



DATE: September 22, 2010

TO: Honorable Mayor and City Councilmembers

FROM: Oceanside Fire Department

SUBJECT: **PURCHASE AGREEMENT WITH MODULAR BUILDING CONCEPTS INC., FOR THE ACQUISITION OF THE MODULAR BUILDINGS CURRENTLY BEING LEASED AT THE FIRE TRAINING CENTER, 110 JONES ROAD, AND BUDGET APPROPRIATION**

SYNOPSIS

Staff recommends that the City Council approve a purchase agreement with Modular Building Concepts, Inc., of Poway in the amount of \$135,300 (attachment A) for the City's acquisition of the modular buildings currently being leased at the Fire Training Center located at 110 Jones Road; authorize the City Manager to execute the agreement; and approve a budget appropriation in the amount of \$135,300 from the Fire Station 8 CIP account to the Fire Department's General Fund Budget.

BACKGROUND

The Fire Department (OFD) has been involved in a long-term lease agreement with Modular Building Concepts, Inc., of Poway for the use of temporary modular buildings at the Fire Training Center. The lease option was selected many years ago as a temporary alternative to building a permanent fire training facility. The modular buildings currently in use serve as office space for training division staff and classroom facilities for the delivery of mandated training. Previously, the entire cost of the lease agreement had been paid through developer fees in the city's CIP.

Due to previous budget reductions and adjustments, the CIP funding for the lease payments is no longer available, and identification of a long-term solution is required. It is essential to have a training facility so OFD can meet the numerous local, state, and federal training mandates. These training mandates are required and necessary for all emergency service workers in the State of California. Oceanside has an excellent track record for compliance as a result of our ongoing investment in the Fire Department's training program.

ANALYSIS

Without an alternative to the current lease agreement for the training facilities at 110 Jones Road, the lease would expire and the vendor would remove the facilities at a cost to OFD of approximately \$18,000 in fees. Additionally, the removal of the modular buildings would cause an immediate interruption in the department's ability to meet the required training mandates. This could lead to further expense due to fines for non-compliance.

The buildings in question are approximately ten years old and it is anticipated they will have a life expectancy of approximately 10-15 more years. At the current lease amount of \$40,000 per year, the potential savings to the department over ten years is approximately \$240,000.

Staff, for this reason, believes that purchasing the buildings is the most cost-effective option.

FISCAL IMPACT

The Fire Department is requesting an appropriation in the amount of \$135,300 from Fire Station 8 CIP account 904114000503 to the FY 2010-11 General Fund budget 550553101.5702.

COMMISSION OR COMMITTEE REPORT

Staff report will be presented as an information-only item to the Police and Fire Commission on August 19.

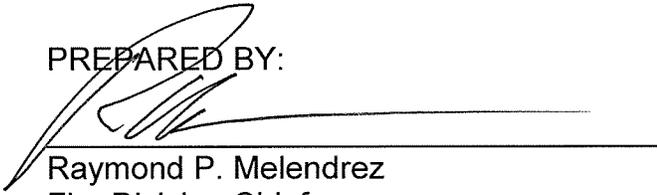
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

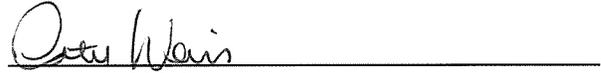
RECOMMENDATION

Staff recommends that the City Council approve a purchase agreement with Modular Building Concepts, Inc., of Poway in the amount of \$135,300 (attachment A) for the City's acquisition of the modular buildings currently being leased at the Fire Training Center located at 110 Jones Road; authorize the City Manager to execute the agreement; and approve a budget appropriation in the amount of \$135,300 from the Fire Station 8 CIP account to the Fire Department's General Fund Budget.

PREPARED BY:


Raymond P. Melendrez
Fire Division Chief

SUBMITTED BY:


Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager
Darryl Hebert, Fire Chief
Teri Ferro, Financial Services Director



ATTACHMENT

Purchase agreement

Modular
Building
Concepts Inc.



12580 Poway
Stotler California
Court 92064

Phone (858) 679-1185
Fax (858) 679-6804
www.mbconcepts.com

Sale Agreement

Company: <u>Oceanside Fire Department</u>	Date: <u>09/01/10</u>
Contact: <u>Ken Matsumoto</u>	Account Rep: <u>Chris Kerper</u>
Address: <u>300 North Coast Highway</u>	New <input type="checkbox"/> Used <input checked="" type="checkbox"/> Size: <u>(3) 24x60's</u>
City: <u>Oceanside</u> State: <u>CA</u> Zip: <u>92054-2885</u>	Unit # <u>230/1, 242/3A, 407/8</u>
Email: <u>kmatsumoto@ci.oceanside.ca.us</u>	Deliver to: <u>110 Jones Road</u>
Phone: <u>(760)801-0160</u> Fax: <u>(760)435-4360</u>	City: <u>Oceanside, CA</u>

Purchase	
Base Price (Discounted):	<u>\$121,373.00</u>
Pads/Piers:	<u>\$2,550.00</u>
Transfer Fee* (exempt from license fees):	<u>\$510.00</u>
Sub Total:	<u>\$124,433</u>
Sales Tax* (SD County @ 8.75%):	<u>\$10,843.26</u>
Grand Total:	<u>\$135,276.26</u>

*DMV/DOH fees and sales tax may increase due to California Legislation/Modifications or Options
Note: Modular building sold "as is, where is" with no expressed or implied warranties. City of Oceanside Fire Department agrees to pay all outstanding rental invoices until check for sale agreement is received by Modular Building Concepts, Inc.

Agreement based on specifications and floor plan dated: 3/26/2008

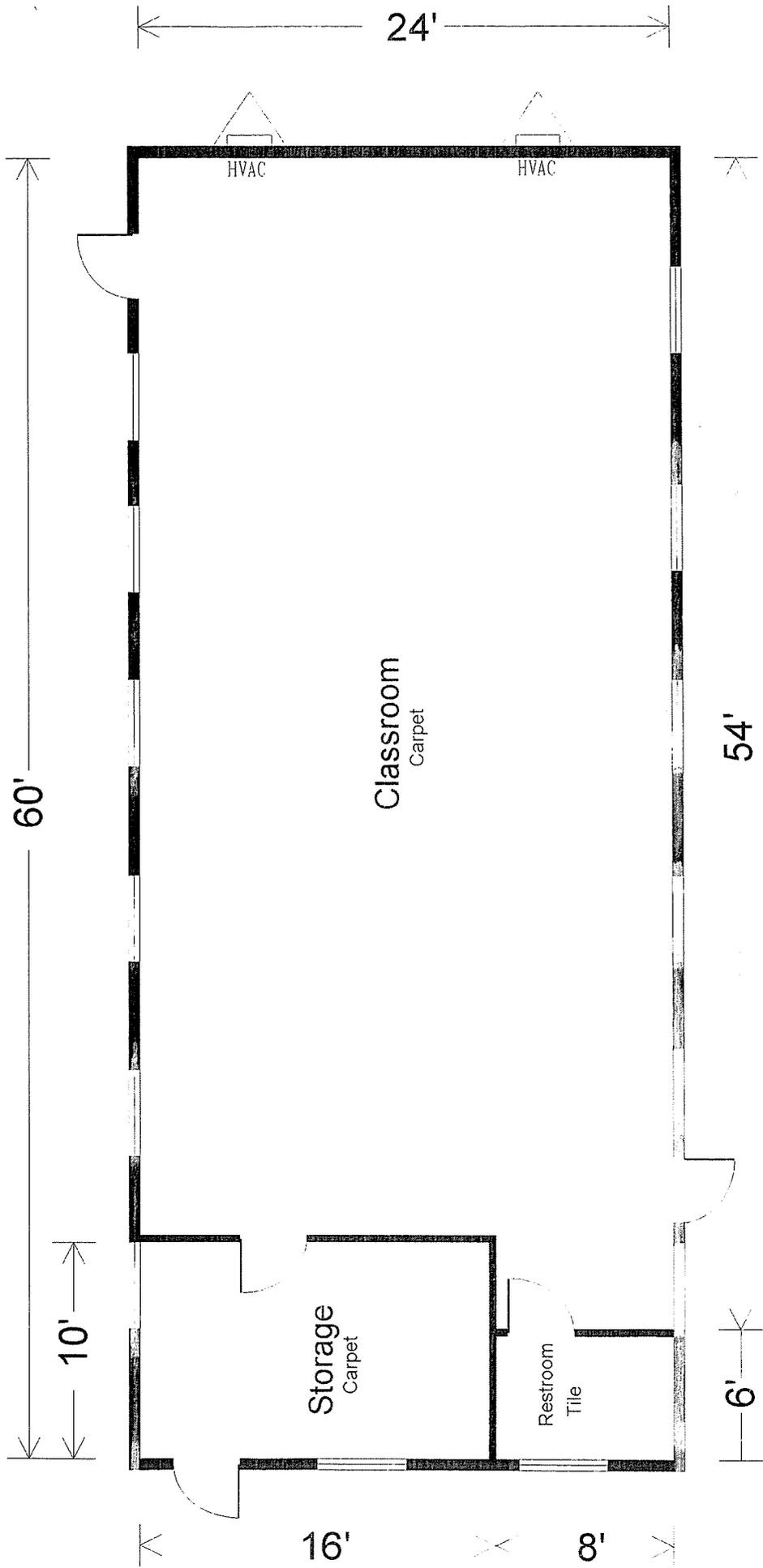
Terms:
(Purchase) - Payment due in full, net 30

Purchase Approval

Customer Approval: X [Signature]

Date: 9-10-10 Desired Delivery Date: N/A Units on site

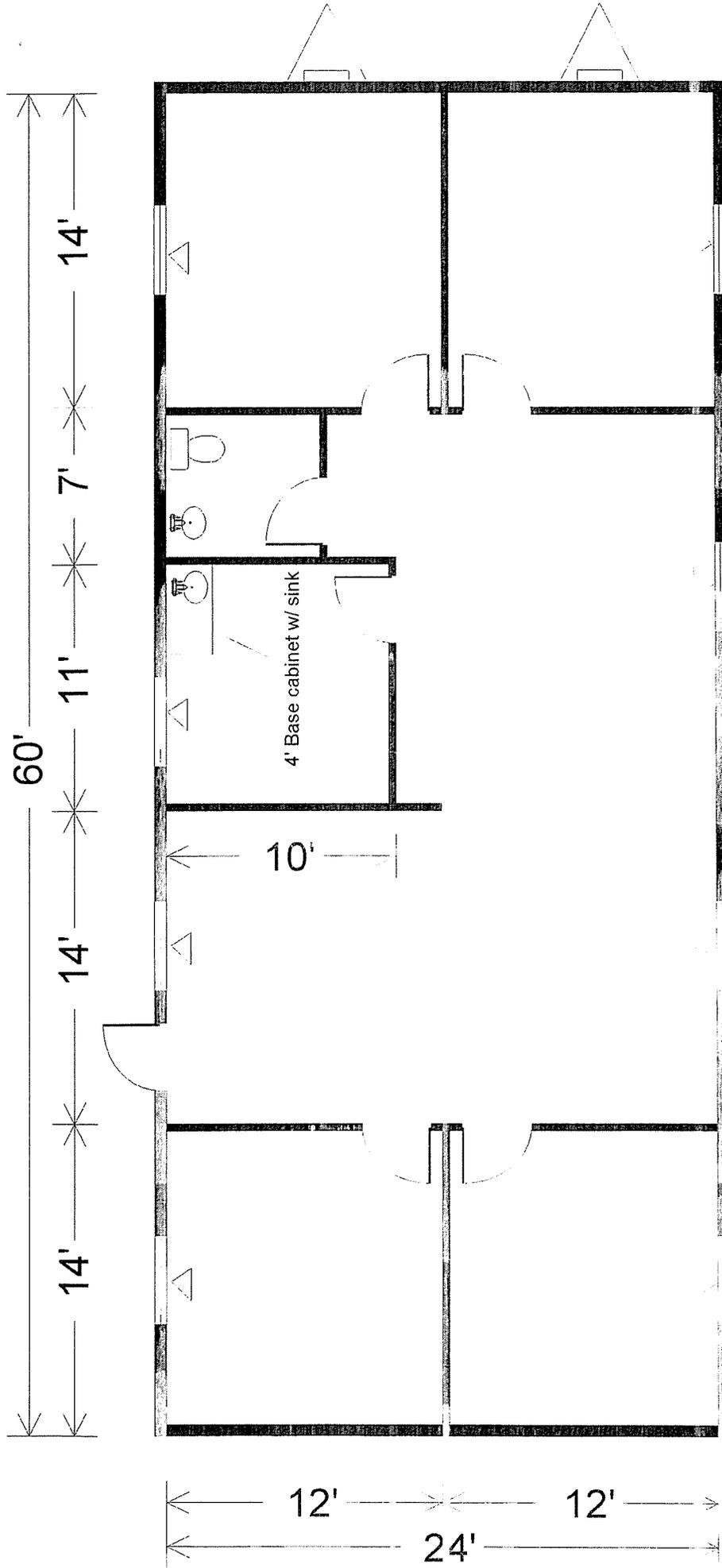
Modular Building Concepts Inc. Approval: X [Signature] Date: 9/9/10 Reviewed By: CK



Standard Features

- | | | | |
|----------------------|--|-------------------------|---|
| Floors | Commercial grade carpet | Windows | 46"x39" sliding windows with bronze aluminum frames |
| Walls | 1/4" unfinished wood panelling | Lighting | 2'x4' recessed fluorescent light fixtures |
| Ceiling | 8' suspended acoustical ceiling | HVAC | Electric heating and cooling, (Approx 12,000 BTU per 250 sq. ft.) |
| Roof | 30 Ga. galvanized metal roof | Insulation | Floor : R-11, Exterior Walls : R-11, Roof : R-11 |
| Siding | 5/8" T-1-11 plywood (or equal) grooved 8" o.c. | Electrical | Single phase, 100 amp sub panel(s), 110 V duplex receptacles |
| Doors | 3'x6'8" metal clad hollow core with dead bolt | Code | California Dept. of Housing (DOH) type 5, non rated, B-2 commercial coach |

Client Oceanside Fire Department	Size 24x60	Unit # 230/1	Date 3/26/08
Modular Building Concepts Inc. 12580 Stotler Ct. Poway Ca. 92064 (858) 679-1185 Dimensions Are Approximate Features subject to change			



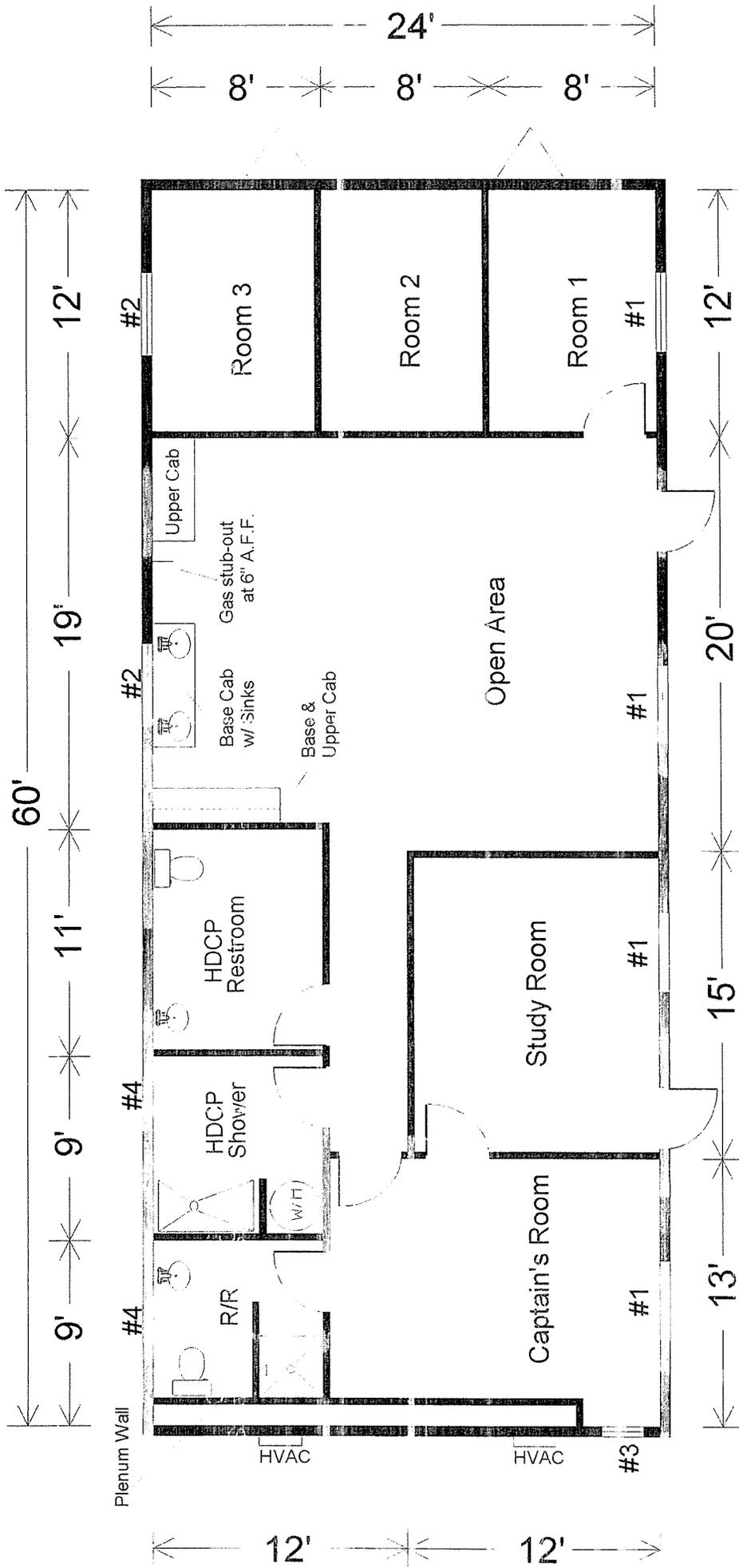
Standard Features

- Floors** Commercial grade carpet (Color: Blue)
- Walls** 1/4" prefinished wood panelling
- Ceiling** 8' suspended acoustical ceiling
- Roof** 30 Ga. galvanized metal roof
- Siding** 5/8" T1-11 plywood (or equal) grooved 8" o.c.
- Doors** 3'x6'8" metal clad hollow core with dead bolt
- Windows** 46"x39" sliding windows with bronze aluminum frames
- Lighting** 2'x4' recessed fluorescent light fixtures
- HVAC** Electric heating and cooling, (Approx 12,000 BTU per 250 sq. ft.)
- Insulation** Floor : R-11, Exterior Walls : R-11, Roof : R-11
- Electrical** Single phase, 125 amp sub panel(s), 110 V duplex receptacles
- Code** California Dept. of Housing (DOH) type 5, non rated, B-2 commercial coach

— J-box with conduit stubbed thru floor

Client Oceanside Fire Department	Size 24x60	Unit # 242/3A	Date 3/26/08
Modular Building Concepts Inc.	12580 Stotler Ct. Poway Ca. 92064	(858) 679-1185	Dimensions Are Approximate
			Features subject to change

Modular Fire Station



Standard Features

- Floors** Commercial grade tile (shower & R/R)
 - Walls** Commercial grade carpet elsewhere
 - Ceiling** 1/4" prefinished wood panelling
 - Roof** 8' suspended acoustical ceiling
 - Siding** 30 Ga. galvanized metal roof
 - Doors** 5/8" T-1-11 plywood (or equal) grooved 8" o.c.
 - 3'x6'8" metal clad hollow core with dead bolt
- All windows have bronze frames
- Windows** (5) 46"x48" horizontal sliding (#1) (1) 24"x54" vertical sliding (#3)
 - (2) 46"x39" horizontal sliding (#2) (2) 2012 obscured horizontal sliding (#4)
 - Lighting** 2'x4' recessed fluorescent light fixtures
 - HVAC** Electric heating and cooling, (Approx 12,000 BTU per 250 sq. ft.)
 - Insulation** Floor : R-11, Exterior Walls : R-11, Roof : R-11
 - Electrical** Single phase, 125 amp sub panel(s), 110 V duplex receptacles
 - Code** California Dept. of Housing (DOH) type 5, non rated, B-2 commercial coach

Client Oceanside Fire Department	Size 24x60	Unit # 407/8	Date 3/26/08
Modular Building Concepts Inc. 12580 Stotler Ct. Poway Ca. 92064 (858) 679-1185 Dimensions Are Approximate Features subject to change			

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. MBC STANDARDS (Rentals only)

MBC standard colors and finishes will be provided on all rental units. Any change to MBC standards will be an additional charge. Units exclude window coverings, phone or data jacks, security bars, panic hardware and fire alarm system. At the discretion of MBC, the "mod line" seam on complex units will be covered by a metal close-up bar. Interior roof support columns are included in all complex units and will be concealed in walls where possible.

USED UNITS - Used units will show varying degrees of "wear and tear" depending on age. However, all rental units will be detailed, cleaned and inspected by MBC prior to delivery. Replacement of worn carpet, tile, paneling, siding, doors, etc. will be at the discretion of MBC.

3. 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.

4. 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.

5. MBC RESPONSIBILITY

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

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. ADDITIONAL CHARGES FOR INSTALLATION & DISMANTLE

Determining additional installation or dismantle charges 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. The following minimum estimated charges might be used as guidelines: Actual costs will be based on scope of work and time and materials. Remove or install tire: \$25 ea., Remove or install axle: \$75 ea. Remove or install hitch: \$75 ea., Lower or raise unit (single wide) 6"-18": \$125 per "floor", Lower or raise unit (complex) 6"-18": \$200 per "floor". Jack and/or roll unit into position (driver only): \$100-\$200 per hour per "floor", Jack and/or roll unit into position (driver and crew): \$100-\$200 per hour per "floor". Rental of forklift and operator: \$350-450/day, Downtime on site \$100 per hour per "floor". Install seismic tie downs: \$80 ea., Remove seismic tie downs: \$20 ea., Install skirting: \$13.75 lin. ft, Remove & dispose of skirting: \$2 lin. ft, Pilot car: \$2.50/mile ea. vehicle (Min. \$200), Transportation permit: \$75-\$305 per "floor", Shipping walls: \$70 ea., Engineer approved "wet stamped" foundation plans utilizing steel piers, wood pads & seismic tie downs: \$250 ea., DOH approved plans for new units: \$500 ea. Building installations outside San Diego County subject to per diem.

12. MAINTENANCE (Rental only)

Client agrees, at their expense, to maintain, service and clean unit throughout the rental period. Maintenance includes, but is not limited to; changing light bulbs and HVAC filters. Rentee shall not abuse or misuse unit and report any problems immediately to MBC. Client shall protect floors against damage by chairs by using floor protectors. Damage to tile, carpet or wood sub-floor due to extreme wear or damage will be billed back to client. A minimum cleaning fee of \$30 per sq. ft. will be assessed if unit is not returned in the same condition as received. Balancing HVAC system not

included.

13. 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, manifolding stub outs, permits, risers, hydraulic calculations, on site testing, underground piping, below floor sprinkler, smoke detectors or fire alarm system.

14. STEPS / RAMPS

STEPS - Not included on purchase transactions unless otherwise noted. On rental transactions, temporary metal steps included. **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. Missing steps, damaged steps, modified steps or steps returned without handrails will be charged back to client at a minimum of \$650 per step. 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. Rental ramps require a 4-month min. term. Client shall not attach ramp to unit or modify ramp.

15. DEMOUNTABLE PARTITIONS (Rental only)

At the discretion of MBC, interior partitions may be portable (demountable). If portable partitions are included in unit, MBC excludes modifying, adding, moving or deleting electrical receptacles, light switches, HVAC supply vents, HVAC return vents & light fixtures. Consult your sales representative for pricing on these items.

16. MBC INDEMNIFICATION (Rental only)

Client hereby indemnifies MBC and agrees to hold MBC harmless, against all loss and damages client may sustain or suffer because of:

A) The loss or damage to unit because of collision, rain, fire, lightning, flood, explosion, vandalism, neglect, misuse, theft, flood, windstorm, explosion, improper site conditions or other casualty.

B) The death or injury to any third person as a result of the use or condition of unit while in the custody, possession or control of client.

Settling of unit not covered under warranty.

17. 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

18. RENTAL TRANSACTION (Rental only)

This transaction is a rental and not a sale. Rentee does not accrue equity, title or interest to the unit except the right to possess and use equipment so long as Rentee shall not be in default of rental. Unless otherwise noted, Rentee has no option to purchase. If purchase option is offered, rental will terminate upon receipt of final payment.

19. INSURANCE (Rental only)

MBC insures the unit during delivery only. Client agrees, at their expense, to provide prior to delivery of unit, and keep in full force and effect during the entire term of this Agreement, a policy of Physical/Property Damage insurance in an amount no less than the insured value of said unit. Modular Building Concepts, Inc. is to be named as Loss Payee, this insurance is to be primary and non-contributory. This policy of insurance is to be satisfactory to MBC protecting MBC against all loss and damages it may sustain or suffer because of (1) the loss or damage to unit for the full replacement cost. (2) the death or injury to any third person as a result of the use or condition of unit while in custody, possession or control of client; with limits of minimum \$1,000,000 for personal injury liability and \$50,000 for property damage liability. It is understood that procurement of insurance by client does not affect their covenants, obligations and indemnities under this agreement and the loss, damage or destruction of any unit rented hereunder shall not terminate this agreement, nor that client is actually compensated by insurance paid for by client, relieve them of any of their liability hereunder. Client shall remain a full insurer of the unit, and hereby release and waive any and all defenses available to a bailee by law. It is further agreed that in addition to comprehensive personal injury and property damage specified above, the client agrees to provide comprehensive General Liability in the amount of no less than \$1,000,000 including contractual coverage for hold harmless agreements contained herein and certificates of insurance required to be furnished hereunder. Client's general liability insurance is to name Modular Building Concepts, Inc. as certificate holder and as additional insured along with providing an additional insured endorsement; this insurance is to be primary and non-contributory. Rentee shall be responsible for any insurance deductible in the event of a loss. Insurance shall take effect on or before the day of delivery of unit to site. Damages or loss to client's property for whatever reason, is client's responsibility. MBC is unable to provide waiver of subrogation. NOTE: If client requests to be named additional insured on MBC's insurance policy, a minimum \$175 fee will be charged to client. "Additional insured" does not waive client's responsibility to provide MBC with the insurance required above.

20. COMMENCEMENT OF BILLING (Rental only)

NEW UNIT-- Units built new for a client shall have rental commence no later than 10 days from completion of unit at factory whether the unit is delivered or not.
"IN STOCK" UNIT-- Rental shall commence no later than 10 days from receipt of signed agreement whether the unit is delivered or not.

21. 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.

22. 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.
NEW OR USED RENTED UNIT - MBC shall warrant unit against manufacturer's defects in workmanship during the rental period unless problem was caused by client abuse, negligence or operator error. MBC will repair as needed water leaks, plumbing leaks, electrical and mechanical failures and HVAC malfunctions. If warranty service call is not due to a defect in manufacturer's workmanship, client shall pay a minimum service charge of \$125.
USED SOLD UNITS - Used units sold "as is where is" with no warranty expressed or implied.

23. RENTAL CANCELLATION (Rental only)

NEW UNIT - If client cancels rental and the unit has not been manufactured, MBC shall be reimbursed for all expenses incurred prior to cancellation. If cancellation occurs after unit has been manufactured, see "Early Rental Termination Charges".

USED UNIT - If client cancels rental, they shall forfeit their deposit and be financially responsible for any client requested modifications to the unit, see "Early Rental Termination Charges".

24. 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.

25. EARLY RENTAL TERMINATION (Rental only)

Client may terminate rental prior to the minimum rental period or renewed rental period, subject to all conditions of this rental, with a 30 day written notice and in accordance with the following termination charges:

Minimum Rental Period	Early Termination Charge
1 month to 24 months	75% remainder of rental
25 months or more	50% remainder of rental

EXAMPLE: 1 year rental terminated after 8 months with a rate of \$325/month 4 months remaining on rental x \$325/month = \$1300 x 75% = \$975 early termination charge. Tax not included.
EXCEPTION: 1) Rentee shall pay 100% of all remaining monies due on any amortized items. 2) Client shall pay for the entire contract amount if unit was built for client and subsequently cancelled after construction began. 3) If a new unit is ordered and cancelled prior to construction and purchasing of materials, a minimum fee of \$1500 will be charged for plans, engineering, specifications and miscellaneous expenses.

26. RENTAL EXTENSION (Rental only)

Client may, at the discretion of MBC continue to rent unit beyond initial rental period on a month-to-month basis. MBC retains the right to change monthly rates and/or rental terms.

27. DEFAULT/REPOSSESSION (Rental only)

In the event any obligation required of client hereunder shall not be performed in the manner prescribed by this agreement, client shall be in default thereby allowing MBC the right, without any notice or demand, to declare all unpaid rental payments due and payable immediately and to repossess unit without liability or obligation to MBC. In the event MBC shall retake possession of unit and there shall be property belonging to client or others, MBC is hereby authorized to take possession of such property and hold the same for client either in MBC's possession or in public storage at the expense of client. Client shall pay all costs and expenses (including attorney fees) incurred by MBC in enforcing any of the terms, provisions, covenants and indemnities provided herein. Should a dispute arise, MBC shall at their discretion, use binding arbitration to settle all claims.

28. 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 Agreement.

29. 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.

30. ASSIGNMENT/SUBLET (Rental only)

Client shall not assign this Rental, sublet or rent unit to any person or organization without the prior written consent of MBC. MBC shall have the right to assign this rental and/or the rentals reserved hereunder. Assignee shall acquire all rights and remedies available to MBC.

31. 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.

32. 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.

RENTAL - Deposit equal to one months rent shall be due prior to delivery. Rental payments net 10 day's thereafter. A 3% fee will be added to all invoices paid by credit card

33. CHARGE BACK FOR DAMAGES, REPAIRS, ALTERATIONS, MISSING COMPONENTS & CLEANING (Rental only)

Upon rental termination, unit must be returned in the same condition as received, less normal wear and tear. Damages, repairs, cleaning or replacement of missing components will be billed to client. A minimum cleaning fee of \$.30 per sq. ft. will be assessed if unit is not returned in the same condition as received. Rentee is not authorized to repair or service unit and invoice MBC for work performed. Client shall not modify, alter, improve or change unit in any way. Removing components, adding walls or window coverings, painting unit, changing door hardware, modifying electrical, plumbing, lighting, wiring, heating, cooling or structural system is strictly prohibited without written consent by MBC. Client shall remove all phone, data, computer, conduit and electrical lines before returning unit. Missing keys will be billed at the rate of \$40 per lockset. **Client responsible for all expenses associated with returning unit back to its original condition**

34. 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.

35. RENTAL TAKE OVER (RENTAL ONLY)

MBC allows another party to assume the rental agreement upon approved credit and insurance verification. Original rentee shall be financially responsible for; rental payments up to the rental take over date, damages (if any), and cleaning charges.

36. MISCELLANEOUS

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

B) If MBC believes unit is overloaded beyond normal capacity, abused or neglected, MBC may remove or repossess said unit giving Rentee 10 day's written notice.

C) Rentee shall not dismantle, set-up or move unit.

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

E) 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.

F) MBC requires a 30-day written notice on all rental units being returned.