

## 2015 Notable Achievements by the Cavco Companies

### Growth and Expansion

- Cavco continued as one of the largest providers of manufactured homes in the United States. Our growth in 2015 increased our footprint to **19 manufactured and modular home factories in 11 states**. We conduct business through **45 company-owned sales centers** in addition to a **vast network of independent retailers, community operators, builders and developers in 44 states and 4 Canadian provinces**.
  - We acquired **Fairmont Homes**, a forty-year old leading builder of HUD code and modular homes with factories in the Midwest.
  - We acquired **Chariot Eagle**, a builder of HUD code single and multi-section homes based in Ocala, Florida.



- **Fleetwood Manufacturing** - Initiated expansion of production capacity by building large additions to both our Georgia and Tennessee plants.
- **CountryPlace Mortgage and Standard Casualty Company** - Assisted in creating greater industry demand for factory built homes by offering innovative lending and insurance products to buyers and owners of virtually all manufactured and modular home brands.

- **Palm Harbor Homes – Plant City, FL** - Completed 2 single-family homes as part of a Key West development that will achieve a **Silver Rating** through Florida’s **Green Building Coalition**. A Silver Rating indicates a third-party inspector has determined that the home exceeds Florida’s Energy Code by 31-60 points, using the Green Home Designation Standard.
- **Manufacturing Division - National** - Introduced the use of LED lighting in our factories to achieve two primary objectives: 1) to reduce our carbon footprint and energy usage; and 2) improve the work environment for our associates. We also offer LED lighting to home buyers as a low-cost, energy saving green alternative. With LED lighting, home owners reduce their electric bill and may not need to change light bulbs for 15-20 years.
- **Cavco West and Cavco Durango – Phoenix, AZ** - Built homes with solar panels integrated in the roof shingles replacing separate, less attractive panels.
- **Nationwide Homes – Martinsville, VA** - Built a high-tech, “smart tiny house” for the **Intel Corporation** project. Micro-space style homes are gaining popularity with millennials and city-dwellers. More efficient, less costly to own and operate and very connected to the world around them via the latest innovations and technologies.



*Pictured Above: Smart device controlled micro-space home built by Cavco*

- **Cavco’s High Performance Manufactured Homes (“HPMH”)** have innovative energy efficient upgrades and features such as:
  - R49 ceiling insulation
  - R5 poly-iso insulation board under the exterior siding
  - Triple pane .22U windows
  - Ductless heat pump
  - Heat pump water
  - CFL light bulbs or LED lights
  - Low flow 1.75 GPM shower heads
- The HPMH’s are monitored by **North West Energy Works** to determine their energy performance.
  - Recently one of these new homes replaced an older manufactured home and decreased the homeowner’s December 2015 electric bill by 87% to only \$36. This was a \$234 reduction in the homeowner’s monthly expense.

- Palm Harbor Homes – Plant City, Florida** - Became the first modular manufacturing operation in the United States to be awarded a **FORTIFIED Home™** plant certification through the Insurance Institute for Business and Homes Safety. This enabled Cavco to construct and deliver the first-ever FORTIFIED™ Home, to hurricane-prone regions. We have already built three such disaster resistant modular homes which are now occupied in the Florida Keys.
  - Palm Harbor Villages - the company's retail operation** - Implemented a 12-year structural warranty for customers at no additional cost. It is the longest structural warranty coverage available to manufactured home buyers.



## Product Diversity

- Cavco Durango and Cavco West – Phoenix, AZ** - For a number of years, no new manufactured housing communities have been opened in Arizona. In 2015, Cavco worked with two new communities to design housing models to attract the important 55+ seasonal resident demographic to the Yuma, AZ, area. Additional affordable housing in the new planned communities will generate local job growth and help stimulate the economy in that area.



*Pictured Above: Two customized designs for newly developed Yuma, AZ community*

- **Nationwide Homes – Martinsville, VA** - Built a college dormitory at **West Virginia University** in Morgantown, WV. This structure was made up of 34 living units and 102 bedrooms. It was delivered to the site as 102 modules which were assembled and finished on time and on budget. These types of projects demonstrate the benefit of factory-built housing units and advance the image of modular construction for our industry.



*Pictured Above: Cavco’s innovative student housing at West Virginia University*

- **Manufacturing Division** - Created custom designs and configurations to refresh aging communities where site sizes and services present significant challenges, as follows:

**BEFORE**



**AFTER**



*Pictured Above: Modern energy efficient replacement home in a long established community*

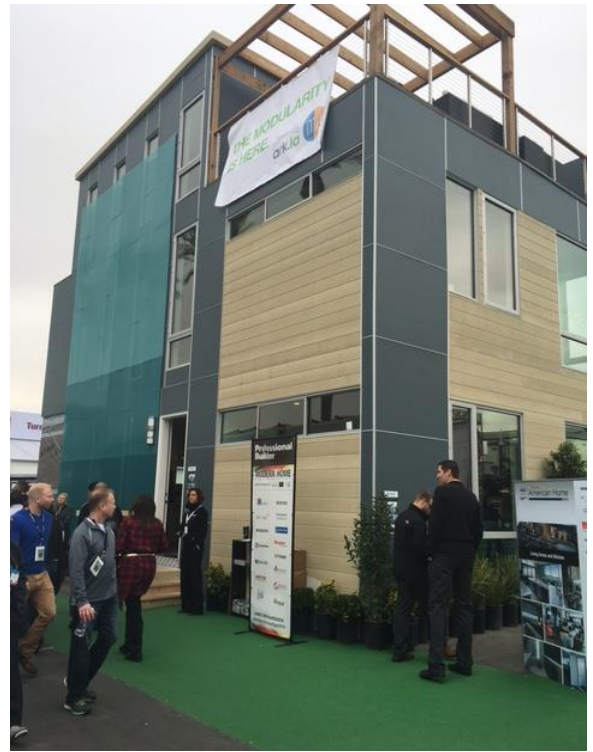
- **Cavco West and Cavco Durango** - Involved in building special housing for the people of the **Navajo nation**. Cavco’s manufactured homes provide a higher quality, yet affordable alternative to other types of housing available to Native Americans living in very rural areas.
- **Palm Harbor – Plant City, FL** - Participated in the **Tampa RV Show** with a Florida-style small home built to the HUD code.



*Pictured Left and Below: Cavco-built small HUD-code home displayed in Tampa RV Show*



- **Cavco West and Cavco Durango** - Worked with the **National Park Service** on a special Workforce Housing project at the Grand Canyon area to provide affordable housing for government employees and other members of the workforce.
- **Palm Harbor – Millersburg, OR**, built the *Modern Home*, a 5 section, 3-story modular home featured in the **Show Village at the National Association of Home Builders** in Las Vegas in January. The 1,950 square foot home was open to all attendees. Designed by an award-winning architect, the energy-efficient, sustainable home featured a large, open floor plan with floor-to-ceiling windows, offering the potential for stellar views. Modern high-end finishes throughout as well as a private roof-top outdoor space make the home a trend setter. The modern home was relocated to Los Angeles as part of a 4-home modular green project located in Echo Park, developed by Ark.la, a modular home community developer. *(See photos on next page.)*



***Pictured Above:** Fully custom modern home with high-end amenities*  
***Pictured Left:** Rendering of finished development in Los Angeles*

- **Palm Harbor – Millersburg, OR** - Built the **PlyGem** demonstration home for the 2015 **International Builders Show**. The two-section display home served to demonstrate how the latest innovations in performance siding, windows, stone veneer, trim, designer accents, fences, railings, and roofing can be used in manufactured housing to create bold exterior appeal and durability.



*Pictured Above: Cavco showcasing factory building design capabilities*

- **Cavco Durango and Cavco West** teamed up to build a beautiful 2,282 sq. ft., 2-story modular home to be given away to a deserving family on “**The Ellen Degeneres Show**.” The interior of the home features custom built, high end finishes chosen and installed by John Colaneri and Anthony Carrino from the HGTV show “**Cousins Undercover**.”



*Pictured Above: Two-story home Cavco built for “The Ellen Degeneres Show” to give to a deserving family*

## Insurance and Finance

- This year marked the 55<sup>th</sup> year **Standard Casualty Company** has offered affordable homeowners' insurance for manufactured homes. We understand the unique qualities of these homes and develop individual plans for each manufactured and modular home we insure.
  - Ranked #9 on **Property/Casualty360 Magazine's** list of the top 19 growth and profit leaders in personal insurance.
  - Tripled the number of manufactured and modular home insurance policies since 2011.
- For the small to mid-sized manufactured home community owner, **CountryPlace Mortgage** initiated a commercial lending program to help revitalize their communities, attract more homeowners in need of affordable housing and increase occupancy rates, all of which expand and enhance the image of the industry.

## Industry Involvement and Image

- **Fairmont Homes** - supplied a manufactured home to the **MH Hall of Fame** to showcase the modern design and value the industry offers.



*Pictured Left: Home donated to MH Hall of Fame to showcase modern design and value*

- **Palm Harbor – Plant City, FL** - In the face of an unprecedented shortage of skilled labor in the home building sector and high unemployment for recent graduates, we became a **Centennial Job Corps Partner Employer**. As such, we designed and initiated a job training program with the local Job Corp facility (Federal Department of Labor) to hire students to work full time as part of their skills training. Students must go through an interview process, as any other candidate, and are held to the same standard and expectation of our other associates. This employment experience helps to prepare them for a “real life” career experience. Following graduation, these students then have an opportunity to become full-time associates.



- Appointed an Industry Advisory Board member for **TRAMCON**, a new program to train a workforce for the manufactured housing/modular construction industry. The curriculum for TRAMCON, being developed by the **University of Florida**, will be delivered throughout four state colleges. The objective is to test this program in Florida and then, with industry collaboration, migrate it to other states with significant manufactured/modular construction activities.
- Cavco companies are also working with numerous non-profits to help provide truly affordable, energy efficient homes.
  - We work with **Next Step** to help provide affordable housing and step up options for economically-challenged consumers.
  - In Phoenix, we work with **Chicanos Por La Causa** on its mission to revitalize distressed neighborhoods and build affordable single family homes.
  - Completed construction on a home for “**The Wounded Warrior Project**” in Winter Park, Florida. This new home is now occupied by a brave veteran and his family.
  - Quickly provided homes to families who lost their houses as a result of tragic fires. Our prompt reaction allowed the families to resume their normal lives as soon as possible.
- “**Boxing for Troops**” - A program Cavco has participated in for 6 years running whereby care packages are sent to military people overseas.

## *2015 Recognitions, Honors and Awards*

- Ranked #13 by **Forbes Magazine** as one of the country’s best small companies.
- Listed #1 manufacturing company in Arizona by **Business Journal Publications**
- Recently appointed by the newly-elected governor of the State of Arizona to the **Arizona Board of Manufactured Housing**.
- **Palm Harbor – Austin, TX** - Received **Builder Magazine**'s 2015 “Builder’s Choice & Custom Home Design Award” for the 1,500 sq. ft. modular home built for **Brad Pitt's MakeItRight Foundation** initiative in New Orleans with LivingHomes. This LivingHome sold earlier in 2015 to a family who had been displaced by Hurricane Katrina.



*Pictured Above: Recipient of “Builder’s Choice & Custom Home Design Award”*

- **Cavco Park Models and Cavco West** - Teamed up with a California design and construction group to build an amazing “tree house” cabin, which can also be built as a modular home. The Cavco home won first place for the best overall “**Image Award,**” beating out over 200 national and international entries and displays.



*Pictured Above: Home reminiscent of a tree house receives the “Image Award”*