

**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 Nos. 105 and 244

Objection Deadline: September 7, 2009 at 4:00 p.m. (ET)

**THIRD NOTICE OF FILING OF
DECLARATIONS OF DISINTERESTEDNESS OF
CERTAIN ORDINARY COURSE PROFESSIONALS**

PLEASE TAKE NOTICE that on June 26, 2009, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed their Motion for an Order Authorizing the Employment and Payment of Professionals Used in the Ordinary Course of Business [Docket No. 105] (the “OCP Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that on July 16, 2009, the Court entered the Order Authorizing the Debtors’ Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business [Docket No. 244] (the “OCP Order”).² The OCP Order provides that each Ordinary Course Professional shall file with the Court a Declaration of Disinterestedness prior to the receipt of payment for postpetition services rendered to the Debtors.

PLEASE TAKE FURTHER NOTICE that pursuant to the OCP Order, the Debtors hereby file the Declarations of Disinterestedness (collectively, the “Declarations”) for the Ordinary Course Professionals listed on Exhibit 1 hereto. The Declarations for such Ordinary Course Professionals can be found on Exhibits 2A-2D hereto.

PLEASE TAKE FURTHER NOTICE that this Notice has been served on: (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel to the Official Committee of Unsecured Creditors appointed in these chapter 11 cases; and (iii) counsel to Wells Fargo Bank, as agent under the Prepetition Credit Facility and the DIP Facility (as defined in the chapter 11 plan filed by the Debtors in these cases) (together with the Debtors, the “Notice Parties”).

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 All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the OCP Motion.

PLEASE TAKE FURTHER NOTICE that pursuant to the OCP Order, the Notice Parties shall have until **September 7, 2009 at 4:00 p.m. (ET)** (the "**Objection Deadline**") to object (an "**Objection**") to the retention of any of the Ordinary Course Professionals listed on the attached **Exhibit 1**. Any Objection shall be in writing and filed with the Court and served upon the Notice Parties and the respective Ordinary Course Professional on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT IF A TIMELY OBJECTION IS NOT RECEIVED WITH RESPECT TO THE RETENTION OF A PARTICULAR ORDINARY PROFESSIONAL, THE RETENTION OF SUCH PROFESSIONAL SHALL BE DEEMED APPROVED BY THE COURT WITHOUT HEARING OR FURTHER ORDER, AND THE DEBTORS SHALL BE AUTHORIZED TO RETAIN AND PAY SUCH PROFESSIONAL IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OCP ORDER.

Dated: Wilmington, Delaware
August 17, 2009

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Robert F. Poppiti, Jr.

Sean M. Beach (No. 4070)
Donald J. Bowman, Jr. (No. 4383)
Robert F. Poppiti, Jr. (No. 5052)
The Brandywine Building
1000 West Street, 17th Floor
P.O. Box 391
Wilmington, Delaware 19899-0391
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

----and----

GIBSON, DUNN & CRUTCHER LLP
Michael A. Rosenthal (admitted *pro hac vice*)
Matthew K. Kelsey (admitted *pro hac vice*)
Sae M. Muzumdar (admitted *pro hac vice*)
200 Park Avenue, 47th Floor
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

Aaron G. York (admitted *pro hac vice*)
Jeremy L. Graves (admitted *pro hac vice*)
2100 McKinney Avenue, Suite 1100
Dallas, Texas 75201-6911
Telephone: (214) 698-3100
Facsimile: (214) 571-2900

ATTORNEYS FOR THE DEBTORS
AND DEBTORS-IN-POSSESSION

EXHIBIT 1

Ordinary Course Professionals

| Ordinary Course Professionals |
|-------------------------------|
|-------------------------------|

| |
|----------------|
| Curtis & Arata |
|----------------|

| |
|-----------------------------|
| Kenneth J. Jorgensen Law PC |
|-----------------------------|

| |
|------------------------------|
| Smith Moore Leatherwood, LLP |
|------------------------------|

| |
|----------------------|
| Davies Pearson, P.C. |
|----------------------|

EXHIBIT 2

Declarations of Disinterestedness

EXHIBIT 2A

1 UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

2 IN RE:

Chapter 11

3 BUILDING MATERIALS HOLDING
4 CORPORATION, et al.,¹

Case No. 09-12074 (KJC)

5 Jointly Administered

6 Debtors.
7 _____/

8 **VERIFIED STATEMENT OF CONNECTIONS**

9 I, Andrea Sessions, declare under penalty of perjury:

10 1. I am an associate attorney of Curtis & Arata, a Professional Law Corporation, located at 1455
11 East G Street, Suite B, Oakdale, CA 95361 (the "Firm").

12 2. Building Materials Holding Corporation and its affiliates, as debtors and debtors in
13 possession (collectively, the "Debtors") have requested that the Firm provide collection attorney services
14 to the Debtors, and the Firm has consented to provide such services.

15 3. If the Firm is a law firm, I state the Firm did represent the Debtors prior to their bankruptcy
16 filings.

17 4. The Firm may have performed services in the past, may currently perform services and may
18 perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in
19 interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with
20 these chapter 11 cases, or have any relationship with any such person, their attorneys or accountants that
21 would be adverse to the Debtors or their estates. Furthermore, if the Firm is either (i) not a law firm or (ii)
22 a law firm that did not represent the Debtors prior to their bankruptcy filings, the Firm is a "disinterested
23 person" under 11 U.S.C. § 101(14), such that the Firm:
24
25
26
27 _____

28 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.

- (a) is not a creditor, an equity security holder, or an insider of any of the Debtors;
- (b) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of any of the Debtors; and
- (c) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

5. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be employed by the Debtors, claimants, and parties-in-interest in the Debtors' chapter 11 cases.

6. Neither I nor any principal, director or officer of, or professional employed by, the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Firm.

7. In the ordinary course of its business, the Firm maintains a database for purposes of performing "conflicts checks." The Firm's database contains information regarding the Firm's present and past representations. Pursuant to Federal Rule of Bankruptcy Procedure 2014(a), I obtained a list of the entities identified in Rule 2014(a) from counsel to the Debtors for purposes of searching the aforementioned database and determining the connection(s) which the Firm has with such entities. The Firm's search of the database identified the following connections:

8. City of Modesto, BMC West Corporation, Wells Fargo Bank, The Hartford, DR Horton, Louisiana Pacific Corp., PG & E, Lexington Insurance Company UKB, D.R. Horton, Inc., Zurich American Ins. Co., Chubb Group of Insurance, Louisiana Pacific Corp.

9. Neither I nor any principal, director or officer of or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which this Firm is to be employed. Furthermore, if the Firm is either (i) not a law firm or (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, I state that neither I nor any principal, director or officer of or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors.

1 10. The Debtors owe the Firm \$1,042.35 for pre-petition services, the payment of which is
2 subject to limitations contained in the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532. If the Firm
3 is either (i) not a law firm (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings,
4 my signature below acknowledges that the Firm understands that any and all pre-petition claims that it has
5 against the Debtors will be deemed waived if the Firm's employment is authorized.
6

7 11. As of June 16, 2009, which was the date on which the Debtors commenced these chapter 11
8 cases, the Firm was party to an and engagement or services agreement with the Debtors. A copy of such
9 agreement is attached as Exhibit A to this Declaration.
10


11 12. As of June 16, 2009, the Firm was not a party to an agreement for indemnification with
12 certain of the Debtors.

13 13. If the Firm is not a law firm, the following is a list of all payments which the Firm received
14 from the Debtors during the year prior to the Debtors' bankruptcy filings: N/A

15 14. The Firm is conducting further inquiries regarding its retention by any creditors of the
16 Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm
17 should discover any facts bearing on the matters described herein, the Firm will supplement the information
18 contained in this Declaration.
19

20 Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

21 Date: August 17, 2009

22 
23 _____
24 ANDREA SESSIONS, ESQ.
25
26
27
28

CURTIS & ARATA
A PROFESSIONAL LAW CORPORATION
ATTORNEYS & COUNSELORS AT LAW

RALPH S. CURTIS
GEORGE S. ARATA
D. LEE HEDGEPEETH
MICHAEL B. JAMS
HUGH E. BRERETON
JOHN D. FREELAND
KATHERINE R. BOYD †
RICHARD J. SORDELLO JR.
ANDREW S. MENDLIN
PAUL E. ECHOLS

GARY S. DAVIS
LOUIS FRIEDMAN**
HASHEM W. NARAGHI II
TERRI L. CIPPONERI
BRADLEY J. SWINGLE
FREDERICK W. SMITH, JR.
JUDITH K. RUUD ‡
JOHN F. WICKS
JAKRUN S. SODHI
CRAIG W. HUNTER
JILL P. SAZAMA *

MODESTO OFFICE
1300 K STREET
POST OFFICE BOX 3030
MODESTO, CALIFORNIA 95353
TEL: (209) 521-1800 FAX: (209) 572-3501
mijams@CurtisAndArata.com
www.CurtisAndArata.com

JANET B. O'CONNOR **
LESLIE KALIM McHUGH
SARAH J. BIRMINGHAM
GRACE N. CHAN
YOULET OVRAHIM †
SAPPHIRA W. PIXLER

BRIAN S. HADDIX
MICHELLE B. PEREZ
MARIA C. JAIME
ERIC T. NIELSEN
EDALINA M. MENDONCA
PAUL R. SCHEELE
ANDREA SESSIONS

OF COUNSEL
ROSS W. LEE

SENIOR COUNSEL
RALPH E. GAARDE

A.A. CARDOZO
(1909-1985)

*Certified Specialist in Family Law
Calif. Board of Legal Specialization
† Also admitted in Tennessee

**Also admitted in New York
‡ Also admitted in Idaho and Ohio
* Also admitted in Illinois
‡ Also admitted in Arizona

February 21, 2007

Rick Shelley
BMC West Corporation
4237 Murphy Road
Modesto, CA 95358

Re: Collection Matter Regarding Maurice Barela

ATTORNEY-CLIENT FEE AGREEMENT

Dear Mr. Shelley:

This letter constitutes the written fee contract (hereinafter the "Agreement") that California law requires lawyers to have with their clients under certain circumstances.

Curtis & Arata, A Professional Law Corporation (hereinafter "we" or "Curtis & Arata"), will provide legal services to BMC West Corporation (hereinafter "you") according to the terms and subject to the conditions set forth in this Agreement.

Scope of Services:

You are hiring us as your attorneys to represent you in the matter described on the attached Rate Schedule. We will provide those legal services reasonably required to represent you. We will take reasonable steps to keep you informed of progress and to respond to your inquiries. Unless we make a different agreement in writing, this Agreement will govern all future services we may perform for you in this matter.

Our firm has not been retained to provide you with any tax advice concerning this matter. As a result, we will rely upon your accountant or CPA with respect to tax issues, if applicable.

Exhibit A

Oakdale Office
(209) 847-3200
Fax: 847-7083

Patterson Office
(209) 895-4876
Fax: 895-4878

Escalon Office
(209) 838-3676
Fax: 838-3689

Groveland Office
(209) 962-4084
Fax: 962-4107

Chowchilla Office
(559) 665-7700
Fax: 665-7507

Rick Shelley
Re: Collection Matter Regarding Maurice Barela
February 21, 2007
Page 2

Client's Duties:

You agree to be truthful with us, to cooperate, to keep us informed of developments, to abide by this Agreement, to pay our bills on time, and to keep us advised of your current mailing address and telephone number.

Legal Fees/Billing:

You agree to pay by the hour at our prevailing rates for time spent on this matter by our legal personnel. Our current hourly rates for the legal personnel whom we expect to work on this matter (and other billing rates) are set forth on the attached Rate Schedule. The Rate Schedule also provides for periodic increases.

We will charge you for the time we spend on telephone calls relating to this matter, including calls with you, other attorneys, witnesses and other persons regarding this case. The legal personnel assigned to this matter will confer among themselves about the case as required. When they do confer, each person will charge for the time expended. Likewise, if it is necessary that more than one of our attorneys attend a meeting, court hearing, or other proceeding, each will charge for the time spent unless otherwise indicated.

Costs and Other Charges:

In general, we will incur various costs and expenses in performing legal services under this Agreement. You agree to pay for those costs and expenses in addition to the hourly fees. The costs and expenses may include process servers' fees, fees fixed by law or assessed by courts and other agencies, court reporters' fees, travel expenses, computerized legal research charges, extraordinary photocopying and other reproduction costs, clerical staff overtime, and similar or related items. Except for the items listed on the Rate Schedule, all costs and expenses will be charged at our cost.

You also agree to pay transportation, meals, lodging and all other costs of any necessary out-of-town travel by our personnel. You will also be charged the hourly rates for the time legal personnel spend traveling.

Billing Statements:

We will send you periodic statements for fees and costs incurred. Each statement will be due within 15 days of its date. You may request a statement at intervals of no less than 30 days. If you do make that request, we will provide one within ten days.

If any statement is not paid in full within 30 days of its date, you agree to pay interest on the unpaid balance at the rate of ten percent (10%) per year.

Rick Shelley
Re: Collection Matter Regarding Maurice Barela
February 21, 2007
Page 3

Discharge and Withdrawal:

You may discharge us at any time. We may withdraw with your consent or for good cause. Good cause includes your breach of this Agreement, including failure to pay your bill with our firm, refusal to cooperate with us or to follow our advice on a material matter, or any fact or circumstances that would render our continuing representation unlawful or unethical.

When our services conclude, all unpaid charges will immediately become due and payable. After our services conclude we will deliver to you any funds or property of its in our possession.

Disclaimer of Guarantee:

Nothing in this Agreement and nothing in our statements to you will be construed as a promise or guarantee about the outcome of this case. We make no such promises or guarantees. Our comments about the outcome of this case are expressions of opinion only.

We make no warranties or representations concerning the total fees or expenses that you will incur in this matter. We cannot accurately predict how much time we will have to spend on this matter. That will depend on factors we cannot control, such as the complexity of issues and the extent to which other parties and their attorneys cooperate with each other or with us.

We have not agreed to any maximum fee and have not made any other promise about the total amount of legal fees and expenses to be incurred by you under this Agreement.

Malpractice Insurance:

We presently maintain errors and omissions insurance coverage that would apply to this case.

Arbitration of Disputes/Waiver of Jury Trial:

Any and all disputes concerning the interpretation of the enforcement of rights and duties under this Agreement, and any dispute to legal malpractice, that is as to whether any legal services rendered under this contract were unnecessary or unauthorized, or were improperly, negligently or incompetently rendered, shall be submitted to final and binding arbitration pursuant to the California Arbitration Act (CCP §§ 1280-1294.2).

Rick Shelley
Re: Collection Matter Regarding Maurice Barela
February 21, 2007
Page 4

At the request of any party, the arbitrators, attorneys, parties to the arbitration, witnesses, experts, court reporters, or other persons present at the arbitration shall agree in writing to maintain the strict confidentiality of the arbitration proceedings.

Arbitration shall be conducted in Modesto, California, by a neutral arbitrator selected in accordance with the statute and/or rules governing the arbitration. The award of the arbitrator shall be enforceable according to the applicable provisions of the California Code of Civil Procedure. The arbitrator may award damages, interest, attorneys' fees and litigation costs, and/or permanent injunctive relief, but in no event shall the arbitrator have the authority to award punitive or exemplary damages.

The prevailing party, as determined by the arbitrator, shall be entitled to recover all of its reasonable litigation fees and costs.

If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear.

By signing this agreement, the parties knowingly and voluntarily waive their right to a jury or court trial.

Notwithstanding the foregoing, the arbitrator may construe or interpret, but shall not ignore the terms of this Agreement and shall be bound by California substantive law. The arbitration decision shall include written findings of fact and conclusions of law. The arbitrator may not commit errors of law or legal reasoning, and the arbitrator's decision may be vacated or corrected pursuant to California Code of Civil Procedure section 1286.2 or 1286.6 for any such error.

Effective Date:

This Agreement will take effect when you have signed it, but its effective date will be retroactive to the date we first performed services, including services under our previous agreement with you. Even if this Agreement does not take effect, you will be obligated to pay us the reasonable value of any services we may have performed for you.

Rick Shelley
Re: Collection Matter Regarding Maurice Barela
February 21, 2007
Page 5

Please sign and date the page where indicated below, and return it to our office in the enclosed prepaid envelope. However, if you have any questions regarding this Agreement, please communicate with me to address these questions prior to signing. We look forward to working with you on this matter.

Yours sincerely,

CURTIS & ARATA,
A Professional Law Corporation



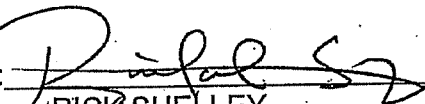
BRIAN S. HADDIX

BSH:pac
Enclosures

I have read and understand the foregoing terms and those set forth on the attached Rate Schedule and agree to them, as of the date Curtis & Arata, A Professional Law Corporation, first provided services.

DATED: 2.26, 2007

BMC WEST CORPORATION

By: 
RICK SHELLEY

RATE SCHEDULE

A. Identification

Client: BMC West Corporation

Matter: Collection matter re Maurice Barela

B. Hourly Rates for Legal Personnel

| | |
|-----------------------|--------------------|
| Shareholder attorneys | \$225.00- \$290.00 |
| Ralph E. Gaarde | \$265.00 |
| Associate attorneys | \$160.00 - 225.00 |
| Brian S. Haddix | \$160.00 |
| Paralegals | \$90.00 |

C. Standard Charges

We charge for our time in minimum units of 0.1 hours.

D. Costs and Expenses

Facsimile transmittals -\$0.15 each for the first pages, and \$0.10 for each page thereafter.

Mileage - \$0.485 per mile.

Clerical staff overtime will be charged at 1.5 times the base hourly rate or at the rates required by applicable law, whichever is greater.

E. Subject to Change

The rates on this schedule are subject to change on 30 days written notice. If you decline to pay any increased rates, we will have the right to withdraw as your lawyers.

EXHIBIT 2B

1
2
3
4
5
6
7
8
9
10
11

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

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN RE:

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

Debtors.

Chapter 11

Case No. 09-12074 (KJC)

Jointly Administered

VERIFIED STATEMENTS OF CONNECTIONS

I, Kenneth J. Jorgensen, declare under penalty of perjury:

1. I am an attorney of Kenneth J. Jorgensen Law PC, located at 2440 W. Shaw Ave. Suite 114, Fresno, CA 93711 (the "Firm").

2. Building Materials Holding Corporation and its affiliates¹, as debtors and debtors in possession (collectively, the "Debtors") have requested that the Firm provide legal services in assisting the Debtors efforts of the collection of past due receivables to the Debtors, and the Firm has consented to provide such services.

3. If the Firm is a law firm, I state that the Firm, did represent Debtors prior to their bankruptcy filings.

4. The Firm may have performed services in the past, may currently perform services and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases, or have any relationship with any such person, their attorneys or accountants that would be adverse to the Debtors or their estates. Furthermore, if the Firm is either (i) not a law firm or (ii) a law firm that did not

¹ The Debtors, along with the last four digits of each Debtors tax identification number, are as follows: Building Materials Holding Corporation (4269), BMC West Corporation (4269), BMC West Corporation (0454), SelectBuild Construction, Inc. (1340), SelectBuild Northern California, Inc. (7579), Illinois framing Inc. (4451), C Construction Inc. (8206), TWF instruction Inc. (3334), HNR Framing Systems Inc. (4329), SelectBuild Southern California, Inc. (9378), SelectBuild Nevada Inc. (8912), SelectBuild Arizona Inc, LLC (0036), and SelectBuild Illinois LLC (0792). The mailing address for the Debtors is 720 Or Blvd., Suite 200, Boise, ID 83712.

1 represent the debtors prior to their bankruptcies filings, the Firm is a disinterested person under a
2 leading U.S.C. Section 101(14), such that the Firm:

- 3 (a) is not a creditor, an equity security holder, or an insider of any of
4 the Debtors;
- 5 (b) is not and was not, within two years before the date of the filing of
6 the petition, a director, officer, or employee of any of the Debtors;
7 and
- 8 (c) does not have an interest materially adverse to the interests of the
9 state or of any class of creditors or equity security holders, by
10 reason of any direct or indirect relationship to, connection with, or
11 interest in, the debtors, or for any other reason.

12 5. As part of its customary practice, the Firm is retained in cases,
13 proceedings, and transactions involving many different parties, some of whom may represent
14 word be employed by the Debtors, claimant, and parties-in-interest in the Debtors' chapter 11
15 cases.

16 6. Neither I nor any principle, partner, director, officer, etc., or professional
17 employed by, the Firm has agreed to share or will share any portion of the compensation to be
18 received from the Debtors with any other person other than the principle and regular employees
19 of the Firm.

20 7. In the ordinary course of its business, the Firm confirms conflicts by
21 reviewing its client base [the firm's database contains information regarding the firm's present
22 and past representations]. Pursuant to Federal rule of Bankruptcy procedure 2014(a), I obtained a
23 list of the entities identified in rule 2014(a) from counsel to the Debtors for purposes of searching
24 the aforementioned database and determining the connections with the Firm has with such
25 entities. The Firm's review identified no connections.

26 8. There are no additional disclosures.

27 9. Neither I nor any principle, partner, director, officer, etc. of or professional
28 employed by the Firm in so far as I have been able to ascertain, holds or represents any interest
adverse to the Debtors or their estates with respect to the matters upon which this Firm is to be
employed. Furthermore, if the Firm is either (i) not a law firm or (ii) a law firm that did not
represent the debtors prior to the bankruptcy filings, I state that neither I nor any principle partner
director officer etc. of or professional employed by, the Firm, in so far as I have been able to

1 ascertain, holds or represents any interest at first to the Debtors.

2 10. The Debtors with the Firm \$1152.16 for prepetition services, the payment
3 of which is subject to limitations contained in the United States Bankruptcy Code, 11 U.S.C.
4 Sections 101-1532. The Firm is either (i) not a law firm or (ii) a law firm that did not represent
5 the Debtors prior to the bankruptcy filings, my signature below it now which is that the firm
6 understands that any and all free petition claims that it has against the debtors will be deemed
7 waived if the firm's employment is authorized.

8 11. As of June 16, 2009, which was the date on which the Debtors commence
9 as chapter 11 cases, the Firm was not a party to an engagement or services agreement with the
10 Debtors.

11 12. As of June 16, 2009, the firm was not a party to an agreement for
12 indemnification with certain other debtors.

13 13. If the firm is not a law firm, the following is a list of all payments which
14 the firm received from the debtors during the year prior to the debtors bankruptcy filings: not
15 applicable.

16 14. The Firm is conducting further inquiries regarding its retention by any
17 creditors of the Debtors, and upon conclusion of the inquiry, or any time during the period of its
18 employment, if the Firm should discover any facts bearing on the matters described herein, the
19 Firm will supplement the information contained in this Declaration.

20 Pursuant to 28 U.S.C. Section 1746, I declare under penalty of perjury that the
21 foregoing is true and correct.

22
23 Dated: August 17, 2009

24 By: Kenneth J. Jorgensen
25 Kenneth J. Jorgensen
26
27
28

EXHIBIT 2C

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) |
| | Jointly Administered |

VERIFIED STATEMENTS OF CONNECTIONS

I, C. Marshall Lindsay, declare under penalty of perjury:

1. I am a Counsel of Smith Moore Leatherwood, LLP located at 525 N. Tryon Street, Suite 1400, Charlotte, NC 28202.
2. Building Materials Holding Corporation and its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”) have requested that the Firm provide litigation services to the Debtors, and the Firm has consented to provide such services.
3. If the Firm is a law firm, I state that the Firm did represent the Debtors prior to their bankruptcy filings.
4. The Firm may have performed services in the past, may currently perform services and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases, or have any relationship with any such person, their attorneys or accountants that would be adverse to the Debtors or their estates. Furthermore, if the Firm is either (i) not a law firm or (ii) a law firm that did not

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.

represent the debtors prior their bankruptcy filings, the Firm is a “disinterested person” under 11 U.S.C. § 101(14), such that the Firm:

- (a) is not a creditor, an equity security holder, or an insider of any of the Debtors;
- (b) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of any of the Debtors; and
- (c) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reasons.

5. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be employed by the Debtors, claimants, and parties-in-interest in the Debtors’ chapter 11 cases.

6. Neither I nor any principal, partner, director, officer, etc. of, or professional employed by, the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Firm.

7. In the ordinary course of its business, the Firm maintains a database for purposes of performing “conflicts checks.” The Firm’s database contains information regarding the Firm’s present and past representations. Pursuant to Federal Rule of Bankruptcy Procedure 2014(a), I obtained a list of the entities identified in Rule 2014(a) from counsel to the Debtors for purposes of searching the aforementioned database and determining the connection(s) which the Firm has with such entities. The Firm’s search of the database identified the following connections:

8. None.

9. Neither I nor any partner or attorney of or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which this Firm is to be employed. Furthermore, if the Firm is either (i) not a law firm or (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, I state that neither I nor any partner or attorney of or professional employed by, the firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors.

10. The Debtors owe the Firm \$3,455.50 for preparation services, the payment of which is subject to limitations contained in the United States Bankruptcy Code, 11 U.S.C. § 101-1532. If the Firm is either (i) not a law firm or (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, my signature below acknowledges that the Firm understands that any and all pre-petition claims that it has against the Debtors will be deemed waived if the Firm's employment is authorized.

11. As of June 16, 2009, which was the date on which the Debtors commenced these chapter 11 cases, the Firm was party to an engagement or services agreement with the Debtors. A copy of such agreement is attached as Exhibit A to this Declaration.

12. As of June 16, 2009, the Firm was not party to an agreement for indemnification with certain of the Debtors.

13. If the Firm is not a law firm, the following is a list of all payments which the Firm received from the Debtors during the year prior to the Debtors' bankruptcy filings: N/A.

14. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its

employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

SMITH MOORE LEATHERWOOD LLP

/s/ C. Marshall Lindsay
C. Marshall Lindsay (N.C.S.B. # 25686)

Date: August 17, 2009

EXHIBIT A



SMITH MOORE LEATHERWOOD

April 9, 2009

Randy Woodard
BMC Millwork
10351 Home Road
Frisco, TX 75034

Re: Engagement as Legal Counsel

Dear Randy:

Although we do not wish to be overly formal in our relationship with you, we have found it a helpful practice to confirm with clients the nature and terms of our representation. You have engaged us to represent BMC Millwork (the "Company") as general counsel, with our initial assignment to be [advice and representation] in connection with various litigation and other matters as they arise. Our representation will begin immediately and, of course, is terminable at will by either the Company or us, subject to the Company's payment of all fees for services performed and costs advanced through the date of termination.

We will bill you monthly for legal services rendered and out-of-pocket disbursements made and reasonable charges for ancillary services provided on your behalf during the immediately preceding month, including sales taxes as applicable. Payment is due in full when you receive the statement. However, if you have not remitted payment to us within forty-five (45) days from the date of the invoice, we will bill you for an interest charge at the rate of one percent (1%) per month from the forty-fifth (45th) day after the date of the invoice until paid. Additionally, you will be obligated to pay attorneys' fees and costs if collection activities are necessary. Any payments made on past due statements will be applied first to the oldest outstanding statements.

Our monthly statement for services rendered will contain a concise summary of each matter for which legal services were rendered and the fee charged for the matter, including sales taxes as applicable. Also, the statement will include an itemized description of service charges and out-of-pocket disbursements advanced by us on your behalf. These advanced disbursements generally include the following: travel expenses, including hotel, transportation, and meal expenses; deposition costs; filing, recording, and certification of pertinent materials. Additionally, we will itemize charges for ancillary services we provide including the following: photocopying; long distance telephone tolls; facsimile transmittals; terminal time for computer research; data base creation and retrieval, if applicable; computer

Fred M. Wood, Jr. | Direct 704.384.2646 | Fax 704.384.2922 | fred.wood@smithmoorelaw.com

Smith Moore Leatherwood LLP • Attorneys at Law

525 N. Tryon Street Suite 1400 Charlotte, NC 28202 • 704.384.2600 • www.smithmoorelaw.com
Atlanta, GA • Charlotte, NC • Greensboro, NC • Greenville, SC • Raleigh, NC • Wilmington, NC

document preparation; postage; secretarial overtime; courier services, etc. We endeavor to provide as much billing information as you require and in the form you desire it, and are willing to discuss with you any particular billing format that suits your needs.

For purposes of determining the value of our service, we periodically assign to each lawyer in our firm an hourly rate, based upon his or her ability, experience, and reputation. We generally do not perform legal services on the basis of a rigid application of hourly rates. We believe that the services that we provide to our clients do not consist only of time. Instead, they involve our collective experience, judgment, specialized skills, research capability, access to courts and other pertinent governmental agencies, support staff, and sophisticated equipment. Our internal hourly rates are merely a beginning point to measure the cost of those services.

Accordingly, we believe that it is far more likely to produce a satisfactory relationship with our clients if our fees are not determined rigidly by the application of hourly rates, but instead are based upon the value of our service and the traditional factors governing the establishment of attorneys' fees. These include the time required, the novelty and difficulty of the questions involved, the required skill to perform the service properly, the likelihood that the acceptance of particular employment will preclude other employment by our firm, fees customarily charged for similar legal services, the amount involved and the results obtained, the time limitations imposed by the Company or by the circumstances, the nature and length of the professional relationship, the experience, reputation, and ability of the lawyer or lawyers performing the services, and the fixed or contingent nature of the fee.

Although our internal hourly rates are an element of our fees, we believe that the Company will be more fairly served if the other factors mentioned above are also considered in the establishment of our fees for services rendered. A composite of hourly rates, based upon the particular lawyers performing services for the Company, will be an element in the determination of the Company's fees until our hourly rates are changed.

When selecting lawyers to perform services for the Company, we generally will assign lawyers having the lowest hourly rates consistent with the skills, time demands, and other factors influencing the professional responsibility required for each matter. Also, we will bill the Company for work performed under the supervision of a firm lawyer by legal assistants and law clerks (including recent law school graduates who are not yet admitted to practice). We seek to use law clerks and legal assistants whenever appropriate because it enables us to deliver legal services more economically.

We invite you to discuss freely with us any questions you have concerning our understanding relative to fees or to particular fees charged for any matters. We want our

clients to be satisfied with both the quality of our legal work and the reasonableness of the fees we charge for those services.

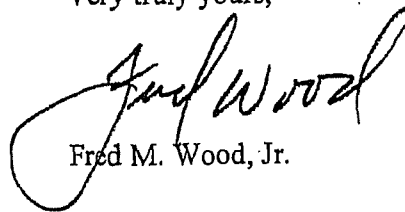
Finally, we include a few words about the professional ethics that will govern our representation. As a matter of professional responsibility, we are generally required to preserve the confidences and secrets of our clients. This professional obligation and the legal privilege for attorney-client communications exist to encourage candid and complete communication between a client and his lawyer. We can perform truly beneficial services for the Company only if we are aware of all information that might be relevant to our representation. Consequently, we trust that our attorney-client relationship with the Company will be based on mutual confidence and unrestricted communication that will facilitate our proper representation of the Company.

In addition, you should be aware that our client relationship will be with the Company and not with its individual executives or shareholders. Accordingly, our professional responsibilities will be owed to the Company. Of course, we can and will be happy to represent individual executives and shareholders of the Company in matters that do not conflict with the interests of the Company.

Unless we receive contrary instructions from you within five (5) days from the date of this letter, we will assume that you have approved our engagement under the terms and provisions of this letter.

With warmest regards, I am

Very truly yours,



Fred M. Wood, Jr.

EXHIBIT 2D

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

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

VERIFIED STATEMENTS OF CONNECTIONS

I, Brian M. King, declare under penalty of perjury:

1. I am a shareholder and attorney of the law firm of Davies Pearson, P.C., located at 920 Fawcett Avenue, Tacoma, Washington 98402 (the "*Firm*").

2. Building Materials Holding Corporation and its affiliates, as debtors and debtors in possession (collectively, the "*Debtors*") have requested that the Firm provide Collection and Construction Defense legal services to the Debtors, and the Firm has consented to provide such services.

3. I state that the Firm **did** represent the Debtors prior to their bankruptcy filings.

4. The Firm may have performed services in the past, may currently perform services and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases, or have any

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.

relationship with any such person, their attorneys or accountants that would be adverse to the Debtors or their estates. Furthermore, if the Firm is either (i) not a law firm or (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, the Firm is a “disinterested person” under 11 U.S.C. § 101(14), such that the Firm:

- (a) is not a creditor, an equity security holder, or an insider of any of the Debtors;
- (b) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of any of the Debtors; and
- (c) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to , connection with, or interest in, the Debtors, or for any other reason.

5. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be employed by the Debtors, claimants, and parties-in-interest in the Debtors’ chapter 11 cases.

6. Neither I nor any principal, partner, director, officer, etc. of, or professional employed by, the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Firm.

7. In the ordinary course of its business, the Firm maintains a database for purposes of performing “conflicts checks.” The Firm’s database contains information regarding the Firm’s present and past representations. Pursuant to Federal Rule of Bankruptcy Procedure 2014(a), I obtained a list of the entities identified in Rule 2014(a) from counsel to the Debtors for purposes of searching the aforementioned database and determining the connection(s) which the Firm has with such entities. The Firm’s **search of the database** identified the following connections:

8. **Milgard Manufacturing, Inc.**

Debtor Entities BMC West Corporation and Building Materials Holding Corporation

9. Neither I nor any director, officer or shareholder or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which this Firm is to be employed. Furthermore, if the Firm is either (i) not a law firm or (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, I state that neither I nor any director, officer, or shareholder or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors.

10. The Debtors owe the Firm \$10,988.32 for prepetition services, the payment of which is subject to limitations contained in the United States Bankruptcy Code, 11 U.S.C. § §101-1532. If the Firm is either (i) not a law firm or (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, my signature below acknowledges that the Firm understands that any and all pre-petition claims that it has against the Debtors will be deemed waived if the Firm's employment is authorized.

11. As of June 16, 2009, which was the date on which the Debtors commenced these chapter 11 cases, the Firm was party to an engagement or services agreement with the Debtors. A copy of such agreement is attached as Exhibit A to this Declaration.

12. As of June 16, 2009, the Firm was not party to an agreement for indemnification with certain of the Debtors.


13. If the Firm is not a law firm, the following is a list of all payments which the Firm received from the Debtors during the year prior to the Debtors' bankruptcy filings:

Not Applicable – The Firm is a law firm.

14. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Date: August 17 2009



Brian M. King

DAVIES PEARSON, P.C.

BERTIL F. JOHNSON
DENNIS G. SEINFELD
RONALD L. COLEMAN
EDWARD S. WINSKILL
RICHARD H. BENEDETTI
PETER T. PETRICH
PATRICIA CAMPBELL FETTERLY
CLIFFORD G. MOREY
JAMES R. TOMLINSON
ANNE G. MEATH
MONTE BERSANTE
NIGEL S. HALDEN

ATTORNEYS AT LAW
A PROFESSIONAL CORPORATION
920 FAWCETT - P.O. BOX 1657
TACOMA, WASHINGTON 98401
TELEPHONE (253) 620-1500
TOLL-FREE (800) 439-1112
FACSIMILE (253) 572-3052

JAMES B. LYNCH
LAMONT C. LOO
LAURA T. BRADLEY
GORDON G. HAUSCHILD
JOSEPH M. DIAZ

OF COUNSEL
CLAUDE M. PEARSON
LESTER SEINFELD
VINCENT L. GADBOW
RAY HAYES
LARRY E. LEVY
JOHN C. KOUKLIS

WAYNE J. DAVIES
(1913-1990)

November 12, 1998

Paul S. Street
Moffatt Thomas
P.O. Box 829
Boise, ID 83701-0829

Re: Legal Representation Guidelines For Outside Counsel of BMC West

Dear Paul:

I am responding to your letter which actually includes two dates, November 1, 1998 on the first page and November 3, 1998 on the second page. I did not receive your letter until November 9, 1998.

I will now specifically address the issues as you requested.

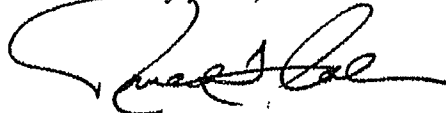
1. I will be the engagement partner who will be BMC West's principal contact for legal services.
2. The current hourly billing rates of the attorneys and the paralegals who at this time are working on BMC West matters are: Ronald L. Coleman - \$230.00; Gordon Hauschild - \$150.00; Lamont Loo - \$135.00 and our paralegal, Shannon Hagarty - \$60.00. We normally would have one other attorney assigned, but we recently lost the attorney who was in that position and we are looking to replace him. The hourly rate of that replacement attorney is expected to be \$100.00 per hour. As the engagement partner I can assure you that I work very hard to see to it that we provide the services at the most reasonable level keeping in mind the intent to provide excellent legal services. Presently, due to the type of work we are doing, more time is billed by the paralegal than by the attorneys.
3. I am committed to keeping you apprised of any matter which comes to my attention that would be a material matter, which as defined in your letter is a claim involving an exposure in excess of \$25,000.00.

Paul S. Street
November 12, 1998
Page 2

4. I and my firm is committed to keeping you advised of developments in Washington State, legislatively and case law, which effect our representation of BMC West in the filing and perfection of liens as well as with respect to creditors rights generally.

We look forward to our continued relationship and we enjoy working with your local managers and employees. Please do not hesitate to contact me if you have any questions or other concerns which I have not addressed.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ronald L. Coleman", written over a horizontal line.

Ronald L. Coleman

RLC:sla

Boise
Idaho Falls
Pocatello

Moffatt Thomas

MOFFATT THOMAS BARRETT ROCK & FIELDS, CHTD.

Willis C. Moffatt,
1907-1980
Eugene C. Thomas
John W. Barrett
R. B. Rock
Richard C. Fields
Robert E. Bakes
John C. Ward
Paul S. Street
Larry C. Hunter
Glenna M. Christensen
Mark S. Prusynski
Morgan W. Richards
Michael G. McPeck

Stephen R. Thomas
Jon S. Gorski
Gary T. Dance
Gerald T. Husch
Kirk R. Helvie
Thomas C. Morris
Michael E. Thomas
James C. deGlee
Patricia M. Olsson
Mark A. Ellison
David S. Jensen
Bradley J. Williams
James L. Martin
Robert B. Burns

Stephen J. Olson
Lee Radford
Scott A. Tschirgi
Julie K. Weaver
C. Clayton Gill
David P. Gardner
Rob G. Dickinson
Anne Baker Wilde
Brik J. Bolinder
Stephen R. Drake
Jeremy C. Chou
Katrina T. Sather
Ray J. Chacko

November 2, 1998

US Bank Plaza Building
101 S Capitol Blvd 10th Fl
PO Box 829
Boise Idaho 83701 0829

208 345 2000
800 422 2889
208 385 5384 Fax
www.moffatt.com

RECEIVED NOV - 9 1998

Ronald L. Coleman
Davies Pearson, PC
P.O. Box 1657
Tacoma, Washington 98401-1657

Re: Legal Representation Guidelines Adopted by BMC West for Outside Counsel
MTBR&F File No. 14-390.387

Dear Mr. Coleman:

The purpose of this letter is to introduce myself and provide you the legal representation guidelines adopted by BMC West Corporation ("BMC West") for its outside counsel.

I have served as general counsel for BMC West since its formation in 1987. My practice focuses on business law and transactions. I have represented BMC West in all of its acquisitions. The Company has grown from 20 to 57 units. As a result of this growth, the Chief Executive Officer has requested that I take a more active role in developing general guidelines for outside counsel. I have also been asked to take a more active role in material litigation or claims which BMC West defines as claims involving an exposure to the Company in excess of \$25,000.

You have been identified by the management of the Kent, Tacoma, and Vancouver units as outside counsel assisting this unit in the collection of receivables. BMC West is committed to a decentralized organization structure. Your work with the unit management will not change as a result of these outside counsel guidelines. The guidelines are designed to provide uniformity to the Company in dealing with its outside counsel.

As part of this new relationship, I request a letter from you addressing the following:

1. A letter from you identifying the engagement partner or partners of your firm who will be BMC West's principal contact for legal services.

November 3, 1998

Page 2

2. In conformity with Section 5 of the enclosed Billing Guidelines Memorandum, a statement in your letter of your current billing rates and the billing rates of anyone else in your firm that you expect to provide legal services to BMC West.

3. Your commitment to keep me apprised of any matter that comes to your attention involving BMC West that would be a material matter as defined above.

4. Your commitment to keep me advised of developments in your state, both legislatively and case law, that affect your representation of BMC West in the filing and perfection of liens and with respect to creditors rights generally.

I look forward to working with you. If you have any question regarding this letter or the enclosed memorandum, please call me.

Very truly yours,



Paul S. Street

PSS/lc

Enclosure

cc w/ enc.: Mike DaDalto (Kent)
Mark Whaley (Tacoma)
Clyde Lott (Tacoma Door)
Craig Kerschen (Vancouver)

MEMORANDUM

To: Outside Counsel for BMC West Corporation

From: Paul S. Street, Secretary and General Counsel

Subject: Guidelines for Outside Counsel in Representing BMC West Corporation

Date: October 30, 1998

1. GUIDING PRINCIPLES

The purpose of these Guidelines is to create a framework to assure that quality legal services are provided to BMC West Corporation ("BMC West") in a cost-effective manner. Legal fees and effective legal advice play an important role in BMC West's ability to compete in the marketplace. BMC West expects to work closely with its counsel to make sure that it is pursuing legal matters on a cost-effective basis.

2. RESPONSIBILITY

Each lawyer or law firm providing legal services to BMC West should designate one or two attorneys as the engagement lawyers for BMC West. These lawyers are responsible for insuring that in representing BMC West, the firm complies with this Policy Statement and that matters are being handled professionally and appropriately. These lawyers are expected to be the principal contact for BMC West and they will review and approve all billing statements submitted by the firm to BMC West.

3. REPORTING TO BMC WEST

For routine lien filings and foreclosure actions, BMC West expects the firm to work directly with the location management making the assignment. BMC West expects its managers to be actively involved in making strategic and tactical decisions in pursuing legal matters. In the event that the firm determines that it is more likely than not that BMC West will either suffer a loss of more than \$25,000 or that BMC West may be liable for more than \$25,000 (a "material claim or liability"), then the firm will send a letter to general counsel for BMC West advising him of the nature of the potential material claim or liability and an estimate of the aggregate exposure.

4. BUDGET PROCESS

For all material claims or liabilities, BMC West expects its counsel to prepare, after engagement, a projected task-based budget for handling the assigned matter. BMC West recognizes that as the matter proceeds, there will likely be adjustments to the budget, and BMC West requests that any budget adjustments be included with monthly invoices. Copies of all budgets should be sent to BMC West's general counsel. BMC West expects to pay its counsel for work performed and does not intend to use the budget as a means of restricting counsel's performance or as a way of arbitrarily reducing payments on invoices. However, BMC West does not want to be surprised with the nature and extent of the cost of pursuing a particular matter. It is only when management has the benefit of the projected costs of a matter that it can truly assess the benefit of pursuing the matter.

5. BILLING

- A. Invoices. A separate invoice shall be prepared for each matter or case. All bills for legal services should describe in sufficient detail the particular services rendered and the attorney's allocated time. Invoices should be submitted to the BMC West manager who has retained the attorney with a copy to BMC West's general counsel.
- B. Information. Each invoice or statement should be submitted on a monthly basis and will include the following information:
- (i) name of matter along with the law firm's internal billing number;
 - (ii) for each timekeeper, the date and detailed narrative description of the services rendered;
 - (iii) name and hourly billing rate of each attorney or paralegal performing services;
 - (iv) the time, in increments of tenths of an hour, devoted to each specific service by each attorney or paralegal;
 - (v) itemization of expenses by description and amount;
 - (vi) the total amount billed by each attorney and paralegal on the invoice;
- C. Administrative Time. No general or administrative billings (i.e., secretarial time or overtime, travel time) will be processed for payment unless approved by BMC West's general counsel in advance.

- D. Expenses. BMC West expects to reimburse its counsel for reasonable expenses incurred in pursuing matters for BMC West. Such expenses should be billed at cost.
- E. Rate Schedule. By February 1 of each year, each firm is required to submit to BMC West's general counsel for approval a current schedule of hourly billing rates for all attorneys and paralegals who may be assigned to BMC West matters. Any rate increases from the prior year must be approved by BMC West's general counsel before BMC West will pay such increased amounts.
- F. Alternative Billing Procedures. BMC West will consider alternative billing procedures such as fixed fees or a reduced hourly fee with a bonus for success. Please submit any such proposals to BMC West's general counsel for review and approval.

6. UPDATES ON THE LAW

BMC West expects that its counsel will keep it advised of changes in the state statutes, regulations, or court decisions that affect BMC West's collection efforts. Please advise the BMC West management that assigns matters to your firm of such developments with a copy to BMC West's general counsel.

7. TECHNOLOGY

Use of technology such as e-mail rather than overnight courier service or other costly delivery mechanisms is encouraged. You should consider use of e-mail for status reports and other updates. You should provide to BMC West's local management and BMC West's general counsel your e-mail address.

8. BMC WEST GENERAL COUNSEL

Please address your questions or reports to BMC West's general counsel at the following address:

Paul S. Street
Moffatt Thomas Barrett Rock & Fields
P.O. Box 829
101 South Capitol Blvd, 10th floor
Boise, Idaho 83701

Telephone: (208) 385-5414
Facsimile: (208) 385-5384
E-Mail: pss@moffatt.com