

GREEN EXPECTATIONS



June 2009

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Lose that reservation about preservation!!!

Panel Source International Inc., is please to announce that we have switched all of our wood preserving to Osmose's MicroPro Wood Preservation treating method. (MCQ). This new method has many benefits for the wood treater, the end user, and also for the environment. With our partners, Western Wood Preserving Co., who are profiled on page 4, we are ecstatic to offer yet another improvement in our selection of environmentally certified wood products.

MCQ, which replaces ACQ preservative treatment has some significant advantages, which are outlined here:



Benefits to the environment:

MicroPro uses a new technology that grinds the copper particles

used in the treating method to a much smaller size than was previously achievable. In the past, organic solvents had to be used to help dissolve the copper into smaller particles. This method of grinding the copper into finer particles when compared to the old method of dissolving copper, uses approximately 80% less energy.

As well, wood products that are treated with MicroPro, will release 90-99% less copper into the environment when compared to current methods. Traditional wood products will leach out approximately 25% over the course of its lifespan. The MCQ process embeds the copper particles much further into the wood than previously achievable. The result is that it is less likely to leach out of the wood when exposed to water.

The solution that is used in the MicroPro treating process is also four times more concentrated than current solutions. The result is that there are 82% fewer trucks required to move the solution and in smaller shipments when compared to the ACQ method.

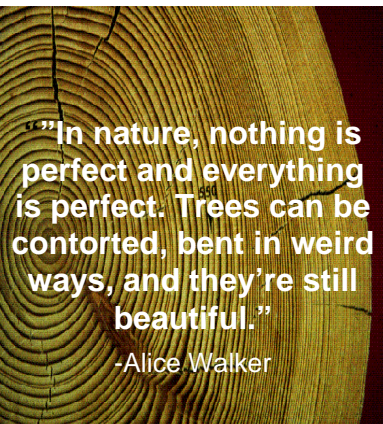
Benefits to the end user:

MicroPro, when compared to standard copper preservation methods, also provides the following advantages:

- Lower corrosion to metal fasteners
- Approval for aluminum contact
- Less paint and stain required because of the woods lighter treated color (see picture, comparing MCQ (top) to ACQ)

The end uses include:

- Interior and Exterior above ground
- Ground contact
- Fresh water immersion



"In nature, nothing is perfect and everything is perfect. Trees can be contorted, bent in weird ways, and they're still beautiful."

-Alice Walker

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Forest Products Market Update

June 2009

After nearly two years of curtailments and shutdowns in the forest products industry, it appears that supply may have fallen to a level somewhat equal to demand—at least for some product categories. This pattern is most obvious in softwood lumber, softwood plywood, and OSB markets. Prices of all three groups have been rising over the last three to four weeks, although the pattern has been somewhat “shaky”. Softwood lumber prices rallied four weeks ago, then backed off to previous price levels. However, in the last ten days, lumber prices again have rallied. Softwood plywood has shown a lot of strength as well, and the possibility of major price increases in this product category are very high. Of course, all of this assumes that producers do not rush to re-open closed mills, or add more shifts to mills currently running on reduced schedules. The temptation to do so is strong, but the wood products industry, during this recession, has shown a level of discipline not evidenced in previous slow markets.

Structural wood products, such as lumber, plywood and OSB, are “trend change indicators”. In any economic slowdown, these products are among the very first items to drop in price. Equally, they are also the first items to increase in price if an economic recovery is about to begin. For producers of hardwood plywood, MDF, and particleboard, no such recovery is at hand. These decorative products are used later in the construction of any building, so it makes sense that a price recovery for these items will be many months later in the process. Recent statistics show that MDF and particleboard mills are running at just over 50% of capacity, an amazingly low number, and one that is not likely to improve in 2009.

Right now, the up-side potential for structural wood products is much higher than the down-side potential. Yes, lumber prices may fall back and drop \$20-30 per thousand board feet (an event we think unlikely), however, the odds are in favor of price increases, and these increases could be anywhere up to staggering increase of nearly \$300 per thousand. Even an amateur gambler can appreciate the attractiveness of a bet that might lose \$20, but might also make \$300.

On a separate note, if a recovery really is under way in the structural wood products industry, then producers and buyers would be well advised to proactively address the built up anger and frustration both parties have experienced.

This has been a tough economic period, and both sides can come up with a lengthy list of grievances, complaints, and frustrations. Mills have been forced to cut back staffing to literal “bare bones” levels, and customer service has virtually vanished at most mills. This is all understandable, and one can appreciate that mills didn’t want to lay people off, but the frustration the buyers feel is still just as real. In fact, wood products companies are more loyal and committed to their personnel than virtually any other industry on this planet—their strong desire to avoid layoffs is a lesson that Wall Street needs to emulate. Equally, mills have their own frustrations with buyers, and many feel they were abandoned in their hour of “greatest need” by fickle buyers who went elsewhere for “a few dollars less”. We all have a lot to apologize for, and the sooner, the better.

MCQ Preservative Treatment—Con’t from page 1

Certifications:

MicroPro has been certified by SCS as an EPP (Environmentally Preferable Product). This certification is given to products that, when compared to standard treatment methods, has reduced impacts on human health and the environment.

For more information or pricing, please contact Panel Source International, Inc. at toll free 877 464 7246 or info@panelsource.net

No Cost increase:

The inherent nature of western hem/fir requires a slightly higher level of chemical saturation compared to SPF and SYP. The result is an approx 5% cost increase, however Panel Source has kept its prices at the same prices through the switch over to MCQ from ACQ treatment.

As mentioned, Panel Source is pleased to be working with Western Wood Preserving Co., to offer this new product. Western Wood Preserving is the first west coast preserver to use the MCQ technology, and is profiled on page 4.

A Case Study In Green Design

Somewhere in the mountains of South West Colorado, near where the Mesa Verde cliff dwellings are located, the Sleeping Ute Mountain to the west, and the LaPlata Mountains to the east, lies America's newest 'green' building, a passive/active solar/sustainable cabin of 728 s.f.



The force that drove the design and fabrication of the Mancos Cabin was the 330 days of sunshine that Southwest Colorado enjoys every year., along with capturing the amazing panoramic views offered by the location. The site is located outside of Mancos, situated among the sagebrush and Pinion/Juniper ecosystem. The window layout of the cabin captures both views to the East and West with minimal glass, to prevent overheating from the West sun, and to prevent too much heat loss from East facing glazing. The South window wall collects heat from the low winter sun, helping with the heating load during the winter, and lets in abundant daylight for the interior year round. The floor plan, consisting of 728 square feet heated space on two levels has an intimate, cozy feeling. The first floor, with entry, living, kitchen, dining nook and pantry has a stained concrete floor, which stores the solar heat.

Stairs lead up to the second level sleeping loft, bath, study, and toilet (equipped with a dual flush toilet), and overlook the living room space below.

The stairs to the roof deck have high awning windows which vent hot air in the summer. The third story roof deck functions as a wonderful viewing platform for the 360 degree views, social gathering, eating, and open air sleeping space and for enjoying the abundant sunshine.

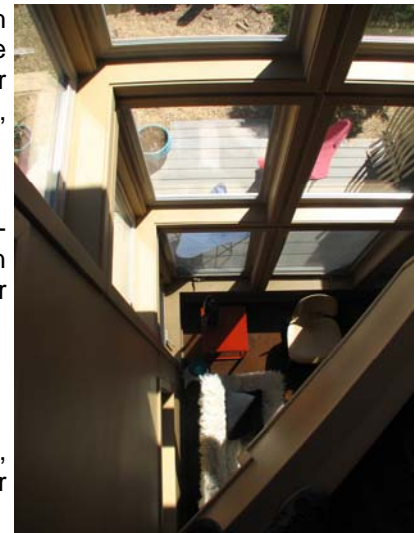
The cabin is only occupied part time, so this small, grid-tied PV solar system creates more energy than the cabin uses. The system will offset the burning of approximately 4000 pounds of coal per year, and the emission of about 3000 pounds of carbon dioxide per year.

The East, West and North walls of the cabin were constructed with Flex-Crete blocks, an autoclaved, aerated concrete block. This material was chosen because of the air that is trapped in the block provides great insulation, and the close proximity of the manufacturing plant keeping the embodied energy of the product *the energy required for manufacturing, and transport to the building site) low. The stacked 10" blocks create a wall with an R-value of 25. The south wall, with so many windows, was wood framed because of all the fenestration. All of the wood framed areas including the roof, were insulated using sprayed in foam insulation which prevents unwanted air leakage, sealing the building. The PV array mounted at the south edge of the roof deck acts as the guardrail, as well as providing some summer shade for the south facing windows. In addition to the functional aspects of the array, the 6 panels will provide around 150 kilowatt-hours of electricity each month.

In lieu of gypsum board, the interior walls, cabinet fronts & shelves are made of Pure-Kor® MDF, a low voc, formaldehyde free product that is harder, and more durable than gyp board. These surfaces were sealed with VOC free, water-based sealer, and clear finish.

Design Credits:

Keegan Feeney, design partner; Conor Feeney, PE, Structural; Rick Feeney, principal, FeeneyArchitect, Durango, CO. Contact FeeneyArchitect at rick@feeneyarc.com or 970-259-9554.





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Your One Source When Building With LEED®!

If you would like more copies of this newsletter please contact Ryan McNeil at 780-458-1007 or info@panelsource.net

Panel Source International is North America's leading manufacturer and distributor of forest products designed for use in LEED® construction projects. We focus exclusively on the manufacturing and distribution of environmental forest products, including products that are FSC Certified, urea formaldehyde free, and manufactured with rapidly renewable or recycled fiber contents. These products include lumber, softwood and hardwood plywood, particleboard, MDF, OSB, timbers, IPE decking, door core, melamine panels, pressure treated and fire retardant products.



Western Wood Preserving Co. — Leaders in Green Treating

Panel Source's partner in the MCQ revolution is Western Wood Preserving Co. WWP is a family owned business located in Sumner, WA that was started by Robert Reimer in 1971. Initially, Western Wood Preserving Co. treated with oil borne preservatives manufacturing poles and piling for industrial markets. Around 1980, they realized that more restrictions were being placed on oil type preservatives and we immediately made the switch to water based preservatives.

Employing approximately 35 people, WWP serves retail lumber yards in the Pacific Northwest and continue to be a family owned business. they currently have five preservative systems including ACQ, CCA, Borate, Fire Retardant and now our newest and most environmentally friendly product, MCQ.

They attribute their success to using the best lumber we can source, combining it with the best preservatives in the market made by Osmose Wood Preserving, and by bringing the best people and service to the industry. President Mike Reimer: "We can't be all things to all customers, but the business niche we have is unique and unmatched by others in the industry."

In 2009, Western wood Preserving Co. became the first west coast wood preserver to pressure treat with Osmose MicroPro technology, the first fire treated wood process to be certified under SCS's Environmentally Preferable Product (EPP) program based on life-cycle assessment. Along with this new preservative technology, they operate a state of the art computer and monitoring system to bring the latest science to the wood preserving industry.

Western Wood Preserving Co. can be contacted at 800-472-7714 or www.westernwoodpreserving.com.

