

HBA Greater Chicago **BUILDING NEWS**

The Official Publication of the Home Builders Association of Greater Chicago

(formerly *Building America's Dream*)



February 2010

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Exhibit A
TO GENERAL RELEASE DATED DECEMBER 15, 2009
RETRACTION

TO ALL MEMBERS OF THE HOME BUILDERS ASSOCIATION OF GREATER CHICAGO

A column was recently posted on the website which contained statements concerning a previous Chief Executive Officer. Those statements are hereby retracted. I want to make clear that there were a number of decisions made and, when necessary, concurred with by other members of the association which contributed to the financial condition that the Association now finds itself in. Any implication that this was solely the responsibility of any one person or due to any wrongdoing is hereby disavowed and a sincere apology has been extended to and is herein repeated to that Chief Executive Officer.

Home Builders Association of Greater Chicago

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HBA GREATER CHICAGO BUILDING NEWS is published in the interests of all segments of the housing industry. Non-members annual subscriptions are available upon request for \$24.

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Crowds More Optimistic at the 2010 International Builders' Show, Says NAHB



Approximately 55,000 builders, remodelers and other members of the home building industry crowded the aisles of the National Association of Home Builders' International Builders' Show, which ended its four-day run Friday at the Las Vegas Convention Center.

The mood? "I'd call it cautious optimism," said Ron Cook of Tamko Building Products in Joplin, Mo., one of more than 1,100 exhibitors at this year's event. "It's certainly different than it was last year because we didn't quite know what we were in for," as the country was still in the midst of the biggest recession since the 1930s.

Members lined up at the Partnership Pavilion, a new NAHB initiative on the show floor designed to match builders with financing sources. The program was launched

to help serve an industry still stymied by a lack of available credit for new housing developments—as well as tighter restrictions on home buyer mortgages.

Builders and remodelers also attended educational presentations on design trends, energy retrofiting, marketing, low-income housing tax credits and more than 175 other topics.

"We came here to network," said Clint Wilson of Hybrid Core Homes in Santa Rosa, Calif. The show seemed livelier than last year's event, he said, although he and his colleagues were disappointed that The New American Home, the much-anticipated demonstration home that usually draws huge crowds, was unavailable for touring this year because of financing issues—a problem plaguing other

builders throughout the industry.

A company manufacturing geothermal heating systems saw steady traffic at its booth, according to Steve Smith, managing partner at Enertech Manufacturing, LLC of Greenville, Ill., who said builders are particularly interested in learning more about the tax credits available for installing geothermal and other renewable energy heating and cooling systems.

"It's been a good, upbeat crowd," Smith said. "I think we all have a more positive attitude for 2010. I've already talked to our marketing folks about getting a bigger booth at next year's show."

The next International Builders' Show takes place Jan. 12-15 at the Orange County Convention Center in Orlando, Fla.

HBAGC 2010 Inaugural Luncheon Highlights



Construction Materials Prices Up in December 2009

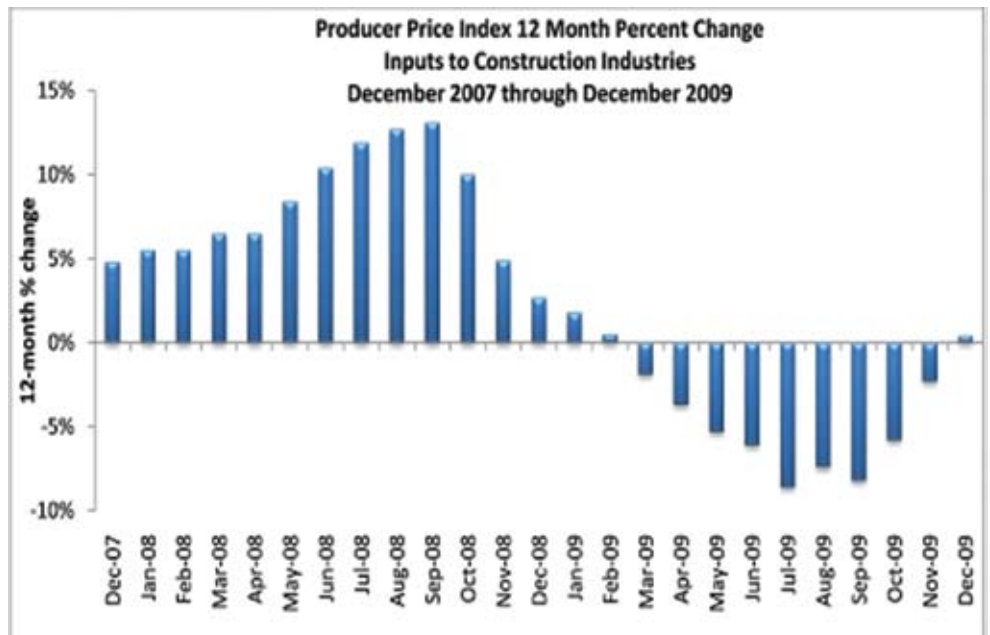
“The major variable to watch over the next year may very well be the U.S. dollar. Any significant move of the dollar in one direction or the other is likely to have significant impact on materials prices.”

—ABC Chief Economist Anirban Basu

The cost of construction materials and supplies ended 2009 slightly higher as prices increased 0.2 percent in December, according to the January 20 producer price index (PPI) report by the U.S. Labor Department. Construction material prices are up 0.6 percent in the past three months and 0.4 percent higher from December 2008.

Those commodities regularly tracked by ABC that have seen the greatest change for the month include prepared asphalt, tar roofing, and siding products, up 5.9 percent in December, 4.7 percent higher for the quarter, but still 3.4 percent less than December 2008. Also, nonferrous wire and cable prices climbed 3.9 percent for the month, 6.8 percent over the past three months, and are 20.2 percent more expensive than one year ago. Softwood lumber prices increased 3.8 percent on the month, 4.1 percent since September and 3.5 percent from the same time last year.

In addition, iron and steel prices are up 1.4 percent for the month, but down 0.4 percent over the past three months and down 0.9 percent from December 2008 levels. Fabricated structural metal products increased slightly at 0.1 percent in December, and are up 0.1 percent over the past three months, while prices are still 7.9 percent less than one year ago. Prices for plumbing fixtures



Source: Bureau of Labor Statistics

and fittings continue to see little change as prices increased 0.1 percent for the month, 0.3 percent for the quarter and 0.6 percent since December 2008.

Crude energy prices decreased 2.8 percent in December, but are still up 18.1 percent over the past three months and 13.2 percent year-over-year. Overall, the nation's wholesale prices are up slightly at 0.2 percent for the month and 4.4 percent higher from December 2008.

Analysis

“The slight increase of construction materials prices does not appear to be particularly newsworthy. However, the figure masks a growing volatility in the construction market,” said Associated Builders and Contractors (ABC) Chief Economist Anirban Basu. “This volatility is attributable to numerous factors,

including growing speculation regarding the health of the U.S. dollar, the growing Chinese economy, the sagging U.S. economy, and other major factors that influence material prices.

“While not all materials prices rose, many of the most important components for ABC members changed substantially in the span of just one month. This instability makes bidding for jobs more difficult and may be a precursor of what lies ahead in 2010,” said Basu.

“The major variable to watch over the next year may very well be the U.S. dollar. Any significant move of the dollar in one direction or the other is likely to have significant impact on materials prices,” said Basu. “With the structure of the U.S. economy, given the presence of low interest rates, the presumption is any significant move in the dollar will be to the downside. That would likely result in a potential sharp increase in materials prices.”

Thanks to all the volunteers who participated in the Demo Day at Property Specialists, Inc. where a training center is being built for HBAGC to utilize for educational purposes, as well as future board meetings, etc.

The P.E.A.C.O.C.K. Principle™ :

A seven part series for growing your referral base

Maribeth Hearn, The Inertia Group, Inc.

This article covers Part Five of a seven part series. It's focus is, are you On The Map. The remaining two parts will be featured in upcoming issues.

The first four articles in this series focused on making sure that you are offering the best product; being unique and knowing that those that you work with know that “uniqueness”; being active and clearly telling people what is in it for them. We need to make sure that the first four are in place because if we work on being findable we should know that we are worth being found.

The new trend is referral marketing. Consumers want to do their own research which typically starts with their networks.

A few weeks ago I asked my Facebook friends for recommendations for credit card processing firms. The response was great and we did contact those companies which were recommended. I had a client looking for a great contact management system and posted a request on LinkedIn. My client chose a company that was recommended. Using social networks is just one way to research companies. You can also bet your bottom dollar that my next move after receiving the names of the companies was to Google them. I reviewed their websites and then contacted those which appealed to me. I have personally made decisions not to use certain suppliers because of what I found during my research phase. When consumers look for you, what are they finding? Is it your competitor because they are “top of mind” with other customers, or because they are advertising through online media? Are they finding customers comments posted on other sites or blogs? And if they are finding such comments are they good or bad for you?

Here is a checklist you can complete to be more findable.

1. Review your existing web site and it's ranking with your web designer or SEO (search engine optimization) expert.

Are you top of mind? Do you stand out? Are you going to attract customers?

THE PEACOCK PRINCIPLE™

- **Product:** I am offering the best product or service that I can at this time.
- **Essence:** My customers know exactly what I do and why my product/service is unique.
- **Activity:** I have a 12-15 month calendar of events for my base. The events are a source of income, joy or other purpose for attendees. I am active when I join a group.
- **Clarity:** When I introduce myself I have a rehearsed “pitch” that clearly states who I am, what I do and how to refer me.
- **On The Map:** I am findable. If someone were to lose my card, I am well known enough either online, through advertising or through word of mouth that they could find me.
- **Consistency:** People trust me because the perception of me, my office, my word, my staff, my collateral materials and my online presence all speak to my credibility.
- **Kaleidoscope:** I have a database of prospects, customers, friends/family that is up to date and includes addresses, phone numbers (all) fax, email and web sites if applicable. I see the interweaving of the communities in which I participate.

2. Send regular requests to your client base letting them know what you do and how to refer you best.
3. Use social networks to promote your business.
4. Be active in person and online so that people know who you are.
5. Always ask how a new customer found you.
6. Conduct your own research to find a company like yours and see what results you get.
7. Participate in regular PR, Advertising and Events that relate to your audience.

(In the next article featured in March's issue, we will focus on Consistency. As part of the seven step Peacock Principle™ process of achieving better results in business.)

FEBRUARY

Calendar of Events

- 5 • Leadership Meeting
- 9 • NIHBA Texas Hold 'Em Networking Event
- 10 • HBAI Board of Directors
- 11 • 2010 Remodel Chicagoland Kick Off Event
- 17 • Membership Committee
- 23 • Remodeler Council Lunch & Learn

For complete information on any of these events or to register for any events, visit www.hbagc.com.

Membership

Welcome, New Members!

FEBRUARY 2010

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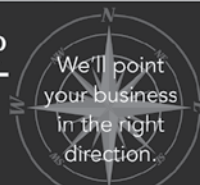
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