

IN RE:)	
)	Chapter 11
)	
BUILDING MATERIALS HOLDING)	
CORPORATION, <i>et al.</i>,¹)	Case No. 09-12074 (KJC)
)	
Debtors.)	Jointly Administered
)	
)	Objection Deadline: July 9, 2009 at 4:00 p.m. (ET)
)	Hearing Date: July 16, 2009 at 4:30 p.m. (ET)
)	

Building Materials Holding Corporation and its affiliates, as debtors and debtors in possession (collectively, the "***Debtors***"), submit this Motion (the "***Motion***") for the entry of an order substantially in the form attached hereto as ***Exhibit A***, establishing procedures for the interim compensation and reimbursement of expenses of professionals. In support thereof, the Debtors respectfully represent:

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.

068301.1001

RELIEF REQUESTED

2. By this Motion, the Debtors, pursuant to sections 105, 327, and 331 of title 11 of the United States Code (the “***Bankruptcy Code***”) and Federal Rule of Bankruptcy Procedure 2016, request the entry of an order authorizing and establishing procedures for the compensation and reimbursement of Court-approved professionals (each a “***Professional***” and collectively, the “***Professionals***”)² on a monthly basis, on terms that satisfy the requirements of Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “***Local Rules***”). Such an order would streamline the compensation process and enable the Court, the United States Trustee for the District of Delaware (the “***U.S. Trustee***”), and all other parties to monitor effectively the Professionals' fees and expenses incurred in these cases.

3. Establishing orderly procedures for payment of the Professionals will streamline the administration of the Chapter 11 Cases (as defined below) and otherwise promote efficiency for the Court, the U.S. Trustee, and all parties in interest. Specifically, a streamlined process for serving interim fee applications and the notices thereof will facilitate efficient review of the Professionals' fees and expenses, while saving the Debtors unnecessary copying and mailing expenses.

BACKGROUND

4. On June 16, 2009 (the “***Petition Date***”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “***Chapter 11 Cases***”).

² The Professionals are attorneys and other professionals whose retention is approved by this Court pursuant to section 327 or 1103 of the Bankruptcy Code and who will be required to file applications for allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code.

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 the Chapter 11 Cases.

5. 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.

6. 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.

7. On the Petition Date, the Debtors filed their proposed chapter 11 plan (the "***Plan***") and accompanying disclosure statement (the "***Disclosure Statement***"). 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 Court approved on an interim basis on June 17, 2009.

RETENTION OF PROFESSIONALS

8. The Debtors have or will file applications to retain the following professionals: (a) Gibson, Dunn & Crutcher LLP, as their general restructuring counsel; (b) Young Conaway Stargatt & Taylor, LLP, as restructuring co-counsel and conflicts counsel; (c) PricewaterhouseCoopers LLP, as tax advisors; (d) KPMG LLP, as auditors and tax consultants; (e) Peter J. Solomon Company, as investment banker and financial advisor; and (f) Alvarez & Marsal North America, LLC, as restructuring advisors. The Debtors anticipate they may also retain other professionals during the course of the Chapter 11 Cases as the need arises.³

³ In addition to the applications to employ the professionals enumerated above, the Debtors will file in the immediate future a motion for authority to retain and compensate certain professionals utilized in the ordinary course of their business (the "**OCP Motion**"). The OCP Motion seeks authority for the Debtors to continue to retain these professionals in the ordinary course of business on terms substantially similar to those in effect before the Petition Date. If the Court grants the OCP Motion, ordinary course professionals would not be required to file individual retention applications and would be paid in full, subject to their respective prepetition arrangements, without the need for submission of fee applications, but subject to a monthly cap for each ordinary course professional and an aggregate monthly cap for all ordinary course professionals. As more fully described in the OCP Motion, any ordinary course professional seeking payment of fees and disbursements exceeding the monthly caps would be required to file a separate application to be employed and would be compensated pursuant to the procedures proposed in this Motion.

A. The Proposed Compensation Procedures

9. Pursuant to section 331 of the Bankruptcy Code, all Professionals are entitled to submit applications for interim compensation and reimbursement of expenses every 120 days, or more often if the Court permits. In addition, section 105(a) of the Bankruptcy Code authorizes the Court to issue any order "necessary or appropriate to carry out the provisions of [the Bankruptcy Code]."

10. The Debtors propose that monthly payment of compensation and reimbursement of expenses of the Professionals (the "**Compensation Procedures**") be structured as follows:

- (a) No earlier than the 5th day of each calendar month following the month (or partial month) for which compensation is sought, each Professional seeking interim allowance of its fees and expenses may file an application (including the relevant time entry and description and expense detail) with the Court pursuant to section 331 of the Bankruptcy Code for interim allowance of compensation for services rendered and reimbursement of expenses incurred during the preceding month and will serve a monthly statement (a "**Monthly Fee Application**"), by hand or overnight delivery, on (i) Building Materials Holding Corporation, 720 Park Boulevard, Suite 200, Boise, Idaho 83712, Attn.: Paul S. Street; (ii) Gibson, Dunn & Crutcher LLP, 200 Park Ave., New York, New York 10166, Attn.: Michael A. Rosenthal and Matthew K. Kelsey; (iii) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attn: Sean M. Beach and Robert F. Poppiti, Jr.; (iv) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn.: Joseph McMahon; (v) counsel to any statutory committee appointed in the Chapter 11 Cases; and (vi) Paul, Hastings, Janofsky & Walker LLP, 55 Second Street, Twenty-Fourth Floor, San Francisco, California 94105, Attn: Kevin B. Fisher (collectively, the "**Notice Parties**").
- (b) Each Notice Party will have 15 days after service of a Monthly Fee Application to object thereto (the "**Objection Deadline**"). If no objections are raised prior to the expiration of the Objection Deadline, the Professional submitting the Monthly Fee Application shall file a certificate of no objection with the Court, after which the Debtors shall be authorized to pay such Professional an amount equal to 80% of the fees and 100% of the expenses requested in its Monthly Fee Application (the "**Maximum**").

Interim Payment"). If an objection is properly filed, the Debtors shall be authorized to pay the Professional 80% of the fees and 100% of the expenses not subject to an objection (the "**Actual Interim Payment**"). The first Monthly Fee Application submitted by each Professional shall cover the period from the Petition Date through and including June 30, 2009.

- (c) If any Notice Party objects to a Professional's Monthly Fee Application, it must, on or before the expiration of the Objection Deadline, file with the Court and serve on such Professional and each other Notice Party a written objection (an "**Objection**") so as to be received on or before the Objection Deadline. Any such Objection shall identify with specificity the objectionable fees and/or expenses, including the amount of such objected-to fees and/or expenses, and the basis for such Objection. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution within 15 days after service of the Objection, the affected Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Interim Payment and the Actual Interim Payment made to such Professional (the "**Incremental Amount**"); or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and rule on the Objection if requested by the parties.
- (d) Beginning with the approximate three-month period from the Petition Date and ending on August 31, 2009, and at each three-month period thereafter, each Professional shall file with the Court and serve on the Notice Parties an application (an "**Interim Fee Application**") for interim allowance of compensation and reimbursement of expenses sought in the Monthly Fee Applications filed during such three-month period (the "**Interim Fee Period**") pursuant to section 331 of the Bankruptcy Code. The Interim Fee Application must identify the covered Monthly Fee Applications and include any other information requested by the Court or required by the Local Rules. Interim Fee Applications shall be filed with the Court and served on the Notice Parties within 20 days after the end of the applicable Interim Fee Period. Each Professional shall file its first Interim Fee Application on or before September 21, 2009, and the first Interim Fee Application shall cover the Interim Fee Period from the Petition Date through and including August 31, 2009.
- (e) The Debtors shall request that the Court schedule a hearing on Interim Fee Applications at least once every three (3) months or at such other intervals as the Court deems appropriate.
- (f) The pendency of an Objection to payment of compensation or reimbursement of expenses shall not disqualify a Professional from the

future payment of compensation or reimbursement of expenses pursuant to the Compensation Procedures.

- (g) Neither (i) the payment of or the failure to pay, in whole or in part, monthly interim compensation and reimbursement of expenses under the Compensation Procedures, nor (ii) the filing of or the failure to file an Objection to any Monthly Fee Application or Interim Fee Application will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation for services rendered and reimbursement of expenses of Professionals. All fees and expenses paid to Professionals in accordance with the Compensation Procedures are subject to disgorgement until final allowance by the Court.

11. The Debtors also request that each member of any statutory creditors' committee appointed in the Chapter 11 Cases (the "**Committee**") be permitted to submit statements of expenses (excluding third-party counsels' fees and expenses of individual Committee members) and supporting vouchers to the Committee's counsel, which counsel will collect and submit the Committee members' requests for reimbursement in accordance with the Compensation Procedures. Approval of these Compensation Procedures, however, will not authorize payment of such expenses to the extent that such authorization does not exist under the Bankruptcy Code, applicable Third Circuit law, the Bankruptcy Rules, the Local Rules, or the practices of the Court.

12. In addition, the Debtors further request that the Court limit service of the Monthly Fee Applications, Interim Fee Applications, final fee applications and Hearing Notices (as defined herein) as follows: (i) the Notice Parties shall be entitled to receive the Monthly Fee Applications, Interim Fee Applications, final fee applications, and notices of any hearing thereon (the "**Hearing Notices**") and (ii) the parties in interest requesting notice pursuant to Bankruptcy Rule 2002 shall be entitled to receive only the Interim Fee Applications and Hearing Notices. Providing notice of fee applications in this manner will permit the parties most active in the

Chapter 11 Cases to monitor the fees and expenses incurred by Professionals and will avoid unnecessary duplication and mailing expenses.

13. The Debtors will include all payments made to Professionals in accordance with the Compensation Procedures in their monthly operating reports identifying the amounts paid to each of the Professionals.

14. The Debtors submit that the efficient administration of the Chapter 11 Cases will be significantly aided by establishing the foregoing interim compensation and expense reimbursement procedures. Accordingly, the relief requested is in the best interests of the Debtors, and their estates.

BASIS FOR RELIEF REQUESTED

15. Section 331 of the Bankruptcy Code provides, in relevant part, as follows:

A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title. After notice and a hearing, the court may allow and disburse to such applicant such compensation or reimbursement.

11 U.S.C. section 331. Absent an order of this Court, section 331 limits Professionals rendering services in the Chapter 11 Cases to payment of fees and expenses only three times per year.

16. The Compensation Procedures are similar to procedures previously adopted by courts in this District.⁴ *See, e.g., In re Buffets Holdings, Inc.*, Case No. 08-10141

⁴ 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.

(MFW) (Bankr. D. Del. Feb. 12, 2008); *In re Dura Automotive Systems, Inc.*, Case No. 06-11202 (KJC) (Bankr. D. Del. Nov. 21, 2006); *In re Three A's Holdings, LLC*, Case No. 06-10886 (BLS) (Bankr. D. Del. Sept. 14, 2006); *In re Slater Steel U.S., Inc.*, Case No. 03-11639 (MFW) (Bankr. D. Del. June 23, 2003); *In re Kaiser Aluminum Corp.*, Case No. 02-10429 (JKF) (Bankr. D. Del. Apr. 22, 2002); *In re HQ Holdings, Inc.*, Case No. 02-10760 (MFW) (Bankr. D. Del. Apr. 9, 2002).

17. Moreover, the implementation of the Compensation Procedures is justified in these cases. The Chapter 11 Cases present a number of complex issues that, together with the day-to-day administration of the Chapter 11 Cases, must be addressed by the Debtors' limited staff and resources and the Professionals in the Chapter 11 Cases. Absent streamlined compensation procedures, the professional fee application and review process could be burdensome on the Debtors, the Professionals, the Court, and other parties. By contrast, under the Compensation Procedures, the mechanism for payment of Professionals' fees will be simplified and will avoid unnecessary Court involvement. For example, the Compensation Procedures will avoid the need for the Court to review Monthly Fee Applications before payments can be made to Professionals. At the same time, the Compensation Procedures preserve the Court's oversight over objections with respect to disputed fees and expenses requested in Monthly Fee Applications and right to approve Interim and Final Fee Applications.

18. In sum, the Compensation Procedures will (a) substantially reduce the burden imposed on the Court by avoiding the need for the immediate review of Monthly Fee Applications, (b) enable parties in interest to monitor more closely the costs of administering these cases, (c) diminish undue financial burdens on the Professionals and avoid having

Professionals fund the costs of the Debtors' reorganization, and (d) permit the Debtors to better predict and manage their monthly cash needs.

NOTICE

19. No trustee, examiner, or creditors' committee has been appointed in these chapter 11 cases. The Debtors have provided notice of filing of the Motion 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 under the Prepetition Credit Agreement and the Dip Facility (as defined in the Plan); and (d) any persons who have filed a request for notice in the above-captioned cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested, the Debtors respectfully submit that no further notice of this Motion is required.

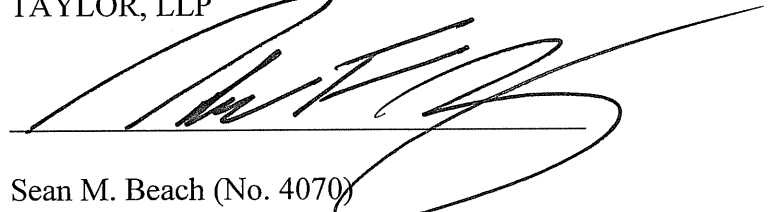
NO PRIOR REQUEST

20. 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 25, 2009

YOUNG CONAWAY STARGATT &
TAYLOR, LLP



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Donald J. Bowman, Jr. (No. 4383)
Robert F. Poppiti, Jr. (No. 5052)
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---- and ----

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PROPOSED ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

**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
)	
)	Objection Deadline: July 9, 2009 at 4:00 p.m. (ET)
)	Hearing Date: July 16, 2009 at 4:30 p.m. (ET)
)	

NOTICE OF MOTION

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE; (II) THE DEBTORS' FIFTY LARGEST UNSECURED CREDITORS ON A CONSOLIDATED BASIS; (III) COUNSEL TO WELLS FARGO BANK, AS AGENT UNDER THE PREPETITION CREDIT FACILITY AND THE DIP FACILITY (AS DEFINED IN THE PLAN); AND (IV) ALL PARTIES ENTITLED TO NOTICE UNDER RULE 2002-1(b) OF THE LOCAL RULES OF BANKRUPTCY PRACTICE AND PROCEDURE FOR THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the "Debtors") have filed the attached **Debtors' Motion for an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals** (the "Motion").

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be filed on or before **July 9, 2009 at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

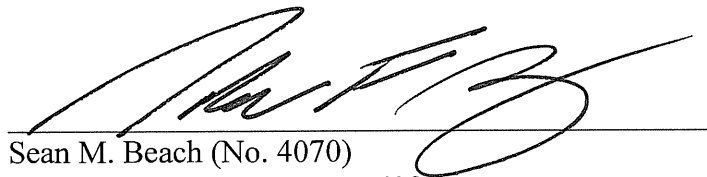
PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON JULY 16, 2009 AT 4:30 P.M. (ET) BEFORE THE HONORABLE KEVIN J. CAREY AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.

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.

PLEASE TAKE FURTHER NOTICE that if you fail to respond in accordance with this notice, the Court may grant the relief requested in the Motion without further notice or hearing.

Dated: Wilmington, Delaware
June 25, 2009

YOUNG CONAWAY STARGATT & TAYLOR, LLP



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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. _____

**ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR PROFESSIONALS**

Upon consideration of the motion (the "***Motion***") of Building Materials Holding Corporation and its affiliates, as debtors and debtors in possession (collectively, the "***Debtors***") for entry of an order pursuant to sections 105(a), 327 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, and Local Rule 2016-1 establishing procedures for interim compensation and reimbursement of expenses for professionals in the Chapter 11 Cases;² all as set forth in the Motion; 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

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.

and having considered the statements in support of the relief requested therein at a hearing before the Court (the "**Hearing**"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Motion is granted as set forth below.
2. Except as may otherwise be provided in orders of the Court authorizing the retention of specific Professionals, all Professionals in the Chapter 11 Cases pursuant to order of the Court may seek compensation for professional services rendered and reimbursement of expenses incurred in accordance with the procedures established as follows (collectively, the "**Compensation Procedures**");

- (a) No earlier than the 5th day of each calendar month following the month (or partial month) for which compensation is sought, each Professional seeking interim allowance of its fees and expenses may file an application (including the relevant time entry and description and expense detail) with the Court pursuant to section 331 of the Bankruptcy Code for interim allowance of compensation for services rendered and reimbursement of expenses incurred during the preceding month and will serve a monthly statement (a "**Monthly Fee Application**"), by hand or overnight delivery, on (i) Building Materials Holding Corporation, 720 Park Boulevard, Suite 200, Boise, Idaho 83712, Attn.: Paul S. Street; (ii) Gibson, Dunn & Crutcher LLP, 200 Park Ave., New York, New York 10166, Attn.: Michael A. Rosenthal and Matthew K. Kelsey; (iii) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attn: Sean M. Beach and Robert F. Poppiti, Jr.; (iv) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn.: Joseph McMahon; (v) counsel to any statutory committee appointed in the Chapter 11 Cases; and (vi) Paul, Hastings, Janofsky & Walker LLP, 55 Second Street, Twenty-Fourth Floor, San Francisco, California 94105, Attn: Kevin B. Fisher (collectively, the "**Notice Parties**").

- (b) Each Notice Party will have 15 days after service of a Monthly Fee Application to object thereto (the "**Objection Deadline**"). If no objections are raised prior to the expiration of the Objection Deadline, the Professional submitting the Monthly Fee Application shall file a certificate of no objection with the Court, after which the Debtors shall be authorized to pay such Professional an amount equal to 80% of the fees and 100% of the expenses requested in its Monthly Fee Application (the "**Maximum Interim Payment**"). If an objection is properly filed, the Debtors shall be authorized to pay the Professional 80% of the fees and 100% of the expenses not subject to an objection (the "**Actual Interim Payment**"). The first Monthly Fee Application submitted by each Professional shall cover the period from the Petition Date through and including June 30, 2009.
- (c) If any Notice Party objects to a Professional's Monthly Fee Application, it must, on or before the expiration of the Objection Deadline, file with the Court and serve on such Professional and each other Notice Party a written objection (an "**Objection**") so as to be received on or before the Objection Deadline. Any such Objection shall identify with specificity the objectionable fees and/or expenses, including the amount of such objected-to fees and/or expenses, and the basis for such Objection. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution within 15 days after service of the Objection, the affected Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Interim Payment and the Actual Interim Payment made to such Professional (the "**Incremental Amount**"); or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and rule on the Objection if requested by the parties.
- (d) Beginning with the approximate three-month period from the Petition Date and ending on August 31, 2009, and at each three-month period thereafter, each Professional shall file with the Court and serve on the Notice Parties an application (an "**Interim Fee Application**") for interim allowance of compensation and reimbursement of expenses sought in the Monthly Fee Applications filed during such three-month period (the "**Interim Fee Period**") pursuant to section 331 of the Bankruptcy Code. The Interim Fee Application must identify the covered Monthly Fee Applications and include any other information requested by the Court or required by the Local Rules. Interim Fee Applications shall be filed with the Court and served on the Notice Parties within 20 days after the end of the applicable Interim Fee Period. Each Professional shall file its first Interim Fee Application on or before September 21, 2009, and the first Interim Fee Application shall cover the Interim Fee Period from the Petition Date through and including August 31, 2009.

- (e) The Debtors shall request that the Court schedule a hearing on Interim Fee Applications at least once every three (3) months or at such other intervals as the Court deems appropriate.
- (f) The pendency of an Objection to payment of compensation or reimbursement of expenses shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses pursuant to the Compensation Procedures.
- (g) Neither (i) the payment of or the failure to pay, in whole or in part, monthly interim compensation and reimbursement of expenses under the Compensation Procedures, nor (ii) the filing of or the failure to file an Objection to any Monthly Fee Application or Interim Fee Application will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation for services rendered and reimbursement of expenses of Professionals. All fees and expenses paid to Professionals in accordance with the Compensation Procedures are subject to disgorgement until final allowance by the Court.

3. Each member of a any statutory creditors' committee appointed in the Chapter 11 Cases (the "**Committee**") shall be permitted to submit statements of expenses and supporting vouchers to the Committee's counsel, which counsel shall collect and submit such requests for reimbursement in accordance with the Compensation Procedures; *provided, however*, that Committee members' requests for reimbursement of attorneys' fees must be made by separate application and scheduled for hearing upon proper notice.

4. Service of the Monthly Fee Applications, Interim Fee Applications, final fee applications and Hearing Notices is approved as follows: (i) the Notice Parties shall be entitled to receive the Monthly Fee Applications, Interim Fee Applications, final fee applications, and Hearing Notices and (ii) the parties in interest requesting notice pursuant to Bankruptcy Rule 2002 shall be entitled to receive only the Interim Fee Applications and Hearing Notices.

5. Upon motion or application, and after due notice to all Application Recipients, additional professionals employed by the Debtors or the Committee may be authorized to participate in the Compensation Procedures as set forth in this order.

6. All Professionals subject to this order shall be required to monitor their own compliance with the terms of this order and shall include the following certification on each monthly invoice: I hereby certify that I am in compliance with the terms of the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals.

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

8. All time periods set forth in this order shall be calculated in accordance with Bankruptcy Rule 9006(a).

9. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Date: Wilmington, Delaware
July _____, 2009

Kevin J. Carey
Chief United States Bankruptcy Judge