

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
- --- EXCHANGE ACT OF 1934

For the quarterly period ended September 27, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
- --- EXCHANGE ACT OF 1934

Commission File Number 0-22684

UNIVERSAL FOREST PRODUCTS, INC.
(Exact name of registrant as specified in its charter)

Michigan

38-1465835

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

2801 East Beltline NE, Grand Rapids, Michigan

49525

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (616) 364-6161

NONE

(Former name or former address, if changed since last report.)

Indicate by checkmark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days. Yes X No
--- ---

Indicate by checkmark whether the registrant is an accelerated filer (as defined
by Rule 12b-2 of the Exchange Act). Yes X No
--- ---

Indicate the number of shares of each of the issuer's classes of common stock,
as of the latest practicable date:

Class	Outstanding as of September 27, 2003
-----	-----
Common stock, no par value	17,788,288

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UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(in thousands, except share data)

	September 27, 2003	December 28, 2002	September 28, 2002
	-----	-----	-----
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 10,747	\$ 13,454	\$ 12,800
Restricted cash equivalents		1,383	
Accounts receivable (net of allowances of \$3,291, \$2,427 and \$2,702)	157,768	105,217	149,962
Inventories:			
Raw materials	81,831	83,557	43,806
Finished goods	79,124	82,449	85,035
	-----	-----	-----
Other current assets	160,955	166,006	128,841
	5,847	8,037	3,279
	-----	-----	-----
TOTAL CURRENT ASSETS	335,317	294,097	294,882
OTHER ASSETS	5,679	6,738	6,311
GOODWILL	124,377	126,299	120,333
NON-COMPETE AND LICENSING AGREEMENTS (net of accumulated amortization of \$3,627, \$2,463 and \$2,214)	7,168	4,516	4,764
PROPERTY, PLANT AND EQUIPMENT:			
Property, plant and equipment	355,552	328,499	311,652
Accumulated depreciation and amortization	(141,215)	(125,355)	(120,303)
	-----	-----	-----
PROPERTY, PLANT AND EQUIPMENT, NET	214,337	203,144	191,349
	-----	-----	-----
TOTAL ASSETS	\$ 686,878	\$ 634,794	\$ 617,639
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term debt	\$ 645	\$ 1,758	\$ 1,494
Accounts payable	96,481	57,515	76,303
Accrued liabilities:			
Compensation and benefits	41,700	36,610	38,092
Other	15,959	6,463	12,507
Current portion of long-term debt and capital lease obligations ..	6,263	6,495	18,645
	-----	-----	-----
TOTAL CURRENT LIABILITIES	161,048	108,841	147,041
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, less current portion	195,833	235,319	185,091
DEFERRED INCOME TAXES	12,671	13,328	10,320
MINORITY INTEREST	8,211	7,040	7,558
OTHER LIABILITIES	10,241	5,832	6,214
	-----	-----	-----
TOTAL LIABILITIES	388,004	370,360	356,224
SHAREHOLDERS' EQUITY:			
Preferred stock, no par value; shares authorized 1,000,000; issued and outstanding, none			
Common stock, no par value; shares authorized 40,000,000; issued and outstanding, 17,788,288, 17,741,982 and 17,816,613	17,788	17,742	17,817
Additional paid-in capital	84,748	82,139	81,970
Deferred stock compensation	1,424	1,434	1,501
Retained earnings	195,384	164,221	161,850
Accumulated other comprehensive earnings	1,514	299	(322)
	-----	-----	-----
Employee stock notes receivable	300,858	265,835	262,816
	(1,984)	(1,401)	(1,401)
	-----	-----	-----
TOTAL SHAREHOLDERS' EQUITY	298,874	264,434	261,415
	-----	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 686,878	\$ 634,794	\$ 617,639
	=====	=====	=====

See notes to consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

(in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2003	Sept. 28, 2002	Sept. 27, 2003	Sept. 28, 2002
NET SALES	\$536,278	\$452,959	\$1,444,360	\$1,299,559
COST OF GOODS SOLD	463,715	391,294	1,241,251	1,117,994
GROSS PROFIT	72,563	61,665	203,109	181,565
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	48,424	41,148	135,309	120,291
EARNINGS FROM OPERATIONS	24,139	20,517	67,800	61,274
OTHER EXPENSE (INCOME):				
Interest expense	3,526	2,542	11,271	8,497
Interest income	(2)	(31)	(133)	(196)
Gain on sale of assets				(1,082)
	3,524	2,511	11,138	7,219
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	20,615	18,006	56,662	54,055
INCOME TAXES	7,715	6,678	20,964	20,051
EARNINGS BEFORE MINORITY INTEREST	12,900	11,328	35,698	34,004
MINORITY INTEREST	695	684	1,831	1,924
NET EARNINGS	\$ 12,205	\$ 10,644	\$ 33,867	\$ 32,080
EARNINGS PER SHARE - BASIC	\$ 0.69	\$ 0.60	\$ 1.91	\$1.78
EARNINGS PER SHARE - DILUTED	\$ 0.66	\$ 0.58	\$ 1.85	\$1.71
WEIGHTED AVERAGE SHARES OUTSTANDING	17,765	17,845	17,745	17,980
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	18,425	18,427	18,290	18,719

See notes to consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)

	Nine Months Ended	
	September 27, 2003	September 28, 2002
<hr/>		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 33,867	\$ 32,080
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	18,702	17,235
Amortization of intangible assets	1,519	851
Deferred income taxes	(1,301)	(246)
Loss (gain) on sale or impairment of property, plant, and equipment	918	(152)
Changes in:		
Accounts receivable	(78,688)	(61,235)
Proceeds from sale and servicing of accounts receivable	25,143	
Inventories	5,051	(6,020)
Accounts payable	37,717	28,076
Accrued liabilities and other	24,463	11,353
NET CASH FROM OPERATING ACTIVITIES	67,391	21,942
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(33,349)	(21,136)
Purchase of licensing agreements	(150)	(2,000)
Acquisitions, net of cash received	(787)	(2,519)
Proceeds from sale of property, plant and equipment	6,104	3,310
Other	3,059	430
NET CASH FROM INVESTING ACTIVITIES	(25,123)	(21,915)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (repayments) borrowings of notes payable and revolving credit facilities ..	(36,884)	37,004
Repayment of long-term debt	(6,150)	(8,205)
Proceeds from issuance of common stock	1,719	769
Distributions to minority shareholder	(833)	(660)
Dividends paid to shareholders	(798)	(806)
Repurchase of common stock	(2,029)	(38,216)
NET CASH FROM FINANCING ACTIVITIES	(44,975)	(10,114)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,707)	(10,087)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,454	22,887
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 10,747	\$ 12,800
	=====	=====
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 8,585	\$ 6,659
Income taxes	12,102	16,406
NON-CASH FINANCING ACTIVITIES:		
Property, plant and equipment acquired in exchange for capital lease	\$ 2,110	
NON-CASH INVESTING ACTIVITIES:		
Non-compete agreements in exchange for future payments		\$ 216
Non-compete agreements with Chairman of the Board in exchange for		
future payments	\$ 856	
Stock exchanged for employee stock notes receivable	887	300

See notes to consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

The accompanying unaudited, interim, consolidated, condensed financial statements (the "Financial Statements") include our accounts and those of our wholly-owned and majority-owned subsidiaries and partnerships, and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, the Financial Statements do not include all of the information and footnotes normally included in the annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States. All significant intercompany transactions and balances have been eliminated.

In our opinion, the Financial Statements contain all material adjustments necessary to present fairly our consolidated financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. These Financial Statements should be read in conjunction with the annual consolidated financial statements, and footnotes thereto, included in our annual report to shareholders on Form 10-K for the fiscal year ended December 28, 2002.

Certain reclassifications have been made to the Financial Statements for 2002 to conform to the classifications used in 2003.

B. COMPREHENSIVE INCOME

Comprehensive income consists of net income and foreign currency translation adjustments. Comprehensive income was approximately \$12.1 million and \$10.0 million for the quarter ended September 27, 2003 and September 28, 2002, respectively. During the nine months ended September 27, 2003 and September 28, 2002, comprehensive income was approximately \$35.1 million and \$31.2 million, respectively.

C. EARNINGS PER COMMON SHARE

A reconciliation of the changes in the numerator and the denominator from the calculation of basic EPS to the calculation of diluted EPS follows (in thousands, except per share data):

UNIVERSAL FOREST PRODUCTS, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS - CONTINUED

	Three Months Ended 09/27/03			Three Months Ended 09/28/02		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
NET EARNINGS.....	\$12,205			\$10,644		
EPS - BASIC						
Income available to common stockholders.....	12,205	17,765	\$0.69 =====	10,644	17,845	\$0.60 =====
EFFECT OF DILUTIVE SECURITIES						
Options.....		660 -----			582 -----	
EPS - DILUTED						
Income available to common stockholders and assumed options exercised.....	\$12,205 =====	18,425 =====	\$0.66 =====	\$10,644 =====	18,427 =====	\$0.58 =====
	Nine Months Ended 09/27/03			Nine Months Ended 09/28/02		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
NET EARNINGS.....	\$33,867			\$32,080		
EPS - BASIC						
Income available to common stockholders.....	33,867	17,745	\$1.91 =====	32,080	17,980	\$1.78 =====
EFFECT OF DILUTIVE SECURITIES						
Options.....		545 -----			739 -----	
EPS - DILUTED						
Income available to common stockholders and assumed options exercised.....	\$33,867 =====	18,290 =====	\$1.85 =====	\$32,080 =====	18,719 =====	\$1.71 =====

Options to purchase 260,000 shares of common stock at exercise prices ranging from \$24.46 to \$36.01 were outstanding at September 27, 2003, but were not included in the computation of diluted EPS for the quarter. Options to purchase 720,943 shares of common stock at exercise prices ranging from \$21.13 to \$36.01 were outstanding at September 27, 2003, but

were not included in the computation of diluted EPS for the nine months ended September 27, 2003. The options' exercise prices were greater than the average market price of the common stock during the period and, therefore, would be antidilutive.

Options to purchase 950,481 shares of common stock at exercise prices ranging from \$19.75 to \$36.01 were outstanding at September 28, 2002, but were not included in the computation of diluted EPS for the quarter. Options to purchase 335,000 shares of common stock at exercise prices ranging from \$22.88 to \$36.01 were outstanding at September 28, 2002, but were not included in the computation of diluted EPS for the nine months ended September 28, 2002. The options' exercise prices were greater than the average market price of the common stock during the period and, therefore, would be antidilutive.

D. SALE OF ACCOUNTS RECEIVABLE

On September 25, 2003, we entered into an arrangement with a bank to sell specific accounts receivable totaling \$27.2 million with an Agreed Base Value of approximately \$25 million, which was received in cash. Approximately \$2.0 million was recorded as a retained interest and approximately \$168,000 was recognized as an expense. The maximum amount of receivables which may be sold and outstanding at any point in time under this arrangement is \$33 million. The agreement with the bank has a one year term; the September 25, 2003 transaction terminates on December 31, 2003. We will service the sold receivables as part of the arrangement with the bank and will receive servicing fees in the amount of .50% per annum. Our retained interest is determined based on the fair market value of anticipated collections in excess of the Agreed Base Value of the receivables sold. The fair market value of anticipated collections is determined using management's best estimate based on historical collections experience. Appropriate valuation allowances are recorded against the retained interest. The retained interest is reduced for subsequent collections.

E. GOODWILL AND OTHER INTANGIBLE ASSETS

On September 27, 2003, non-compete assets totaled \$7.9 million with accumulated amortization totaling \$2.8 million, and licensing agreements totaled \$2.9 million with accumulated amortization totaling \$0.8 million.

Estimated amortization expense for intangible assets as of September 27, 2003 for each of the five succeeding fiscal years is as follows (in thousands):

2003.....	\$ 378
2004.....	1,633
2005.....	1,477
2006.....	1,302

UNIVERSAL FOREST PRODUCTS, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS - CONTINUED

2007.....	781
Thereafter.....	1,597

The changes in the net carrying amount of goodwill for the nine months ended September 27, 2003 are as follows (in thousands):

Balance as of December 28, 2002.....	\$126,299
Final purchase price allocation.....	(2,810)
Foreign currency translation effects and other, net.....	888

Balance as of September 27, 2003.....	\$124,377
	=====

F. BUSINESS COMBINATIONS AND ASSET PURCHASES

Acquisitions completed in 2002 and 2003 were not significant to the operating results individually nor in aggregate, and thus pro forma results are not presented.

The purchase price allocations for the composite manufacturing plant of Quality Wood Treating Co., Inc. ("Quality") and J.S. Building Products, Inc., acquired in the third and fourth quarters of 2002, respectively, were completed during the second quarter in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141, Business Combinations.

The total purchase price for the real estate, equipment, inventory and intangible assets of the composite plant was approximately \$14.7 million, allocating \$10.1 million to net assets, \$2.3 million to non-compete agreements, \$0.5 million to a licensing agreement, and \$1.8 million to goodwill.

The total purchase price for J.S. Building Products, Inc. was \$4.1 million, allocating \$2.9 million to net assets and \$1.2 million to goodwill.

On August 28, 2003, one of our subsidiaries acquired 50% of the assets of D&L Framing LLC, a framing operation for multi-family construction located in Las Vegas, NV. The purchase price was approximately \$0.6 million. The purchase price allocation is preliminary and will be revised as final estimates of intangible asset values are made in accordance with SFAS 141.

On August 26, 2003, one of our subsidiaries entered into an agreement with Quality to cancel the treating services agreement completed on November 4, 2002 and purchase plants located in Lansing, MI and Janesville, WI and the equipment of a plant located in White Bear Lake, MN. The total purchase price for these assets was \$5.1 million. In addition, another subsidiary entered into a capital lease for the real estate of the White Bear Lake, MN plant totaling \$2.1 million.

On June 4, 2003, one of our subsidiaries acquired 75% of the assets of Norpac Construction LLC, a concrete framer for multi-family construction located in Las Vegas, NV. The purchase price was approximately \$0.2 million.

G. EMPLOYEE STOCK NOTES RECEIVABLE

Employee stock notes receivable represents notes issued to us by certain employees and officers to finance the purchase of our common stock. As of August 1, 2002, directors and executive officers (including equivalent positions) do not, and are not allowed to, participate in this program.

H. STOCK-BASED COMPENSATION

As permitted under SFAS No. 123, Accounting for Stock-Based Compensation, ("SFAS 123"), we continue to apply the provisions of APB Opinion No. 25, Accounting for Stock Issued to Employees, which recognizes compensation expense under the intrinsic value method. Had compensation cost for the stock options granted and stock purchased under the Employee Stock Purchase Plan in the third quarter and first nine months of 2003 and 2002 been determined under the fair value based method defined in SFAS 123, our net earnings and earnings per share would have been reduced to the following pro forma amounts (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2003	Sept. 28, 2002	Sept. 27, 2003	Sept. 28, 2002
Net Earnings:				
As reported.....	\$ 12,205	\$ 10,644	\$ 33,867	\$ 32,080
Deduct: compensation expense				
- fair value method.....	(387)	(347)	(1,145)	(1,011)
Pro Forma.....	\$ 11,818	\$ 10,297	\$ 32,722	\$ 31,069
	=====	=====	=====	=====
EPS - Basic:				
As reported.....	\$ 0.69	\$ 0.60	\$ 1.91	\$ 1.78
Pro forma.....	\$ 0.67	\$ 0.58	\$ 1.84	\$ 1.73
EPS - Diluted:				
As reported.....	\$ 0.66	\$ 0.58	\$ 1.85	\$ 1.71
Pro Forma.....	\$ 0.65	\$ 0.57	\$ 1.83	\$ 1.70

I. COMMITMENTS, CONTINGENCIES, AND GUARANTEES

We are self-insured for environmental impairment liability through a wholly owned subsidiary, UFP Insurance Ltd., a licensed captive insurance company. We own and operate a number of facilities throughout the United States that treat lumber products with chemical preservatives. In connection with the ownership and operation of these and other real properties, and the disposal or treatment of hazardous or toxic substances, we may, under various federal, state and local environmental laws, ordinances and regulations, be potentially liable for removal and remediation costs, as well as other potential costs, damages and expenses. Insurance reserves have been established to cover remediation activities at our Union City, GA; Stockertown, PA; Elizabeth City, NC; Schertz, TX; Janesville, WI wood preservation facilities; and a wood preservation facility in White Bear Lake, MN which is leased by a subsidiary. The subsidiary has agreed to purchase the real property upon successful completion of the remediation activities. In addition, a reserve has been recorded for the removal of lead and asbestos containing material from property we purchased in Thornton, CA.

Including amounts recorded in our captive insurance company, we reserved amounts totaling approximately \$2.8 million and \$2.2 million on September 27, 2003 and September 28, 2002, respectively, representing the estimated costs to complete remediation efforts.

As part of its re-registration process and in response to allegations by certain environmental groups that CCA poses health risks, the EPA has been conducting a scientific review of CCA, a wood preservative we use to extend the useful life of wood fiber. In April of 2003, the EPA announced the re-registration of CCA preservative for certain industrial and commercial uses. The manufacturers of CCA preservative agreed to voluntarily discontinue the registration of CCA for certain residential applications by December 31, 2003. All of our facilities are presently capable of using a new preservative to treat wood products. We expect that all of our treating facilities will be using this new preservative on or before January 1, 2004, except those facilities which may treat with CCA for allowed industrial and commercial applications.

In addition to the EPA review, an environmental group petitioned the Consumer Products Safety Commission ("CPSC") to ban the use of CCA treated wood in playsets. On February 7, 2003, the CPSC issued a staff report on its study of the risks of children playing on treated playsets. The study does not recommend removal of product, and proposes the CPSC take no further action until the EPA concludes its assessment. The EPA has previously stated that CCA treated lumber does not pose an unreasonable risk to human health. On October 14, 2003, the CPSC issued its professional staff recommendation, which stated that the CPSC should deny the petition to ban CCA, essentially agreeing that the product does not pose an unreasonable risk to human health.

We have been requested by a customer to defend it from purported class action lawsuits filed against it in Florida and Louisiana. The complaints allege that CCA treated lumber is

defective. While our customer has charged us for certain expenses incurred in the defense of these claims, we have not formally accepted liability of these costs. In February 2003, the judge in the Florida case denied the plaintiff's motion for certification of the class. In June 2003, the judge allowed the plaintiffs to amend their complaint and again reiterated that he would not certify a class in this case. In September 2003, the appellate court upheld the trial judge's denial of certification. During the third quarter, we were advised of a purported class action filed in Texas where a customer of ours is named as the sole defendant. To date, no class has been certified in any of the pending actions.

In addition, various special interest environmental groups have petitioned certain states requesting restrictions on the use or disposal of CCA treated products. The State of Maine has prohibited the manufacture and sale of CCA products after October 15, 2003. The Company does not presently sell product in Maine. The wood preservation industry trade groups are working with the individual states and their regulatory agencies to provide an accurate, factual background which demonstrates that the present method of uses and disposal is scientifically supported.

On September 27, 2003, we were parties either as plaintiff or a defendant to a number of lawsuits and claims arising through the normal course of our business. In the opinion of management, our consolidated financial statements will not be materially affected by the outcome of these legal proceedings.

On September 27, 2003, we had outstanding purchase commitments on capital projects of approximately \$6.6 million.

We provide a variety of warranties for products we manufacture. Historically, warranty claims have not been material.

In certain cases we jointly bid on contracts with framing companies to supply building materials to site-built construction projects. In some of these instances we are required to post payment and performance bonds to insure the owner that the products and installation services are completed in accordance with our contractual obligations. We have agreed to indemnify the surety for claims made against the bonds. Historically, we have not had any claims for indemnity from our sureties. As of September 27, 2003, we had approximately \$25.9 million in outstanding performance bonds which expire during the next three to eighteen months.

We have entered into operating leases for certain assets that include a guarantee of a portion of the residual value of the leased assets. If at the expiration of the initial lease term we do not exercise our option to purchase the leased assets and these assets are sold by the lessor for a price below a predetermined amount, we are required to reimburse the lessor for a certain portion of the shortfall. These operating leases will expire periodically over the next five years. the estimated maximum aggregate exposure of these guarantees is less than \$450,000.

On September 27, 2003, we had outstanding letters of credit totaling \$30.6 million, primarily related to certain insurance contracts and industrial development revenue bonds.

In lieu of cash deposits, we provide irrevocable letters of credit in favor of our insurers to guarantee our performance under certain insurance contracts. We currently have irrevocable letters of credit outstanding totaling approximately \$12.3 million for these types of insurance arrangements. We have reserves recorded on our balance sheet, in accrued liabilities, that reflect our expected future liabilities under these insurance arrangements.

We are required to provide irrevocable letters of credit in favor of the bond trustees for all of the industrial development revenue bonds that we have issued. These letters of credit guarantee principal and interest payments to the bondholders. We currently have irrevocable letters of credit outstanding totaling approximately \$18.3 million related to our outstanding industrial development revenue bonds. These letters of credit have varying terms but may be renewed at the option of the issuing banks.

Our wholly owned domestic subsidiaries have guaranteed the indebtedness of Universal Forest Products, Inc. in certain debt agreements, including the 1994 Senior Notes, Series 1998-A Senior Notes, Series 2002-A Senior Notes and our revolving credit facility. The maximum exposure of these guarantees is limited to the indebtedness outstanding under these debt arrangements and this exposure will expire concurrent with the expiration of the debt agreements.

We did not enter into any new guarantee arrangements during the third quarter of 2003 which would require us to recognize a liability on our balance sheet.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

Included in this report are certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements are based on the beliefs and assumptions of management, together with information available to us when the statements were made. Future results could differ materially from those included in such forward-looking statements as a result of, among other things, the factors set forth below and certain economic and business factors which may be beyond our control. Investors are cautioned that all forward-looking statements involve risks and uncertainty.

RISK FACTORS

WE ARE SUBJECT TO FLUCTUATIONS IN THE PRICE OF LUMBER. We experience significant fluctuations in the cost of commodity lumber products from primary producers (the "Lumber Market"). A variety of factors over which we have no control, including government regulations, environmental regulations, weather conditions, economic conditions and natural disasters, impact the cost of lumber products and our selling prices. While we attempt to minimize our risk from severe price fluctuations, substantial, prolonged trends in lumber prices can negatively affect our sales volume, our gross margins and our profitability. We anticipate that these fluctuations will continue in the future.

OUR GROWTH MAY BE LIMITED BY THE MARKETS WE SERVE. Our sales growth is dependent, in part, upon the growth of the markets we serve. If our markets do not achieve anticipated growth, or if we fail to maintain our market share, financial results could be impaired.

The manufactured housing industry is currently hampered by market conditions, including a high rate of repossessions and tightened credit policies. Significant lenders who previously provided financing to consumers of these products and industry participants have either restricted credit or exited the market. A continued shortage of financing to this industry could adversely affect our operating results.

Our ability to achieve growth in sales and margins to the site-built construction market is somewhat dependent on housing starts. If housing starts decline significantly, our financial results could be negatively impacted.

We are witnessing consolidation by our customers. These consolidations will result in a larger portion of our sales being made to some customers and may limit the customer base we are able to serve.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

A SIGNIFICANT PORTION OF OUR SALES ARE CONCENTRATED WITH ONE CUSTOMER. Our sales to The Home Depot comprised 32% of our total sales in the first nine months of 2003.

OUR GROWTH MAY BE LIMITED BY OUR ABILITY TO MAKE SUCCESSFUL ACQUISITIONS. A key component of our growth strategy is to complete business combinations. Business combinations involve inherent risks, including assimilation and successfully managing growth. While we conduct extensive due diligence and have taken steps to ensure successful assimilation, factors beyond our control could influence the results of these acquisitions.

WE MAY BE ADVERSELY AFFECTED BY THE IMPACT OF ENVIRONMENTAL AND SAFETY REGULATIONS. We are subject to the requirements of federal, state and local environmental and occupational health and safety laws and regulations. There can be no assurance that we are at all times in complete compliance with all of these requirements. We have made and will continue to make capital and other expenditures to comply with environmental regulations. If additional laws and regulations are enacted in the future, which restrict our ability to manufacture and market our products, including our treated lumber products, it could adversely affect our sales and profits. If existing laws are interpreted differently, it could also increase the financial cost to us. Several states have proposed legislation to limit the uses of CCA treated lumber. (See Notes to Consolidated Condensed Financial Statements, Footnote I "Commitments, Contingencies, and Guarantees.")

SEASONALITY AND WEATHER CONDITIONS COULD ADVERSELY AFFECT US. Some aspects of our business are seasonal in nature and results of operations vary from quarter to quarter. Our treated lumber and outdoor specialty products, such as fencing, decking and lattice, experience the greatest seasonal effects. Sales of treated lumber, primarily consisting of Southern Yellow Pine ("SYP"), also experience the greatest Lumber Market risk (see "Historical Lumber Prices"). Treated lumber sales are generally at their highest levels between April and August. This sales peak, combined with capacity constraints in the wood treatment process, requires us to build our inventory of treated lumber throughout the winter and spring. This also has an impact on our receivables balances, which tend to be significantly higher at the end of the second and third quarters. Because sales prices of treated lumber products may be indexed to the Lumber Market at the time they are shipped, our profits can be negatively affected by prolonged declines in the Lumber Market during our primary selling season. To mitigate this risk, programs are maintained with certain vendors and customers that are intended to decrease our exposure. These programs include those materials which are most susceptible to adverse changes in the Lumber Market. Vendor programs also allow us to carry a lower investment in inventories.

The majority of our products are used or installed in outdoor construction activities; therefore, short-term sales volume, our gross margins and our profits can be negatively affected by adverse weather conditions. In addition, adverse weather conditions can negatively impact our productivity and costs per unit.

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

WE WILL BE CONVERTING TO A NEW PRESERVATIVE TO TREAT OUR PRODUCTS IN THE THIRD AND FOURTH QUARTERS OF 2003. In February 2002, the manufacturers of CCA preservative agreed with the EPA to voluntarily discontinue the registration of CCA for certain residential applications by December 31, 2003. As a result, 23 of our 24 wood preservation facilities will convert to an alternate preservative by December 31, 2003. The remaining facility will be converted the first week of 2004. As of September 27, 2003, 10 of the 24 facilities have been converted. The necessary capital investments for the conversions were made in 2002. We are coordinating with our chemical suppliers and customers to insure an orderly transition and minimize risks associated with chemical efficiencies, lost production time during the conversion process, and inventory levels of products treated with CCA preservative. In addition, we estimate the new preservative will increase the cost and sales price of our treated products by up to 20%. While we expect that this transition will not have a material impact on our operations, certain factors, such as consumer acceptance, may adversely affect our planned transition to this new preservative.

When analyzing this report to assess our future performance, please recognize the potential impact of the various factors set forth above.

HISTORICAL LUMBER PRICES

The following table presents the Random Lengths framing lumber composite price for the nine months ended September 27, 2003 and September 28, 2002:

	Random Lengths Composite Average \$/MBF	
	2003	2002
	----	----
January	\$278	\$297
February	295	317
March	277	339
April	283	323
May	278	312
June	303	302
July	302	306
August	336	291
September	375	279
Third quarter average	\$338	\$292
Year-to-date average	\$303	\$307

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

Third quarter percentage	
increase from 2002.....	15.8%
Year-to-date percentage	
decrease from 2002.....	(1.3%)

In addition, a SYP composite price, which we prepare and use, is presented below. Sales of products produced using this species comprise up to 50% of our sales volume.

	Random Lengths SYP Average \$/MBF	
	2003	2002
January.....	\$387	\$410
February.....	394	434
March.....	392	464
April.....	410	457
May.....	385	408
June.....	384	383
July.....	374	409
August.....	398	375
September.....	437	361
Third quarter average.....	\$403	\$382
Year-to-date average.....	\$396	\$411
Third quarter percentage		
increase from 2002.....	5.5%	
Year-to-date percentage		
decrease from 2002.....	(3.7%)	

IMPACT OF THE LUMBER MARKET ON OUR OPERATING RESULTS

We generally price our products to pass lumber costs through to our customers so that our profitability is based on the value-added manufacturing, distribution and services we provide. As a result, our sales levels (and working capital requirements) are impacted by the lumber costs of our products.

Our gross margins are impacted by both (1) the relative level of the Lumber Market (i.e. whether prices are higher or lower from comparative periods), and (2) the trend in the market price of lumber

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

(i.e. whether the price of lumber is increasing or decreasing within a period or from period to period). Moreover, as explained below, our products are priced differently. Some of our products have fixed selling prices, while the selling prices of other products are indexed to the reported Lumber Market with a fixed dollar adder to cover conversion costs and profits. Consequently, the level and trend of the Lumber Market impact our products differently.

Below is a general description of the primary ways in which our products are priced.

- - Products with fixed selling prices. These products include value-added products such as decking and fencing sold to do-it-yourself/retail ("DIY/retail") customers, as well as trusses, wall panels and other components sold to the site-built construction market. Prices for these products are generally fixed at the time of the sales quotation for a specified period of time or are based upon a specific quantity. In order to maintain margins and eliminate or reduce any exposure to adverse trends in the price of component lumber products, we attempt to lock in costs for these sales commitments with our suppliers. Also, the time periods and quantity limitations generally allow us to reprice our products for changes in lumber prices from our suppliers.
- - Products with selling prices indexed to the reported Lumber Market with a fixed dollar "adder" to cover conversion costs and profits. These products include treated lumber, remanufactured lumber and trusses sold to the manufactured housing industry. For these products, we estimate the customers' needs and carry anticipated levels of inventory. Because lumber costs are incurred in advance of final sale prices, subsequent increases or decreases in the market price of lumber impact our gross margins. For these products, our margins are exposed to changes in the trend of lumber prices.

Changes in the trend of lumber prices have their greatest impact on those products that have significant inventory levels with low turnover rates. This particularly impacts treated lumber, which comprises almost twenty-five percent of our total annual sales. In other words, the longer the period of time that products remain in inventory, the greater the exposure to changes in the price of lumber. This exposure is less significant with remanufactured lumber, trusses sold to the manufactured housing market and other similar products, due to the higher rate of inventory turnover.

In addition to the impact of Lumber Market trends on gross margins, changes in the level of the market causes fluctuations in gross margins when comparing operating results from period to period. This is explained in the following example, which assumes the price of lumber has increased from period one to period two, with no changes in the trend within each period.

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

	Period 1 -----	Period 2 -----
Lumber cost.....	\$300	\$400
Conversion cost.....	50	50
= Product cost.....	350	450
Adder.....	50	50
= Sell price.....	400	500
Gross margin.....	12.5%	10.0%

As is apparent from the preceding example, the level of lumber prices does not impact our overall profits, but does impact our margin percentages. Gross margins are negatively impacted during periods of high lumber prices; conversely, we experience margin improvement when lumber prices are relatively low.

BUSINESS COMBINATIONS AND ASSET PURCHASES

We completed the following business combinations and asset acquisitions in fiscal 2002 and fiscal 2003, which were accounted for using the purchase method.

Seller's Name - - - - -	Acquisition Date - - - - -	Business Description - - - - -
D&L Framing LLC	August 28, 2003	Framing operation for multi-family construction located in Las Vegas, NV.
Norpac Construction LLC	June 3, 2003	Concrete framer for multi-family construction located in Las Vegas, NV.
Quality Wood Treating Co., Inc. ("Quality")	November 4, 2002 August 26, 2003	One facility in Prairie du Chien, WI which produces EverX composite decking. We also entered into an exclusive treating services agreement with Quality. On August 26, 2003, we canceled the treating services agreement and purchased two treating facilities in Lansing, MI and Janesville, WI and agreed to lease the real estate of a third treating facility in White Bear Lake, MN.
J.S. Building Products, Inc.	September 9, 2002	One facility in Modesto, CA which manufactures engineered roof trusses for the site-built construction market.

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

Inno-Tech Plastics, Inc. ("Inno-Tech") - - Entered into exclusive licensing agreement and acquired certain assets.	April 10, 2002	One facility in Springfield, IL which manufactures "wood alternative" products.
Pinelli-Universal S. de R.L. de C.V. ("Pinelli") - Purchased additional 5% interest.	January 15, 2002	One facility in Durango, Durango, Mexico which manufactures molding and millwork products.

RESULTS OF OPERATIONS

The following table presents, for the periods indicated, the components of our Consolidated Condensed Statements of Earnings as a percentage of net sales.

	For the Three Months Ended		For the Nine Months Ended	
	Sept. 27, 2003	Sept. 28, 2002	Sept. 27, 2003	Sept. 28, 2002
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	86.5	86.4	85.9	86.0
	-----	-----	-----	-----
Gross profit	13.5	13.6	14.1	14.0
Selling, general, and administrative expenses	9.0	9.1	9.4	9.3
	-----	-----	-----	-----
Earnings from operations	4.5	4.5	4.7	4.7
Interest, net	0.7	0.5	0.8	0.6
Gain on sale of assets	(0.0)	(0.0)	(0.0)	(0.1)
	-----	-----	-----	-----
	0.7	0.5	0.8	0.5
	-----	-----	-----	-----
Earnings before income taxes and minority interest	3.8	4.0	3.9	4.2
Income taxes	1.4	1.5	1.4	1.5
	-----	-----	-----	-----
Earnings before minority interest	2.4	2.5	2.5	2.7
Minority interest	(0.1)	(0.1)	(0.2)	(0.2)
	-----	-----	-----	-----
Net earnings	2.3%	2.4%	2.3%	2.5%
	=====	=====	=====	=====

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

NET SALES

We engineer, manufacture, treat, distribute and install lumber, composite, plastic, and other building products for the DIY/retail, site-built construction, manufactured housing, industrial and other markets. Our strategic sales objectives include:

- - Diversifying our end market sales mix by increasing sales of specialty wood packaging to industrial users and engineered wood products to the site-built construction market. Engineered wood products include roof trusses, wall panels and floor systems.
- - Increasing sales of "value-added" products. Value-added product sales consist of fencing, decking, lattice and other specialty products sold to the DIY/retail market, specialty wood packaging, engineered wood products, and "wood alternative" products. Wood alternative products consist primarily of composite wood and plastics. Although we consider the treatment of dimensional lumber with certain chemical preservatives a value-added process, treated lumber is not presently included in the value-added sales totals.
- - Maximizing profitable top-line sales growth while increasing DIY/retail market share.
- - Maintaining manufactured housing market share.

The following table presents, for the periods indicated, our net sales (in thousands) and percentage of total net sales by market classification.

Market Classification	For the Three Months Ended				For the Nine Months Ended			
	Sept. 27,	%	Sept. 28,	%	Sept. 27,	%	Sept. 28,	%
	2003		2002		2003		2002	
DIY/Retail.....	\$262,025	48.5%	\$214,975	47.6%	\$ 721,659	49.9%	\$626,394	48.3%
Site-Built Construction.....	111,541	20.9	88,731	19.6	289,686	20.1	245,717	18.9
Manufactured Housing.....	79,306	14.9	79,588	17.5	206,880	14.3	227,990	17.5
Industrial and Other.....	83,406	15.7	69,665	15.3	226,135	15.7	199,458	15.3
Total.....	\$536,278	100.0%	\$452,959	100.0%	\$1,444,360	100.0%	\$1,299,559	100.0%
	=====	=====	=====	=====	=====	=====	=====	=====

Note: In the first quarter of 2003, we reviewed the classification of our customers and made certain reclassifications. Prior year information has been restated to reflect these classifications.

Net sales in the third quarter of 2003 increased 18.4% compared to the third quarter of 2002 resulting from an increase in units shipped of approximately 13%. Overall selling prices increased as a result of the Lumber Market (see "Historical Lumber Prices"). We estimate that our unit sales increased by 9% as a result of business acquisitions and an exclusive treating services agreement completed

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

after September 28, 2002. We estimate our unit sales out of existing facilities increased by 4% in the third quarter of 2003.

Net sales in the first nine months of 2003 increased 11.1% compared to the first nine months of 2002 resulting from an increase in units shipped of approximately 12%. Overall selling prices decreased as a result of the Lumber Market (see "Historical Lumber Prices"). We estimate that our unit sales increased by 7% as a result of business acquisitions and an exclusive treating services agreement completed after September 28, 2002. We estimate our unit sales out of existing facilities increased by 5% in the first nine months of 2003.

The following table presents, for the periods indicated, our percentage of value-added and commodity-based sales to total sales.

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Value-Added.....	49.6%	49.6%	50.7%	49.8%
Commodity-Based.....	50.4%	50.4%	49.3%	50.2%

Value-added sales increased 18.8% and 13.8%, respectively, in the third quarter and first nine months of 2003, primarily due to increased sales of EverX (composite decking), engineered wood products, industrial products and other specialty products supplied to the DIY/retail market. Commodity-based sales increased 19.2% and 9.4%, respectively, during the third quarter and first nine months of 2003 primarily due to the exclusive treating services agreement we completed in November 2002.

DIY/Retail:

Net sales to the DIY/retail market increased \$47.1 million, or 21.9%, in the third quarter of 2003 compared to 2002, primarily due to acquiring a composite manufacturing plant and entering into an exclusive treating services agreement with Quality. In addition, the higher Lumber Market caused an increase in our sales prices this quarter, and our organic sales growth out of existing facilities was approximately 4%.

Net sales to the DIY/retail market increased \$95.3 million, or 15.2%, in the first nine months of 2003 compared to 2002, primarily due to the composite plant acquisition and treating services agreement mentioned above, combined with organic sales growth out of existing facilities totaling approximately 5%.

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

Site-Built Construction:

Net sales to the site-built construction market increased 25.7% and 17.9% in the third quarter and first nine months of 2003, respectively, compared to the same periods of 2002. These increases resulted from acquisitions completed after September 28, 2002, a new framing joint venture, and organic sales growth out of existing plants totaling approximately 15% for the quarter and 12% for the nine months ended September 27, 2003. In addition, we estimate the Lumber Market caused our selling prices to increase 8% this quarter.

Manufactured Housing:

Net sales to the manufactured housing market decreased 0.4% and 9.3% in the third quarter and first nine months of 2003, respectively, compared to the same periods of 2002. These decreases resulted primarily from a 21% and 25% decline in quarterly and year-to-date industry production, respectively. In addition, the higher Lumber Market caused an increase in our sales prices this quarter.

Industrial and Other:

Net sales to the industrial and other market increased 19.7% and 13.4% in the third quarter and first nine months of 2003, respectively, compared to the same period of 2002. These increases resulted from unit sales increases out of several existing facilities. In addition, we estimate the Lumber Market had the effect of increasing our selling prices by 8% for this quarter.

COST OF GOODS SOLD AND GROSS PROFIT

Gross profit as a percentage of net sales decreased slightly in the third quarter of 2003 compared to the same period of 2002. Generally, a higher Lumber Market results in a decrease in our gross margin. (See "Impact of the Lumber Market on our Operating Results.") We attempt to price certain products to earn a fixed profit per unit, so in a period of higher lumber prices, our gross margin will decline. Therefore, a more meaningful analysis of profitability is a comparison of the change in gross profit dollars compared to our change in units shipped. Our gross profit dollars increased by almost 18% this quarter, while units shipped increased by 13%. We believe this was due, in part, to the positive trend in the Lumber Market in the third quarter. In a period when the Lumber Market is on an increasing trend, our selling prices for products that are indexed to the Lumber Market also increase, which can result in higher gross profit dollars on each unit sold.

Gross profit as a percentage of net sales increased slightly in the first nine months of 2003 compared to the same period of 2002. A favorable trend in the Lumber Market positively affected our gross

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

profit in the third quarter, but this was substantially offset by the effects of adverse weather in the first quarter.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses as a percentage of sales decreased to 9.0% in the third quarter of 2003 compared to 9.1% in the same period of 2002. This decrease was primarily due to the impact of the higher Lumber Market on our selling prices. The dollar increase in our selling, general, and administrative expenses was primarily due to acquisitions and new operations, combined with higher compensation costs resulting from greater headcount to support growth in our business and an increase in insurance and legal costs.

Selling, general and administrative expenses as a percentage of sales increased to 9.4% in the first nine months of 2003 compared to 9.3% in the same period of 2002. This increase was primarily due to the impact of the lower Lumber Market on our selling prices. The dollar increase in our selling, general, and administrative expenses was primarily due to acquisitions and new operations, combined with higher compensation costs resulting from greater headcount to support growth in our business.

INTEREST, NET

Net interest costs increased in the third quarter and first nine months of 2003 compared to the same periods of 2002. These increases were due to a higher average debt balance combined with an increase in our average borrowing rates as a result of issuing \$55 million of long-term unsecured notes payable in December 2002. The proceeds from the note issuance were used to reduce amounts outstanding under our revolving credit facility, which bears interest at a lower rate.

GAIN ON SALE OF ASSETS

During the second quarter of 2002, we sold our corporate airplane and recognized a gain of \$1.1 million on the sale, and entered into an operating lease for a replacement airplane.

INCOME TAXES

Our effective tax rate was 37.4% in the third quarter of 2003 compared to 37.1% in the same period of 2002, and 37.0% in the first nine months of 2003 compared to 37.1% in the same period of 2002. Effective tax rates differ from statutory federal income tax rates, primarily due to provisions for state and local income taxes and permanent tax differences.

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

OFF-BALANCE SHEET TRANSACTIONS

We have no significant off-balance sheet transactions other than operating leases.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities increased in the first nine months of 2003 compared to the same period of 2002 by approximately \$45 million for the following reasons:

- - During the third quarter of 2003, we implemented a new program whereby we sold certain accounts receivable for cash. The proceeds from this sale were used to reduce borrowings on our revolving credit facility. Benefits of this program include a lower net cost than our revolving credit facility, an increase in our available debt capacity, and further diversification of our funding sources. (See Notes to Consolidated Condensed Financial Statements, Footnote D, "Sale of Accounts Receivable.")
- - We sold the extra inventory we carried at the end of 2002 and throughout the first quarter resulting from opportunistic buying and poor weather.
- - We extended our payables cycle and our accrued liabilities increased.

Seasonality has a significant impact on our working capital from March to August which generally results in negative or modest cash flows from operations in our first and second quarters. We experience a substantial decrease in working capital from September to February which results in significant cash flow from operations in our third and fourth quarters. For comparative purposes, we have included the September 28, 2002 balances in the accompanying unaudited consolidated condensed balance sheets.

Due to the seasonality of our business and the effects of the Lumber Market, we believe our cash cycle (days sales outstanding plus days supply of inventory less days payables outstanding) is a good indicator of our working capital management. Our cash cycle increased to 46 days in the first nine months of 2003 from 44 days in the first nine months of 2002, primarily due to an increase in our days supply of inventory. We have carried comparatively higher levels of inventory this year due to:

- - "Opportunity buying" by our purchasing managers at the end of 2002 due to the low level of the Lumber Market;
- - The effect of adverse weather on sales in the first and second quarters;
- - Preparations to convert to a new preservative; and
- - Slower inventory turnover of our composite manufacturing plant.

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

The increase in our days supply of inventory was partially offset by an increase in our payables cycle.

Capital expenditures increased to \$33.3 million in the first nine months of 2003 compared to \$21.1 million in the same period of 2002 as a result of greater spending on expansionary projects. For example, we completed a project to expand the manufacturing capacity of the composite manufacturing plant we purchased in November 2002 and completed or commenced construction of several new plants. We expect to spend approximately \$13 million on capital expenditures for the balance of 2003, which includes outstanding purchase commitments on capital projects totaling approximately \$6.6 million on September 27, 2003. We intend to fund capital expenditures and purchase commitments through a combination of operating cash flow and availability under our revolving credit facility.

We spent approximately \$2.0 million to repurchase 123,234 shares of our common stock in the first nine months of 2003. We have authorization from the Board of Directors to purchase an additional 1.5 million shares.

On September 27, 2003, we had \$17.7 million outstanding on our \$200 million revolving credit facility. The revolving credit facility supports letters of credit totaling approximately \$28.2 million on September 27, 2003. Financial covenants on our revolving credit facilities and senior unsecured notes include a minimum net worth requirement, a minimum interest coverage test, a minimum fixed charge coverage test, and a maximum leverage ratio. The agreements also restrict the amount of additional indebtedness we may incur and the amount of assets which may be sold. We were within our requirements at September 27, 2003.

ENVIRONMENTAL CONSIDERATIONS AND REGULATIONS

See Notes to Consolidated Condensed Financial Statements, Footnote I, "Commitments, Contingencies, and Guarantees."

CRITICAL ACCOUNTING POLICIES

In preparing our consolidated financial statements, we follow accounting principles generally accepted in the United States. These principles require us to make certain estimates and apply judgments that affect our financial position and results of operations. We continually review our accounting policies and financial information disclosures. There have been no material changes in our policies or estimates since December 28, 2002.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risks related to fluctuations in interest rates on our variable rate debt, which consists of a revolving credit facility and industrial development revenue bonds. We do not currently use interest rate swaps, futures contracts or options on futures, or other types of derivative financial instruments to mitigate this risk.

For fixed rate debt, changes in interest rates generally affect the fair market value, but not earnings or cash flows. Conversely, for variable rate debt, changes in interest rates generally do not influence fair market value, but do affect future earnings and cash flows. We do not have an obligation to prepay fixed rate debt prior to maturity, and as a result, interest rate risk and changes in fair market value should not have a significant impact on such debt until we would be required to refinance it.

Item 4. Controls and Procedures.

- (a) Evaluation of Disclosure Controls and Procedures. With the participation of management, our chief executive officer and chief financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15 and 15d - 15) as of September 27, 2003, have concluded that, as of such date, our disclosure controls and procedures were adequate and effective to ensure that material information relating to us and our consolidated subsidiaries would be made known to them by others within those entities in connection with our filing of this third quarter report on Form 10-Q for the quarterly period ended September 27, 2003.
- (b) Changes in Internal Controls. There were no significant changes in our internal controls over financial reporting (as such term is defined in Rules 13a - 15 and 15d - 15 under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds.

- (a) None.
- (b) None.
- (c) Sales of equity securities in the third quarter not registered under the Securities Act.

	Date of Consideration Sale -----	Class of Stock -----	Number of Shares -----	Purchasers -----	Exchanged -----
Stock Gift Program	Various	Common	653	Eligible persons	None

PART II. OTHER INFORMATION

Item 5. Other Information.

In the third quarter of 2003, the Audit Committee approved non-audit services to be provided by our independent auditors, Ernst & Young LLP, totaling \$58,000 for 2003.

Item 6. Exhibits and Reports on Form 8-K.

- (a) The following exhibits (listed by number corresponding to the Exhibit Table as Item 601 in Regulation S-K) are filed with this report:
- 10(i)(3) First Amendment dated September 18, 2003 relating to Series 2002-A, Revolving Credit Agreement dated November 25, 2002.
 - 10(k)(1) Program for Accounts Receivable Transfer ("PARTS") Agreement dated September 22, 2003.
 - 10(k)(2) Deposit Account Control Agreement dated September 22, 2003, completed pursuant to the PARTS Agreement.
 - 31(a) Certificate of the Chief Executive Officer of Universal Forest Products, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
 - 31(b) Certificate of the Chief Financial Officer of Universal Forest Products, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
 - 32(a) Certificate of the Chief Executive Officer of Universal Forest Products, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
 - 32(b) Certificate of the Chief Financial Officer of Universal Forest Products, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
- (b) During the third quarter, we filed a report on Form 8-K dated July 15, 2003, to report the issuance of a press release announcing our financial results for the second quarter ended June 28, 2003 under Item 9.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNIVERSAL FOREST PRODUCTS, INC.

Date: October 27, 2003

By: /s/ William G. Currie

William G. Currie
Its: Vice Chairman of the Board and Chief
Executive Officer

Date: October 27, 2003

By: /s/ Michael R. Cole

Michael R. Cole
Its: Chief Financial Officer

EXHIBIT INDEX

Exhibit No. - - - - -	Description - - - - -
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FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of September 18, 2003 (this "Amendment"), is by and among Universal Forest Products, Inc., a Michigan corporation (the "Company"), the Canadian Borrower, the Lenders, Bank One, NA, a national banking association having its principal office in Chicago, Illinois, as Agent, Wachovia Bank, N.A., as Syndication Agent, and Standard Federal Bank, N.A., as Documentation Agent.

RECITAL

The Company, the Canadian Borrower, the Lenders, the Agent, the Syndication Agent and the Documentation Agent are parties to a Credit Agreement dated as of November 25, 2002 (the "Credit Agreement"). The Company, the Canadian Borrower and the Guarantors desire to amend the Credit Agreement and the Agent and the Lenders are willing to do so in accordance with the terms hereof.

TERMS

In consideration of the premises and of the mutual agreements herein contained, the parties agree as follows:

ARTICLE 1.
AMENDMENTS

The Credit Agreement shall be amended as follows:

1.1 The definition of Lien in Section 1.1 is amended by adding the following to the end thereof: ", provided that the filing of financing statements solely with respect to, or other lien or claim solely on, any interest in Sale Receivables sold or otherwise transferred in a Permitted A/R Sale Transaction shall not be considered a Lien."

1.2 The following new definitions are added to Article I in appropriate alphabetical order:

"A/R Sale Obligations" shall mean the aggregate consolidated obligations of the Company and its Subsidiaries pursuant to all sales and other transfers of Sale Receivables in connection with Permitted A/R Sale Transactions. For purposes of this definition, the amount of such obligations shall be deemed to be, as of any date, the aggregate purchase price paid to date for Sale Receivables by the purchaser thereof, net of any and all collections and recourse payments with respect to such Sale Receivables that have been received to by or on behalf of such purchaser (or, if determined by the Agent, such other amount determined by the Agent based on the aggregate outstanding principal amount thereof if all Permitted A/R Sale Transactions were structured as on balance sheet financings, whether or not shown as a liability on a consolidated balance sheet of the Company and its Subsidiaries), together with any discount, interest, fees, indemnities, penalties, recourse obligations, expenses or other amounts representative of yield or interest earned on such investment or otherwise in connection therewith, to the extent that any of such items are, as of the date of determination, outstanding and unpaid.

"A/R Subsidiary" shall mean a wholly-owned Subsidiary of the Company that engages in no activities other than the purchase of accounts receivable from other Subsidiaries of the Company and

from the Company and Permitted A/R Sale Transactions and any necessary related activities and owns no assets other than accounts receivable so purchased (including Sale Receivables), the proceeds of such accounts receivable, and such other assets as are required in connection with Permitted A/R Sale Transactions, and which Subsidiary shall be a Guarantor.

"Permitted A/R Sale Transaction" shall mean any transaction, or series of transactions, under which Sale Receivables owned by the A/R Subsidiary are sold or transferred to a third-party purchaser in exchange for consideration, in cash or its equivalent, in an amount equal to the fair market value thereof, and under which the A/R Subsidiary, the Company and/or another Subsidiary shall continue to service the Sale Receivables as agent or sub-agent on behalf of the purchaser thereof.

"Sale Receivables" shall mean, collectively (a) accounts receivable that have been originated by the Company or a Subsidiary and transferred to the A/R Subsidiary for sale pursuant to a Permitted A/R Sale Transaction; (b) all proceeds of such accounts receivable; and (c) any and all instruments, contract rights, chattel paper, or other general intangibles relating to or arising out of such accounts receivable.

1.3 Reference in Section 2.1(d) to "\$30,000,000" is deleted and "\$50,000,000" is substituted in place thereof.

1.4 Section 5.2(f) is amended by adding the following to the end thereof: ", provided, further, that for purposes of this Section 5.2(f), the sale or transfer by the A/R Subsidiary of Sale Receivables pursuant to Permitted A/R Sale Transactions shall not be deemed to be asset transfers, to the extent that net collections from such Sale Receivables are used by the purchaser thereof to acquire additional Sale Receivables from the A/R Subsidiary under one or more subsequent Permitted A/R Sale Transactions, and such net collections are in fact so used within six months after purchaser's receipt thereof."

1.5 Section 5.2(i) is amended by adding the following to the end thereof: ", and except that the A/R Subsidiary and the Company may agree, as part of any Permitted A/R Sale Transaction, not to allow, grant or create any Lien upon any of the Sale Receivables."

1.6 A new Section 5.2(n) is added as follows:

(n) Permitted A/R Sale Obligations. Permit or suffer the aggregate A/R Sale Obligations to exceed \$35,000,000 at any time.

1.7 Each reference in Section 6.1(f) to "Indebtedness", other than the reference to Indebtedness inside the parenthetical in line 3 of Section 6.1(f), shall be deleted and "Indebtedness or A/R Sale Obligations" shall be substituted in each place thereof.

ARTICLE 2.
REPRESENTATIONS

Each Borrower represents and warrants to the Agent and the Lenders that:

2.1 The execution, delivery and performance by it of this Amendment have been duly authorized by all necessary corporate action and are not in contravention of any material law, rule or regulation, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority, or of the terms of its charter or by-laws, or of any material contract or undertaking to which it is a party or by which it or its property is bound or affected and do not result in the imposition of any Lien except for Permitted Liens.

2.2 This Amendment is the legal, valid and binding obligations of it enforceable against it in accordance with their respective terms; except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights and except that the remedy of specific performance and injunctive and other forms of equitable relief are subject to equitable defenses and to the discretion of the court before which any proceedings may be brought.

2.3 After giving effect to the amendments herein contained, the representations and warranties contained in Article IV of the Credit Agreement and in any other Loan Document shall be true and correct in all material respects on and as of the date hereof as if such representations and warranties were made on and as of the date hereof.

2.4 No Event of Default or Default exists on the date hereof.

ARTICLE 3.
CONDITIONS PRECEDENT.

This Amendment shall become effective as of the date hereof, provided that each of the following has been satisfied:

3.1 This Amendment shall be signed by the Borrowers, the Agent and the Required Lenders.

3.2 Each Guarantor shall have executed the Consent and Agreement attached hereto.

3.3 The Borrowers shall deliver to the Agent such board resolutions, incumbency certificates and legal opinions required by the Agent.

3.4 The Borrowers shall deliver to the Agent such other agreements and documents in connection herewith as requested by the Agent.

ARTICLE 4.
MISCELLANEOUS.

4.1 References in any Loan Document to the Credit Agreement shall be deemed to be references to the Credit Agreement as amended hereby and as further amended from time to time.

4.3 Each Borrower acknowledges and agrees that the Agent, the Syndication Agent, the Documentation Agent and the Lenders have fully performed all of their obligations under all documents executed in connection with the Loan Documents and all actions taken by the Agent, the Syndication Agent, the Documentation Agent and/or the Lenders are reasonable and appropriate under the circumstances and within their rights under the Loan Documents. Each Borrower represents and warrants that it is not aware of, and hereby waives, any claims or causes of action against the Agent, the Syndication Agent, the Documentation Agent or any Lender, any participant lender or any of their successors or assigns.

4.4 Except as expressly amended hereby, each Borrower agrees that the Loan Documents are ratified and confirmed and shall remain in full force and effect and that it has no set off, counterclaim, defense or other claim or dispute with respect to any Loan Document or any transactions in connection therewith. Terms used but not defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

4.5 This Amendment may be signed upon any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument, and telecopied signatures shall be enforceable as originals.

IN WITNESS WHEREOF, the parties signing this Amendment have caused this Amendment to be executed and delivered as of the day and year first above written.

UNIVERSAL FOREST PRODUCTS, INC.

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS NOVA SCOTIA
ULC

By: _____

Print Name: _____

Its: _____

BANK ONE, NA, as a Lender and as Agent

By: _____

Print Name: _____

Its: _____

BANK ONE, NA, CANADA BRANCH

By: _____

Print Name: _____

Its: _____

WACHOVIA BANK, NA, as a Lender and as
Syndication Agent

By: _____

Print Name: _____

Its: _____

STANDARD FEDERAL BANK, NA, as a Lender
and as Documentation Agent

By: _____

Print Name: _____

Its: _____

BANK OF MONTREAL

By: _____

Print Name: _____

Its: _____

BANK OF MONTREAL

By: _____

Print Name: _____

Its: _____

COMERICA BANK

By: _____

Print Name: _____

Its: _____

COMERICA BANK, CANADA BRANCH

By: _____

Print Name: _____

Its: _____

KEYBANK NATIONAL ASSOCIATION

By: _____

Print Name: _____

Its: _____

NATIONAL CITY BANK

By: _____

Print Name: _____

Its: _____

BANK OF AMERICA

By: _____

Print Name: _____

Its: _____

FIFTH THIRD BANK

By: _____

Print Name: _____

Its: _____

HUNTINGTON NATIONAL BANK

By: _____

Print Name: _____

Its: _____

PROVIDENT BANK

By: _____

Name: _____

Its: _____

CONSENT AND AGREEMENT

As of the date and year first above written, each of the undersigned hereby:

(a) fully consents to the terms and provisions of the above Amendment and the consummation of the transactions contemplated hereby, and agrees to all terms and provisions of the above letter applicable to it;

(b) agrees that its Guaranty and all other Loan Documents executed by the undersigned in connection with the Credit Agreement or otherwise in favor of the Agent and/or the Lenders (collectively, the "Documents") are hereby ratified and confirmed and shall remain in full force and effect, and the undersigned acknowledges that it has no setoff, counterclaim, defense or other claim or dispute with respect to any Document or any transactions in connection therewith; and

(c) acknowledges that it is in its interest and to its financial benefit to execute this consent and agreement.

UNIVERSAL FOREST
PRODUCTS RMS, LLC

By: _____

Print Name: _____

Its: _____

UFP TRANSPORTATION, INC.

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS, INC.

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS
INDIANA LIMITED PARTNERSHIP

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS
TEXAS LIMITED PARTNERSHIP

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS
HOLDING COMPANY, INC.

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS
WESTERN DIVISION, INC.

By: _____

Print Name: _____

Its: _____

SHOFFNER HOLDING COMPANY, INC.

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS
EASTERN DIVISION, INC.

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS SHOFFNER LLC

By: _____

Print Name: _____

Its: _____

UNIVERSAL TRUSS, INC.

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS
RECLAMATION CENTER, INC.

By: _____

Print Name: _____

Its: _____

UNIVERSAL FOREST PRODUCTS OF MODESTO L.L.C.

By: _____

Print Name: _____

Its: _____

TRESSTAR, LLC

By: _____

Print Name: _____

Its: _____

UFP VENTURES, INC.

By: _____

Print Name: _____

Its: _____

CONSOLIDATED BUILDING COMPONENTS, INC.

By: _____

Print Name: _____

Its: _____

UFP REAL ESTATE, INC.

By: _____

Print Name: _____

Its: _____

SYRACUSE REAL ESTATE, LLC

By: _____

Print Name: _____

Its: _____

UFP VENTURES II, INC.

By: _____

Print Name: _____

Its: _____

PROGRAM FOR ACCOUNTS RECEIVABLE TRANSFER AGREEMENT

THIS PROGRAM FOR ACCOUNTS RECEIVABLE TRANSFER AGREEMENT is made this 22 day of September, 2003 among BANK OF AMERICA, N.A. (together with any successor, "BANA"), UNIVERSAL FOREST PRODUCTS RMS, LLC, a Michigan limited liability company ("Client") and UNIVERSAL FOREST PRODUCTS, INC., a Michigan corporation ("Guarantor").

Recitals

Guarantor is the indirect owner of Client through Guarantor's wholly owned subsidiary that owns the sole membership interest in Client. Client from time to time will own accounts receivable resulting from the sale of products or services by Client or one of its affiliates. Client wishes to sell certain accounts receivable to BANA in accordance with the terms hereof. For purposes hereof, terms defined in Annex I hereto shall have the respective meanings assigned therein.

Therefore, for good and valuable consideration, the parties agree as follows:

1. Purchase of Receivables.

(a) In connection with the execution and delivery of this Agreement, Client shall sell to BANA Receivables owned by Client, and BANA shall purchase such Receivables from Client, on the terms set forth herein and on the initial Schedule A hereto (such Schedule A and each other Schedule A hereto being incorporated herein by reference). After the date hereof, Client may from time to time (x) submit an additional proposed Schedule A, in form and substance satisfactory to BANA and executed by Client, to BANA, which additional proposed Schedule A shall pertain to certain additional Receivables owned by Client; and (y) seek the right to sell to BANA such additional Receivables under the terms of this Agreement. Within 10 days after the initial tender of Receivables in connection with any proposed Schedule A, BANA shall notify Client if BANA wishes to accept the proposed Schedule A and purchase any or all of such Receivables. The purchase of any such Receivables by BANA shall be made pursuant to the terms hereof.

All Purchased Receivables shall be evidenced by invoices (in electronic or paper form), which invoices shall comport with the following as specified on the relevant Schedule A: (i) the tenors of the Minimum Invoice Tenor Period and Maximum Invoice Tenor Period, (ii) the Minimum Invoice Amount, and (iii) no grace period related thereto shall exceed the Past Due Grace Period. Without limiting the other terms of this Agreement, BANA's purchase of Receivables of an Approved Account Debtor (other than Replacement Receivables purchased pursuant to Section 1(b)(4) below) shall be subject to the following conditions: (A) Client shall submit an executed Schedule A relating to such Receivables, which shall contain the relevant terms and conditions with respect thereto, (B) BANA shall sign such Schedule A and return it to Client, (C) the aggregate amount of such Receivables being purchased shall, subject to Section 1(b)(4), be equal to the relevant Required Amount, and (D) the relevant Schedule A shall contain the Effective Date. All Receivables (including Replacement Receivables) purchased by BANA shall be purchased on a non-recourse basis, provided that Client shall have an obligation to repurchase certain Receivables upon the limited circumstances provided herein. It is the express intention of the parties to this Agreement that the purchase of Receivables hereunder shall be, and shall be construed as, a true sale of such Receivables by Client to BANA. Client acknowledges that the representations and warranties made herein (including without limitation in

Section 4) are a material inducement of BANA's purchase of the Receivables to be purchased hereunder.

(b) The parties agree as follows with respect to Receivables that BANA elects to purchase in connection with an executed Schedule A submitted by Client to BANA:

(1) The purchase price (the "Purchase Price") for such Receivables purchased shall be the percentage of the face value thereof set forth on the relevant Schedule A as the Purchase Price with respect to such Receivables.

(2) The parties shall consummate Client's sale of the subject Receivables as promptly as practicable after BANA's election to purchase such Receivables. The parties shall take the following actions to effect each such purchase and sale:

(i) On each Effective Date, BANA shall pay Client an amount equal to the aggregate Purchase Price for the Receivables to be purchased on such date, which shall be wired to the following account: Bank: Harris Bank (Chicago, IL); ABA: 071000288; Acct. No.: 434-474-3; For: Universal Forest Products RMS, LLC.

(ii) With respect to all Remittances of cash required to be paid over to BANA pursuant to Section 1(b)(4), Client shall make such payment in the form of a wire transfer to the following account: Bank: Bank of America, N.A., New York, NY; ABA: 026 009 593; Account No.: 6550-219386; For: Rate Derivative Settlements - Attn: Chuck Linton.

(iii) Client shall execute and deliver to BANA an assignment of or schedule of accounts with respect to (or both) each Receivable to be purchased in such form as BANA may require. In addition, Client shall deliver to BANA with respect to the Receivables to be purchased: (aa) if requested by BANA, a purchase order signed by the applicable Account Debtor or, alternatively, an unsigned purchase order accompanied by an invoice and signed proof of delivery; (bb) if requested by BANA, a valid invoice in the form currently used by Client with regard to the subject Receivables with evidence of shipment of goods in accordance with any applicable purchase order; (cc) if requested by BANA, a certificate duly executed by or on behalf of the applicable Account Debtor stating that all merchandise has been duly delivered or services have been satisfactorily completed in accordance with the purchase order; (dd) any contracts, agreements, chattel paper, notes, securities and instruments evidencing or relating to the Receivable to the extent any of the preceding exists and is requested by BANA; (ee) any credit memoranda; (ff) such authorizing corporate resolutions, corporate organizational documents and legal opinions (covering, at a minimum, (x) due authorization, execution and delivery, (y) enforceability and perfection and (z) true sale) as BANA may request; and (gg) such other documents and certificates as BANA may request.

(iv) With respect to the initial purchase of Purchased Receivables under Schedule A-1, such purchase shall not occur or be effective until the first date, on or after the date specified as the "Earliest Effective Date" on any applicable Schedule A, on which BANA shall have received: (aa) duly executed counterparts of this Agreement, (bb) duly executed counterparts of the Blocked Account Agreement and (cc) to the extent applicable, evidence satisfactory to BANA that all existing liens on the Receivables to be purchased have been released and appropriate arrangements made to amend or terminate the UCC filings related thereto.

(3) From and after Client's sale and BANA's purchase of any Receivable, BANA shall (i) have exclusive control and shall be entitled to collect and receive all amounts payable under the Purchased Receivable and (ii) have a first claim to any rights under a policy of insurance relating to the Purchased Receivable. BANA shall from and after such time be vested with all of Client's rights in the Purchased Receivable including without limitation: (i) Client's right of replevin and reclamation with respect to the merchandise underlying the Purchased Receivable; and (ii) subject only to the rights assigned to Servicer under Section 6, Client's right to extend the time for payment under, or make any compromise, adjustment or modification with respect to, the Purchased Receivable; provided, however, that BANA shall not undertake any of the foregoing unless an Event of Default or the Stated Termination Date has occurred and is continuing or Client shall have failed to take appropriate action with respect to such Purchased Receivable after BANA's reasonable request therefor. Without limiting the foregoing, Client hereby assigns to BANA all rights of Client under each contract underlying a Purchased Receivable relating to the collectibility of payments thereunder, security interests and other liens created in connection therewith and the enforcement thereof, but BANA does not and shall not thereby assume any obligations of Client under any such contract. Notwithstanding the foregoing, (i) Client shall perform all of its obligations (if any) pursuant to any contract or agreement relating to any Purchased Receivables to the same extent as if such Purchased Receivables had not been transferred hereunder (and the exercise by BANA of its rights hereunder shall not relieve Client from such obligations), (ii) Client shall pay when due any taxes payable by Client under applicable law, including any sales taxes payable in connection with Purchased Receivables and their creation and satisfaction, and (iii) BANA shall not have any obligation or liability with respect to any Purchased Receivable or any security or document or agreement related thereto, nor shall BANA be obligated to perform any of the obligations of Client or any Account Debtor under any of the foregoing.

(4) All amounts received by Client with respect to Purchased Receivables (other than any amounts in excess of the Agreed Base Value of such Purchased Receivables) shall be tracked (separately from amounts received by Client on Receivables of the same Account Debtor that do not constitute Purchased Receivables) and held in trust by Client for BANA, and Client (or Servicer, if different from Client) will deliver to BANA all amounts, checks, monies or other forms of with respect to Purchased Receivables (collectively, payment received "Remittances"), net of any amounts that have been earned by Client (or Servicer, if different from Client) as an Incentive Servicing Fee in accordance with Section 6(a); provided, however, that, until the relevant Termination Date, such Remittances may be used by Servicer, as agent for and on account of BANA, to purchase from Client like Receivables of the same Approved Account Debtor that meet all of the requirements contained herein applicable to the original Purchased Receivables of such Approved Account Debtor, ("Replacement Receivables"), which Replacement Receivables shall (i) also be held for the exclusive benefit and account of BANA to the same extent as the original Purchased Receivables, and (ii) shall constitute "Purchased Receivables" for all purposes of this Agreement. BANA assumes no responsibility in the acceptance of checks or other forms of exchange in payment of the Purchased Receivables. Irrespective of whether or not a Termination Date has occurred, Client and/or Servicer will (x) pursuant to Section 5(g), deposit into the Blocked Account (for the benefit of BANA) all Remittances received on, or on account of, Purchased Receivables, net of any amounts that have been earned by Client (or Servicer, if different from Client) as an Incentive Servicing Fee in accordance with Section 6(a), and (y) thereafter, promptly (but in no event later than the Stated Termination Date with respect to Remittances received prior to the Stated Termination Date) remit to BANA such Remittances held in the Blocked Account (for the benefit of BANA) to the extent such Remittances are not used to purchase Replacement Receivables in accordance with the terms of the proviso set forth in the first sentence of this Section 1(b)(4). For purposes of maintaining the perfection of BANA's interest in any

Purchased Receivables and the proceeds thereof, BANA hereby appoints Client as its agent in respect of any Remittances prior to such Remittances being used to purchase Replacement Receivables; provided that Client's sole duty as such agent shall be to hold such Remittances for the benefit of BANA or purchase Replacement Receivables on behalf of BANA as aforesaid.

(5) BANA shall not be obligated to purchase any Receivable hereunder (other than Replacement Receivables purchased pursuant to Section 1(b)(4)) unless and until: (i) BANA accepts the Receivable for sale in accordance with the terms hereof; and (ii) all other terms and conditions set forth herein with respect to such purchase shall have been satisfied. BANA's purchase of any Receivable or Receivables on one occasion shall not obligate BANA to purchase any other Receivable (other than Replacement Receivables purchased pursuant to Section 1(b)(4)) on any future occasion.

(6) All invoices relating to the Receivables to be purchased shall be in a form substantially similar to the form of invoice with respect to such Receivables initially reviewed and approved by BANA prior to the relevant Effective Date (or in such other form as BANA may from time to time approve).

(7) If: (i) an Approved Account Debtor, after receiving and accepting goods or services rendered (subject to all representations and warranties herein), fails to pay a Purchased Receivable when due and such nonpayment shall be the result of or arise from the assertion of any claim or dispute by an Account Debtor against Client or its affiliate for any reason whatsoever, including without limitation, denial of or disputes over the amount of a claim represented by a Purchased Receivable, lack of adequate coverage, disputes concerning the delivery, quantity, quality, or other attributes of the goods or services rendered, or the exercise of any counterclaim or offset (whether or not such claim, counterclaim or offset relates to the specific Purchased Receivable); or (ii) if any representation or warranty made by Client to BANA with respect to a Purchased Receivable has been breached (each of the circumstances (i) and (ii) referred to as a "Repurchase Event") such Purchased Receivables shall be subject to repurchase by Client as provided in Section 9(a). It is understood and agreed that in the event that any Purchased Receivable shall be more than 15 days past due other than as a result of a Financial Inability to Pay, the applicable Account Debtor shall be presumed to have asserted a claim or dispute with respect thereto (thus giving rise to a Repurchase Event with respect to such Receivable), unless Client shall rebut such presumption to the satisfaction of BANA and, in connection therewith, shall provide to BANA all of the materials referenced in Section 6(b) with respect to such Receivable.

(c) The sale or other transfer or conveyance of Purchased Receivables do not create, nor are they intended to create, an assumption by BANA of any of Client's obligations in connection with such Receivables or any agreement or instrument relating thereto, including, without limitation, any obligation to any Account Debtor. Notwithstanding the foregoing, it is the further intention of the parties to this Agreement that, if a court of competent jurisdiction were to determine that such transfer of Purchased Receivables is not a sale, such transfer shall be deemed a grant of a first priority security interest in such Purchased Receivables, the Blocked Account and all proceeds thereof to secure Client's obligations to BANA under this Agreement, including (without limitation) Client's obligation to repurchase certain Purchased Receivables as provided in Section 9(a).

2. Term.

(a) BANA may (i) at any time (whether before, during or after an Event of Default), upon ten (10) days written notice to Client, or (ii) immediately upon a downgrade in any Approved Account Debtor's Credit Rating or the occurrence of an Event of Default, accelerate the date on

and after which Client can no longer use Remittances to purchase Replacement Receivables under a particular Schedule A as set forth in the definition of "Termination Date".

(b) With respect to any Purchased Receivable, all Remittances in respect thereof shall be paid to BANA in accordance with the terms of Section 1(b)(4).

3. Fees. Servicer shall be entitled to a Servicing Fee from BANA as set forth in Section 6.

4. Representations and Warranties.

(a) Each Client and Servicer represents and warrants to BANA on the date hereof, on each applicable Effective Date (and, with respect to each Replacement Receivable, on the date that BANA is deemed to have purchased such Replacement Receivable) and at each time Client submits to BANA a request that BANA purchase any Receivable that: (i) it is duly organized and validly existing and in good standing under the laws of the jurisdiction of its organization with the corporate power and authority to carry on its activities as now conducted and as contemplated under this Agreement, and to execute, deliver, perform and secure its obligations under this Agreement in accordance with its terms; (ii) the execution, delivery and performance by it of this Agreement (aa) have been duly authorized by all necessary action, and (bb) do not and will not conflict with, or result in a violation of, any applicable provision of existing law, rule or regulation applicable to it, any judgment, order or decree applicable to or binding on it, its charter or bylaws or any indenture, contract, agreement, mortgage, deed of trust or other instruments to which Client is a party or by which it or its property is bound; (iii) this Agreement has been duly authorized, executed and delivered by it, and is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except to the extent, if any, that the enforceability thereof may be limited by (aa) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, debt adjustment or other similar law or enactment now or hereafter enacted affecting the enforcement of creditors' rights generally and (bb) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); (iv) all authorizations, permits, consents, approvals, licenses or exemptions from, registrations or filings with, or reports to, any governmental or regulatory unit or other party or entity necessary for it to enter into this Agreement and to perform its obligations hereunder have been obtained and remain in full force and effect, and no other such authorizations, permits, consents, approvals, licenses, exemptions, registrations, filings or reports are necessary for the due execution, delivery and performance by it of this Agreement; (v) no agreement exists between Client and any Account Debtor that could interfere with such Account Debtor's payment of and performance under the Purchased Receivables in accordance with the relevant invoices; (vi) each contract underlying a Purchased Receivable, by its terms, is freely transferable; (vii) each contract underlying a Purchased Receivable is governed according to the laws of a state of the United States of America; (viii) each contract underlying a Purchased Receivable contains (Y) no material restrictions or limitations on Client's (or its assignee's) ability to pursue collection of such Receivables and enforcement of such contract and (Z) no mandatory arbitration provisions; and (ix) it has complied (and will continue to comply) with all applicable agreements and requirements contained in this Agreement, including without limitation those set forth in Section 5.

(b) Client acknowledges that as to each Receivable sold hereunder that it expressly represents, warrants, agrees (and furthermore acknowledges that BANA is expressly relying thereon) that immediately prior to the purchase of such Receivable by BANA pursuant to Section 1 hereof: (i) Client is the lawful owner of each such Receivable; (ii) each such Receivable shall be sold and assigned to BANA as absolute owner free and clear of all liens, claims and security interests, and Client has complied with (and will continue to comply with) the requirements of Section 5(e) with respect to each such Receivable; (iii) each such Receivable is for a certain, definite, undisputed and liquidated amount and represents an amount owed to Client as a result of a bona fide sale in the ordinary course of business of a product or service to an Approved Account Debtor who is not affiliated with Client; (iv) complete deliveries have been made under any agreement, representation or understanding between Client and the applicable Account

Debtor with respect to each such Receivable, and, as required by Section 1(b)(2)(iii)(dd), any contracts or agreements relating to each such Receivable have been delivered to BANA; (v) no such Receivable is past due (i.e., unpaid beyond the applicable Maximum Invoice Tenor Period) or for a face value less than the applicable Minimum Invoice Amount; (vi) the applicable Account Debtor is not, and will not be, entitled to any offset, deduction, counterclaim, contra account and/or other credit with respect to such Receivable or will be subject to any dispute or claim (other than Credits that would not cause a breach of the representation in clause (vii) below) by an Account Debtor including, but not limited to, with respect to price, terms, quality, quantity or delay in shipment; (vii) no such Receivable is or shall otherwise be subject to, any offset, counterclaim, contra account or any defense of any kind or character with respect to any such Receivable (collectively, "Credits") that would cause the aggregate amount of all Credits with respect to all Purchased Receivables purchased by BANA under a particular Schedule A to exceed 7.5% (or such other amount as Client and BANA may subsequently agree upon) of the aggregate face value of all such Purchased Receivables; (viii) Client does not have any knowledge of any fact that could reasonably be expected to affect the validity or collectibility of any such Receivable (other than Credits that would not cause a breach of the representation in Section 4(b)(vii)); (ix) no such Receivable represents a delivery of merchandise upon "consignment," "guaranteed sale," "sale or return," "payment on reorder" or similar terms; (x) no such Receivable represents a "pack, bill and hold" or similar transaction; (xi) the names of the Account Debtors and the amounts owing on the due dates of each such Receivable are correctly stated in all instruments of assignment, schedules, invoices or other documentation furnished by Client to BANA; (xii) no such Receivable has a due date that is more than the Maximum Invoice Tenor Period unless otherwise approved by BANA; (xiii) no other sale, assignment or grant of a security interest or lien of any kind whatsoever presently exists or will thereafter be created in favor of any person or entity with respect to any such Receivable; (xiv) any and all information furnished by Client to BANA in connection with the sale of each such Receivable is and will be true and correct in all material respects at the time that such information is furnished to BANA; (xv) Client has strictly complied with all applicable laws and regulations in connection with Client's sale of products or services giving rise to each such Receivable; (xvi) all proceeds from the sale of such Receivables will be used by Client in accordance with requirements of law, and will not be used, directly or indirectly, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose; (xvii) each such Receivable is and will be payable in United States dollars; and (xviii) each such Receivable constitutes an "account" as defined in Section 9-102 of the Uniform Commercial Code as in effect in the state of Client's formation and in the state of Client's principal place of business. Client acknowledges that the representations and warranties made herein are a material inducement to BANA's purchase of the Receivables to be purchased hereunder.

(c) Client authorizes BANA to represent and warrant to any subsequent transferee or assignee of any Receivable that at the date of purchase of the Receivable by BANA the Receivable represented a legally valid indebtedness of the applicable Account Debtor for the amount of such Receivable and that there were no known defaults or counterclaims with respect to such Receivable. Client shall indemnify BANA from and against any liability incurred by BANA, or any claims made against BANA, as a result of any such representation or warranty by BANA.

5. Covenants of Client. Client and, to the extent applicable, Servicer shall comply with each of the following covenants during the term of this Agreement:

(a) Client shall deliver to BANA in form and detail satisfactory to BANA (but only to the extent not delivered to BANA under Client's syndicated bank credit facility or otherwise):

(i) as soon as available, but not later than 95 days after the end of each fiscal year, a copy of the audited consolidated balance sheet of Guarantor as at the end of such year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in

comparative form the figures for the previous fiscal year, and accompanied by the opinion of a nationally-recognized independent public accounting firm, which opinion shall state that such consolidated financial statements present fairly, in all material respects, the financial position for the periods indicated in conformity with Generally Accepted Accounting Principles applied on a basis consistent with prior years (except for changes agreed upon by Guarantor and such auditors which are disclosed and described in such statements). Such opinion shall not be qualified or limited because of a restricted or limited examination by such accountant of any material portion of the records of Guarantor; and

(ii) as soon as available, but not later than 50 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of the unaudited consolidated balance sheet of Guarantor as of the end of such quarter and the related consolidated statements of income and cash flows for the period commencing on the first day and ending on the last day of such quarter, and certified by any responsible financial officer of Guarantor as being complete and correct and fairly presenting in all material respects, in accordance with Generally Accepted Accounting Principles, the financial position and the results of the operations of Guarantor.

(b) Client and Servicer each shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and privileges as a corporation or partnership, as the case may be, under the laws of its state of organization.

(c) Neither Client nor Servicer will create, incur, assume or suffer to exist any lien or other encumbrance (other than those arising hereunder and except for such non-consensual encumbrances as may arise in the ordinary course of Client's business) on: (i) the Purchased Receivables (whether now existing or hereafter arising) or (ii) any proceeds of the Purchased Receivables.

(d) Notwithstanding anything to the contrary, Client and Servicer each shall apply all amounts, checks, monies or other forms of payment received (i) from any Account Debtor who is an Approved Account Debtor with respect to Purchased Receivables and with whom Client has other Receivables and (ii) which do not clearly indicate the Receivables which are being paid, first to Purchased Receivables on such Account Debtor until all such Receivables have been paid in full and, thereafter, to Receivables which are not Purchased Receivables.

(e) In connection with each Purchased Receivable and at its own expense, Client and Servicer each shall (i) on the applicable date of sale to BANA, indicate or cause to be indicated clearly and unambiguously in its accounting records and mark or cause to be marked on any paper invoice or the electronic ledger for any electronic invoice that such Receivable has been sold to BANA pursuant to this Agreement; (ii) ensure that its balance sheet indicates that the Purchased Receivables have been sold to BANA; (iii) not mislead any creditor with respect to BANA's ownership of the Purchased Receivables; (iv) inform any person or entity that may inquire that the Purchased Receivables have been sold to BANA without recourse; (v) not hold out the Purchased Receivables as being able to satisfy any obligation owed or that may be owed to any creditor or potential creditor of Client; and (vi) promptly (and in any event within five (5) days) upon the request of BANA, provide BANA with a list of, an accounts receivable aging report for and any other similar financial or accounting document relating to, all Purchased Receivables.

(f) Client and Servicer each shall notify BANA in the event any of the following events occur as promptly as practical (but in any event within five (5) days) after Client or Servicer, as applicable, becomes aware, or has any reason to believe, such event has occurred or will likely occur:

(i) a general meeting of unsecured creditors shall be called by any Approved Account Debtor or on behalf of such Account Debtor;

(ii) a voluntary or involuntary proceeding shall have been instituted in a United States Bankruptcy Court to adjudge an Approved Account Debtor bankrupt;

(iii) a petition shall have been filed in a United States Bankruptcy Court for the corporate reorganization of an Approved Account Debtor (Chapters 11 or 12, as may be amended from time to time) or for the arrangement of the debts of an Approved Account Debtor (Chapter 13, as may be amended from time to time);

(iv) a receiver is appointed of the whole or any part of the property of an Approved Account Debtor;

(v) an Approved Account Debtor, or a third party on behalf of such Account Debtor, shall have made a general offer of compromise, in writing, to his, her or its creditors for less than his, her or its indebtedness;

(vi) possession shall have been taken of an Approved Account Debtor's assets under an assignment or deed of trust executed by such person for the benefit of his, her or its creditors;

(vii) a creditors committee shall have been formed for the sole purpose of liquidation of an Approved Account Debtor;

(viii) possession shall have been taken of an Approved Account Debtor's business assets under a chattel mortgage given thereon;

(ix) a sale in bulk is made of an Approved Account Debtor's property;

(x) an Approved Account Debtor's assets shall have been sold under a writ of execution or attachment, or a writ of execution shall have been returned unsatisfied;

(xi) an Approved Account Debtor shall have absconded;

(xii) an Approved Account Debtor's assets shall have been sold under a distraint or levy by any taxing authority, or by a landlord;

(xiii) an Approved Account Debtor's Credit Rating as of the Effective Date (including as specified on the applicable Schedule A) has been subsequently lowered or withdrawn by S&P, Moody's or any other nationally recognized rating agency;

(xiv) the assertion of any material dispute of, or any claim of a Credit with respect to, any Purchased Receivable by any Approved Account Debtor; or

(xv) a Servicer Default.

(g) Client, Servicer and Guarantor shall cause all Remittances to be held in trust for the benefit of BANA and forward such Remittances to the Blocked Account within one business day of receipt thereof. For purposes of maintaining the perfection of BANA's interest in any Remittances forwarded to, or otherwise received by, Client, Servicer or Guarantor, BANA hereby appoints each of Client, Servicer and Guarantor as its agent in respect of such funds and other property; provided that, subject to Section 1(b)(4), Client's, Servicer's and Guarantor's sole duty as such agent shall be to hold such funds or other property in trust for the benefit of BANA and to transfer such funds or other property to the Blocked Account as aforesaid. As a matter of clarification, it is understood and agreed that all Remittances in the possession of Client, Servicer or Guarantor, whether held in the Blocked Account or otherwise, shall constitute the property of

BANA to be held in trust for the benefit of BANA pursuant to the terms of this Agreement (including the terms of Section 1(b)(4)).

(h) Client and Servicer each shall do or cause to be done all things necessary or reasonably requested by BANA under any foreign laws applicable to an Approved Account Debtor that is incorporated or organized in a jurisdiction outside of the United States in order to (i) ensure that BANA has and continues to have good title to the Purchased Receivables, and (ii) ensure that BANA has and continues to have the ability to enforce all rights purported to be transferred to BANA hereunder with respect to the Purchased Receivables.

(i) Neither Client nor Servicer shall make any material change in its credit and collections procedures that would adversely affect the validity, enforceability or collectibility of the Purchased Receivables or materially adversely affect the ability of Client or Servicer to perform its obligations hereunder without the prior written consent of BANA.

(j) Without the prior written consent of BANA, Client will not amend, modify or waive any term or condition of any contract underlying any Purchased Receivable, which amendment, modification or waiver would adversely affect the validity, enforceability or collectibility of such Receivable or adversely affect BANA's right to collect any Purchased Receivable.

6. Servicing.

(a) Until BANA gives notice to Client of the designation of a new Servicer as provided herein, Client is hereby designated as, and hereby agrees to perform the duties and obligations of, the servicer pursuant to the terms hereof (the "Servicer") with respect to the Purchased Receivables; provided that, with respect to any group of Purchased Receivables, Client (solely in its capacity as Servicer) may, at any time, upon prior written notice to BANA, designate any affiliate of Client as sub-servicer hereunder; provided, however, that such affiliate shall not become Servicer and, notwithstanding any such delegation, Client shall remain liable for the performance of the duties and obligations of Servicer in accordance with the terms of this Agreement without diminution of such liability by virtue of such delegation and to the same extent and under the same terms and conditions as if Client alone were performing such duties and obligations. The parties agree that Guarantor shall serve as the initial such sub-servicer hereunder. Client acknowledges that BANA has relied on the agreement of Client to act as Servicer hereunder in making its decision to execute and deliver this Agreement. Accordingly, Client agrees that it shall not voluntarily resign as Servicer. In consideration of the performance by Servicer of its obligations hereunder with respect to Purchased Receivables under a particular Schedule A, Servicer shall be entitled to receive, in advance on the Effective Date for such Schedule A, the per annum Servicing Fee from BANA. Furthermore, to the extent collected by Client, Client shall be entitled to receive and retain an amount equal to Remittances collected on Purchased Receivables in excess of the Agreed Base Value of such Purchased Receivables as an "Incentive Servicing Fee." If an Event of Default or Servicer Default occurs hereunder, (i) BANA may designate as Servicer with respect to all or any portion of the Purchased Receivables any person (including BANA or any of its affiliates) to succeed Client or any successor Servicer, on the condition in each case that any such person so designated shall agree to perform the duties and obligations of Servicer pursuant to the terms hereof, and Client agrees that it shall reimburse BANA for all increase in costs, expenses or fees incurred by it as a result of, or in connection with, such designation, and (ii) BANA shall have the right to setoff any Servicing Fee owed to Client pursuant to this Section 6(a) against the amount of any of Client's indemnity or other obligations hereunder.

(b) Servicer shall take or cause to be taken all such action as may be necessary or advisable to administer, service and collect each Purchased Receivable from time to time (including without limitation minimizing the amount of any Credits and keeping a proper accounting of any Credits that are asserted by an Account Debtor), all at the Servicer's expense and in accordance with this Agreement and all applicable laws, rules and regulations, with

reasonable care and diligence, and in accordance with any credit and collection policy agreed to by Client and BANA with respect to a Purchased Receivable; provided, however, that Servicer shall not extend the maturity of any Purchased Receivable without BANA's prior consent, which consent shall not be unreasonably withheld. In addition, Servicer shall remit any and all Remittances received with respect to any Purchased Receivables to BANA in accordance with the terms of Section 1(b)(4), and shall likewise forward all other payments and fees owed to BANA pursuant to the terms hereof. Without BANA's consent, Client, in its capacity as Servicer, shall not take any action (or omit to take any action that it would customarily take in servicing Receivables) where such action (or inaction) with respect to any Purchased Receivable is reasonably likely to impair BANA's rights therein or the enforceability, value or collectibility thereof. Without limiting the foregoing, Client, in its capacity as Servicer, shall not take any action (or omit to take any action that it would customarily take in servicing Receivables) that results in preferential treatment for Receivables of an Approved Account Debtor that do not constitute Purchased Receivables. Servicer shall have the right to directly communicate with any Account Debtor with respect to Purchased Receivables (and, in the case of clause (ii), to commence collection proceedings with BANA's consent on BANA's behalf): (i) to obtain current information not already provided on such Account Debtor's financial condition and creditworthiness, and (ii) to determine if any portion of any Purchased Receivable is past due. Notwithstanding anything to the contrary contained herein, upon the occurrence and continuance of an Event of Default or to the extent any Purchased Receivable is more than 15 days past due, BANA may direct Servicer, at BANA's sole expense, to commence or settle any legal action to enforce collection of any Purchased Receivable or to foreclose upon or repossess any underlying security related thereto.

(c) If Client is not Servicer, then Client shall deliver to Servicer and Servicer shall hold for the benefit of Client and BANA in accordance with their respective interests, all records and documents (including computer tapes or disks) with respect to each Purchased Receivable. Servicer shall hold (and shall cause each sub-servicer to hold) in trust (and, during the continuance of an Event of Default, at the request of BANA, segregate) for BANA's benefit, any Remittances received by Servicer (or any sub-servicer) with respect to the Purchased Receivables, and distribute the same to BANA in accordance with the terms of Section 1(b)(4) or otherwise upon BANA's direction. Servicer agrees to make its records, files and books of account available to BANA on request, and to allow BANA and its agents and representatives to visit Servicer's premises upon reasonable notice and during normal business hours to examine such records, files and books of account, to make copies or extracts thereof, and to conduct such examinations as BANA deems necessary. In addition, on the fifteenth calendar day of each month, Servicer shall deliver to BANA a statement of its account showing all accountings relating to all Purchased Receivables as of the last day of such month. Such statements of account shall be deemed correct and binding absent manifest error, unless Servicer receives a written statement from BANA to the contrary within five (5) days after same is received by BANA.

(d) For all Purchased Receivables which are past due for any reason, but excluding those Purchased Receivables which are past due solely as a result of a Repurchase Event, Servicer shall immediately notify BANA and provide to BANA, promptly (and in any event within one business day), each of the following: (i) a copy of the applicable Account Debtor's purchase order and/or a signed confirmation thereof or a signed confirmation of the delivery of goods thereunder; (ii) a copy of each outstanding invoice (in electronic or paper form) and all credit memoranda; (iii) a notarized statement of account; (iv) at BANA's request, copy of all correspondence to and from the applicable Account Debtor relating to such Purchased Receivables; (v) a copy of Servicer's complete collection file on the applicable Account Debtor relating to such Purchased Receivables; (vi) all guarantees, collateral documents and security agreements relating to such Purchased Receivables, (vii) proof of delivery of goods or rendering of services relating to such Purchased Receivables, and (viii) such other documents and information that BANA may reasonably request relating to such Purchased Receivables. Further, with respect to any Purchased Receivable that is more than 15 days past due (other than a Purchased Receivable that is past due as solely a result of a Repurchase Event) and that has not been repurchased by Client, Servicer shall provide to BANA upon request (promptly, and in any

event within one business day) (x) a true and complete copy of any contract relating to such Purchased Receivable, together with any modifications or side letters related thereto, each written in English, and (y) any other evidence of nonpayment of such Purchased Receivable as may reasonably be requested by BANA.

(e) The occurrence of any one or more of the following events shall constitute a "Servicer Default" hereunder:

(1) (a) Servicer shall fail to perform or observe any term, covenant or agreement hereunder and such failure shall remain unremedied for ten (10) days following BANA's written notice thereof to Servicer, or (b) Servicer shall fail to make any payment or deposit to be made by it hereunder when due; or

(2) any representation, warranty, certification or statement made by the Servicer in this Agreement or in any other document shall prove to have been incorrect in any material respect when made or deemed made; or

(3) an Event of Default; or

(4) if any Purchased Receivable is not paid (or repurchased) by the Stated Termination Date.

(f) Notwithstanding any other provision of this Agreement, during the continuance of Servicer Default, BANA may, by written notice to Client and/or Servicer (as applicable):

(1) direct the applicable Account Debtor(s) that payment of all amounts payable under any Purchased Receivable be made directly to BANA or its designee;

(2) instruct Client or Servicer (as applicable) to give notice to the applicable Account Debtor(s), which notice shall be given at Client's/Servicer's expense, directing that payment of all amounts payable under any Purchased Receivable be made directly to BANA or its designee; and/or

(3) terminate and replace Servicer.

(g) Client shall provide to Servicer on a timely basis all information needed for the servicing, administration and collection obligations of Servicer, including notice of the occurrence of any Event of Default or any event specified in Section 5(f) hereof as promptly as practicable (but in any event within five (5) days) after Client becomes aware, or has any reason to believe, such event has occurred or will likely occur.

7. Attorney-in-Fact. Client hereby grants and conveys to BANA an irrevocable power of attorney (coupled with an interest) authorizing and permitting BANA, at its option, with or without notice to Client, to do any one of the following: (a) endorsing the name of Client upon any checks or other instruments that may come into BANA's possession in payment of Purchased Receivables; (b) endorsing the name of Client on any freight or express bill or bill of lading relating to any Purchased Receivables; (c) taking all action as BANA deems appropriate, including without limitation the execution and filing of financing statements, in the name of and on behalf of Client to perfect any of the security interests granted to BANA herein; provided, however, that BANA shall not exercise any such power until the occurrence and during the continuance of an Event of Default. Client agrees that neither BANA nor the attorney-in-fact will be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law except to the extent the same constitutes gross negligence or willful misconduct.

8. Waiver. The waiver by BANA of any particular breach by Client of a provision of this Agreement, or BANA's failure to exercise a right granted to it herein, shall not constitute a waiver of any subsequent breach or any other right.

9. Indemnity and Repurchase Obligations.

(a) BANA's purchase of a Receivable shall not relieve Client from any liability that might arise out of Client's breach of any representation, warranty, covenant or agreement hereunder, or out of any unauthorized or fraudulent acts of Client, its officers, employees or agents. In the event of (i) any breach of any representation and warranty set forth in Section 4 with respect to a Purchased Receivable or any such unauthorized or fraudulent act with respect to a Purchased Receivable which remains uncured for ten (10) days after notice thereof or (ii) an Account Debtor's failure to pay a Purchased Receivable resulting from or arising out of a Repurchase Event, Client agrees upon BANA's request, to repurchase such Receivable at a price equal to the Agreed Base Value thereof.

(b) Client agrees to indemnify BANA from and against all losses, damages, liabilities and costs, including attorneys fees and expenses (whether incurred in connection with trial or appellate proceedings or otherwise), incurred by BANA as a result of or in connection with: (i) any claim or defense which any Account Debtor or other person may have or assert against Client or BANA in connection with Purchased Receivables or this Agreement; or (ii) any breach of any of Client's representations, warranties, covenants or agreements contained herein, in each of (i) and (ii) except to the extent resulting from BANA's gross negligence or willful misconduct.

(c) BANA shall have the right to charge (by setoff or otherwise) any of Client's accounts maintained with BANA, without notice, for the amount of any of Client's indemnity or other obligations hereunder.

(d) The remedies set forth in this Agreement or otherwise available under applicable law shall be cumulative, and no election by BANA to exercise any remedy shall preclude it from thereafter exercising any other remedy.

10. Default and Remedies. An event of default ("Event of Default") shall be deemed to have occurred hereunder upon the occurrence of one or more of the following:

(a) Client shall fail to pay, (i) when and as required to be paid herein, any amount on account of repurchasing any Purchased Receivable, or (ii) within five (5) days after the same shall become due, any other amount payable hereunder; or

(b) Servicer or Guarantor (i) shall fail to make any payment in respect of any indebtedness having an aggregate principal amount of \$10,000,000 or more when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the document relating thereto on the date of such failure; or (ii) shall fail to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such indebtedness, and such failure continues after the applicable grace or notice period, if any, specified in the document relating thereto on the date of such failure, if the effect of such failure, event or condition is to cause, or to permit, the holder or holders of such indebtedness or beneficiary or beneficiaries of such indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such indebtedness to be declared to be due and payable prior to its stated maturity; or

(c) Servicer or Guarantor (i) shall generally fail to pay its debts as they become due; (ii) commences any insolvency proceeding with respect to itself; or (iii) takes any action to effectuate or authorize any of the foregoing; or

(d) Any involuntary lien, garnishment, attachment or the like shall be issued against or shall attach to the Purchased Receivables, the Collateral or any portion thereof and the same is not released or Client fails to repurchase such Purchased Receivables within ten (10) days;

(e) (i) Any involuntary insolvency proceeding is commenced or filed against Servicer or Guarantor; or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of Servicer's or Guarantor's properties, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy; (ii) Servicer or Guarantor admits the material allegations of a petition against it in any insolvency proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any insolvency proceeding; or (iii) Servicer or Guarantor acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar person for itself or a substantial portion of its property or business; or

(f) One or more non-interlocutory judgments, orders or decrees shall be entered against Servicer or Guarantor involving in the aggregate a liability (not covered by independent third-party insurance) as to any single or related series of transactions, incidents or conditions, of \$10,000,000 or more, and the same shall remain unsatisfied, unvacated and unstayed pending appeal for a period of 30 days after the entry thereof.

(g) Client, including in its role as Servicer hereunder, shall breach any covenant or agreement set forth herein, or any warranty or representation set forth herein shall be untrue when made, and the same is not cured to BANA's reasonable satisfaction within ten (10) days after such breach or occurrence;

(h) Any report, certificate, schedule, financial statement, profit and loss statement or other statement furnished by Servicer, or by any other person on behalf of Client, to BANA is not true and correct in any material respect as of the date given.

(i) A material adverse change shall have occurred in Servicer's financial conditions, business or operations in BANA's opinion.

Upon the occurrence and during the continuance of any such Event of Default, BANA (i) shall have no further obligation to take any action after Client's tender of Receivables for purchase, (ii) may, by written notice to Client, accelerate the date on and after which Client or Servicer can no longer use Remittances to purchase Replacement Receivables and (iii) may immediately exercise its rights and remedies hereunder or pursuant to applicable law with respect to the Purchased Receivables, including giving notice to each Approved Account Debtor to remit payment of all amounts payable under any Purchased Receivable directly to BANA or to an account identified by BANA; provided, however, that BANA will hold all collections that are not Remittances in trust for Client and, subject to the provisions of Section 5(d) hereof, will deliver such collections to Client promptly.

11. Cumulative Rights; Waivers. All rights, remedies and powers granted to BANA in this Agreement, or in any other instrument or agreement between Client and BANA are cumulative and may be exercised singularly or concurrently with such other rights as BANA may have. These rights may be exercised from time to time as to all or any part of the Purchased Receivables as BANA in its reasonable discretion may determine. In the event BANA deems it necessary to seek equitable relief, including, but not limited to, injunctive or receivership remedies, as a result of Client's default, Client waives any requirement that BANA post or otherwise obtain or procure any bond. Alternatively, in the event BANA, in its sole and exclusive discretion, desires to procure and post a bond, BANA may procure and file with the court a bond in an amount up to and not greater than \$10,000,000.00 notwithstanding any common or statutory law requirement to the contrary. Upon BANA's posting of such bond it shall be entitled to all benefits as if such bond was posted in compliance with state law. Client also waives any right it may be entitled to, including an award of attorney's fees or costs, in the event any equitable relief sought by and awarded to BANA is thereafter, for whatever reason(s), vacated, dissolved or reversed.

12. Termination. No termination or cancellation (regardless of cause or procedure) of the transactions or relationship contemplated under this Agreement shall in any way affect or impair the obligations, duties and liabilities of Client or the rights of BANA relating to any transaction or event occurring prior to such termination or cancellation. All undertakings, agreements, indemnifications, covenants, warranties and representations contained herein shall survive such termination or cancellation. Client acknowledges that it has a duty to timely pay any tax obligation(s) and that if, for whatever reason, a tax lien or levy were to issue, Client shall cause such lien or levy to be satisfied or discharged within ten (10) days. Until such lien or levy is satisfied and discharged, BANA shall be entitled to withhold any sum(s) that may otherwise be due Client and may remit same to the appropriate governmental tax authority. Moreover, Client agrees that until the tax lien or levy is satisfied or discharged, BANA shall be entitled to collect all proceeds of Purchased Receivables and apply such proceeds to Client's obligations hereunder. Nothing contained herein shall suspend or abate any obligation Client owes to BANA.

13. Expenses. Client agrees to pay all reasonable out-of-pocket due diligence expenses incurred by BANA in connection with BANA's purchase of Purchased Receivables hereunder. In addition to such due diligence expenses, Client agrees to pay, and save BANA harmless against liability for the payment of, all reasonable out-of-pocket expenses of BANA arising in connection with the transactions contemplated herein (including any modifications relating hereto). Such expenses include, without limitation, the following: (a) any and all state documentary stamp taxes or other taxes (including interest and penalties, if any) which may be determined to be payable with respect to the execution and delivery of this Agreement or any assignment or other document executed in connection with this Agreement or any such modification; (b) all search fees and filing fees incurred in connection with the transactions contemplated herein; (c) reasonable travel expenses; (d) reasonable legal fees and expenses in connection with documenting and closing the transactions contemplated herein and with collecting an account due to Client's failure to pay or perform its obligations hereunder, as Servicer or otherwise; (e) credit reports; (f) wire transfers, (g) reasonable expenses incurred for examining books, records, accounts or procedures or policies of Client or Servicer, and (h) BANA's customary expenses with regard to the establishment and maintenance of the Blocked Account. Client agrees that BANA shall be entitled to indemnification and recovery of any and all attorneys' fees or costs in respect of any litigation based hereon, arising out of, or related hereto whether, under or in connection with this and/or any agreement executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party; provided, however, that BANA shall not be entitled to indemnification and recovery of such legal costs where such legal costs relate to litigation initiated by BANA that results in a judgment in favor of Client.

14. Security Interest. It is the intention of the parties hereto that Client's transfer of Receivables to BANA shall constitute a sale and assignment, which sale and assignment shall be absolute, irrevocable and without recourse (other than with respect to the limited repurchase obligations provided herein) and shall provide BANA with the full benefits of ownership of the Purchased Receivables. Notwithstanding the foregoing, to protect BANA in the event that any transfer of Purchased Receivables is deemed by a court, contrary to the express intent of the parties, to constitute a pledge rather than a sale and assignment of such Purchased Receivables, Client and Guarantor do each hereby grant to BANA a security interest in and lien upon all of such person's respective right, title and interest in and to the Purchased Receivables, the Blocked Account and all proceeds thereof (the "Collateral") to secure Client's obligations to BANA under this Agreement, including (without limitation) Client's obligation to repurchase certain Purchased Receivables as provided in Section 9(a). Client and Guarantor do each agree to comply with all appropriate laws in order to perfect BANA's security interest in and to the Collateral, to execute any financing statements, continuations thereof, amendment thereto or additional documents as BANA may require. Client and Guarantor do each hereby authorize BANA to prepare and file such financing statements (including renewal statements) or amendments thereof or supplements thereto or other instruments as BANA may from time to time deem necessary or appropriate in order to perfect and maintain the security interests granted hereunder in accordance with the UCC. Neither Client nor Guarantor shall (a) alter its corporate existence or, in one transaction or in a series of transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets, (b) change its state of incorporation or formation or (c) change its registered corporate name, without, in each case, (i)

providing 30 days prior written notice to BANA, (ii) providing such information as BANA may reasonably require in order to allow BANA to file appropriate amendments to any previously filed financing statements and (iii) executing any such additional documents as BANA may reasonably require in order to protect its rights and remedies hereunder. The occurrence and continuation of any Event of Default shall entitle BANA to all of the default rights and remedies (without limiting the other rights and remedies exercisable by BANA either prior or subsequent to an Event of Default) as available to a secured party under the Uniform Commercial Code in effect in any applicable jurisdiction. Nothing in this Section 14 shall be construed as a representation, on the part of the Guarantor, that it has any right, title or interest in or to any of the Purchased Receivables or the Blocked Account.

15. Agreement of Client. Client authorizes and empowers BANA, in its sole discretion at any time during the continuance of an Event of Default, to: (i) place a hold on Client's checking and other accounts now or hereafter maintained at BANA ; and (ii) withdraw funds from any such account and remit the same to BANA. Any division or department of BANA is authorized to comply with each such direction made by any other division or department of BANA without any duty to determine whether such direction, or any action pursuant thereto, is authorized hereunder or otherwise complies with the terms hereof. BANA shall have no liability to Client or any other entity as a result of its compliance with any such direction, and Client shall indemnify BANA from and against all such liability except to the extent that such liability arises as a result of BANA's gross negligence or willful misconduct. BANA is authorized to apply all funds received by it hereunder to Client's obligations hereunder in such order as BANA may elect. The parties acknowledge that the amount held in each such account may exceed the amount of Client's obligations as ultimately determined. Client agrees that neither BANA nor any institution, nor any of their respective affiliates, shall be liable for the dishonor of any item as the result of a hold being placed on Client's accounts or as the result of any withdrawal of funds in any such account in accordance with the terms hereof.

16. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered by (a) personal delivery; (b) courier; (c) telecopy, or (d) certified or registered mail, postage prepaid to the address set forth below and shall be deemed given at the time of personal delivery or, if by mail, as of the date of first attempted delivery:

If to BANA, at: Global Structured Products
 NC1-007-06-07
 100 North Tryon Street
 Charlotte, NC 28255
 Attn: Christopher L. Woolley
 Telephone: 704-386-8574
 Telecopy: 704-388-3336

With a copy to: Bank of America, N.A.
 9 W. 57th Street
 NY1-301-06-04
 New York, NY 10019
 Attn: Gabriella Morizio
 Telephone: 212-933-2730
 Telecopy: 212-933-2625

If to Client, at: Universal Forest Products RMS, LLC
 c/o Universal Forest Products, Inc.
 2801 East Beltline NE
 Grand Rapids, MI 49525
 Attn: Michael R. Cole, Chief Financial Officer
 Telephone: 616-365-1540
 Telecopy: 616-364-3136

If to Guarantor, at: Universal Forest Products, Inc.
2801 East Beltline NE
Grand Rapids, MI 49525
Attn: Michael R. Cole, Chief Financial Officer
Telephone: 616-364-1540
Telecopy: 616-364-3136

17. Account Statements. Absent manifest error, BANA's books and records shall be admissible in evidence without objection as prima facie evidence of the status of the accounts between BANA and Client.

18. Confidential Information.

The parties agree that the negotiation, existence and terms of this Agreement shall constitute confidential information and each party shall keep the existence and terms of this Agreement confidential. Without limiting the foregoing, Client understands and acknowledges that the form and terms of this Agreement are proprietary trade products of BANA that BANA desires to keep confidential and Client agrees that except for disclosure on a confidential basis to Client's accountants, attorneys and other professional advisors retained by in connection with this Agreement or as may be required by law, the form and terms of this Agreement shall not be disclosed by Client in whole or in part to any other person or entity without BANA's prior written consent.

The parties further agree that the information furnished by Client to BofA regarding any Account Debtor, Client's relationship with such Account Debtor and the goods and services furnished by Client to such Account Debtor (including but not limited to any information delivered pursuant to Section 1(b)(iii)(dd) hereof) shall constitute confidential information. BofA agrees not to disclose such information in whole or in part to any other person or entity without Client's prior written consent, except for disclosure (i) on a confidential basis to BofA's affiliates and employees who are involved in the consummation of the transactions contemplated by this Agreement and to accountants, attorneys and other professional advisors retained by BofA or its affiliates in connection with this Agreement or in any way related to the Purchased Receivables; (ii) as may be required by law; or (iii) of the name of such Account Debtor, the amount of the related Purchased Receivable, the Minimum and Maximum Invoice Tenor Period for such Purchased Receivable and the quantity of goods purchased as specified in the Contract underlying such Purchased Receivable (which disclosure may include delivery of the invoice underlying such Purchased Receivable as required by the relevant hedge counterparty, in such redacted form as approved by BofA and Client, such approvals not to be unreasonably withheld) to the extent necessary to carry out any hedging activity by BofA related to the Purchased Receivables or assignment by BofA of its rights under this Agreement or in respect of the Purchased Receivables; provided that any hedging counterparty or assignee agrees in writing, on terms approved in advance by Client, to observe and preserve the confidentiality of any such information so provided.

Notwithstanding anything herein to the contrary, the information subject to this Section 18 shall not include, and the parties hereto (including their employees, representatives or other agents) may disclose, (i) without limitation of any kind any information with respect to the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to BANA or Client relating to such tax treatment and tax structure; provided that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transactions as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the transactions contemplated hereby; and (ii) any information regarding the transactions and matters pertaining thereto, but only to the extent that the same is required to be reported on the financial statements and other information included in the public filings or disclosures of or by Guarantor and its affiliates made pursuant to applicable provisions of state or federal securities laws including, without limitation, the Securities

Exchange Act of 1934, as amended; provided, however, the parties agree that each Schedule A as well as all pricing information concerning this transaction shall remain confidential.

19. Miscellaneous.

(a) This Agreement shall be governed and construed in accordance with the laws of the State of New York without reference to the conflict of laws provisions thereof.

(b) Client shall not assign this Agreement without the prior written consent of BANA. This Agreement shall be deemed to be one of financial accommodation and not assumable by any debtor, trustee or debtor-in-possession in any bankruptcy proceeding without BANA's express written consent and may be suspended in the event a petition in bankruptcy is filed by or against Client.

(c) This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

(d) This Agreement contains the entire agreement between the parties hereto regarding the subject matter hereof, excepting only assignments and schedules thereto that may be executed from time to time. This Agreement shall not be modified except by written instrument signed by all of the parties hereto.

(e) Client agrees to execute such further instruments as may be required by BANA to evidence the transactions contemplated herein. If any provision of this Agreement is found invalid, the remaining provisions of this Agreement shall not be affected thereby.

(f) Nothing set forth herein or otherwise shall render the parties partners of one another.

(g) Client acknowledges that there is no, and it will not seek or attempt to establish any, fiduciary relationship between BANA and Client on Client's behalf, and Client waives any right to assert, now or in the future, the existence or creation of any such fiduciary relationship between BANA and Client in any action or proceeding (whether by way of claim, counterclaim, crossclaim or otherwise) for damages.

(h) BANA agrees that notwithstanding anything to the contrary set forth herein, unless and until such time as an Event of Default or the Stated Termination Date shall have occurred and be continuing or any Purchased Receivable shall be more than 15 days past due, BANA shall not, and shall not cause Servicer to, contact any Account Debtor directly for any reason with respect to any Purchased Receivable.

(i) This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement.

20. Jury Trial Waiver; Jurisdiction. BANA AND CLIENT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED ON THIS AGREEMENT OR ANY TRANSACTIONS CONTEMPLATED HEREIN, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO, OR TO ANY RELATED DOCUMENT. THE PARTIES CONSENT TO JURISDICTION AND VENUE IN THE STATE OR FEDERAL COURTS IN ANY CITY, COUNTY AND STATE OF NEW YORK. CLIENT FURTHER AGREES TO WAIVE ANY RIGHT IT MAY HAVE TO SEEK A CHANGE OF VENUE

BASED ON INCONVENIENCE OF THE FORUM OR OTHERWISE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE SUBJECT TRANSACTION.

21. Guaranty. Guarantor is the indirect owner of Client through Guarantor's wholly owned subsidiary that owns the sole membership interest in Client. Guarantor hereby unconditionally and irrevocably guarantees to BANA the due and punctual payment, performance and observance by Client and Servicer of all of the terms, covenants, conditions, agreements and undertakings on the part of Client and Servicer to be performed or observed under this Agreement, including, without limitation, the punctual payment when due of all obligations of Client and Servicer now or hereafter existing under this Agreement, whether for indemnification payments, fees, expenses, repurchase obligations or otherwise (all of the foregoing being collectively referred to as the "Obligations"). In the event that Client or Servicer shall fail in any manner whatsoever to perform or observe any of the Obligations when the same shall be required to be performed or observed under this Agreement, then upon either actual knowledge of an officer of Guarantor or demand of BANA, Guarantor shall perform, cause to be performed or make payment to allow such Obligations to be performed and shall fully indemnify and hold harmless BANA from and against any and all damages, losses, claims, liabilities and costs and expenses, including attorney's fees and disbursements awarded against or incurred by them or any of them relating to such failure of Client or Servicer.

Guarantor further agrees that nothing contained herein shall prevent BANA from foreclosing on its security interest in or lien on any asset, if any, or from exercising any other rights available to it under this Agreement or any other instrument of security, if any, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that its obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither Guarantor's obligations hereunder nor any remedy for the enforcement thereof shall be impaired, modified, changed, released or limited in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Client or Servicer or by reason of the bankruptcy or insolvency of Client or Servicer. The Guarantor waives any and all notice of the creation, renewal, extension or accrual of or increase in any of the Obligations and notice of or proof of reliance by BANA upon this Section 21 or acceptance of this Section 21. This Agreement shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Section 21. All dealings between Client, Servicer and Guarantor, on the one hand, and BANA, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Section 21.

Guarantor hereby waives any and all presentments, demands, notices, and protests against Guarantor, and any requirement that BANA commence or exhaust any remedies against Client or Servicer or any collateral securing the Obligations. Guarantor's liability hereunder shall be unconditional irrespective of (i) any lack of enforceability of the Obligations, (ii) any law, regulation or order of any jurisdiction affecting any term of the Obligations or BANA's rights with respect thereto, and (iii) any other circumstance which might otherwise constitute a defense available to, or discharge of, Client, Servicer or Guarantor. This guarantee is a guarantee of payment and performance and not of collection and shall remain in full force and effect until payment in full of the Obligations. The obligations of Guarantor under this Section 21 do rank and will rank pari passu in priority of payment with all other unsecured and unsubordinated obligations for borrowed money of Guarantor. Notwithstanding any provision to the contrary contained herein, to the extent the obligations of Guarantor shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers) then the obligations of Guarantor hereunder shall be limited to the maximum amount that is permissible under applicable law (whether federal or state and including, without limitation, the United States Bankruptcy Code).

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement
as of the date first above written.

Bank of America, N.A.

Universal Forest Products RMS, LLC

By: _____
Printed Name: Chris Woolley
Title: Managing Director

By: _____
Printed Name: _____
Title: _____

Universal Forest Products, Inc.

By: _____
Printed Name: _____
Title: _____

DEFINITIONS

Account Debtor:	Each person or entity obligated to pay any Receivable.
Agreed Base Value:	With respect to any Purchased Receivables, an amount equal to 92.5% of the aggregate face value of such Purchased Receivables.
Agreement:	The Program for Accounts Receivable Transfer Agreement to which this Annex I is attached (together with any applicable Schedule A), as amended, restated, extended, supplemented or otherwise modified in writing from time to time.
Approved Account Debtor:	Any Account Debtor listed on a Schedule A that has been executed by BANA.
BANA:	As defined in the introductory paragraph of the Agreement.
Blocked Account:	The deposit account numbered 8666115507 at BANA for the purpose of receiving Remittances on the Purchased Receivables, which account is subject to the Blocked Account Agreement.
Blocked Account Agreement:	A letter agreement between Client and BANA detailing their agreement with regard to control of, and access to, the Blocked Account.
Client:	As defined in the introductory paragraph of the Agreement.
Collateral:	As defined in Section 14 of the Agreement.
Credit Rating:	With respect to Client or any Account Debtor, such person's issuer or counterparty credit rating as assigned by S&P, Moody's or any other nationally recognized ratings agency. To the extent applicable, the respective Credit Ratings of Client and the relevant Account Debtor as of the Effective Date are set forth on the applicable Schedule A.
Credits:	As defined in Section 4(b) of the Agreement.
Effective Date:	The date set forth after such term on the applicable Schedule A, which represents the effective date of BANA's initial purchase of the subject Receivables.
Event of Default:	As defined in Section 10 of the Agreement.
Financial Inability To Pay:	An Account Debtor's failure to pay a Purchased Receivable as a result of a deterioration in such Account Debtor's credit quality as evidenced by an event where such Account Debtor (A) (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted

or presented against it, such proceeding or petition (aa) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (bb) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation; (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidation, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) (inclusive); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or (B) fails, after giving effect to any applicable grace period of the relevant obligation(s) of such Account Debtor (other than such Purchased Receivable), to make, when due, any payments equal to or exceeding \$10,000,000.00 under such obligations.

Incentive Servicing Fee:	As defined in Section 6(a) of the Agreement.
Maximum Invoice Tenor Period:	The time period set forth after such term on the applicable Schedule A, which represents, in connection with Receivables that BANA has approved for purchase with respect to a specific Approved Account Debtor, the maximum payment terms (i.e., the time period following the invoice date within which the Account Debtor must pay the relevant invoice) afforded such Account Debtor in any invoice evidencing such Receivables.
Minimum Invoice Amount:	The amount set forth after such term on the applicable Schedule A, which represents, in connection with Receivables that BANA has approved for purchase with respect to a specific Approved Account Debtor, the minimum payment amount specified in any invoice evidencing such Receivables.
Minimum Invoice Tenor Period:	The time period set forth after such term on the applicable Schedule A, which represents, in connection with Receivables that BANA has approved for purchase with respect to a specific Approved Account Debtor, the minimum payment terms (i.e., the time period following the invoice date within which the Account Debtor must pay the relevant invoice) afforded such Account Debtor in any invoice evidencing such Receivables.
Moody's:	Moody's Investors Service, Inc. or any successor.
Guarantor:	Universal Forest Products, Inc., a corporation organized under the laws of the state of Michigan.
Past Due Grace Period:	The time period set forth after such term on the applicable Schedule A, which represents, in connection with Receivables that BANA has approved for purchase with respect to a specific Approved Account Debtor, the maximum past due grace period (i.e., the time period following the invoice due date within which Client will accept payment on the relevant invoice without affording Client the ability to charge the Account Debtor a late fee, interest or other

penalties) afforded such Account Debtor in any
invoice evidencing such Receivables.

Purchase Price: As defined in Section 1(b)(1) of the Agreement.

Purchased Receivable: Any Receivable (including a Replacement Receivable) purchased by BANA pursuant to the Agreement.

Receivables: All receivables, instruments, accounts, chattel paper, payment intangibles, notes, contract rights and general intangibles resulting from Client's sale of products or services before, on or after the date hereof.

Remittances: As defined in Section 1(b)(4) of the Agreement.

Replacement Receivables: As defined in Section 1(b)(4) of the Agreement.

Required Amount: The amount set forth after such term on the applicable Schedule A, which represents the stated value of Receivables that BANA has approved for purchase with respect to a specific Approved Account Debtor.

S&P: Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor.

Schedule A: Any applicable Schedule A (which may be denoted Schedule A-1, etc.), in substantially the form of Annex II to the Agreement, attached and/or executed in connection with the Agreement, as such schedule is amended, restated, extended, supplemented or otherwise modified in writing from time to time.

Servicer: As defined in Section 6(a) of the Agreement.

Servicer Default: As defined in Section 6(e) of the Agreement.

Servicing Fee: With respect to Purchased Receivables under a particular Schedule A, the amount determined by multiplying (a) the Required Amount listed on the applicable Schedule A times (b) a fraction, the numerator of which shall be determined by multiplying (x) the per annum percentage listed as the Servicing Fee on the applicable Schedule A times (y) the number of days in the period from the relevant Effective Date to the relevant Termination Date, and the denominator of which shall be 360.

Stated Termination Date: The date set forth after such term on the applicable Schedule A, which represents the date on or prior to which each Purchased Receivable must be paid by the relevant Account Debtor in accordance with the payment terms for such Receivable.

Termination Date: With respect to Purchased Receivables under a particular Schedule A, the earlier of (a) the applicable Stated Termination Date and (b) the date specified in a writing from BANA to Client (which date may be the date of such writing), such earlier date being the date on and after which Client can no longer use Remittances to purchase Replacement Receivables.

FORM OF
SCHEDULE A-__

Subject to Program for Accounts Receivable Transfer Agreement dated September 22, 2003 executed by Client, Guarantor and Bank of America, N.A., the terms of which are hereby incorporated by reference

Subject to credit approval and satisfactory documentation

Client signature below mandates Bank of America to initiate Due Diligence

Effective Date: [_____]

Stated Termination Date: [_____]

Client/Initial Servicer: Universal Forest Products RMS, LLC

Client's Credit Rating: [_____]

Guarantor: Universal Forest Products, Inc.

Guarantor's Credit Rating: [_____]

Account Debtor: [_____]

Account Debtor's Credit Rating: [_____]

Receivables:

Required Amount:	[\$_____]
Minimum Invoice Tenor Period:	[__] days
Maximum Invoice Tenor Period:	[__] days
Minimum Invoice Amount:	\$[__]
Past Due Grace Period:	[_____] days

Purchase Price: [_____]%

Servicing Fee: [_____] % per annum, paid in advance

Due Diligence Expenses: For the account of Client/Initial Servicer

ACCEPTED AND AGREED:

Bank of America, N.A.

Universal Forest Products
RMS, LLC

Universal Forest Products, Inc.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Prospective counterparties should conduct a thorough and independent review of the legal, tax and accounting aspects of any proposed transaction to determine its suitability in light of their particular circumstances. Although the indicative information set forth above is reflective of the terms, as of the specified date, under which Bank of America believes a contract might be structured, no assurance can be given that such a contract will in fact be executed. Purchase Price represents indicative pricing only; the actual Purchase Price shall reflect market conditions at the time of closing.

DEPOSIT ACCOUNT CONTROL AGREEMENT

This Agreement is entered into as of September 22, 2003, among Universal Forest Products RMS, LLC, a Michigan limited liability company ("Company"), Bank of America, N.A. (in its capacity as purchaser under the PARTS Agreement dated as of September 22, 2003 (the "PARTS Agreement") among itself, Company and Universal Forest Products, Inc.) (Bank of America, N.A., in such capacity, is referred to herein as "PARTS Purchaser"), and Bank of America, N.A. ("Bank") with respect to the following:

A. Bank has agreed to establish and maintain for Company deposit account number 8666115507 opened under the name "Universal Forest Products RMS, LLC as trustee for Bank of America, N.A. pursuant to that certain Program for Accounts Receivable Transfer Agreement dated as of September 22, 2003 among Universal Forest Products RMS, LLC, Universal Forest Products Inc. and Bank of America, N.A." (the "Account").

B. Company has agreed to deposit into the Account certain funds it holds in trust for PARTS Purchaser pursuant to the PARTS Agreement.

C. Notwithstanding the fact that Company holds the funds deposited into the Account in trust for PARTS Purchaser pursuant to the PARTS Agreement, Company has assigned to PARTS Purchaser a back-up security interest in the Account and in checks and other payment instructions ("Checks") deposited in the Account.

D. Company, PARTS Purchaser and Bank are entering into this Agreement to evidence PARTS Purchaser's security interest in the Account and such Checks and to provide for the disposition of net proceeds of Checks deposited in the Account.

Accordingly, Company, PARTS Purchaser and Bank agree as follows:

1. (a) This Agreement evidences PARTS Purchaser's control over the Account. Notwithstanding anything to the contrary in the agreement between Bank and Company governing the Account, Bank will comply with instructions originated by PARTS Purchaser as set forth herein directing the disposition of funds in the Account without further consent of the Company.

(b) Company represents and warrants to PARTS Purchaser and Bank that it has not assigned or granted a security interest in the Account or any Check deposited in the Account, except to PARTS Purchaser.

(c) Company will not permit the Account to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind, other than PARTS Purchaser's security interest referred to herein.

2. During the Activation Period (as defined below), Bank shall prevent Company from making any withdrawals from the Account. Prior to the Activation Period, Company may operate and transact business through the Account in its normal fashion, including making withdrawals from the Account, but covenants to PARTS Purchaser it will not close the Account. Bank shall have no liability in the event Company breaches this covenant to PARTS Purchaser. A reasonable period of time following the commencement of the Activation Period, and continuing on each Business Day thereafter, Bank shall transfer all collected and available balances in the Account to PARTS Purchaser at its account specified in the Notice (as defined

below). The "Activation Period" means the period which commences within a reasonable period of time not to exceed two Business Days after Bank's receipt of a written notice from PARTS Purchaser in the form of Exhibit A (the "Notice"). A "Business Day" is each day except Saturdays, Sundays and Bank holidays. Funds are not available if, in the reasonable determination of Bank, they are subject to a hold, dispute or legal process preventing their withdrawal.

3. Bank agrees it shall not offset, charge, deduct or otherwise withdraw funds from the Account, except as permitted by Section 4, until it has been advised in writing by PARTS Purchaser that all of Company's obligations that are secured by the Checks and the Account are paid in full. PARTS Purchaser shall notify Bank promptly in writing upon payment in full of Company's obligations.

4. Bank is permitted to charge the Account:

(a) for its fees and charges relating to the Account or associated with this Agreement; and

(b) in the event any Check deposited into the Account is returned unpaid for any reason or for any breach of warranty claim.

5. (a) If the balances in the Account are not sufficient to compensate Bank for any fees or charges due Bank in connection with the Account or this Agreement, Company agrees to pay Bank on demand the amount due Bank. Company will have breached this Agreement if it has not paid Bank, within five days after such demand, the amount due Bank.

(b) If the balances in the Account are not sufficient to compensate Bank for any returned Check, Company agrees to pay Bank on demand the amount due Bank. If Company fails to so pay Bank immediately upon demand, PARTS Purchaser agrees to pay Bank within five days after Bank's demand to PARTS Purchaser to pay any amount received by PARTS Purchaser with respect to such returned Check. The failure to so pay Bank shall constitute a breach of this Agreement.

(c) Company hereby authorizes Bank, without prior notice, from time to time to debit any other account Company may have with Bank for the amount or amounts due Bank under subsection 5(a) or 5(b).

6. (a) Bank will send information regarding deposits to the Account to the address specified below for Company or as otherwise specified in writing by Company to Bank, and will send a copy of each such deposit advice to the address specified below for PARTS Purchaser.

(b) In addition to the original Bank statement provided to Company, Bank will provide PARTS Purchaser with a duplicate of such statement.

7. (a) Bank will not be liable to Company or PARTS Purchaser for any expense, claim, loss, damage or cost ("Damages") arising out of or relating to its performance under this Agreement other than those Damages which result directly from its acts or omissions constituting negligence or intentional misconduct.

(b) In no event will Bank be liable for any special, indirect, exemplary or consequential damages, including but not limited to lost profits.

(c) Bank will be excused from failing to act or delay in acting, and no such failure or delay shall constitute a breach of this Agreement or otherwise give rise to any liability of Bank, if (i) such

failure or delay is caused by circumstances beyond Bank's reasonable control, including but not limited to legal constraint, emergency conditions, action or inaction of governmental, civil or military authority, fire, strike, lockout or other labor dispute, war, riot, theft, flood, earthquake or other natural disaster, breakdown of public or private or common carrier communications or transmission facilities, equipment failure, or negligence or default of Company or PARTS Purchaser or (ii) such failure or delay resulted from Bank's reasonable belief that the action would have violated any guideline, rule or regulation of any governmental authority.

(d) Bank shall have no duty to inquire or determine whether Company's obligations to PARTS Purchaser are in default or whether PARTS Purchaser is entitled to provide the Notice to Bank. Bank may rely on notices and communications it believes in good faith to be genuine and given by the appropriate party.

(e) Notwithstanding any of the other provisions in this Agreement, in the event of the commencement of a case pursuant to Title 11, United States Code, filed by or against Company, or in the event of the commencement of any similar case under then applicable federal or state law providing for the relief of debtors or the protection of creditors by or against Company, Bank may act as Bank deems necessary to comply with all applicable provisions of governing statutes and shall not be in violation of this Agreement as a result.

(f) Bank shall be permitted to comply with any writ, levy order or other similar judicial or regulatory order or process concerning the Account or any Check and shall not be in violation of this Agreement for so doing.

8. Company and PARTS Purchaser shall jointly and severally indemnify Bank against, and hold it harmless from, any and all liabilities, claims, costs, expenses and damages of any nature (including but not limited to allocated costs of staff counsel, other reasonable attorney's fees and any fees and expenses) in any way arising out of or relating to disputes or legal actions concerning Bank's provision of the services described in this Agreement. This section does not apply to any cost or damage attributable to the gross negligence or intentional misconduct of Bank. Company's and PARTS Purchaser's obligations under this section shall survive termination of this Agreement.

9. Company and PARTS Purchaser shall jointly and severally pay to Bank, upon receipt of Bank's invoice, all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Bank in connection with the enforcement of this Agreement and any instrument or agreement required hereunder, including but not limited to any such costs, expenses and fees arising out of the resolution of any conflict, dispute, motion regarding entitlement to rights or rights of action, or other action to enforce Bank's rights in a case arising under Title 11, United States Code. Company agrees to pay Bank, upon receipt of Bank's invoice, all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Bank in the preparation and administration of this Agreement (including any amendments hereto or instruments or agreements required hereunder).

10. Termination and Assignment of this Agreement shall be as follows:

(a) PARTS Purchaser may terminate this Agreement by providing notice to Company and Bank that all of Company's obligations which are secured by Checks and the Account are paid in full. PARTS Purchaser may also terminate or it may assign this Agreement upon 30 day's prior written notice to Company and Bank. Bank may terminate this Agreement upon 30 days' prior written notice to Company and PARTS Purchaser. Company may not terminate this Agreement except with the written consent of PARTS Purchaser and upon prior written notice to Bank.

(b) Notwithstanding subsection 10(a), Bank may terminate this Agreement at any time by written notice to Company and PARTS Purchaser if either Company or PARTS Purchaser breaches any of the terms of this Agreement, or any other agreement with Bank.

11. (a) Each party represents and warrants to the other parties that (i) this Agreement constitutes its duly authorized, legal, valid, binding and enforceable obligation; (ii) the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereunder will not (A) constitute or result in a breach of its certificate or articles of incorporation, by-laws or partnership agreement, as applicable, or the provisions of any material contract to which it is a party or by which it is bound or (B) result in the violation of any law, regulation, judgment, decree or governmental order applicable to it; and (iii) all approvals and authorizations required to permit the execution, delivery, performance and consummation of this Agreement and the transactions contemplated hereunder have been obtained.

(b) The parties each agree that it shall be deemed to make and renew each representation and warranty in subsection 11(a) on and as of each day on which Company uses the services set forth in this Agreement.

12. (a) This Agreement may be amended only by a writing signed by Company, PARTS Purchaser and Bank; except that Bank's charges are subject to change by Bank upon 30 days' prior written notice to Company.

(b) This Agreement may be executed in counterparts; all such counterparts shall constitute but one and the same agreement.

(c) This Agreement controls in the event of any conflict between this Agreement and any other document or written or oral statement. This Agreement supersedes all prior understandings, writings, proposals, representations and communications, oral or written, of any party relating to the subject matter hereof.

(d) This Agreement shall be interpreted in accordance with North Carolina law without reference to that state's principles of conflicts of law.

13. Any written notice or other written communication to be given under this Agreement shall be addressed to each party at its address set forth on the signature page of this Agreement or to such other address as a party may specify in writing. Except as otherwise expressly provided herein, any such notice shall be effective upon receipt.

14. Nothing contained in the Agreement shall create any agency, fiduciary, joint venture or partnership relationship between Bank and Company or PARTS Purchaser.

In WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

UNIVERSAL FOREST PRODUCTS RMS, LLC
("COMPANY")

By: _____
Name: _____
Title: _____

Address for notices:
Universal Forest Products
RMS, LLC
2801 East Beltline NE
Grand Rapids, MI 49525
Attn: Michael R. Cole, Chief
Financial Officer
Telephone: 616-364-1540
Telecopy: 616-364-3136

BANK OF AMERICA, N.A. (in its capacity as PARTS
Purchaser)
("PARTS PURCHASER")

By: _____
Name: _____
Title: _____

Address for notices:
Global Structured Products
NC1-007-06-07
100 North Tryon Street
Charlotte, NC 28255
Attn: Christopher L. Woolley
Telephone: 704-386-8574
Telecopy: 704-388-3336

With a copy to:

Bank of America, N.A.
9 W. 57th Street
NY1-301-06-04
New York, NY 10019
Attn: Gabriella Morizio
Telephone: 212-933-2730
Telecopy: 212-933-2625

BANK OF AMERICA, N.A.
("BANK")

By: _____
Name: _____
Title: _____

Address for notices:
Bank of America, N.A.
IL1-231-06-09
231 S. La Salle
Chicago, IL 60604
Attn: Richard Dominguez
Telephone: 312-828-1641
Telecopy: 312-974-9250

With a copy to:

Bank of America, N.A.
IL 1-231-06-35
231 S. La Salle
Attn: Sharon Sadilek
Telephone: 312-828-9027
Telecopy: 312-974-2109

EXHIBIT A
DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of PARTS Purchaser]

To: Bank of America, N.A.
[Address]

Re: Universal Forest Products RMS, LLC as trustee for
Bank of America, N.A. pursuant to that certain
Program for Accounts Receivable Transfer Agreement
dated as of September __, 2003 among Universal Forest
Products RMS, LLC, Universal Forest Products Inc. and
Bank of America, N.A.

Account No. 8666115507

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated
September __, 2003 (the "Agreement") among Universal Forest Products RMS, LLC
("Company"), us (in our capacity as purchaser under the PARTS Agreement dated as
of September 22, 2003 among us, Company and Universal Forest Products, Inc.)
("PARTS Purchaser") and you regarding the above-described account (the
"Account"). In accordance with Section 2 of the Agreement, we hereby give you
notice of our exercise of control of the Account and we hereby instruct you to
transfer funds to our account as follows:

Bank Name: _____
ABA No.: _____
Account Name: _____
Account No.: _____

Very truly yours,

Bank of America, N.A. (in its capacity as PARTS
Purchaser)

By: _____
Name: _____
Title: _____

UNIVERSAL FOREST PRODUCTS, INC.

CERTIFICATION

I, William G. Currie, certify that:

1. I have reviewed this report on Form 10-Q of Universal Forest Products, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15e) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors (or persons performing the equivalent function):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2003

/s/ William G. Currie

William G. Currie
Chief Executive Officer

UNIVERSAL FOREST PRODUCTS, INC.

CERTIFICATION

I, Michael R. Cole, certify that:

1. I have reviewed this report on Form 10-Q of Universal Forest Products, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15e) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors (or persons performing the equivalent function):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2003

/s/ Michael R. Cole

Michael R. Cole
Chief Financial Officer

CERTIFICATE OF THE
CHIEF EXECUTIVE OFFICER OF
UNIVERSAL FOREST PRODUCTS, INC.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.
1350):

I, William G. Currie, Chief Executive Officer of Universal Forest
Products, Inc., certify, to the best of my knowledge and belief, pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The quarterly report on Form 10-Q for the quarterly period ended
September 27, 2003, which this statement accompanies, fully complies with
requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;
and

(2) The information contained in this quarterly report on Form 10-Q for
the quarterly period ended September 27, 2003 fairly presents, in all material
respects, the financial condition and results of operations of Universal Forest
Products, Inc.

UNIVERSAL FOREST PRODUCTS, INC.

Date: October 27, 2003

By: /s/ William G. Currie

 William G. Currie
Its: Chief Executive Officer

CERTIFICATE OF THE
CHIEF FINANCIAL OFFICER OF
UNIVERSAL FOREST PRODUCTS, INC.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350):

I, Michael R. Cole, Chief Financial Officer of Universal Forest Products, Inc., certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The quarterly report on Form 10-Q for the quarterly period ended September 27, 2003, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended September 27, 2003 fairly presents, in all material respects, the financial condition and results of operations of Universal Forest Products, Inc.

UNIVERSAL FOREST PRODUCTS, INC.

Date: October 27, 2003

By: /s/ Michael R. Cole

Michael R. Cole

Its: Chief Financial Officer