

MODULAR BUILDING CONCEPTS, INC. TERMS & CONDITIONS

TERMS:

"MBC" -	Modular Building Concepts Inc.
"DOH" -	California Department of Housing
"Floor"	A single unit, single wide or "module"
"Unit" -	Commercial coach, modular building or trailer

1. CONSTRUCTION STANDARDS

Proposal based on a California Department of Housing approved Type V, non-rated, B-2 occupancy, Title 25 commercial coach and MBC standard construction finishes and colors unless otherwise stated. Each structure will bear the California D.O.H. insignia certifying State compliance. Design and construction will be in accordance with typical industry standards and the most recent version of the Uniform Building Code (U.B.C.), Uniform Mechanical Code (U.M.C.), Uniform Plumbing Code (UPC) and the National Electric Code (N.E.C.) as adopted by D.O.H. Specifications, floor plan, method of installation, and pricing, subject to change according to D.O.H. and local Building Department requirements. Sprinkler systems (if required) not included. Fire protection systems (when requested) will be in conformance with D.O.H. standards only.

2. CODES and CODE COMPLIANCE

MBC is not responsible for code compliance with any regulatory agency other than the California Department of Housing. Compliance with special codes or requirements due to occupancy or use of unit will not be the responsibility of MBC without prior knowledge in writing. If unit must comply with any other code(s), client shall provide MBC complete information or specifications in writing prior to submitting a proposal. Compliance with local Fire Marshal shall be the client's responsibility. Building is not Title 24 compliant.

3. PERMITS

MBC does not provide building permits or permits for electrical, sewer or water system. Requirements resulting from permits shall be the client's responsibility. MBC highly recommends that client consult with building department prior to ordering unit to determine local requirements. Client assumes all responsibility for obtaining and paying for any permits, onsite inspection fees by the DOH or licenses that may be required by law to possess or occupy unit. MBC shall be responsible for obtaining State of California approval to manufacturer unit only. Fees for transportation permits and pilot cars (if required) will be billed to client.

4. MBC RESPONSIBILITY

MBC shall provide and install a State of California DOH approved unit on a steel pier and wood pad "foundation" only, unless otherwise noted.

5. CLIENT RESPONSIBILITY

Client shall be solely responsible for: providing flat, level, accessible, and stable pad for unit, make all utility connections, determine local building, zoning, fire and health department requirements, and any other requirements affecting the use or construction of unit; secure building permits and pay all permit fees or any other fees associated with acquiring unit. Pad shall be minimum 1000 PSF with minimum 90% compaction.

6. DRAWINGS

Standard drawings will be provided with each new unit if required. Additional drawings, "wet stamped" drawings or engineering for unit will be extra. Drawings or engineering for ramps, decks, steps, foundation, or tie downs will be an additional charge.

7. SITE PREPARATION

Client assumes all responsibility for preparing site. Site must be flat and level within 3" in all directions, accessible by truck and unit without special handling, free from all obstructions (i.e. buildings, cars, trees, fences, etc.) and capable of adequately supporting unit without settling. Additional equipment or labor to install unit due to non-standard or unlevelled site conditions will be billed to client. Minimum soil compaction is 1000 PSF. Settling of unit is not covered under warranty. Finished grade must be sloped to prevent "standing water" under unit. Client responsible for determining location of unit on site.

8. INSTALLATION/FOUNDATION

Installation includes placing the unit on a "temporary" steel pier and pressure treated wood pad "foundation" system. Piers shall be placed under frame approximately 6'-8' apart and without "tie downs". Seismic tie downs are strongly recommended and available from MBC at an additional charge. Unless otherwise requested, foundation is not DOH approved or engineer approved. Installations requiring DOH or engineer approval must be known prior to installation and will be billed to client. Client is responsible for determining building department requirements, local ordinances and "set-back" requirements. Exclusions: Skirting, tie downs, concrete foundation, jacking unit into position, use of forklift or crane, removal of tires, wheels, axles or hitch, raising or lowering of unit, setting unit below grade, prevailing wages, stand-by time, on site inspection fees, state approved foundation, returning tires, wheels, axles, or hitch to MBC, overtime, weekend or holiday work. Maximum floor height above grade is typically 34"-36". Minimum floor height above grade is typically 28"-30". Installations exceeding 36" or less than 28" may be an additional charge. NOTE: If local building department requires a change from MBC standard installation, costs will be based on scope of work and billed to client. Engineered foundation plans are an additional charge. Settling of unit is not covered under MBC warranty.

9. SEISMIC TIE DOWNS

Unless otherwise noted, tie downs are not included. If tie downs are required, prices shall be based on installation in dirt with acceptable subterranean conditions (no rocks or excessively hard soil). Exclusions - engineered plans, or calculations, pull out tests, soils tests, removal of tie downs or patching of asphalt or concrete after removal. Client is responsible to determine location and depth of all underground utilities. MBC highly recommends contacting "Dig Alert" at least 3 days prior to tie down installation to determine existence of underground gas, water, electric, phone, data or irrigation lines. MBC or their contractor will not be responsible for any damages to or liability from hitting utility lines. Quantity of tie downs based on manufacturer recommendation and local building code. Installation in concrete or asphalt will be extra.

10. ADDITIONAL CHARGES FOR INSTALLATION

Determining additional installation in advance due to "non standard" conditions is impractical. Therefore, all quotes are based on "normal" conditions where site is flat and level within 3" in all directions, and accessible by truck. Any additional installation charges for unknown conditions will be quoted on a per project basis.

11. UTILITIES

PLUMBING – Connection of sewer and water lines excluded. All lines stubbed below floor only. Client is responsible for labor and materials to manifold and connect to source on site. Incorrect service, improper connection or excessive pressure may damage plumbing or fixtures. Client is responsible for damages and repairs.

ELECTRICAL – Connection of electrical sub-panels to source excluded. Multi-unit structures require interconnecting of sub-panels by client. Sub-panels by MBC, main panels by client. Incorrect service, "power surge", use of faulty generator or improper connection to panel may damage HVAC, lighting or electrical system. The use of a generator may void certain electrical or HVAC component warranties as per the manufacturer. Client is responsible for all damages and repairs.

WATER PRESSURE – Client responsible for maintaining appropriate water pressure to unit. Damages or service calls resulting from water pressure exceeding the unit's normal operating range is not covered by MBC warranty. Client is responsible for all damages and repairs.

HOLDING TANKS – Water damage resulting from the use of a holding tank is not covered under MBC warranty. Tanks that "back up" for any reason (i.e. debris in the lines, fixtures that are left on or continue to run) thereby flooding unit are the client's responsibility. All costs associated with repairs including service calls, water extraction, cleaning, removal or replacement of water-damaged materials are client's responsibility.

SPRINKLER SYSTEM - Not included. If sprinkler system is provided by MBC, the price shall be based on a "light duty" system only. MBC recommends client meet with local fire department to determine specific requirements and provide MBC with written specifications prior to constructing unit. Unit sprinkled above and below ceiling only with piping stubbed out at end wall on each unit. Exclusions: connecting sprinkler stub outs to water source on site, manifold stub outs, permits, risers, hydraulic calculations, on site testing, underground piping, below floor sprinkler, smoke detectors or fire alarm system.

12. STEPS / RAMPS

STEPS – Not included on purchase transactions unless otherwise noted. NOTE: Standard MBC steps are available in one size only and are not OSHA approved. Client is responsible for meeting all ADA, OSHA and local building requirements for entrance/exits. If site is unlevel and MBC steps are too high, too low or unstable, client must provide safe access to unit. MBC cannot guarantee steps will meet all codes. If after delivery of unit steps must be returned or exchanged due to site conditions, there will be a minimum \$75 pick up or delivery fee (San Diego County only). Client shall not attach step to unit or paint step.

RAMPS – Not included. If ramps are requested, costs will be determined after unit is in place and site is inspected. Any prices quoted prior to delivery of unit are estimates only.

13. TAX and LICENSE FEES

Client agrees to pay for all City, County, State or Federal sales and use tax and license fees where applicable. Rental agreements are subject to California sales tax.

14. DELIVERY (New Units Only)

Quoted delivery dates on new units is an estimate only and subject to change. Actual delivery will be based on manufacturers production level at time of plan approval. MBC will not be responsible for any liability or liquidated damages caused by circumstances beyond their control including weather delays, material shortages or production scheduling.

15. WARRANTY

NEW PURCHASED UNIT - MBC shall warrant unit against manufacturer's defects in workmanship for one year. Warranty period begins 10 days from completion of unit at the factory, or installation on site, whichever occurs first.

USED SOLD UNITS - Used units sold "as is where is" with no warranty expressed or implied.

Settling of unit not covered under warranty.

16. PURCHASE CANCELLATION

NEW UNIT - If client cancels and the unit has not been manufactured, MBC shall be reimbursed for all expenses incurred prior to cancellation. If client cancels and the unit has already been built, the full purchase price is due within 10 days of completion at the factory.

USED UNIT - If client cancels, they shall forfeit all deposits and be financially responsible for any requested modifications completed in the unit.

17. LEGAL USE OF UNIT / HOLD HARMLESS

Client agrees to comply with all State, Federal, and local laws and regulations, and to indemnify and hold harmless MBC from any and all fines, penalties or liabilities that may arise from violation of such law or regulation. Client further agrees to

indemnify and save harmless MBC from any claims, liens, demands or liability whatsoever arising from any work done by client or their designated party. Client will indemnify and save MBC harmless from any loss, cost or expense from liability to any person on account of damages to person or property arising out of failure of client to comply with the requirements and provisions of the Rental.

18. PRICE INCREASES

NEW UNITS - Prices effective for 30 days from date of quotation. Due to possible labor and material cost increases, MBC reserves the right to increase prices if: 1) Signed agreement is received later than 30 days from date of quotation 2) Production of unit does not proceed within 60 days of receiving signed agreement.

19. TERMS

PURCHASE - 25% on order, balance within 10 days of "beneficial occupancy" or completion of unit at factory, whichever occurs first. Punch list items, if any, will be remedied under warranty. Under no circumstances shall client withhold payment for warranty items or retention. If a building permit is being secured for installation of the modular unit, MBC must receive a copy of the permit before factory construction can be authorized.

20. WILDLIFE URBAN INTERFACE (WUI) COMPLIANCE

Certain areas of California are subject to "WUI" standards for fire resistant materials on buildings and structures. Unless otherwise requested and agreed upon in writing, MBC cannot guarantee that the unit being rented or purchased meets this standard. MBC highly recommends that client consult with their local building department prior to ordering unit to determine their requirements. Meeting all necessary WUI standards are the client's responsibility.

21. MISCELLANEOUS

A) MBC shall have the right to place upon unit their name and phone number and inspect unit anytime while on rental.

B) MBC is a licensed dealer of DOH approved commercial coaches and not a general contractor

C) Each person signing this agreement warrants and declares under penalty of perjury that they have the authority to make this transaction on behalf of their respective corporations or companies.

22. PENDING CODE CHANGE

The California Department of Housing and Community Development (HCD) has modified existing regulations governing the design and construction of Commercial Modulares and Special Purpose Commercial Modulares for units manufactured ON or AFTER March 31, 2012. The changes primarily involve measures to improve energy efficiency of mobile and modular structures. Any quotes, sales agreements, purchase orders or contracts of any kind currently signed or outstanding for new equipment (lease or sale) are now subject to this requirement and any pricing previously provided is subject to change as well.

23. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between client and MBC. No other agreements, representations or understandings shall bind MBC unless agreed upon in writing by an authorized MBC official. The provisions of this agreement may hereafter be changed only in writing and signed by both parties.