Contrary to popular belief, Lorem Ipsum is not simply random text. It has roots in a piece of classical Latin literature from 45 BC, making it over 2000 years old. Richard McClintock, a Latin professor at Hampden-Sydney College in Virginia, looked up one of the more obscure Latin words, consectetur, from a Lorem Ipsum passage, and going through the cites of the word in classical literature, discovered the undoubtable source.

Built our first homes to a 52 HERS index and awarded U.S. DOE Grand Award for Innovation

Mandalay Homes is founded by Dave Everson

U.S. DOE Housing Innovations Award - Grand Winner: Production Builders
U.S. DOE Housing Innovations Award - Grand Winner: Most Homes Certified
ENERGY STAR Certified Home Market Leader Award
EPA Indoor airPLUS Leader Award

ENERGY STAR partner of the Year
Arizona Forward Award of Merit: Innovation
U.S. DOE Housing Innovations Award:

2017

2013

2016

2017
Dave Everson  
Founder & CEO

Mike Scheetz  
President

Justin Gardner  
Construction VP

Robert Singer  
Finance VP

Chad Plain  
Purchasing VP

Dani Cook  
Land VP

Bill Hammond  
Sales VP
### Homes Built

<table>
<thead>
<tr>
<th>Location</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prescott</td>
<td>2</td>
<td>3</td>
<td>27</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Prescott Valley</td>
<td>34</td>
<td>49</td>
<td>36</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Phoenix</td>
<td>10</td>
<td>2</td>
<td>7</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Flagstaff</td>
<td></td>
<td></td>
<td></td>
<td>J</td>
<td>J</td>
</tr>
<tr>
<td>Wickenberg</td>
<td></td>
<td></td>
<td></td>
<td>E</td>
<td>E</td>
</tr>
<tr>
<td>Clarkdale</td>
<td></td>
<td></td>
<td></td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Chino Valley</td>
<td>5</td>
<td>7</td>
<td>15</td>
<td>T</td>
<td>T</td>
</tr>
<tr>
<td>Glendale</td>
<td></td>
<td>19</td>
<td></td>
<td>E</td>
<td>E</td>
</tr>
<tr>
<td>Payson</td>
<td>4</td>
<td>1</td>
<td></td>
<td>D</td>
<td>D</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>51</td>
<td>65</td>
<td>105</td>
<td>200</td>
<td>250</td>
</tr>
</tbody>
</table>
Awards

2017
ENERGY STAR Partner of the Year
Arizona Forward Award of Merit: Innovation
U.S. DOE Housing Innovation Award
EPA Indoor airPLUS Leader Award

2016
U.S. DOE Housing Innovation Award - Grand Winner: Production Builders
U.S. DOE Housing Innovation Award - Grand Winner: Most Homes Certified
ENERGY STAR Certified Homes Market Leader Award
EPA Indoor airPLUS Leader Award

2015
U.S. DOE Housing Innovation Award - Grand Winner: Production Builders
U.S. DOE Housing Innovation Award - Grand Winner: Most Homes Certified
EPA Indoor airPLUS Leader Award

2014
U.S. DOE Housing Innovation Award: Production Builder
ENERGY STAR Certified Homes Market Leader Award

2013
Arizona Forward -1st Place Sustainable Communities Award
U.S. DOE Housing Innovation Award - Grand Winner: Affordable Builders
Ratings Used at Mandalay
## ENERGY STAR COMPARISON

<table>
<thead>
<tr>
<th></th>
<th>ES</th>
<th>Mandalay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seal Envelope</td>
<td>5 ACH</td>
<td>.6 ACH</td>
</tr>
<tr>
<td>HERS</td>
<td>68</td>
<td>47</td>
</tr>
<tr>
<td>Windows</td>
<td>.3 U-factor</td>
<td>.27 U-factor</td>
</tr>
<tr>
<td>HVAC</td>
<td>SEER 13</td>
<td>SEER 18</td>
</tr>
<tr>
<td>Slab</td>
<td>insulate</td>
<td>insulate</td>
</tr>
<tr>
<td>Duct leakage</td>
<td>12 cfm</td>
<td>0</td>
</tr>
</tbody>
</table>
Company Goals

| ✓ | Validate Premium Sales Price |
| ✓ | Gain Market Share |
| ✓ | Attract New Opportunities |
| ✓ | Purchasing Power |

We believe marketing will help us get there
Obstacles To Our Goals

Constantly Evolving

① Getting trades on board
② Labor Shortage
③ Overcoming the cost myth
④ Keeping up to date on latest product innovations
⑤ Staff Education
⑥ Constant innovative solutions to trading dollars
Trading Dollars

- 3 years ago, ERV cost over $1500
- Today, the cost is $495.
- This $1000 in savings gets traded into new technologies such as sealing and windows.

- For our climate zone, full depth insulation in the wall cavity does not provide proportionate thermal value, so we negotiated to purchase spray foam insulation by the inch.
- At 3.5" of thickness we maximize performance and value as opposed to 5.5".
- This savings gets traded into a higher performing HVAC.

- We adopted a shear product with weatherization layer built into it.
- Nearly $3500 in labor and materials got traded into a better performing weatherization layer and continuous exterior insulation.
Only 10 solar panel to achieve near-zero

Envelope to achieve a 47 HERS Index

With the use of Aero-Barrier, ACH.6

ERV standard

Homerun system

Remote thermostat

Sonnen battery storage

Wired for car-charging

Control4
Trading Dollars

Product Innovation

BUILDING SCIENCE: SEALING THE ENVELOPE

<table>
<thead>
<tr>
<th>Code Built Home</th>
<th>HERS</th>
<th>Standard Mandalay Home</th>
<th>ACH</th>
<th>Mandalay Innovation Home</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70</td>
<td></td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

- **HERS (Home Energy Rating System)**
- **ACH (Air Changes Per Hour)**
- **SOLAR (To achieve near-zero)**
- **Cost Estimate**
  - $60,000 or 50 panels
  - $30,000 or 30 panels
  - $10,000 or 10 panels
What’s Next

Education is Key
Education

Mandalay’s Marketing Revamp

① Sales Agent Training
② Sales Office Signage
③ Email Campaigns
The Future is Innovative Marketing

Market Awareness
Let’s Not Forget Other Impact Areas

Constant Evolution

- Homeowner Controls: Water, Air, Energy
- Product Durability
- Living Homes
- Social Sustainability

There is no finish line.
GEOFF FERRELL
Mandalay Homes
Chief Technology Officer

@ferrell_geoff

mandalayhomes.com

bit.ly/MandalayEE