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March 4, 2011

Dear Mid-America Customer,

As we come out of the winter months and approach spring we at Mid-America have a positive feeling about this year's siding season. Remodeling continues to lead us out of the soft construction market and new construction is starting to show some signs of life. The siding market appears to be rebounding slowly and vinyl siding has picked up market share recently in comparison to other claddings as homeowners "right-size" their homes in this new economy. The short and long term trend for siding accessories is definitely positive.

We want to take this opportunity to share with you some changes in our business. The first change, we announced late last year, was the addition of the SturdiMount product to the Mid-America business. This product has done remarkable over the last few months and is really making an impact in the fiber cement market. We have recently added the Timber Bark color to the line-up matching a popular James Hardie color. By implementing the Mid-America ordering and shipping guidelines we have made this product easier than ever to order and stock. Finally, by adding this product line to our Mid-America catalog we are creating visibility to over 250,000 contractors, remodelers and builders.

The second change is not as positive but is necessary due to the growing global demand which has pushed raw materials used in our manufacturing process rapidly upward. Over the last 90 days we have absorbed multiple polypropylene price increases and while our intention was to bear the full burden of these increases and wait to see if this was a short term spike, it has become apparent that this is going to be a sustained increase.

We do believe that this spring/early summer resin prices will fall but will level off somewhere between the current high and where prices were prior to December. Additionally, we are being hit by increased freight and increased corrugated prices. It has become apparent that even though we continually improve our manufacturing efficiencies that these savings are not enough to offset these upward prices and the pressure that inflation is now applying to our business.

As a result we are announcing a price increase of approximately 5-7% effective April 4th, 2011. All orders placed prior to April 4th will receive current pricing while any order placed beginning April 4th will receive our new pricing. Additionally, any product ordered by April 4th must ship by April 29th, to qualify for the current pricing as all product shipped on or after April 29, 2011, will automatically be billed at the new price. This increase will not only include finished product but also components.

Based on the time of year, the positive tone in the market and pent-up demand we expect March to be a large shipping month and strongly encourage that you place orders in the early March timeframe. Your local sales representative will be visiting you in the following days to walk you through the new pricing. We understand that this letter has mixed news but please understand that we appreciate your continued support of our Mid-America products and look forward to increased sales as we come out of this economic downturn.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Wierengo", is written over a white background.

Jonathan Wierengo
Director of Marketing
The Tapco Group

MA MID-AMERICA
Siding Components™