

**COLLECTIVE BARGAINING
AGREEMENT
BETWEEN
UNITED WHOLESALE LUMBER
COMPANY
PALLET DIVISION – VISALIA,
CALIFORNIA**

AND

**NORTHERN CALIFORNIA CARPENTERS
REGIONAL COUNCIL**

AND

**CARPENTERS 46 NORTHERN
CALIFORNIA COUNTIES
CONFERENCE BOARD**

AND

THEIR AFFILIATED LOCAL UNIONS

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AGREEMENT

THIS AGREEMENT is entered into this 1st day of April, 2011, between United Wholesale Lumber Co. (hereinafter referred to as the "Company"), and Northern California Carpenters Regional Council and the Carpenters 46 Northern California Counties Conference Board and their affiliated Local Unions (hereinafter referred to as the "Union").

SECTION 1 – RECOGNITION

(a) The Company recognizes the Union as the sole and exclusive collective bargaining representative for all employees in the bargaining unit with respect to all matters relating to wages, hours and other terms and conditions of employment.

(b) The bargaining unit includes all production and maintenance employees and truck drivers employed at the Company's Visalia, California, location, excluding all other employees, guards, and supervisors within the meaning of the National Labor Relations Act, as amended.

SECTION 2 – DUES CHECKOFF

(a) The Company shall deduct Union dues from the first full week's wages due each month (or from the first biweekly or semi-monthly wage if the Company changes its pay schedule subsequent to the execution of this Agreement) of all members of the Union who individually and voluntarily give the Company written authorization to do so in the form reproduced as Subsection (b) of this Section. The Company shall forward such dues to the Financial Secretary of the Union by the end of the third full week of each calendar month. The Union agrees to indemnify and hold the Company harmless against any and all claims or liabilities arising out of the deduction of money for Union dues out of an employee's pay. The Union shall advise the Company in writing of the amount of its dues and any change in said dues at least fifteen (15) days prior to the effective date of said change.

(b) Authorization for Union Dues: You are hereby authorized and requested to deduct from wages due me on the _____ payday following this authorization, the amount of _____ being my membership dues. Such deductions are to continue for a period of one (1) year and thereafter on a year-to-year basis, unless terminated by me in writing to the Company and to the Union, not more than seven (7) days prior to the anniversary date hereof.

SECTION 3 – HIRING AND DISCHARGE

There shall be no limitation on the Company as to whom it shall employ or discharge excepting that any employees employed in the bargaining unit shall either be a member of, or shall within thirty-one (31) days after their employment become and

remain a member of the Union in good standing. The Company agrees within seven (7) days of the date of hiring to notify the Union of the name or names of all such persons hired.

SECTION 4 – GRIEVANCE

(a) In the event of disputes or disagreements between the parties hereto arising out of this Agreement, or the refusal to perform the whole or any part thereof, no action will be taken by either party that will halt or interrupt the orderly conduct of business or adversely affect the interest of either party. The points at issue that cannot be settled by negotiation between the parties hereto shall be referred to a Grievance Committee for settlement.

(b) The Grievance Committee shall be composed of two (2) members appointed by the Union and two (2) members appointed by the Company to act during the term of the Agreement on disputes or disagreements arising out of this Agreement or the refusal to perform the whole or any part thereof. Each party shall make the names of its committee members known to the other party within ten (10) days of the date of signing this Agreement and shall inform the other party of any changes in its membership within ten (10) days of making such change.

(c) The Grievance Committee shall meet on call of the Union or the Company giving notice by telegram or in writing to the other party. The meeting shall be held within thirty-six (36) hours of receipt of said notice at the time and place specified in the notice or at such other place or at such other time as all of the Committee members may agree upon.

(d) If the Committee cannot agree on any question referred to it within three (3) days from the date of the meeting they shall then choose an arbitrator within three (3) days who shall have no connection with either interested party. The decision of the arbitrator shall then be made within five (5) days and shall be final and binding on all parties to the dispute.

(e) If the Committee cannot agree on the choice of an arbitrator, the arbitrator shall be chosen from a list to be obtained from the Federal Mediation and Conciliation Service. The choice shall be made according to the procedures established by the Federal Mediation and Conciliation Service. If the choice of the arbitrator is made under this Subsection (e), then a hearing before the arbitrator shall take place within fourteen (14) days of choosing the arbitrator or as soon as possible thereafter. At the meeting the parties shall agree upon a date not less than seven (7) days from the said meeting which shall be the deadline date for issuance of the arbitrator's decision. If the parties cannot agree on a deadline date, the deadline date shall be the fourteenth (14th) day after the said meeting. If for any reason the arbitrator does not issue his decision by the deadline date, the parties shall, by mutual agreement or in accordance with this Subsection (e), choose a new arbitrator. The time limits expressed in this Subsection (e) shall then apply beginning with the choice of the new arbitrator.

(f) The call for a meeting of the Grievance Committee shall be delivered within thirty (30) days of the date when the matter first came to the attention of, or within the exercise of reasonable diligence ought to have come to the attention of, the aggrieved party.

(g) The arbitrator, in his decision, shall not modify the terms or enlarge the scope of this Agreement in any way.

(h) The party which loses the decision of the arbitrator (either the Company or the Union) shall pay all of the charges of the arbitrator. If there is a question as to who lost the decision, the arbitrator shall decide who shall pay the said charges of the arbitrator, either in whole or in part.

SECTION 5 – UNION REPRESENTATION

(a) The business representative of the Union shall have reasonable access to the plant during working hours at their own risk, provided such is done without interference with production and work schedules and without loss of time to any employee.

(b) The Steward shall be bargaining unit employees appointed by the Union. The Company shall be notified of the name of each employee appointed as a Steward and the name of any employee appointed to replace the then current Steward within ten (10) days of such replacement. The Steward shall be permitted to perform during working hours such of their duties concerning the procedures described in Section 4 as cannot be performed at other times.

(c) When required to perform such Union duties, a Steward shall notify their foreman or lead person of their intention to do so and record the time spent on such duties.

(d) It is the declared intention of the Union that the Steward shall not attempt to negotiate or settle disputes or grievances with the Company, but shall merely notify a representative of the Union who is not a bargaining employee of any dispute or other occurrence which in their reasonable opinion constitutes a grievance.

(e) The Steward shall be considered to have the highest seniority for purpose of layoff and recall. The Company may not discharge or otherwise discipline the Steward for any statement or activity made during or arising out of their performance of Union duties. The Company may, however, request that the Union appoint a new Steward and the Union will give due consideration if it is supported by substantial reasons.

(f) The Company shall provide a copy of any written disciplinary action taken against a bargaining unit employee to the Union, via fax copy to the Local Business Representative and the Steward for that employee's department or shift.

(g) The Union may appoint additional stewards when in the judgment of the Union circumstances warrant such actions; a deputy steward may be designated to serve in absence of a steward.

SECTION 6 – NO STRIKE, NO LOCKOUT

During the term of this Agreement there shall be no strikes, slowdowns, picketing, stoppages of work, or boycotts by the Union or its members unless the Company should fail to abide by a decision of a duly-appointed Grievance Committee. Similarly, there shall be no lockout by the Company unless the Union or its members should fail to abide by a decision of a duly-appointed Grievance Committee.

SECTION 7 – SENIORITY

(a) Establishment of seniority: The employee's seniority date shall be their date of hire.

(b) Breaks in seniority: Seniority is broken when an employee is discharged for cause, quits, or is laid off for more than twelve (12) months consecutively or is on medical leave for more than twelve (12) months consecutively. In the case of medical leave caused by an injury sustained in the course of employment, seniority shall not be broken unless and until the employee is determined to be permanently disabled (totally or partially) by a competent authority under the United States Social Security Act, the California Workers' Compensation laws, or the California Disability Insurance law, or similar enactment. In the event that an employee has entered into a medical leave but has not sought a determination of permanent disability, the Company shall have the right, after such leave has continued for twelve (12) consecutive months, to cause the employee to be examined by a competent medical practitioner by choice of the employee at the Company's expense who shall decide whether such disability is permanent. After any break, the seniority date is the employee's latest date of hire. After a break in seniority, and before a rehire, if any, an employee shall not be considered a bargaining unit employee.

(c) Seniority in layoff and recalls: In the event of a layoff for lack of work, employees in each job classification shall be laid off in reverse order of seniority and recalled in order of seniority. If any employee in a higher paid classification can demonstrate through prior experience that they are qualified to perform the work in a lower paid classification, they may displace a less senior employee in the lower paid classification, when the number of positions is again increased in the higher paid classification in which they previously worked, they will be returned to such a position in the order of their seniority among the employees in the higher classification.

(d) Seniority in promotions and transfers: In the event that a vacancy occurs in any classification except the lowest paid classification, the Company will use seniority in transferring or promoting an employee to such vacancy if, in its reasonable opinion, the ability of the employee being considered is equal.

(e) **Promotional Bid System:** When a vacancy occurs in the bargaining unit in any position in any classification, and that position is to be filled by promotion, the vacancy shall be posted for bidding. A "promotion" is a transfer to a higher rated job and not a lateral or downward transfer. A promotion or transfer to a lead job shall not be posted for bidding. A "vacancy" does not include a temporary vacancy which will not continue for more than ten (10) working days. "Posted for Bidding" means that the Company will post the vacancy with a sign-up sheet for five (5) days in a conspicuous space accessible to all employees. The most senior employee bidding the position shall be awarded the position. If an employee has earlier performed the vacant position with the Company for longer than the training period established for the position in Section 22(b) (2), and is the senior employee bidding that position, the employee shall be returned to the position by promotion before any other employee not so qualified.

(f) **Disqualification From Promotion:** An employee who is promoted into a position in accordance with Subsection (e) above (excepting those employees who have performed the position at an earlier date as described therein) shall be under evaluation for a period equal to the training period established for the position in Section 22 (b) (2). During the evaluation period, the Company may disqualify the employee for unsatisfactory performance. If an employee is disqualified, they may not bid again for the same position for a period of, twelve (12) months, and shall be reinstated to their former position upon disqualification. An employee may re-bid a position if they have, demonstrated by a document, further training which is reasonably acceptable to the Company. During the evaluation period the employee is also subject to the provisions of Section 8 of this Agreement. Employees who have been promoted may within ninety (90) days of such promotion disqualify themselves and shall be reinstated to their former position

SECTION 8 – DISCIPLINE AND DISCHARGE

(a) The Company shall establish reasonable rules and regulations covering plant discipline, safety, and such other subjects as it deems reasonably necessary. The reasonableness of these rules may be disputed by the Union and may be subject to the Grievance Procedure. The Company may establish and publish reasonable special rules for some or all job classifications. The Company shall establish and publish reasonable procedures for the enforcement of such rules. No employee will be disciplined for infraction of a rule, or according to a procedure, not previously published, unless their behavior is of an unusually serious nature reasonably warranting summary and immediate discipline.

(b) The Company and the Union agree that the performance standards set forth in Exhibit A attached hereto and incorporated herein by this reference, are acceptable for evaluating the job performance of any individual employee. The Company will notify the Union prior to changing any standard stated in Exhibit A due to changes in machinery or methodology; however, any changed standards shall be indicated in writing and shall not be set at levels which are impossible or unreasonable to meet.

(c) Written notice will be given for any infraction of Company policies or the rules and regulations. The notice must be dated. The employee warned will be asked to sign a notice to indicate receipt thereof.

SECTION 9 – DISCRIMINATION

In the employment policies and practices of the Company and in the membership policies and practices of the Union, there shall be no unlawful discrimination against any person on the basis of age, sex, race, color, national origin, religious creed, ancestry, physical handicap, medical condition, or marital status. Alien status, citizenship status, sexual orientation, gender identity, or any other characteristic protected by law. This section does not intend to waive, nor does it wave any additional procedural or substantive rights or causes of action which an employee may have pursuant to any federal law, state law, or other rule or regulation.

SECTION 10 – COPY OF AGREEMENT

Every employee newly hired into a bargaining unit position by the Company will be furnished with a copy of this Agreement as soon as possible on or after their date of hire. If any employee or a group of employees, request that copies of this Agreement be made available in Spanish translation, then the Company and the Union agree that such a translation shall be made available with the cost of translation borne equally by the parties hereto. In the event of any dispute concerning matters covered by this Agreement, the English language version hereof shall control.

SECTION 11 – HANDICAPPED PERSONS

Employees whose productivity is or becomes limited because of age, physical or mental handicaps, or other infirmities may, at the sole discretion of the Company, be retained at wages below the minimum for regular work. The wages of such handicapped or superannuated employees shall be mutually agreed upon by the Company, employee, and the Union.

SECTION 12 – SAFETY

(a) The Union shall cooperate with the Company in carrying out all of the Company's safety measures and practices for accident prevention. The Company will post the name of its local doctor with its compensation insurance carrier at the plant. The employee may, however, choose any doctor for treatment.

(b) No employee shall be required to work under conditions that may endanger their health and safety. If an employee feels that such conditions are present at their work station, they shall inform their supervisor or foreman of the condition immediately and remain available to return to work when safe and healthy conditions exist at their work station.

(c) All safety equipment required by Governmental safety laws and authorities and any additional equipment required to meet Company safety policies shall be provided by the Company. The equipment shall be returned by the employee at the termination of their employment (or daily, according to reasonable and uniform rules established by the Company). Employees will be provided with earplugs by the Company. Earplugs will be replaced at Company expense when they are needed.

SECTION 13 – UNION LABEL

If and when the Union will apply to the General Office of the United Brotherhood of Carpenters and Joiners of America for permission to use the Union Label on the products of the Company, and such permission is granted, it is understood and agreed by the parties hereto that the said Union Label is and shall remain the property of the United Brotherhood and shall at all times be in possession of a member of said Brotherhood, and that said Label shall at no time be used in any manner that will be detrimental to the interests and welfare of the members of said United Brotherhood, and that upon evidence that the said Label is being used in such a detrimental manner, the permission for its use by the Company may be immediately withdrawn. The decision to use the Union Label on the Company's products shall be at the unfettered option of the Company. If the Company decides to use the Union Label, the provisions of this Section shall apply.

SECTION 14 – MANAGEMENT RIGHTS

Any of the rights, powers, and authority that the Company had prior to the signing of this Agreement, is retained by the Company except those specifically abridged, delegated, granted, or modified by this Agreement. Said rights, powers and authority include, but are not by this enumeration limited to, the management and operation of the plant and the Company's business and direction of the working force, including hiring discipline, and discharge for cause; increasing, decreasing, or rotating the work force; making and enforcing reasonable rules and regulations; laying off because of lack of work or other legitimate reason; designating the type and quality of product to be manufactured, where it will be manufactured, production schedules and methods, and processing means and methods of manufacturing; maintaining discipline, order, and efficiency of employees in its operations; to locating work within the plant; discontinuing all or any part of its operations, transferring performing other locations and there to perform all or any part of its operations; determining whether to purchase or manufacture components or finished products; leasing, selling or otherwise disposing of all or any part of its plant, land and equipment.

SECTION 15 – WAIVER

(a) Any waiver by either party of any term or breach by the other party of any condition of this Agreement, or any right granted to it thereby, does not constitute waiver of any other such breach, whether prior or subsequent thereto.

(b) This Agreement shall constitute the entire Agreement between the parties except as subsequently modified by them in writing signed by both parties.

(c) If any provision of this Agreement is in contravention of the laws or regulations of the United States or of the State of California, such provision shall be superseded by the appropriate provision of such law or regulation so long as the same is in force and effect, but all other provisions of this Agreement shall continue in full force and effect.

(d) In this agreement, time is of the essence. Any clause or sentence of this Agreement which states a time limitation for action by either party is intended to provide a firm limitation. Any extension of time granted by one party to another must be expressed in writing and signed by the granting party or its agent.

(e) During the term of this Agreement, the Company and Union each voluntarily and unqualifiedly waives their rights, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement.

SECTION 16 – LEAVE OF ABSENCE

On a case-by case basis, the Employer may, upon written request and at its sole discretion, grant leave of absence for up to six (6) months to any employee with at least one year's service with the Company. Such leave of absence, if granted, shall be in writing. A copy of such leave of absence shall be furnished to the Union. Such a written leave of absence shall not be considered a break in seniority. In the event that an employee accepts full-time employment with another employer while on a leave of absence, the Company may terminate such employee forthwith. While the Company shall endeavor to consider each request for leave of absence fairly, the Company's decision in each instance shall be controlling and not subject to the grievance procedure stated elsewhere in this Agreement.

SECTION 17 – HOURS OF WORK

(a) The workday shall be eight (8) continuous hours of employment. The work week shall be forty (40) hours. The work week shall be considered to start at 12:01 a.m. Monday. One-half hour will be provided without pay for meals during each workday.

(b) Starting time of the workday shall be established by the Company. Such time shall be posted at the Company's premises, and notice shall be sent to the Union. The starting time may be changed by the Company during the year because of climate or other reason, upon ten (10) working days notice prior to the change of start time given to the affected employees and sent to the Union prior to the change in starting time. Different departments may be given different starting times upon notice duly made. The provision of this Section shall not apply to truck drivers.

SECTION 18 – CALL IN AND START – WORK PAY

(a) If an employee reports for work and no work is provided, except in an emergency not the fault of the Company such as fire, flood, explosion, storm, utility failure, equipment failure or breakdown, work stoppage, labor dispute, acts of God, war or civil disorder, or other similar matters; and was not notified a minimum of two hours prior to the start of the employee's regularly established start time, such employee shall receive two hours pay. If the Company makes a documented reasonably diligent effort to contact the employee a minimum of two hours prior to the beginning of the employee's regularly established starting time and is not successful, the employee shall be deemed as having been told not to report.

(b) If an employee reports in as described above and starts to work, such employee shall be paid at least four (4) hours' pay unless they quit or are terminated for cause before four (4) hours have elapsed since the employee started work. If an employee starts work after being told by the Company not to start, then Subsection (a) above, and not this Subsection, shall apply as to the amount of their pay only.

SECTION 19 – STANDBY PAY

In the event of mechanical breakdown, the production standards for affected positions shall be reduced proportionately to the period of the breakdown time. The employees shall be paid hourly for the time of the breakdown. The Company shall have the right to require said employees to clock off their regular job and perform other jobs during said breakdown, or if said breakdown is for an extended length of time, and no other work is available, then the Company will have the right to send the employees home with a minimum of four (4) hours' pay, or actual hours worked whichever is greater, provided that there is no reduction in the employees rate of pay.

SECTION 20 – PROMOTION OUT OF THE BARGAINING UNIT

When an employee is permanently transferred or promoted to a position outside the bargaining unit, and within ninety (90) days is found to be unsatisfactory to the Company, and is relieved from such position, or after any period of time is laid off due to insufficient work in this non-bargaining unit position, the employee shall be given the opportunity to return to the bargaining unit with total accumulated seniority and shall resume their former position or may occupy some other position, all in accordance with the provisions of Section seven (7) the Seniority Section of this Agreement.

SECTION 21 – OVERTIME

(a) Overtime rates for employees: Overtime shall be paid at one-and-one-half time for all hours worked over eight (8) hours in any one day or forty (40) hours in any one work week; at double time for all hours worked over twelve (12) hours in one day or over forty-eight (48) hours in any one work week.

Overtime rates for truck drivers: Overtime shall be paid to truck drivers at one-and-one-half time for all hours worked over eight (8) hours in any one day or forty (40) hours in any one work week. Overtime shall be paid to truck drivers at double time for all work on holidays (less the "normal day" holiday pay as described in Section 28 below) and for any hours worked on the seventh (7th) consecutive day. If a truck driver has a twenty-four (24) hour duty free period within a seven (7) day (168-hour) period, he shall not be considered to have worked seven (7) consecutive days.

(b) Voluntary overtime: Overtime shall be offered to employees in order of seniority, first among those working in the department or classification which the Company intends to work overtime, and then among those other employees qualified by experience to do the work.

(c) Mandatory overtime: If insufficient employees desire overtime, then overtime will be mandatory, starting with the least senior employee qualified by experience to do the work in the classification which the overtime is to be worked and progressing in reverse order of seniority. Notice of overtime shall normally be provided to those employees required to work by the end of the regular day on Wednesday (for overtime on weekends) and by noon (for overtime at the end of the same workday). This notice period shall not apply to overtime which is made necessary by unusual circumstances, such as last minute orders or emergency delivery requirements.

SECTION 22 – WAGES AND INCENTIVE

(a) In the event the Company should establish a new classification or materially alter an existing classification, the Company shall immediately enter into negotiations with the Union concerning the wages for this new classification.

(b) Wages shall be paid according to the following schedule:

(1) All employees shall be hired at an entry wage of at least seventy-five percent (75%) of the wage for the classification into which the employee is hired.

(2) Wages shall be increased by the Company at a reasonable rate according to the employee's learning and progress of five percent (5%) for each ninety (90) day period until the employee's wage has reached the top of the grade for their classification as expressed in the table in Subsection (b)(3) below. New employees hired into and employees promoted or transferred to any classification except Re-saw Operator or Maintenance shall be brought to the full wage as stated in the classification schedule within thirty (30) days of entering such classification. Those entering the Re-saw Operator classification may have their wage increased by stages (or not, as their training progresses) and shall reach the full wage within sixty (60) days. Those entering the Maintenance classification may also have their wage increased in stages (or not, as their training progresses) and shall reach the full wage within one hundred eighty (180) days of entering such classification.

(b)(3) Classification Table

Title	Current	04-01-11	04-01-12	04-01-13
I. Utility Worker	11.21	11.54 (33)	11.89 (35)	12.25 (36)
II. Hand-Nailer	11.21	11.54 (33)	11.89 (35)	12.25 (36)
III. Off loader (Stacker)	10.77	11.09 (32)	11.42 (33)	11.76 (34)
IV. Sawyer	11.79	12.14 (35)	12.50 (36)	12.88 (38)
V. Forklift Operator	11.80	12.15 (35)	12.51 (36)	12.89 (38)
VI. Tally/Setup	11.80	12.15 (35)	12.51 (36)	12.89 (38)
VII. Re-saw Operator	12.23	12.60 (37)	12.98 (38)	13.37 (39)
VIII. Maintenance	14.97	15.42 (45)	15.88 (46)	16.36 (48)
IX. Nailing Machine Operator	15.21	15.67 (46)	16.14 (47)	16.62 (48)
X. Asst. Nailing Machine Operator	14.31	14.74 (43)	15.18 (44)	15.64 (46)
XI. Nailing Machine Fork Lift Operator	14.31	14.74 (43)	15.18 (44)	15.64 (46)

(c) Shift differential: In the event that the Company establishes a second shift, a shift differential of fifteen cents (\$0.15) per hour will be paid.

(d) Group Lead: Any employee who is given the responsibility for leading a group shall be paid at least forty cents (\$0.40) more per hour than the amount paid the highest paid employee in the group lead.

(e) The Company and the Union have agreed that as long as the following Employees are employed in the following classifications, they shall receive the wages which appear in the scale (e) below:

GRANDFATHERED INDIVIDUAL RATES

Name/Title	CURRENT	4/01/11	4/01/12	4/01/13
David Gonzales, Forklift/Shipping	14.47	14.90 (43)	15.35 (45)	15.81 (46)
Humberto Gonzales, Working Foreman/Rec.	16.23	16.72 (49)	17.22 (50)	17.74 (52)
Sam Lopez, Working Foreman/Shipping	16.23	16.72 (49)	17.22 (50)	17.74 (52)
Bret Minkler, Forklift/Nailing	13.90	14.32 (42)	14.75 (43)	15.19 (44)
Alberto Ruiz, Utilityman	12.89	13.28 (39)	13.68 (40)	14.09 (41)
*Jesus Ramos, Re-Saw Operator	12.80	13.18 (38)	13.58 (40)	13.99 (41)

Alfonso Morales, Forklift/Nailing	13.39	13.79 (40)	14.20 (41)	14.63 (43)
Jose Iniquez, Hog/Strap Maint.	12.02	12.38 (36)	12.75 (37)	13.13 (38)
Lorenzo Gonzales/Utility	12.02	12.38 (36)	12.75 (37)	13.13 (38)
*Porfirio Pena, Mill	12.02	12.38 (36)	12.75 (37)	13.13 (38)
*Agustin Serrano, Mill	12.02	12.38 (36)	12.75 (37)	13.13 (38)
*Leon Mendoza, Mill	12.02	12.38 (36)	12.75 (37)	13.13 (38)
John Nieto, Forklift/Nailing	12.89	13.28 (39)	13.68 (40)	14.09 (41)

*Note: These rates are protected as long as these individuals work in these classifications. It is further agreed that in the event that any of the above-named employees vacate their present job classifications, as noted above, anyone who replaces them shall only be paid in accordance with the wage scale and supplements of this Agreement without regard to subsection 22 (e) above.

(f) Incentive: The Company may design an incentive plan or program in such manner or by such method of computation as the Company, in its sole discretion, and without any obligation to do so, sees fit, notwithstanding anything stated in Subsection 22 (b) (3) or Subsection (e) above. Wages in this agreement shall be controlling through the duration of this Agreement, except as to the wage opener set forth in subsection 26 (a) hereto. The Company and the Union agree that if a mutually acceptable incentive program has been agreed to, and such plan has been reduced to writing, it may be appended to this Agreement, as an additional exhibit. Those employees in classifications not participating in the Company's incentive program shall have their wages increased as stated above in the classification table of subsection 22 (b) (3). If an incentive plan is used, at no time shall an employee be paid less than the hourly rate as set forth in this agreement, for the classifications covered by this Agreement.

SECTION 23 – SUPERVISORS OR LEAD PERSON WORKING

Supervisors or lead person not in the bargaining unit shall not engage in Production work, except:

(a) In an emergency arising from unexpected employee absences not relating to reductions in force, lay-off and/or terminations;

(b) In an emergency arising during the normal workday and workweek where no qualified employee is then present and available to do the work, provided that absence of such employee is not due to reduction in force, lay-off and/or terminations;

(c) In an emergency arising from urgent delivery requirements outside of normal business hours;

(d) When instructing employees or explaining operations to employees;

(e) When performing new or experimental work, providing such new or experimental work shall, after a reasonable amount of time, be included in the scope of work covered by this Agreement;

(f) Truck Drivers' Supervisor shall make no deliveries when drivers are on layoff.

SECTION 24 – VACATIONS

(a) All employees who have maintained full-time employment with the Company will be eligible for vacation at their regular pay rate, based on the following schedule:

After One Year - 40 hours' pay

After Two Years - 80 hours' pay

After Ten Years - 120 hours' pay

After Twenty-Five or more years - 160 hours' pay

(b) For the purposes of establishing full-time employment under this Section, an employee must have completed a minimum of 1,600 straight-time work hours in a year. Employees unable to complete 1,600 straight-time work hours in a year due to temporary layoffs, medical leaves, leaves of absence, or other similar reasons (except quitting or being terminated) shall receive vacation on a prorated basis using 1,600 as a basis for a full year. For employees who quit or are terminated, Subsection 24 (f) hereunder shall apply.

(c) The Company shall schedule vacations. Such scheduling shall be based on the Company's need to insure an adequate work force at all times. Priority for vacations will be based on seniority. While recognizing that few vacations can be scheduled in periods of peak production, the Company will endeavor to schedule as many vacations as possible during school vacation period.

(d) Employees who are entitled to two weeks' vacation or more may split their vacation, except that no segment of such vacation shall be less than one week's duration.

(e) Employees who are entitled to two weeks' vacation or more may carry over one week into the following vacation year.

(f) Requests for vacation time to accommodate an employee's special needs due to serious illness, death, or other serious emergencies in the employee's immediate family (spouse, child, employee's parent or employee's spouse's parent) shall not require advance notice and will not be denied by the employer. Notwithstanding the

foregoing, the employee is required to provide notice to the Company (at its office number 559-651-2037) as soon as possible after becoming aware of the need for time-off. The employee shall also provide the Company with notice of the estimated amount of time the employee will require off to deal with the situation; i.e., number of hours or number of days. Upon the employee's return to work, the employee shall provide the Company with documentation of the reason for the time-off; i.e., doctor's note, death certificate or other reasonable documentation as determined by the Company in its sole discretion.

Absent such documentation, the Company shall be entitled to consider the time-off as unauthorized time-off and the employee may be subject to appropriate discipline, including, but not limited to, suspension without pay for a period of time matching the time taken by the employee or termination of employment.

(g) Should an employee quit or be terminated for any reason, that employee shall receive pay for all accumulated vacation time on a pro-rata basis using 1,600 hours as a basis for a full year except first year.

SECTION 25 – HOLIDAYS

(a) During the term of the Agreement, there will be eleven (11) Holidays per year:

New Year's Day	Thanksgiving
Good Friday	Day After Thanksgiving
Memorial Day	Christmas
Independence Day	*Floating Holiday
Labor Day	Christmas Eve ½ day
	New Year's Eve ½ day

*The date of the Floating Holiday will be determined by the Company and the Union so informed. The holiday, in any case, will occur in the month of November, December, or January.

(b) Any holiday which falls on a Saturday shall be taken on the preceding Friday. Any holiday which falls on a Sunday shall be taken on the subsequent Monday.

(c) Each employee who has completed more than one hundred sixty (160) hours' of employment with the Company will be paid their normal day's pay for each holiday providing they have worked the last regularly scheduled workday before the holiday and the first regularly scheduled workday following the holiday, unless excused by management. If an employee is required to work on a holiday, they shall be paid time-and-one-half for all hours worked in addition to their regular day's pay.

(d) Should a holiday fall on a day during an employee's vacation, the Employee shall have the option of taking an extra day off or being paid for the extra day.

SECTION 26 – HEALTH AND WELFARE BENEFITS

(a) The employer agrees to be bound to the Trust Agreement of the Furniture and Industrial Carpenters Health Trust (hereinafter referred to as the Fund) and shall make contributions for all employees performing work under the terms and conditions of this collective bargaining agreement.

(1) Effective April 1, 2011, the cost of the benefit plan is \$980.00 per month per employee covered under this Agreement, all to be borne by the Employer. The Employer shall be responsible for increases in Health and Welfare contributions of up to five percent (5 %) per year effective January 1, 2012, January 1, 2013, and January 1, 2014 of the total monthly individual contribution. Should the contributions established by the trustees increase more than five percent per year, for the years effective January 1, 2012, January 1, 2013, and January 1, 2014 the parties agree to open this Agreement for the sole purpose of negotiating wages and/ or the amount over, the five percent (5%) per year, for the effective years January 1, 2012, January 1, 2013, and January 1, 2014 for which the Employer and/ or the employees shall be responsible in that individual year.

(2) Employees and their eligible dependents who meet the coverage requirements will be provided coverage under the Furniture and Industrial Carpenters Health Trust Plan.

(3) The monthly contribution required from the employer as specified in section (a) (1) above, shall be made by the Employer on the first (1st) day of the month following the month the hours were worked or paid.

(4) Payment must be made by the tenth (10th) of the month. If payment is made later than the twentieth (20th) of the month, the liquidated damages shall be twenty-five dollars (\$25) or twenty percent (20%) of the amount due, whichever is greater, as provided by the Trust Agreement.

(5) Payment of the aforementioned contribution to the trust fund will satisfy the Employer's total obligation to provide health benefits to eligible employees and their dependents.

(b) Eligible employees for health and welfare benefits:

(1) An eligible employee shall be defined as an employee of the Company who has worked under the terms of the collective bargaining Agreement and was compensated for eighty-seven (87) or more hours per month. For purposes of eligibility for health and welfare benefits, hours worked or compensated for shall include, but not be limited to: vacation pay, holiday pay, sick leave pay, funeral leave pay, or any other compensation under the terms of this Agreement.

(2) Benefits shall be provided by the Company to eligible employees on the first day of any month following a month in which the employee was paid or compensated for eighty-seven (87) or more hours.

(c) Contribution of benefits:

(1) If an employee is laid off due to a reduction in workforce for economic reasons, the Company shall continue that employee's benefits through the end of the month following the month of lay off.

(2) The Company will continue to provide health and welfare benefits for any employee who is injured while performing Company work, provided that the employee is awarded workers' compensation benefits. The Company will pay the premiums required to maintain health and welfare benefits for up to twelve (12) months or until such time as the employee becomes employed, returns to work or final settlement of the workers' compensation claim is reached, whichever occurs first.

(3) Employees who have been laid off, terminated or quit may pay their own insurance premiums at the current rate for a period of eighteen (18) months as provided by the Consolidated Omnibus Budget Reconciliation Act (COBRA), and uniform rules enacted by the Trustees of the Furniture & Industrial Carpenters Trust Fund.

(d) Sick leave: The Company shall provide up to five days cumulative sick leave per year, which shall be treated similarly to vacation pay using a basis of 1,600 hours for the first year of employment or seniority and 1,600 hours thereafter. Thus, new employees shall receive one day of sick leave for every 400 hours worked, and employees with over one year's employment shall receive one day for every 320 hours. The Company shall pay employees at the end of the employment year for unused sick leave. Sick leave will not require a doctor's excuse; however, the employee must call in sick prior to the start-up time for the employee's shift.

SECTION 27 – ANNUITY

(a) For the term of this Agreement, the Company shall contribute on behalf of all employees covered by this Agreement the hourly amounts listed below to the:

**FURNITURE WORKERS ANNUITY PLAN
RETIREMENT PLAN
BeneSys Administrators Inc.
1731 Technology Drive, Se. 570
San Jose, CA 95110
(408) 588-3768**

Effective April 1, 2011 ninety cents (\$.90) per hour
Effective April 1, 2013 ten cents (\$.10) per hour.

SECTION 31 – DURATION AND TERMINATION

(a) This Agreement shall be in full force and effect from April 1, 2011 through March 31, 2014. Either party to the Agreement may terminate it on the latter date or open it for modification or amendment by giving written notice to the other party at least sixty (60) days prior to the scheduled date of expiration.

(b) If neither party gives notice of its desire to amend, modify, or terminate the Agreement at least sixty (60) days prior to its expiration date or a subsequent anniversary thereof, the Agreement will be automatically renewed for another year.

(c) If notice of desire to amend or add to this Agreement is given as indicated in Subsection 30 (a) above, the parties shall, within a reasonable time thereafter, enter into negotiations.

(d) If the parties do not arrive at a mutually satisfactory agreement on the proposed amendments or additions by the termination date or anniversary of this Agreement, this Agreement shall continue in full force and effect until such time as either party terminates this Agreement, upon five (5) days' notice.

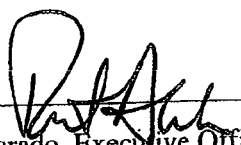
EXHIBIT A of the Agreement is amended by adding to it Attachment 2, (attached hereto and made a part hereof by this reference).

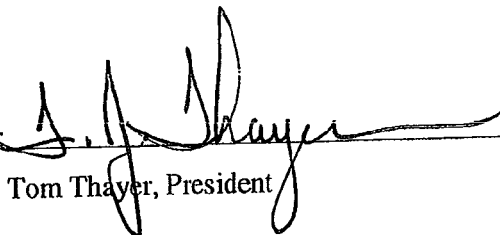
Except as amended by the foregoing, the Agreement between the Company and the Union first executed on July 6th, 1988, shall continue in full force and effect through March 31, 2014.

Executed this 29th day of March, 2011.

Northern California Carpenters
Regional Council

United Wholesale Lumber Company

By: 
Robert Alvarado, Executive Officer

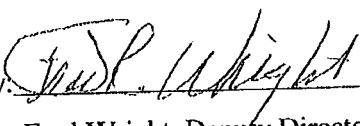
By: 
Tom Thayer, President

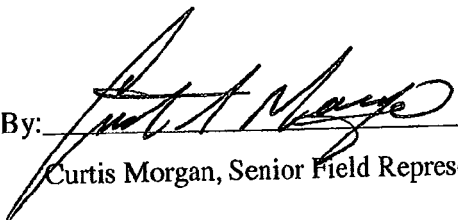
Dated: MARCH 31, 2011

Dated: MARCH 29, 2011

Carpenters 46 Northern California
Counties Conference Board

Carpenters Local Union #1109

By: 
Fred Wright, Deputy Director

By: 
Curtis Morgan, Senior Field Representative

Dated: MARCH 31 2011

Dated: MARCH 29, 2011

Exhibit A

STANDARDS

The following list of standards have been established for determining acceptable levels of production. (Note: Nailing standards for Table Jobs are increased 20% and will be addressed individually as they arise.)

NAILING DEPARTMENT

	<u>Per Hour</u>	<u>Per Day</u>
2-3	86	685
3-3	79	630
3-4	75	600
3-5 (Export)	66	530
5-5 (5 Str. Export)	62	500
3-6	63	505
4-5	60	480
3-7	50	400
3-8	45	360
3-9	40	320
Tops (3-6) For Block Pallets	75	600 Small
Tops (3-6) For Block Pallets		550 Large
Tops (3-6) For Block Pallets		500 (3-7)
4-1-4 (6)		184
3-1-1 (Plywood)	28	224
3-1-3 (Plywood)	28	224
3-3-3	45	360

<u>NAILING DEPARTMENT CONT.</u>	<u>Per Hour</u>	<u>Per Day</u>
3-4-3	40	320
3-5-3	35	280
3-6-3	33	265
3-7-3	30	240
3-8-3	29	232
3-7-5	28	224
3-8-6	26	209
4-4-2	30	240
4-5-3	26	209
4-5-4	24	192

MACHINE NAILING

	<u>Per Hour</u>	<u>Per Day</u>
3-4-3	152	1,216
3-4-4	148	1,184
3-6-3	143	1,144
3-5-4	143	1,144
3-7-2	143	1,144
3-3-3	157	1,256
3-5-3	148	1,184
3-7-3	140	1,120
3-8-2	140	1,120

MILL DEPARTMENT CONT.

Per Hour

Per Day

All other cut-off operations to remain constant.

Notcher (2 men)

1,050

10,800

Notcher (1 man)

875

7,000

Chamfer

1,050

7,500

Re-saw (2x6)

***82,000

- Ripsaw (All aspects of the ripsaw are being worked on as new improvements are pending on in-feed and take-away conveyer systems).

** The reason management has decided to leave the cut-off standards alone is because of the importance of improving our waste factors. It is important for the sawyer to get the best possible yield from raw material than to see how much material he can cut.

*** The re-saw will be undergoing some feed changes, so this standard may be temporary; also may be adjusted for extremely poor material.

FRW: pkr
Opeiu#3 afl-cio
3-15-11