

AVID Intelligent Home Plans™



Delivering home builder purchases through integrated house plans.



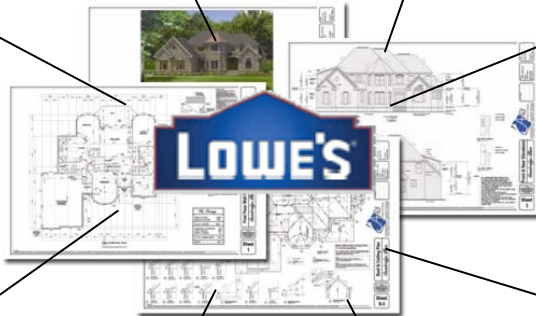
Home Builder

Rental Equipment
Landscaping, Sprinklers
Gutters & Downspouts

Insulation, Rough
electrical, lighting,
appliances

Engineered lumber, Joist
Trusses, Sheathing
Plywood, Lumber

Roofing, siding, stone,
Brick, Paint, Exterior
finishes.



Windows, Doors, Interior
trim, Door knobs, Handles
Cabinet, Countertops



Rough plumbing,
Sinks, Toilets, water
heaters,

Direct interface to
Kitchen Design Center
& Flooring estimator

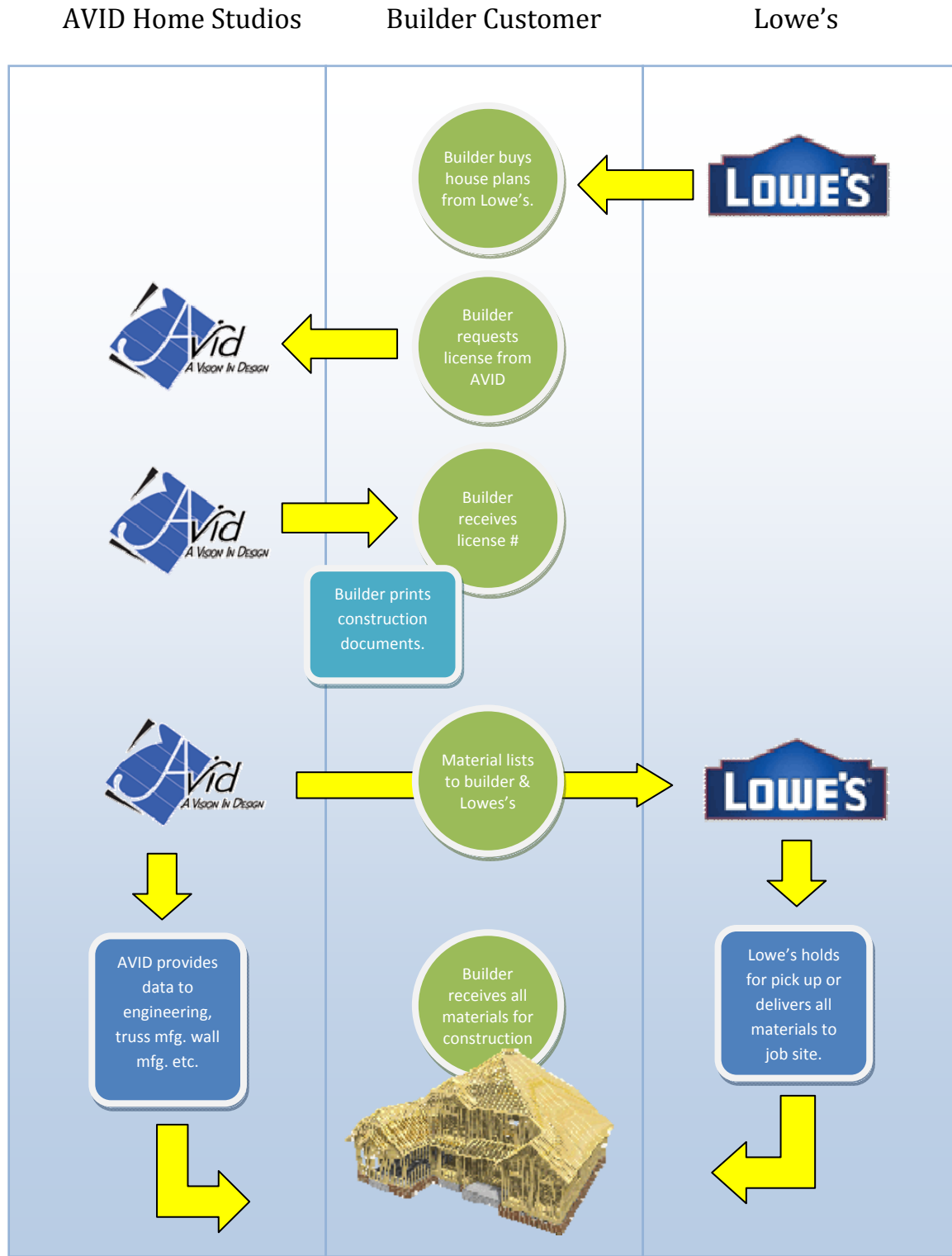


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PROCESS OVERVIEW



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Overview

Use AVID's Intelligent Home Plans to capture builders at the very beginning of the construction process, integrate the material take-offs into Lowe's order entry systems and interface the data into Lowe's in-store design services (kitchens, cabinets, carpets, flooring, etc.).

Every new home construction project starts with a house plan.

About AVID Intelligent Home Plans

AVID Home Studios is an architectural design service provider to the US home building industry. AVID provides over 1000 stock floor plans through its online e-commerce website. AVID can customize those plans or create custom designs with an in-house staff of highly skilled designers. AVID provides personal service to its builders with local Marketing Managers and regional design studios. Through its exclusive DesignerDirect™ and A-Link™ services, AVID brings home design services to the builder with an efficient and streamlined process not offered anywhere.

AVID Intelligent Home Plans go beyond just lines on paper. AVID shares plan data with many third party building solutions providers. Through exclusive business partnerships, AVID plans can be engineered for any US market and analyzed to meet any local building code or ordinance. Detailed material lists for every component of the structure are obtained directly from the plan. This data is downloaded to automated truss and wall panel manufacturing systems that can be delivered anywhere in the US while three-dimensional modeling systems create virtual tours of the new home. With this data, builders can track, plan, bid and manage every phase of construction with online tools that reduce material and labor waste at the job site.

Without AVID Intelligent Home Plans, these processes are inefficient and difficult to manage. But more accurate designs, with accurate data shared transparently throughout the project, make the task of building a new home easier than ever. That is why AVID calls their home designs "Intelligent Home Plans".

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Program highlights

AVID will offer 144 of its most popular house plans on USB flash drives.

This collection will be organized into nine different categories based on house size. These categories include:

- 0 - 1000 square feet
- 1000 – 1500 square feet
- 1500 – 2000 square feet
- 2000 – 2500 square feet
- 2500 – 3000 square feet
- 3000 – 3500 square feet
- 3500 – 4000 square feet
- 4000 – 4500 square feet
- 4500 square feet and above



Each flash drive will contain a full set of construction documents for each of 16 home designs. The construction documents will be saved in a password protected high resolution PDF file. Builders and home buyers will purchase the flash drives and review the quality of each plan set. Upon selecting a plan from this group, the user will call the AVID toll-free number for an access code. This access code allows the user to export one set of documents to a large format printer. Only one of the 16 designs can be printed from a single flash drive.



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Program highlights (cont.)

When the user contacts the AVID toll-free number, AVID associates will obtain the name and contact information from the customer, provide the access number to the customer and store this information into a database for future reference. Within 48 hours, AVID will provide the customer with a set of material take-offs specifying Lowe's products complete with SKU and item numbers. Simultaneously, these completed take-offs are sent to the local Lowe's Commercial Sales Specialist of a potential sale. The Specialist and customer can easily use these material lists to purchase all of the products needed to build the new home.

These material lists include but are not limited to:

- Framing
- Sheathing
- Joists & trusses
- Flooring & carpeting
- Roofing, gutters
- Drywall & insulation
- Interior trim & molding
- Rough electrical & lighting
- Brick, siding, stone and other exterior finishes
- Doors & Windows
- Cabinetry, countertops, hardware (locks, door knobs, stoppers, etc.)
- Rough plumbing, faucets and fixtures
- ...and more.

These lists help complete line item budget for the entire project. Labor hours are calculated and the builder simply enters labor costs to calculate a total cost estimate. Every material and service is included including grading and landscaping – each with Lowe's item and SKU numbers ready for purchase.

The customer can recoup the price of the home plans by meeting a certain threshold of these Lowe's material purchases.

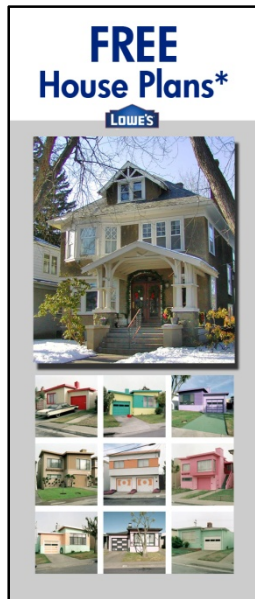
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Retail POP Display

Each flash drive is packaged in a secure plastic clam shell. These units are displayed on a 24" x 36" flat point-of-purchase display. This portable display may be mounted in a variety of locations at or around the Commercial/Project Desk.



Plan Booklet



POP Display



Clamshell Packaging

A comprehensive plan booklet provides information about the program and details of all the home plans stored on the drives. These details will show a front elevation and basic floor plans of each design. A web address will be provided for more information.

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About the construction documents

All of the home designs provided on the flash drives meet ICC codes. Each set of construction documents includes:

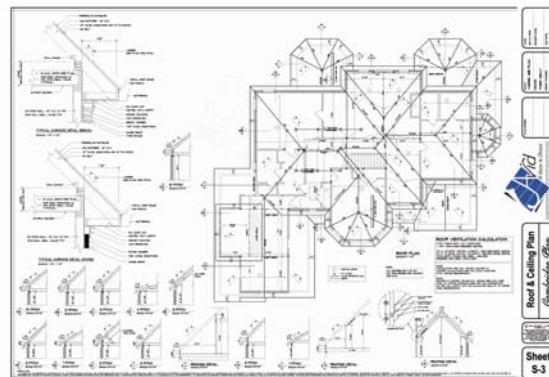
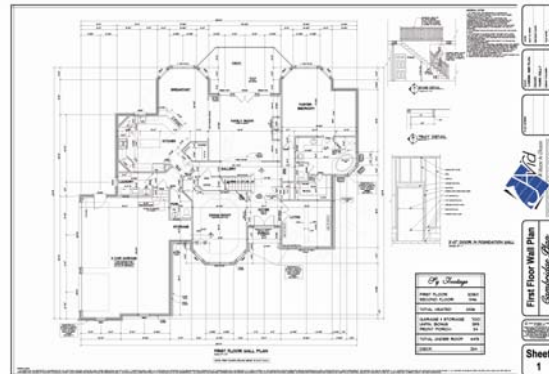
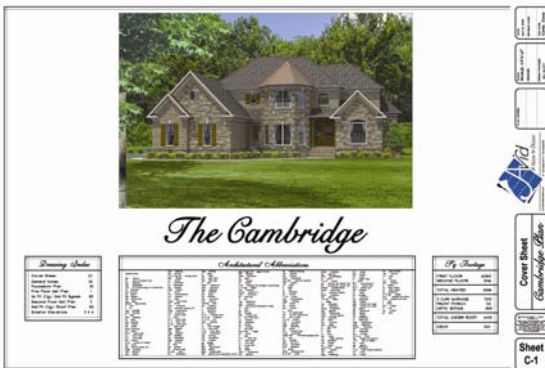
- Cover Sheet
- Foundation Plan
- Detailed Floor Plan (s)
- Roof Details
- Elevations

Samples of these plans may be viewed by visiting:

http://www.avidhomestudios.com/our_plans/about_our_plans.xml

Most sheets are designed to be printed on a 24" x 36" sheet. Once a password is obtained, users may use popular retail printing companies for output. AVID offers very competitive printing services, too.

Builders requesting minor modifications to meet personal tastes or local building code requirements will be quoted for these services separately.



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Current Lowe's Program

Currently, Lowe's offers blueprint take-offs through a third party vendor – AccurateEstimates.com. This is a five-step process that involves a number of Lowe's personnel, shipping costs and time constraints.

The steps for this process are described online as:

1. **Bring in your blueprints to Lowe's** - bring in your blueprints to the Commercial/Project Desk at your nearest Lowe's location. You and the Commercial Services Specialist will go over the plans, check to make sure that they are complete, establish the cost for the estimate, and fill out a specification sheet.
2. **Your plans and specifications are submitted** - your Commercial Sales Specialist will package and send everything to Lowe's estimating staff at the corporate headquarters
3. **AccurateEstimates.com completes the estimate** - your plan is processed and scanned on Lowe's state-of-the-art equipment and then transmitted to AccurateEstimates where all of the materials needed for your project are broken down item by item into a convenient and detailed format.
4. **The estimate is entered into the Lowe's quoting system** - the finished estimate is transmitted back to the pricing team at Lowe's headquarters where a finished quote is created on your local store's inventory system.
5. **Come and get your estimate** - your Commercial Sales Specialist will invite you back to our local store to receive your materials bid plus a printed and bound version of your estimate and your 24" x 36" framing diagrams

This service is offered for \$350 to the Lowe's customer.

The service faces some challenges:

- **Considerable manpower and delivery costs** are incurred by Lowe's for scanning the plan documents into the system.
- **Accuracy** of this process is impacted by the quality of the plans used. Poorly designed and hard-to-read documents may lead to added processing costs and discrepancies in the final material take-offs.
- **A long turn-around time** is required as the service takes approximately 8 working days.

Customers are refunded the \$350 cost of the service if they purchase \$2000 of materials.

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AVID Intelligent Home Plans™ benefits Lowe's and its customers:

Builder/Home Buyer Data – Issuing a password to the customer limits the use of the home plan to a single build. To record this license, customer contact data is captured and stored. Lowe's may encourage these customers to open a Lowe's account for easy processing of material orders or follow up with future Lowe's promotions and offers.

Cost savings to the builder - Home builders typically purchase plans from online services, local designers or professional architects. These plans may cost the builder anywhere from \$100 - \$10,000 (the average online plan purchase: \$900, custom design services: \$1500 and architect retainer fee: \$5000). Lowe's will be offering AVID's most popular home plans for a fraction of this price.

Further cost savings is realized with reuse fees – the right to build more than one home from the same plan. These fees typically cost \$250 dollars. The cost of a new Lowe's USB collection is a fraction of that cost.

Cost savings to Lowe's – material take-offs require no effort or input from Lowe's personnel or any shipping costs.

Improved process accuracy and efficiency – material take-offs are created during the design process, not from scanned documents and dimension interpretations.

Faster turn-around – material lists are provided via email to the builder and Commercial Sales Specialist in 2 business days.

Complete integration into other Lowe's design services – data can be integrated into carpet, flooring, cabinetry, kitchen and other design systems already employed at Lowe's.