

General Terms and Conditions

Project # _____

1. DELIVERY SCHEDULE

Hi-Tech Housing, Inc. ("HTH") will have units available for delivery on the requested delivery date. **Any postponement of delivery dates by builder shall require at least 15 days prior notice to HTH.** HTH may delay delivery if builder is delinquent in any payment owed to HTH.

2. CHANGE ORDERS

HTH will accept only written change orders which (a) can, at HTH's sole discretion, be filled by HTH based on production capacity and technical constraints and which (b) are received at least 15 business days in advance of the production date. If a change order is received by HTH later than this date, HTH will be entitled to reschedule the shipment. Builder will pay the additional cost of all change orders including a service charge.

3. PRICE ADJUSTMENTS / MATERIAL SURCHARGE

All orders are subject to a material surcharge up to the date the order begins production. Builders will be notified before home starts production if surcharge is in effect and the amount of the surcharge.

4. CANCELLATION

IN THE EVENT OF ANY CANCELLATION BY BUILDER FOR ANY REASON AFTER RECEIPT OF START DEPOSIT, HTH RESERVES THE RIGHT TO RETAIN ALL DEPOSITS ON THE UNIT CANCELLED.

5. PAYMENT: BUILDER'S CREDIT

The entire balance is due at the time of delivery of the unit to the job site prior to setting the Unit on the foundation unless prior arrangements are made. If HTH determines that builder's financial responsibility or credit standing has become substantially impaired at any time after the acceptance of this sales contract but before the delivery of the Unit, HTH reserves the right to require builder to make payment in advance by certified or bank check prior to delivery date. Payment after set policy (see addendum) – Full payment is due as soon as the home is set on the foundation. Hi-Tech Housing must receive full payment no later than 72 hours of home touching foundation sill plate.

6. STORAGE AND MAINTENANCE

Builder must accept delivery of house within five (5) business days of the agreed shipping date. If delivery does not occur, **the builder will be charged storage at the rate of \$50.00 per day or 1.5% of the amount due per month, whichever is greater.** This storage charge will be used to offset the costs of storing and maintaining unit in inventory. Payment of accrued storage charge must be part of the guaranteed payment at time of delivery.

7. FAILURE TO TAKE DELIVERY

HTH will hold an unshipped unit in inventory for a maximum of ten (10) days (following 5 days grace). After ten (10) days, the unit will be declared an open unit and offered for resale to other builders. If builder fails to pay accumulated storage charges or to accept delivery within 15 days of original scheduled delivery, all money due above the amount of the deposit will immediately become due and payable. All deposits will be forfeited.

At HTH's discretion, HTH may make the unit available for sale to the general public. **Any loss of income by HTH due to discounts offered, or costs incurred by HTH to sell the unit will be made payable by the builder to HTH. These costs include, but are not limited to advertising, structural and interior changes made to satisfy a new buyer, and storage charges for storing the unit while attempting to find a new buyer for the unit.** Storage charges will equal \$50.00 per day, or 1.5% of the amount due per month, whichever is greater. Any and all costs, including but not limited to attorney's fees and court costs, incurred by HTH to collect the amount due on the unit will become part and parcel to the amount due HTH from the builder.

8. UNLOADING AT THE JOB SITE; RISK OF LOSS

Builder agrees to have an authorized representative present at the job site at time of unloading to inspect each unit, accept delivery and to make payment. Builder will provide at his own expense adequate access roads, space and facilities for the delivery of shipments to the job site. If any trucks or bulldozers or other special equipment or personnel are needed to provide access to the job site or to position or remove the unit, they will be provided by builder. All decisions pertaining to adequate roadway or space will rest with the modular transport driver, and all costs to assure their adequacy will be borne by builder. Builder will be responsible for any delay for unloading each shipment. If units are returned to HTH plant through no fault of HTH, builder shall pay all transportation charges associated with the incomplete delivery. Once the unit is placed on the foundation, frames ("carriers") must be stacked and positioned for easy access to be returned to HTH. Builder accepts responsibility for damage to the carriers. Damage could result in forfeiture of the carrier deposit.

9. DAMAGED OR SHORTAGE ITEMS

Builder must verify all overages, shortages or damaged material relative to the shipment and sign off of the material verification form at the time of the delivery. Except as otherwise identified on the material verification form or except for hidden damage (*See Paragraph 10*), the house will be accepted as conforming to HTH's defined scope of work. Any damaged, defective or shortage items properly reported on the material verification form will be repaired, resupplied or replaced by or at the expense of HTH, as HTH may select. No item may be returned for credit without the prior written approval of an authorized representative of HTH.

10. ARBITRATION OF DISPUTES

In the event of any dispute arising under this Agreement, builder agrees that he will pay total purchase price due. The payment may be made by the builder under protest. Any claims or disputes arising out of this Agreement or breach thereof shall be subject to and decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect unless the parties mutually agree otherwise. All costs related to such arbitration shall be shared equally between the parties, except that all costs individually incurred will be paid by the party incurring such costs or allocated as the arbitrator deems fit.

11. HTH WARRANTIES AND LIMITATIONS

HTH expressly warrants that all of the structural components furnished by it will be free from defects of material and workmanship, will be constructed according to sound engineering standards and will be reasonably fit for the intended use as components of a residential structure for a period of one (1) year from date of delivery of the unit to the job site.

In the event of any alleged breach of warranty, builder will be obliged to deliver a specific written notice of the pertinent condition to HTH within (30) days after that condition has been observed or reasonably could have been discovered by diligent examination. **AS THE SOLE REMEDY FOR ANY BREACH OF WARRANTY PROPERLY CHARGEABLE TO HTH IN CONNECTION WITH THIS AGREEMENT, HTH WILL REPAIR OR REPLACE THE AFFECTED COMPONENT OR WILL PAY A MONETARY AMOUNT EQUIVALENT TO DECREASE IN VALUE REASONABLY ATTRIBUTABLE TO SUCH ALLEGED BREACH OF WARRANTY, AT THE SOLE OPTION OF HTH.**

HTH DOES NOT MAKE ANY WARRANTY OR ASSUME ANY RESPONSIBILITY WITH RESPECT TO FIXTURES, APPLIANCES OR OTHER EQUIPMENT INSTALLED IN THE UNIT WHICH HAVE BEEN MANUFACTURED BY OTHERS. Warranties of manufacturers or other suppliers of such fixtures, appliances and equipment will be made available to builder to the extent such warranties can be assigned to builder. **HTH WILL HAVE NO WARRANTY LIABILITY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS OR HABITABILITY, EXCEPT AS IS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT. ALL WARRANTIES OF HTH UNDER THIS AGREEMENT SHALL BE**

ENFORCEABLE ONLY BY THE BUILDER. BUILDER IS NOT AUTHORIZED TO ASSIGN ANY WARRANTIES OR MAKE ANY WARRANTY OR REPRESENTATION ON BEHALF OF HTH.

HTH WILL NOT BE LIABLE IN ANY EVENT (WHETHER FOR BREACH OF WARRANTIES OR OTHERWISE) FOR ANY SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF THIRD PARTIES) UNDER OR IN CONNECTION WITH THIS AGREEMENT. THE FOREGOING SENTENCE MAY NOT APPLY IN SOME STATES IF THE BUYER IS THE ULTIMATE USER OF THE UNIT.

Because HTH cannot be responsible for unusual site conditions, improper foundation, excessive moisture and condensation or the destroying of moisture seals by site cutting or other handling after delivery, HTH WILL HAVE NO WARRANTY RESPONSIBILITY OR OTHER LIABILITY WITH RESPECT TO WARPING, SHRINKAGE OR CRACKING OF ANY COMPONENT, OR ANY NAIL POPS, EXCEPT ONLY THAT HTH WILL GUARANTEE ITS DOORS IN ACCORDANCE WITH THE STANDARD DOOR GUARANTEE OF THE NATIONAL WOODWORK MANUFACTURER'S ASSOCIATION. HTH WILL HAVE NO WARRANTY RESPONSIBILITY OR OTHER LIABILITY FOR ANY CONDITION ATTRIBUTABLE TO EXCESSIVE MOISTURE OR CONDENSATION.

WARNING: HTH's construction plans and recommended erection procedures are subject to change at any time. Accordingly, builder must take care to erect each structure in strict accordance with the drawings and Setup Manual which are current and which correspond with the units shipped. HTH WILL HAVE NO WARRANTY RESPONSIBILITY OR OTHER LIABILITY WITH RESPECT TO ANY PROBLEMS OR EXPENSES INCURRED BY THE USE OF OUT-OF-DATE PLANS OR PROCEDURES BY BUILDER.

12. FORCE MAJEURE

HTH will not be responsible for any loss, damage, delay or other failure of performance on the part of HTH attributable in whole or in any part to causes beyond the reasonable fault or control of HTH, including but not limited to the following: fire, flood, or other natural disasters, strikes, lockouts, differences with workmen, scarcity of labor or other interruptions of work affecting the employees, subcontractors or suppliers of HTH, war, riot, civil disobedience or national emergencies; embargo delays, mill conditions or shortages affecting transportation equipment, fuel, labor and/or materials; accidents, breakage of machinery or losses or damages incurred in transit; compliance with any applicable federal, state or local governmental law or regulation; or Acts of God. In such cases, HTH shall have an additional amount of time to perform under this Agreement equal to the period of delay.

13. BUILDER'S WORKMANSHIP

Builder agrees to indemnify HTH and save HTH harmless from any claim, damages or loss of any kind whatsoever (plus reasonable attorney's fees), arising out of builder's alleged acts or omissions with respect to the construction of the unit.

14. HTH PROPERTY

The HTH product, plan, design and support services are unique and proprietary and subject to copyright and trademark laws and to common law protection. Any reproduction or use of the HTH name, logo, product, plan, design or support service in any manner without written consent of HTH is prohibited.

15. TAXES

HTH pays all sales and use taxes assessed upon the materials relating to the units including any fixtures and appliances. All other taxes, assessments or other charges imposed by federal, state or local government or authority related to this transaction will be paid by builder.

16. WHOLE AGREEMENT

This Sales Contract, including the General Terms and Conditions and any and all appendices incorporated by reference, shall constitute the entire agreement of the parties with respect to the subject matter of this Agreement and supersedes any and all prior or contemporaneous representations or agreements of the parties. This agreement may be changed only by a written document signed by the parties. NO REPRESENTATION OF AGREEMENT OF ANY KIND, WHETHER CONTAINED IN ANY WRITING FURNISHED BY HTH OR IN PURCHASE ORDER CONFIRMATION FORM OR OTHER DOCUMENT OF BUILDER OR OTHERWISE, WILL BE BINDING UPON HTH EXCEPT FOR THOSE EXPRESSLY PROVIDED IN THIS SALES CONTRACT OR ANY EXPRESS AMENDMENTS.

17. INDEPENDENT CONTRACTOR

It is understood and agreed that builder is not an agent nor employee of HTH in any manner in this transaction and that builder is an independent contractor with special knowledge of the nature of the work and the responsibility involved herein and that builder's status as such shall be construed in actions arising hereunder. It is further distinctly and expressly understood and agreed that builder is in no way authorized to incur any obligation or indebted that will, in any way, bind HTH or make HTH liable therefore, nor shall HTH become liable for any such engagement, contract, or purchase made by builder in carrying out the terms of this Agreement.

HTH on occasion uses an independent sales representative. These representatives serve as independent contractors. It is understood and agreed that independent sales representatives are not agents nor employees of HTH in any manner in this transaction and that independent sales representative is an independent contractor with special knowledge of the nature of the work and the responsibility involved herein and that independent sales contractor's status as such shall be construed in actions arising hereunder. It is further distinctly and expressly understood and agreed that independent sales contractor is in no way authorized to incur any obligation or indebted that will, in any way, bind HTH or make HTH liable, therefore, nor shall HTH become liable for any such engagement, contract, or purchase made by independent sales contractor in carrying out the terms of this Agreement.

18. AGENCY

Builder agrees that it shall indemnify, defend, protect and save harmless HTH of and from any and all costs, expenses, damages, claims, suits, and demands whatsoever, that can or may arise from any third party customer, their agents or assigns, by their assertion of any agency relationship between builder and HTH. This indemnification shall include all legal costs, expenses and fees incurred by HTH in defending itself.

19. MISCELLANEOUS

Any waiver by HTH of any breach under this Agreement will not be construed to be a waiver of any subsequent breach and will not adversely affect the rights of HTH to enforce strictly any and all terms and conditions of this Agreement at any time thereafter.

Project Number

Signature of Builder

Date

Signature of HTH Representative