owners 801-598-1230	7132 N Silver Creek Rd., Suites C & D, Park City, UT 84098	Office/Warehouse	3/1/07	3/1/10	\$ 5,491.00	6/16/2009
WESTLAND ENTERPRISES	1801 Solar Dr. Ste. 250 Oxnard, CA 93031	4339 CORPORATE DRIVE LAS VEGAS, NV	Office	7/19/05	1/31/11	\$ 23,825.00	6/16/2009
Wooden Properties LLP	3710 Sinton Rd., Ste 200 Colo Spgs CO 80907 Julie Strickland at Protomaland/John Rogers (Grubb & Ellis)/Quantum Commercial Group- Industrial & Land Specialist 719-473-7763 ext 201	615 Woolen Road, Units 1 & 2, Colorado Springs, CO 90815	Millwork Location	6/1/06	6/1/11	\$ 20,831.00	6/16/2009
WS Properties	P.O. Box 1438 Rancho Santa Fe CA 92067 Virginia = accountant 909-677-4540	12289 Grant Street, Thornton, CO 80241	Location	10/1/03	9/30/09	\$ 33,023.00	6/16/2009

Subleases to Be Rejected

Counterparty	Counterparty Contact Information	Leased Property Address	Initial Lease Date	Lease Expiration Date	Lease Rate	Master Lessor	Rejection Effective Date
ABC Supply Company, Inc.	Kendra Story, 655 Third St #301, Beloit, WI 53511, Tel: 608-361-6772	2930 Marco St, Las Vegas NV 89115	7/7/08	6/30/11	\$ 22,379.00	2930 Marco Street, LLC	6/16/09
Ace Construction Supply, LLC	Chris Hansen, Manager 3823 Losee Rd., N. Las Vegas NV 89030, Tel: 702-635-9111	3823 Losee Rd., N. Las Vegas, NV	7/11/08	8/1/09	\$ 12,000.00	Hawley Family Trust	6/16/09
Advanced Power Projects	Mike Ross, Advanced Power Projects, 1410 Rocky Ridge Dr #140, Roseville, CA 95661	1410 Rocky Ridge Dr, #140, Roseville, CA	7/1/08	11/30/11	\$ 9,940.00	Cactus Bloom, LLC	6/16/09
Complete Office of California (COC)	13495 Gregg St., Poway, CA	13495 Gregg St., Poway, CA	1/1/08	10/31/10	\$ 24,633.00	Gregg Street, LLC	6/16/09
Drewry Commercial Services	625 Coyne Rd., Imperial CA 92251, Tel: 760-455-5797	340 W. Ralph Rd., Imperial, CA	1/1/07	10/31/09	\$ 1,600.00	Ralph Road, LLC	6/16/09
GPS Insight, LLC	Robert Donat 21803 N. Scottsdale Rd., Suite 220, Scottsdale, AZ 85255	21803 N. Scottsdale Rd, Suite 220, Scottsdale, AZ 85255	9/1/08	1/31/14	\$ 8,634.00	Scottsdale Ridge Property Office, LLC and Condominium, LLC	6/16/09
Las Vegas Metropolitan Police Dept.	Director, General Services Bureau, Las Vegas Metropolitan Police Dept., 3141 E. sunrise Ave, Las Vegas NV 89101, Tel: 702-229-3414	6767 Spencer St, Las Vegas NV 89119	4/1/07	8/31/10	\$ 35,678.00	SRC Spencer, LLC	6/16/09
National Store Fixtures	James Wegner, 4300 Quality Dr., South Bend, IN 46628	340 W. Ralph Rd., Imperial, CA (El Centro)	4/12/07	8/31/09	\$ 18,325.00	Ralph Road, LLC	6/16/09
North-Pacific Group	10200 SW Greenburg Rd, Portland, OR 97223 Jacob Brennan	3401 Eliwanda Ave, Mira Loma, CA 1752	5/29/06	5/31/09	\$ 19,100.00	Space Center M	6/16/09
Premier Reinforcing	1640 W Pellisier, Colton, CA 92324	1640 W Pellisier, Colton, CA 92324	2/1/09	8/31/09	\$ 1,500.00	SRC Pellisier, LLC	6/16/09

Storage Mobility of Colorado LLC	12299 N. Grant St, Thornton CO. Tom Thornbury, Sunstar Spa Covers, Inc. 13495 Gregg St, Poway CA	12299 N. Grant St, Thornton CO. 13495 Gregg St, Poway CA (24,000 sq. ft of Building B)	10/1/08	9/30/09	\$ 22,500.00	WS Properties Gregg Street, LLC	6/16/09
Sunstar			10/1/08	2/28/14	\$ 10,560.00	Sundance Investments Limited	6/16/09
Winco Foods, LLC	Morgan Randis, Winco Foods, LLC, 650 N Armstrong Pl., Boise, ID 83704	2925 S. Cole Rd., Boise, ID	5/1/09	11/30/09	\$ 11,000.00	Partnership	6/16/09