



MILLWORK SHORTAGES AND PRICE INCREASES

To: All B&L Customers

March 31, 2010

As you may know, there has been a devastating earthquake in Chile. Chile is a massive producer of MDF and radiata pine products. Radiata is used in jambs, moldings, doors, and many other millwork products. This has created a widespread industry shortage of MDF and products that use radiata pine.

It is clear that a disruption to the supply of mouldings, doors, and many other wood products from Chile to world markets has occurred and will continue for some time. Given sufficient time, alternate supply may become available to the market from other areas of the world and from under-utilized production facilities in North America. Whether such additional production can fully replace lost supply from Chile is doubtful, at least for several months. What is clear is that supply will be restricted and prices will increase 5%-10% for at least the short term.

Any existing quotes will be honored for as long as possible based on limited inventories. Of course, any unordered quotes and orders for special sizes, etc. will probably be delayed and billed at the increased pricing.

We thank you for your understanding of this situation and we will keep you updated as the alternatives to the manufacturing and supply of these products develop.

Very truly yours,
B&L WHOLESALE SUPPLY INC.

A handwritten signature in black ink, appearing to read 'Donald R. Tomeny'.

Donald R. Tomeny
President

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