

GENERAL TERMS AND CONDITIONS

These GENERAL TERMS AND CONDITIONS shall be incorporated into and become a part of all orders for factory-built structures ("SALES ORDERS") submitted by _____, with offices at _____ ("PURCHASER") to and accepted by Hi-Tech Housing, Inc., with offices at 1103 South Maple Street, Bristol, IN 46507 ("HTH") between this ____ day of _____, 2__ and December 31, 2__, except for any purchases of factory-built structures pursuant to separate and unique written purchase agreements.

1. SALES ORDER DOCUMENTS: Each SALES ORDER shall consist of the following documents:
 - a. HTH's Sales Order Form which identifies the particular factory-built structure being purchased, certain general specifications, the options being selected (including any delivery, set and finish options), the price and the initial deposit.
 - b. HTH prepared plans (drawings).
 - c. HTH published standard specifications applicable to the factory-built structure being ordered and in effect at the date of the Sales Order and any documents amending said standard specifications.
 - d. HTH standard scope-of-work schedule which delineates the boundaries between the work performed by HTH and by others and establishes requisite work by others at the site of delivery in preparation for delivery and any documents amending said standard scope-of-work schedule.
 - e. Architect's or engineer's plans and specifications, if any, provided they are referenced in the Sales Order Form.
 - f. Escrow agreement, assignment-of-funds agreement or other financial instruments enabling the payment arrangements for the SALES ORDER.
 - g. The applicable LIMITED WARRANTY as further described below.
 - h. Any HTH Change Order Forms prepared subsequent to the SALES ORDER acceptance, provided they have been accepted by an authorized officer of HTH.
 - i. In the event of any conflicts among the SALES ORDER DOCUMENTS, HTH prepared plans shall take precedence over other documents, and documents with later dates shall take precedence over those with earlier dates.
2. SALES ORDER ACCEPTANCE: Each SALES ORDER shall be an accepted binding obligation of HTH and PURCHASER upon the completion of the following:
 - a. Receipt by HTH of the Sales Order Form, signed by PURCHASER;
 - b. Receipt by HTH of the HTH prepared plans, signed by PURCHASER;
 - c. Receipt by HTH of good funds representing the initial deposit set forth in the Sales Order Form;
 - d. Receipt by HTH of all fully-executed documents supporting the payment arrangements; and
 - e. Acceptance of the SALES ORDER by an authorized officer of HTH.
3. CHANGE ORDERS: Subsequent to SALES ORDER ACCEPTANCE, neither HTH nor PURCHASER shall be obligated to implement any change, unless said change is documented in a Change Order Form and accepted in writing by both PURCHASER and an authorized officer of HTH.
 - a. HTH will make every reasonable effort to implement changes requested by PURCHASER.
 - b. PURCHASER acknowledges that changes requested subsequent to HTH's placement of orders for raw materials and/or the initiation of the manufacturing process may result in significant costs related to (i) preparation of revised drawings and their submittal to state or provincial approval authorities, and/or (ii) salvage sale of un-returnable materials and/or (iii) rework and scrapping of partially completed work in the plant. In such cases it may be economically impractical to make the change.
4. TIME OF PERFORMANCE: HTH schedules delivery of factory-built structures and the performance of any ancillary services such as setup based upon (i) PURCHASER'S requested delivery, (ii) the lead time for approval by federal, state, provincial and other relevant code approval authorities, (iii) the lead time for preparing approval and shop drawings, (iv) the lead time for ordering and receiving raw materials, (v) HTH's current order backlog, (vi) HTH's current pace of production, (vii) PURCHASER'S lead time to properly prepare the job site for delivery and installation, (viii) the availability of delivery equipment, (ix) governmental regulations affecting the delivery process, and (x) the timing of the availability of funds for payment to HTH. To the extent possible, HTH will schedule delivery so that the completion of production, delivery to the job site, installation and final payment coincide.
 - a. RELEASE FOR PRODUCTION: Unless provided for otherwise in the Sales Order Form or other SALES ORDER DOCUMENTS, SALES ORDER ACCEPTANCE shall be construed as authorization by PURCHASER for HTH to place orders for raw materials and schedule production and delivery. PURCHASER acknowledges that commencement of these activities may result in cancellation charges described in section 6. below or storage charges and accelerated payment obligations resulting from delays as described in section 5.e.
 - b. PURCHASER shall incur no obligation for storage charges or accelerated payment to the extent that HTH knowingly schedules production in advance of PURCHASER'S ability to accept delivery.
 - c. MATERIALS SURCHARGES: For any SALES ORDER for which the RELEASE FOR PRODUCTION occurs more than fourteen calendar days after SALES ORDER ACCEPTANCE, the price shall be subject to upward adjustment based on HTH's latest published materials surcharges.

- d. **FORCE MAJEURE:** Neither PURCHASER nor HTH shall be responsible to the other or to any third party for any loss, damage, delay or other failure of performance on their respective parts attributable in whole or in any part to causes beyond their respective reasonable fault or control, 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 their respective employees, subcontractors or suppliers, 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; of Acts of God. In such cases, the delayed party shall have an additional amount of time to perform under the SALES ORDER equal to the period of delay.
5. **PAYMENT:** Terms of payment are established uniquely for each SALES ORDER as set forth in the Sales Order Form or other SALES ORDER DOCUMENTS.
- a. Payment terms are established by mutual agreement of PURCHASER and HTH based upon (i) the unique characteristics of the factory-built structures covered by the SALES ORDER, (ii) the source of funds (PURCHASER'S line-of-credit, PURCHASER'S inventory floor-plan facility, OWNER'S funds or mortgage proceeds, OWNER'S construction loan, insurance proceeds, government funds, bond proceeds, etc.), (iii) the risk of loss of financing commitment, (iv) state or provincial mechanic's lien laws for the job site, and (v) PURCHASER'S credit history.
- b. For custom structures requiring engineering and drafting services prior to SALES ORDER ACCEPTANCE, HTH may require a non-refundable engineering deposit to be deducted from the final amount due under the SALES ORDER.
- c. HTH will require a deposit as a condition of SALES ORDER ACCEPTANCE, the amount based upon HTH's risk of loss in the event of SALES ORDER CANCELLATION, but generally not less than ten percent (10%) of the price set forth in the Sales Order Form.
- d. Based on the aforementioned conditions, HTH will require progress payments and/or final payment prior to commencement of production, prior to delivery, upon delivery or upon setup or a combination thereof with relevant enabling financial security instruments.
- e. For any SALES ORDER for which the agreed payment terms at SALES ORDER ACCEPTANCE provide for payment upon or after delivery, and where (except as provided in Sections 2.b. and 2.d. above) delivery is delayed by more than fourteen calendar days beyond the originally agreed delivery date, payment in full, less freight charges and any on-site service charges are accelerated and due as of the fourteenth day plus any assessed charges for storage and protection.
- f. Payment terms as agreed at the time of SALES ORDER ACCEPTANCE are subject to change in the event that there is a change in the nature of or security of the underlying source of funds or evidence that the financial condition of PURCHASER has deteriorated.
- g. For any Sales Order for which the factory-built structure is delivered on returnable modular carriers, HTH will require a security deposit against the return of the carriers to HTH in good condition on a timely basis. HTH will remit the deposit to PURCHASER within fourteen calendar days after return of all the carriers with a deduction for the reasonable cost of any required repairs or the loss in value due to damage.
- h. Unless provided otherwise in the Sales Order Form all progress and/or final payments shall be in the form of a certified check or wire transfer of funds.
- i. PURCHASER grants to HTH a security interest in the factory-built structures pursuant to each SALES ORDER and any components thereof or materials to be used in the construction thereof, and in all additions, improvements or accretions thereto, together with any proceeds thereof, to secure the payment of any and all amounts due hereunder, and of any and all other obligations which may be owing from PURCHASER to HTH whether now existing or hereafter arising. HTH shall have all of the rights and remedies of a secured party under the Uniform Commercial Code. PURCHASER agrees that until payment is made in full the factory-built structures shall remain personal property and shall not be considered a fixture.
6. **CANCELLATION:** A SALES ORDER shall be deemed to be CANCELLED if, at any time after SALES ORDER ACCEPTANCE, (i) PURCHASER notifies HTH in writing that it is unable or unwilling to accept delivery of and pay for the factory-built structure, or (ii) subsequent to production of the home, delivery is delayed by more than fourteen calendar days beyond the originally agreed delivery date and PURCHASER is unable or unwilling to arrange for delivery and payment arrangements satisfactory to HTH.
- a. If, at the time of CANCELLATION, no materials have been purchased or assembly begun, HTH will refund any deposits, except for non-refundable engineering deposits, net of any reasonable HTH order processing costs, within fourteen calendar days of CANCELLATION.
- b. If, at time of CANCELLATION, materials have been purchased, but assembly has not begun, HTH will refund any deposits, except for non-refundable engineering deposits, net of any losses on returning materials or using them for other projects or purposes, within fourteen calendar days of CANCELLATION. Alternatively, if mutually agreeable to PURCHASER and HTH, HTH will make available all or a portion of the purchased materials for pick-up by PURCHASER.
- c. If, at time of CANCELLATION, assembly has begun, HTH will offer the factory-built structure(s) for sale to third parties and apply any loss incurred against any deposits.

- d. To the extent that deposits are insufficient to cover HTH's losses on the disposition of raw materials or the factory-built structure, PURCHASER shall promptly remit the deficiency to HTH and HTH may apply any other funds which it owes to PURCHASER towards the deficiency.
7. RISK OF LOSS: Risk of loss, including, but not limited to fire, vandalism, theft, malicious mischief, extended risk, or any other hazard, shall pass to PURCHASER upon tender of delivery.
- a. If the transportation of the factory-built structures is within HTH's scope-of-work, then delivery is construed to have occurred upon the arrival of the factory-built structure at the location identified on the bill-of-lading.
 - b. If PURCHASER has contracted for the transportation of the factory-built structures, then delivery is construed to have occurred when the transporter picks-up the factory-built structure at HTH's production facilities or storage location.
 - c. For factory-built structures transported in multiple modules, sections or groupings of components, risk of loss passes to Purchaser upon tender of delivery of the individual modules, sections or groupings of components.
 - d. PURCHASER and HTH shall maintain adequate insurance to protect against such risk and be payable to PURCHASER and HTH as their interests may appear. PURCHASER and HTH shall, respectively, deliver evidence of insurance to the other upon request.
9. SERVICE AND WARRANTY:
- a. Materials damaged prior to tender of delivery, materials damaged by HTH setup crews or HTH setup subcontractors, defective materials identified prior to occupancy of the factory-built structure and shortages of materials identified prior to occupancy of the factory-built structure will be repaired, resupplied or replaced by or at the expense of HTH as HTH may select, provided that PURCHASER provides HTH with reasonable evidence that HTH is responsible for the damages, deficiencies or shortages. HTH provides reporting forms for this purpose. HTH may require the return of damaged or defective materials as a condition of repair, replacement or reimbursement.
 - b. The prior written approval of an authorized representative of HTH is required for the return-for-credit of any item.
 - c. HTH warrants that its factory-built structures conform to the federal, state or provincial building code applicable to each SALES ORDER. HTH does NOT warrant conformance with county, municipal and other local building codes and regulations or unique interpretations of building codes by inspectors and others with code enforcement authority unless PURCHASER advises HTH of their applicability and they are expressly set forth in the SALES ORDER.
 - c. Unless a SALES ORDER identifies an alternative limited warranty applicable to that SALES ORDER, the HTH STANDARD LIMITED WARRANTY, attached hereto, shall apply.
 - d. For any SALES ORDER which includes the purchase of an insured extended structural limited warranty, the terms and conditions of that warranty shall apply in addition to or, in the event of any conflict, in lieu of the HTH STANDARD LIMITED WARRANTY.
 - e. For any SALES ORDER for which PURCHASER is subject to the Ontario (Canada) New Home Warranty Act and has registered the factory-built structure with the Tarion Warranty, then the terms of the conditions of the Tarion Warranty shall take precedence to the extent they apply to HTH's scope-of-work.
10. RELATIONSHIP OF THE PARTIES:
- a. It is understood and agreed that HTH and PURCHASER are, respectively, independent contractors, that neither is an agent or employee of the other, and that each has special knowledge of the nature of the work and the responsibility involved herein and that the status of each as such shall be construed to actions arising hereunder. It is further distinctly and expressly understood and agreed that neither is in any way authorized to incur any obligation or indebtedness that will bind the other or make the other liable for any such engagement, contract or purchase in carrying out the terms of the SALES ORDERS.
 - b. HTH grants to PURCHASER a non-exclusive license to use HTH registered logos in advertising or to display in PURCHASER'S place(s) of business, provided PURCHASER has obtained HTH's approval. PURCHASER shall not use any HTH company or registered trade name in promotional materials or signage except as approved by HTH. PURCHASER shall cease all use of HTH trade names, logos, product literature and promotional materials upon expiration of these GENERAL TERMS AND CONDITIONS. Nothing herein shall be interpreted as granting to PURCHASER any right, title or interest in HTH trade names, trademarks, products, plans, designs and support services.
 - c. PURCHASER grants to HTH a license to use photographic images, computer-generated images or artist renderings of the factory-built structures purchased from HTH and the name of the development(s) within which the factory-built structures are situated in HTH's advertising without royalty or other remuneration. PURCHASER authorizes HTH to reference said development(s) in HTH's press release, marketing literature and other promotional materials.
 - d. TAXES: With regard to sales of factory-built structures sold within the United States of America, HTH will pay all state sales and use taxes assessed upon the materials relating to the factory-built structures, including any fixtures and appliances. All other taxes, assessments or other charges imposed by federal, state, or local government or authority will be paid by PURCHASER. With regard to sales of factory-built structures sold in Canada, all federal, provincial and local taxes (including GST), assessments and government charges of any kind will be paid by PURCHASER.

11. INDEMNIFICATIONS:

- a. PURCHASER agrees to indemnify HTH and save HTH harmless from any claim, damages or loss of any kind whatsoever (including reasonable attorney's fees) arising out of PURCHASER'S acts or omissions with respect to the sale and construction of the factory-built structures. This indemnification shall extend to any claim by any third party by their assertion that PURCHASER is an agent of HTH.
- b. HTH agrees to indemnify PURCHASER and save PURCHASER harmless from any claim, damages or loss of any kind whatsoever (including reasonable attorney's fees) arising out of HTH's acts or omissions with respect to the sale and construction of the factory-built structures. This indemnification shall extend to any claim by any third party by their assertion that HTH is an agent of PURCHASER.

12. DISPUTE RESOLUTION: With the exception of certain disputes which must be processed and arbitrated under the Taron Warranty program in Ontario, Canada, all claims and disputes arising hereunder, whether made or presented by HTH, PURCHASER or a customer of PURCHASER, shall be subject to arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association for sales within the United States of American and with the International Division Rules of the American Arbitration Association for sales within Canada. A single arbitrator is to be selected by the American Arbitration Association. Written notice of demand for arbitration shall be filed with the other party or PURCHASER'S customer and with the American Arbitration Association within a reasonable time after the dispute has arisen, with hearing to be held subject to Common Law Arbitration in Elkhart, Indiana. Any decision of the arbitrator shall be final, non-appealable, and binding upon all parties involved.

13. ASSIGNMENT: All SALES ORDERS and these GENERAL TERMS AND CONDITIONS shall inure to the benefit of and be binding upon the heirs, executors, personal representatives, successors and assigns of the parties. PURCHASER shall not assign its rights or obligations hereunder either voluntarily or by operation of law, without the prior written consent of HTH.

14. GOVERNING LAW: All SALES ORDERS and these GENERAL TERMS AND CONDITIONS shall be governed by and construed in accordance with the laws of the State of Indiana.

15. NOTIFICATION: Notices of SALES ORDER CANCELLATION, demand for arbitration and requests for assignment shall be in writing, sent by certified mail to the addresses set forth herein, or such other address as either party may designate by proper notice in writing to the other party. All other notices to be given in accordance with these GENERAL TERMS AND CONDITIONS may be made in writing and sent by mail, courier or by electronic transmission.

16. WHOLE AGREEMENT: The SALES ORDERS and these GENERAL TERMS AND CONDITIONS set forth the entire agreement and understanding between PURCHASER and HTH. PURCHASER and HTH further acknowledge that there are no other agreements, representations, understandings, or statements, either verbal or written, which shall be binding upon them and each is relying solely upon the representations and provisions hereof and not upon any other representations made by PURCHASER, HTH or their agents or employees.

17. WAIVERS AND MODIFICATIONS: No failure of any party to enforce at any time any provision hereof, or to enforce any rights or make any elections hereunder, shall be deemed a waiver of such provision, right or election. No modification hereof shall be effective unless in writing signed by both parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals.

PURCHASER: _____

BY: _____
 (Signature)

 (Printed Name)

TITLE: _____

HI-TECH HOUSING, INC.

BY: _____
 (Signature)

 (Printed Name)

TITLE: _____

ATTEST: _____

DATE: _____

ATTEST: _____

DATE: _____

Hi-Tech Housing, Inc. Limited One Year Warranty

PERIOD OF COVERAGE

Hi-Tech Housing will, for a period of one year from the date of Preliminary Inspection (form # HTHS3) (should have been completed by your Builder) or seven (7) days after delivery (whichever comes first), make repairs which are necessary because of defects in materials or workmanship supplied by Hi-Tech Housing. We will repair or replace, at our option, any defective parts at no cost to you. Because of design changes and improvements, we may substitute parts or components of substantially equal quality. This warranty covers you, as the first retail purchaser and first occupant of our new product.

NOT COVERED BY THE LIMITED ONE YEAR WARRANTY

Furnace, water heater, radiant heaters, appliances, windows, lights, fans, faucets, smoke detectors, siding, range hood, forced air heating or cooling systems, floor coverings, and similar components which are separately warranted by their manufacturers ("Third Party Warranties"). The respective manufacturers (list included in Homeowners packet) must be contacted directly.

Materials supplied and work performed by your Builder, subcontractors, or others.

Damage that is caused by misuse, abuse, alterations, lack of proper maintenance, improper repairs, neglect in notifying us (Hi-Tech Housing or your Builder) about necessary repairs, or neglect in taking reasonable precautions (such as shutting off water when a leak is observed).

Normal deterioration, wear, and adjustments of fabrics and/or carpeting.

Roof shingles damaged by extraordinary winds. Damage arising from high humidity. Shading caused by the touch-up of paint, and reasonable variations in paint, stain colors, natural wood grain, and roofing shingle color.

Minor adjustments of interior and exterior door; broken or scratched glass; settlement cracks, nail pops or wood shrinkage due to the settling and drying process of your home; chips, scratches, cracks or mars in woodwork, walls, mirrors, plumbing fixtures, appliances, counter tops, doors, siding, railing, stairs, light fixtures, exterior trim, floor covering and cabinets.

HOW TO OBTAIN SERVICE ON YOUR HOME

You must arrange access for Hi-Tech Housing to the home yourself or through your Builder. You, your Builder, or an authorized representative must be present while work is being completed and prepared to sign the Hi-Tech Housing Service report (form # HTHS7)

- A. Hi-Tech Housing will only arrange repairs of items covered by this warranty, which are identified on the Preliminary Inspection Form (form # HTHS3) and the Final Walk-Thru Check List (form # HTHS4).
- B. When service is needed on your home at any time during the remainder of warranty period, please contact your builder; **DO NOT CONTACT HI-TECH HOUSING DIRECTLY**. Your Builder will coordinate the proper customer service with Hi-Tech Housing.
- C. If problems covered by this warranty have not been resolved within a reasonable time by your Builder, then write to: Hi-Tech Housing, Inc., Customer Service Department, 1103 South Maple Street, Bristol, IN 46507

CONDITIONS OF LIMITED ONE YEAR WARRANTY

You (the first retail purchaser and occupant) must complete and sign the Final Walk-Thru Check List (form # HTHS4) with the Builder to activate the remaining period of coverage.

IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE LIMITED IN DURATION TO THE TERM OF THIS WRITTEN WARRANTY. Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. HI-TECH HOUSING INC. MAKES NO OTHER WARRANTIES EXPRESSED OR IMPLIED.

HI-TECH HOUSING, INC. SHALL NOT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, such as special use of the property other than normal single family residential, expenses for transportation, lodging, loss or damage to personal property, loss of use, your inconvenience, moving furniture, clean-up after service, or loss of income. Some states do not allow exclusion or limitation of incidental or consequential damages, so the limitation or exclusion may not apply to you.

This warranty gives you specific legal rights, and you may also have other rights, which vary from state to state.