SIP BUILDING SYSTEMS INC. Energy Efficient

SIPs Since 2001

News for 2010

2009 has been a year of many market changes including building products, labor supply, and demand.

I hope the following information imparts our message that as of now SIPs are extremely competitive to framed systems before you even account for the 50% energy savings. Additionally we have started a *'2020'Design series* of predesigned basic homes. Our mandate is two fold. One is to provide affordable systems to people that need affordable efficiency the most. Secondly, to demonstrate just how cost effective an ultra efficient SIP home can be.

The result of the *'2020'Design series* is that the cost per square foot is untouchable by normal construction systems unless you have free materials *and* labor.

Pricing a custom home please understand that custom homes require more of everthing that we have taken time to optimize in the 2020 series and this adds costs –but still very competitive to framed. We have been doing custom homes for 9 years now and we plan to continue with that since it is very enjoyable.

Presumably most of us are warm blooded and in the winter when we get up in the morning and as long as our heart is still beating, we kind of like it to be a lot warmer inside our home than outside. This costs us money –and more today than ever. Any downward movement in energy is a down-spike soon buried in price increases.

Our climate on the west coast is so mild it is concievable to design and build a SIP home that in the winter with warm slippers and a sweater you actually don't need to heat. Granted below zero outside and no sun shining for a few days and you will be giving in to the heat switch. If you want to wear summer clothes in the winter SIPs are really the solution for you. Payback terms for SIPs over framed systems goes from negative years to only a few years. Negative years payback means the SIPs are less cost than the framed wall system.

Fortunately there are now systems such as the EnerGuide analysis that independantly show efficiency for whole home systems. Ask your builder about EnerGuide ratings for his framed proposal if he is not willing to look at SIPs. It is you the homeowner paying the heating bills after the builder is gone, so you may need to insist on panels or find another builder that uses panels. We can help with that too. We also do builder training on the job-site so that they don't have to worry about gearing up.

Builders needed –this is our best way to get product to the market. Lower your framing time to weathered in and locked up –sooner to draw time. Improve the quality of the framing system by keeping more weather outside. SIPs over ICF foundation is the perfect marriage and provide similar performance. If sound blocking from a noisy road is an issue the ICF make an excellent wall structure for blocking sound. A SIP roof can still caps off great work.

M TIME DEVELOPMENTS LTD

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2010 news items:

1. Best news: a 20% price improvement in SIPs
2. ***'2020'Design Series*** homes. Lower costs than framed ranging in size to 1876 ft^2.
3. Remote installation service options right from septic install to turn-key completed.
4. Further design and analysis enhancements

1. Pricing. Our dollar has improved remarkably and so goes our pricing of our highly tested and certified Premier panels. All of our timber and engineered wood products are Canadian so that price holds -- very competitive anyways. This means our packages for most applications are price competitive or less cost compared to framed systems –yet we are much more energy efficient plus all the other great attributes of panels.

2. *'2020' D*esign series Ultra Efficient with installation options.

For Builders that have a customer that just wants lowest cost period. –This is your moment to look like Santa.

Deliverables from EXAMPLE model 1876 ft2 in Vancouver:

- **8" walls** & efficiency targets exceeding code by 65% and R2000 standards by 40%.
- **5 Bedroom home heating costs PER YEAR in Vancouver average $150**
- *Pricing lower* than that of conventional framed.
  SIP package walls and roof installed total $16.65 / ft^2 in Vancouver ***note**
- Wall and roof thicknesses can be dialed in to match the area they are going to or dialed down to deliver less –but still very efficient.
- Heating and venting kits with ducts pre fabricated.
- Rapid delivery and installation quoted FIRM.

How can we offer the *'2020'* Design series" so affordably?

Lower costs are realized by:

- Heat loss balanced components keeps all comonents at the 'right size'.
- High labor efficiency – production costs are half of that of our custom homes.
- Technical work, engineering, thermal and shop drawings **done once only** –so they are no cost.
- 0.5% waste factor. We have it down to saw kerf for most pieces
- Lower shipping costs with special arrangements
- Installation is faster and more reliable due to optimized package including high performance engineered wood floor joists and we charge accordingly.
- Our 1876 ft2 model is 5 bedrooms over two levels a bathroom each level plus a den in the loft.

GEOGRAPHICAL Areas of specification

1. Moderate west coast 2. High snow Load 3. Extreme cold

NOTES

***** PLUS Taxes. So far the 1826 model is the most cost effective installed price of all designs. Prices /ft^2 will be higher for smaller foot print designs and custom homes.

Office: 357 Warbler Pl Nanaimo BC CANADA V9R 6Y8 Plant: Qualicum Bay, BC

3. M-Time Developments Ltd. provides West coast site work including septic to lock-up to finished. See his website story at http://www.m-timedevelopments.com/. Dave increases our ability to work efficiently at remote sites with his diverse skill set and aligned suppliers.

Dave Miller. M-Time and a slice of Garv Oak

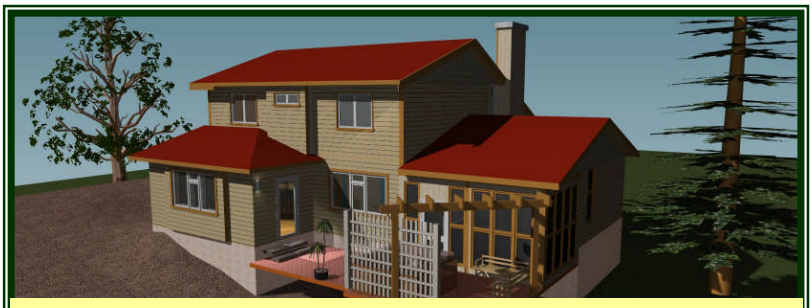
M-Time services

- Site –Clearing, Septic, Foundation, Completion grading, On-site timber cutting
- Building –Carpentry installations
- **Mechanical –Heating, venting, hot water.**
- Other trades hired local or bring in if needed
- Finishing
- Timber and trim source FSC certified

4. INTEGRATED DESIGN-SUPPLY-INSTALL OPTIONS

Homeowners and builders alike gain major performance and quality using our optimized building system while realizing value savings. Our package is competitive because we price our installation services according to the true time required to install –not based on the time requirements for conventional systems –and we back that up with a firm quote no extras for all of the products we supply. A fully integrated system delivered and installed means less to administrate for builders and faster times to insulated stage.

Our minimum performance is DOUBLE for thermal and structural over conventional framing systems. SIP Building Systems energy performance targets are 20% to 30% over R2000 framed 'high performance' systems . R2000 includes a specialized framing system evlolved since the 1970's. R2000 systems demand a very high labor factor and increased materials typically adding $15,000 to costs.



3D rendering showing south patio at 1:15 pm Dec. 22

We are in a place now to also fully specify duct runs for HRV. This allows optional supply of venting duct runs pre-formed to fit within our planned space. This reduces site time and improves quality of ventilation systems –especially good in remote locations.

Eating nook and bay window with display cabinets each side

A perspective on choices of building systems

When it comes to the structural insulating shell of your home hidden from your eyes behind the finish …….–what matter is that choice to the homeowner?

Who is paying the heating bills, breathing the air, tolerating cold spots, seeing humidity on windows and nail pops on drywall, and smelling mildew smells from cold damp places?

Building for energy efficiency will eventually pay for gold plated granite countertops or what ever else you want in your home and give you the fresh healthy system you want to breath. Or maybe a fund for college is needed for kids or grand kids? Medical costs will be reduced too if you suffer from allergies due to pollens or pollutants. The average adult breaths 54 lbs of air per day (not including work-outs). That is 10 times more than we drink, and 20 times (+/-!!) more than we eat. The air quality at home, in the space we spend most of our time is long overdue for more attention. The building envelope from slab to roof and the venting systems work in unison in a properly built home giving you health and savings.

The energy claims are certifiable by EnerGuide and other accepted engineering principals –not from the experience of someone who is using their 'tried and true' framing systems. These 'tried and true' systems have created the need for the Home Owner Protection Office (HPO) and inflated mandatory insurance premiums to cover yesterdays and tomorrows building deficiencies. All of this without regard for anything to do with energy efficiency or cost recovery. Looking at 25 year energy savings from a SIP full system home can recover the whole cost of all of the structure.

Even if this excellent system was $5/ft2 more than framing it can be demonstrated to have a pay back worthy of that investment. We demonstrate that studs free of charge for a framed wall is still more expensive to the homeowner than choosing SIPs. Most builders are good builders, but that does not mean they know anything about how to calculate or specify the most efficient heat retaining assembly. This is not about being a good builder - it is thermodynamics and ventilation heat recovery.

The total cost of completing a home is many times more than the cost of the structural system we provide. Don't confuse SIP panels with building homes 10% cheaper. In the final analysis of your finished home SIP homes are about the same cost +/- 2%. The winning comes from living in the comfortable home paying the small heating bills for as long as you live there breathing fresh non re-circulated air with all the windows closed snug in the winter.