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ARTICLE I: TERMS AND CONDITIONS

When the word "Builder" is used in this document, it shall be construed to mean the person, partnership, firm, or corporation named on the face of the Quote Request/Purchase Order as being the customer of Dean Steel Buildings, Inc. (hereinafter referred to as DSB).

The terms and conditions of all pages of this General Policy, as amended or revised, are included as a part of the Purchase Order.

DSB adheres to the MBMA "Metal Building Systems Manual," 2006 Edition. It is the responsibility of the Builder to obtain a copy of this manual from MBMA.

The money due to DSB under the terms of the Purchase Order, together with any other indebtedness which Builder may owe DSB, shall be paid by Builder to DSB at its offices in the City of Fort Myers, Lee County, Florida. If the Builder fails to fulfill the terms of payment applicable to the Purchase Order, DSB may defer further shipments or, at its option, cancel the unshipped balance of the order and all other of Builder's then unfilled orders. DSB reserves the right, prior to making any shipments, to require from Builder satisfactory security for payment of Builder's obligations. It is further agreed that Builder will pay all costs of collecting, securing, or attempting to collect or secure, any indebtedness which may be due hereunder, including a reasonable attorney's fee, whether the same be collected or secured by suit or otherwise.

A 1-1/2% service charge per month will be added to all unpaid balances over 30 days. DSB is a material supplier and retainage is not allowed.

DSB reserves the right to review and adjust prices on orders that are delayed for shipment or construction due to any circumstances beyond the control of DSB (i.e., permit delays, construction delays, financing delays, Builder delays, slow turn-around time on permit drawings, etc.).

F.O.B. point will always be DSB's plant unless stated otherwise.

DSB reserves the right to divide this order into separate shipments and invoice such shipments separately, in which case each shipment shall be deemed a separate contract and payment is, therefore, due in accordance with the terms hereof. DSB cannot be responsible for spotting, switching, drayage, demurrage, or other transportation charges unless agreed to in writing. If, because of default of Builder, any shipment must be diverted or returned to DSB, Builder shall pay all demurrage, transportation, and other costs incurred as a result thereof.

DSB shall not be liable for any direct or consequential damages which Builder may suffer by reason of DSB delays in performance of the Purchase Order. Such delays include, but are not limited to, loss, damage or delay of materials, strikes, fires, floods, storms, riots, civil commotions, Governmental regulations and/or laws, differences with workmen, DSB's inability to obtain materials, or other circumstances beyond DSB's

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control. DSB will not accept penalties or liquidated damages unless specifically provided for in this document or the purchase order.

The price shown on the Purchase Order or the Order Acknowledgment (counter-signed Purchase Order) does not include cost or expense of performance/payment bonds, building permits, taxes (excise, privilege, occupation, sales, and/or use) whether Federal, state, or local, applicable to this sale, unless specifically shown on the Purchase Order. Any taxes which DSB may be required to pay or collect under existing or future laws, upon or with respect to the sale, purchase, delivery, storage, processing, use, consumption, or transportation of any of the materials covered hereby, shall be for the account of the Builder, who shall promptly pay the amount thereof to DSB upon demand.

Builder will describe his project through either furnished drawings or by verbal information. DSB will make an interpretation and present that interpretation to the Builder in the form of a "Quote Request". Upon Builder signing the Quote Request/Purchase Order, he is accepting the exactness and compatibility of DSB's interpretation of the information Builder has submitted. Upon DSB's acceptance of the Purchase Order, it shall be deemed a contract and an Order Acknowledgment will then be forwarded to the Builder. It will be the Builder's responsibility to notify DSB at once, upon receipt of the Order Acknowledgment, of any discrepancy that may exist. If the Builder fails to notify DSB prior to fabrication, DSB will not accept backcharges for subsequent modifications to materials shipped in accordance with the Purchase Order.

DSB will provide engineered sealed drawings when permit drawings are specified. Any drawing marked for permit in the title box has not been final detailed or checked. The customer accepts all responsibility for using the permit drawings for any purpose other than obtaining a building permit or reviewing the drawings for purchase order compliance. Permit jobs that are not released within 1 week of being sent drawings may result in a price adjustment. Time allowed for release subject to change.

Upon acceptance of the Purchase Order, it shall be deemed a contract incorporating all verbal or written understandings and agreements between the Builder and DSB relative to the purchase. In the event of any conflict between Builder-supplied drawings, DSB drawings, specifications, or blueprints and the contract, the contract shall govern, and any other material or modifications required shall be furnished at extra charge. No failure of DSB to exercise any right accruing from any default of Builder shall impair DSB rights in case of any subsequent default of Builder. All rights of DSB hereunder shall be cumulative.

Products fabricated by DSB are warranted only against failure due to defective material or faulty workmanship for a period of one (1) year from date of delivery of such products, and DSB's liability shall be limited to repairing such products and/or furnishing (but not dismantling and installing) necessary replacement materials F.O.B. point of manufacture, with freight allowed. Misuse or improper installation of materials does not constitute a warranty claim. This warranty does not cover products, accessories, parts, or attachments that are not manufactured by DSB, except to the extent of the

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warranty given DSB by the actual manufacturer. DSB makes no other warranties, expressed or implied, as to merchantability, fitness, or otherwise. DSB's liability is restricted to breach of the expressed warranties stated above, and in no event shall DSB be liable to the Builder or his customer for incidental or consequential damages or damages in the nature thereof suffered by either.

The Builder is advised to use only experienced erectors with a minimum of five (5) years experience.

The Builder acknowledges his responsibility to supply DSB with the correct design loads and building codes for the location of the building being erected. Design loads include, but are not limited to: live, wind, snow, seismic, crane, collateral, mezzanine, or other auxiliary loads. DSB makes no warranty that the loads supplied by the Builder are correct. It is also the Builder's responsibility to supply DSB with copies of local codes or amendments to national codes that govern the design of the building.

In case of dispute, the contract shall be construed in accordance with the laws of the State of Florida, regardless of where the building is located or where the contract is signed. If suit is instituted, then Builder and DSB agree venue shall be in Lee County, Florida, regardless of where building is located, or where contract is signed.

If Builder requests changes to the delivery schedule after the job has been released for fabrication, a rescheduling charge of \$250.00 will be added to the order and the building becomes subject to all price increases. Storage and restaging charges may also be applied, depending on the length of the delay.

The contract may only be amended through a DSB Change Order. A minimum of \$50.00 processing fee, along with all other costs to make the change, will be invoiced accordingly. Change Orders to the job may affect the delivery.

If Builder selects a carrier other than the truck supplied by DSB, the following requirements must be met. Carrier is to have at least a 40 ft. flatbed trailer in good, safe condition. He must have six (6) sets of chains and binders (25 ft. long each). Due to the nature of DSB's product, load-out can range from four (4) to eight (8) hours. DSB will not be responsible for any overtime charges from the carrier. The trucking company allows a maximum of three (3) hours to unload each trailer and will assess detention charges over that amount at the current rate. Warning: dunnage (lumber) can compress during shipment. Driver should routinely check for tightness during transit.

ARTICLE II: STANDARD BUILDING DESCRIPTION

- A. All buildings will consist of a solid girted building (unless walls are deducted) with factory cut-to-length sheets and girts for overhead door framed openings.
- B. All overhead door framed openings are factory located. As an option, field located framed openings are available.

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- C. All walk doors, windows, louvers, and miscellaneous framed openings are field located and wall sheets are field cut.
- D. Buildings are to be braced as shown on DSB's erection drawings with cable bracing between main frames (bracing is typically located in end bays and every fourth bay); refer to page 16 of DSB's Standard Construction Details. On wide LM buildings, cable bracing at interior pipe columns may be required.
- E. One-bay and two-bay buildings are special due to girt, purlin, and/or bracing design, and require special engineering.
- F. Structural framing and secondaries are given one coat of iron oxide primer for protection during transit. Primer is not intended as an exterior finish.
- G. All standard buildings are priced with 26 gauge Galvalume™ (or equivalent) roof panels and colored (pre-painted galvanized or equivalent) wall panels.
- H. Eave flashing is standard on sheeted buildings. Gutter is optional. Note: if sidewall sheeting is deleted, the eave flashing will be deleted.
- I. DSB's standard buildings include a girt at 2'-6" elevation for higher wind loads (130 mph and greater). When windows or other accessories interrupt wall panels, a girt at 2'-6" must be added on buildings below 130 mph.
- J. A standard endwall consists of hot rolled "I" beams with bypass girts. Insert girts are optional and may add to the building cost.
- K. Standard buildings have a galvanized base angle and require the forming of a sheet ledge in the concrete. Base closure strips and base trim are optional.
- L. DSB's standard gutter and rake trim are supplied in 20'-7" sections, 26 gauge. 24 gauge is available in limited colors at an additional cost.
- M. All standard fasteners and machine bolts are zinc plated (except for high strength bolts). Standard fasteners are 1" x #14 and #10 self-tapping screws.
- N. End bays are typically 1'-1" shorter than interior bays. There is a 1'-1" end condition from centerline of last frame to outside of girt. A typical 50'-0" x 100'-0" building would consist of two (2) interior bays at 25'-0" and two (2) end bays at 23'-11", each with an additional 1'-" end condition (totaling 25'-0"). Building should be shown on Quote Request/Purchase order as 50'-0" x 100'-0" (girtline to girtline).

ARTICLE III: SPECIAL QUOTE REQUESTS

All requests for special quotes must be submitted on DSB's Quote Request/Purchase Order form. If the Builder elects to give the estimator the information over the telephone, accuracy for interpretation is the Builder's responsibility.

The Builder must review the Quote Request to ensure that it is accurate. DSB will only take responsibility for what is on the Quote Request/Purchase Order.

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When the Builder has a set of drawings and specifications he wants DSB to bid, the Builder must do a take-off of the project on a Quote Request form so that DSB may expedite the quoting process. It is the Builder's responsibility to have a complete understanding of DSB's Standard Specifications and to qualify DSB's standard product when specifications differ. The same applies to details on the customer's drawings that differ from DSB's Standard Details. Builder is responsible for verifying information against customer-supplied drawings and specifications for accuracy. DSB may elect not to bid some extremely special buildings or buildings where DSB does not meet the specifications.

ARTICLE IV: DRAWINGS AND CALCULATIONS

A. Go Job - Standard Drawing Package

A job is considered a "Go" Job when the building is ordered with no manufacturing holds; i.e., once the purchase order is signed, the building is placed in the manufacturing schedule. The job must be placed in the current, normal manufacturing schedule in order to be considered a Go Job. No long lead times or production delays will be allowed.

Standard construction drawing packages include two (2) sets of sealed drawings, one (1) set of shipping papers, and one (1) Standard Construction Details booklet sent to the Builder prior to shipment. One (1) set of unsealed erection drawings, one (1) set of shipping papers, and one (1) Standard Construction Details booklet is sent with the shipment. Additional drawings may be ordered at an additional charge.

The erection drawings furnished are to show proper assembly of the building. All other drawings required for the project shall be furnished by others, i.e., plot plan, elevations, floor plan, electrical, plumbing, foundation, etc. The foundation shall be designed by a qualified engineer or architect retained by the Builder or Owner. DSB does not design and is not responsible for the design, materials, or workmanship of the foundation. DSB's only obligation is to furnish an anchor bolt plan with the appropriate column reactions indicated.

B. Permit Job - Permit Drawing Package

A job is considered a Permit Job if the Builder requests building permit drawings or drawings for review prior to releasing the building for fabrication. When this is selected on the Purchase Order, three (3) sets of sealed permit drawings will be furnished. Upon completion of permit drawings, DSB reserves the right to invoice the Builder for direct charges incurred for the completion of drawings and detailing. These direct charges will be credited to the Builder's account at time of invoicing for delivery of the building.

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Permit drawings are not final detailed or checked. The customer accepts all responsibility for using permit drawings for any purpose other than obtaining a building permit.

No fabrication will be done by DSB until written authorization to release the job is received from the builder. On release for fabrication, it is assumed by DSB that the building is accepted as drawn.

Permit jobs that are not released for fabrication within 1 week of receiving drawings are subject to price increase. The job must be placed on active "Go" status and scheduled for DSB's normal delivery in order to receive price protection.

C. Anchor Bolt Plans

Anchor bolt plans will be issued "for construction" on Go Jobs or after release for fabrication on Permit Jobs. Advance anchor bolt drawings are available at an additional charge for drawings needed prior to erection drawings.

D. Calculations

If required, a printed set of sealed engineering design calculations can be provided for a fee. Calculations requested after engineering has been completed will be invoiced at a higher rate.

If calculations are requested with permit drawings, the Builder is automatically approving the calculations when he approves the drawings and/or releases the job for fabrication. Any requests to modify the building after reviewing the calculations will result in the charges necessary to make the requested change. Revised calculations will be at additional charge. Requests after release of the building can be costly and affect materials cut or fabricated.

E. Code Requirements

Due to continually changing codes and the large number of local jurisdictions, DSB cannot be aware of all code requirements. Therefore, it is the Builder's responsibility to specify and order buildings in conformance with the local building code. DSB will design and manufacture the building per the code indicated on the Purchase order, as interpreted by its Engineering Department. Discrepancies or changes to an order that has been accepted that affect the materials quoted may result in additional charges to the Builder.

ARTICLE V: ACCEPTANCE OF BUILDING ORDERS

Acceptance of an order by DSB will be made via an Order Acknowledgment, which is a color-coded copy of the countersigned purchase order. The acknowledgment indicates the information that DSB will be using to produce the building. It is the

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responsibility of the Builder to notify DSB immediately upon receipt of the Order Acknowledgment of any discrepancy that may exist. This is the only copy of the counter-signed purchase order that will be returned to the Builder.

All orders accepted shall be subject to the status of full completion of prior orders on file with DSB.

The following items are required for order acceptance:

- A. Complete, legible signed/initialed Purchase Order signed by builder's authorized representative.
- B. Downpayment (for customers without credit terms).
- C. Signature Authorization form. Only those authorized on this form may sign any of DSB's paperwork.
- D. Builder's Sales Package form, which indicates receipt of this General Policy section.
- E. COD Shipment form (for customers without credit terms).

Order Acknowledgments are color coded for quick recognition of job status, as follows:

- A. A Green Acknowledgment is issued for "Go" jobs with complete paperwork. This means the complete, legible signed/initialed Purchase Order and all other required paperwork has been received, checked for errors and completeness, accepted, and the building has been scheduled for production. The Customer Service Department will notify the Builder of the tentative manufacturing and shipping dates.
- B. A Goldenrod Acknowledgment is issued for "Go" jobs that require further clarification or receipt of necessary information and for "Permit" jobs regardless of the completeness of the paperwork.

No order received shall be binding upon DSB until it is counter-signed by an officer of DSB, and the Builder is issued an Order Acknowledgment. In the event of any difference between the provisions of the order from the Builder and the original Order Acknowledgment, the provisions of the final Order Acknowledgment shall govern, unless otherwise agreed to by DSB and Builder.

Any order accepted by DSB as evidenced by issuance of an Order Acknowledgment, but subsequently revised, cancelled, postponed, and/or put on hold by the Builder, shall be subject to additional charges and/or price increases.

ARTICLE VI: SCHEDULING OF BUILDING ORDERS

Upon acceptance of "Go" jobs or release of "Permit" jobs, the building order is placed in DSB's manufacturing schedule. Buildings are placed in the manufacturing schedule in the order in which they are received or released. Complex buildings or buildings with specially ordered materials may require longer lead times. DSB realizes the importance

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of delivery to the Builder and his customer, and it is DSB's intention to provide the shortest and most reliable delivery within the industry.

It is the builder's responsibility to notify DSB of any time constraints on his project. DSB will make every reasonable effort to meet builder's requested schedule. DSB cannot guarantee specific delivery dates, so it is a good practice for the Builder to promise longer lead times to his customer. This will minimize disappointments, misunderstandings, and unnecessary expenses. If delivery becomes critical to the contract, DSB should be contacted immediately with the job requirements.

DSB will keep its Builders informed of the tentative delivery schedule as the building progresses through manufacturing.

Jobs may be delayed due to incomplete information, such as:

1. Failure to return completely signed/initialed Purchase Order.
2. Failure to complete any other required job paperwork.
3. Failure to enclose downpayment or balance of payment (if required).
4. Failure to indicate panel and trim colors or rib profile.
5. Failure to locate framed opening locations on sketch.

Jobs delayed for more than 1 week due to lack of information are subject to price adjustments. Upon receipt of completed information and/or written authorization from Builder to release the building for manufacturing, the Customer Service Department will notify the Builder of tentative manufacturing and shipping dates.

ARTICLE VII: CHANGE ORDERS

Changing the job after processing has begun can be both costly and add to the building lead-time. Options to consider, other than changing the building, would be ordering additional accessories via Special Work Order (SWO) with a note to ship with the Builder's job if time allows, or field modifying the building to his requirements. If the SWO is unable to ship with the job, additional freight will be charged.

Upon notification from Builder that a Change Order may be forthcoming, the job may be placed on hold, depending on the job status. If the job is held or delayed longer than 1 week, pending signed Change Order, the job may be subject to price increase. All Change Orders must be pre-approved, initialed and dated by the Executive Vice President of Engineering or President prior to being sent to Builder. Change Orders without preauthorization signature and date are not valid. Upon DSB's receipt of Builder's signed Change Order, the job will be re-processed through the various departments. A new shipping date may be issued from Customer Service, depending on the nature of the change and the production schedule at the time. A Change Order Acknowledgement will be faxed or mailed by the Order Processing Department

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to indicate the Change Order has been received, accepted, and processed for production.

Change Orders are treated differently depending on what stage the job has progressed to.

A. Order Entry

If the changes to the job occur prior to being given to the Order Processing Department, the material affected will be added or deleted and priced accordingly, but no Change Order charge will be added.

B. Engineering

Changes to a job after it has been processed through Order Entry and is in Engineering will result in a minimum \$50.00 Change Order charge, any re-engineering, drafting, or computer time, plus material added/deleted for the change.

C. Drafting

Changes to the job after review of permit drawings may or may not result in additional expense, depending on the nature of the change. These changes are usually caused by a difference in contract interpretation by Builder. This will be reviewed by DSB's Engineering Department and charges will be computed for both time and material, and passed on to the Builder for authorization of the revised job.

D. Manufacturing Download (release of primary framing to the shop)

Changes to a job after download will result in a minimum \$50.00 Change Order charge, plus any re-engineering, drafting, or computer time, any material already fabricated, plus material added/deleted for the change. In some cases, this change causes lost time or unrecoverable expenses, which may be charged to the Builder.

DSB will only stop a production download at certain stages: after the pull-through automatic welder but prior to plating; or if the change occurs after plating has begun, the building frames will proceed through final weld, primer paint and to storage in the staging area.

DSB will allow up to 1 week to return a Change Order in order to proceed with fabrication, with the understanding that any changes occurring after the building has begun fabrication will delay delivery. If Builder takes more than 1 week, DSB, at its sole discretion, will put the job on hold subject to the terms of Hold Status (see Article VII).

E. Manufacturing Explosion (release of secondary framing, sheeting, flashing, hardware, etc., to the plant)

Changes to a job after explosion will result in a minimum \$50.00 Change Order charge, plus any re-engineering, drafting, or computer time, any material already fabricated, plus material added/deleted for the change. The effect of a Change Order in this phase is more costly, as most of the materials are in the process of being staged for loadout.

DSB will allow up to 1 week for the Builder to return a Change Order, with the understanding once again that delivery will be delayed. After 1 week DSB, at its sole discretion, will place the job on hold subject to the terms of Hold Status (see Article VII).

ARTICLE VIII: ORDERS PLACED ON HOLD OR CANCELLED

DSB structures its shipment policy based on M.B.M.A. Metal Building Systems Manual, Section 8.3:

“The consideration for the sale of the Metal Building System by the Manufacturer does not include provision for the cost of storage of the Manufacturer’s products beyond the originally scheduled shipping date. If the Builder requests postponement of the shipment of the Manufacturer’s products beyond the originally scheduled shipping date, the Builder is responsible for the payments as originally scheduled as well as any additional storage, handling, trailers, repainting, erection or other costs resulting from the requested postponement.”

DSB reserves the right to cancel any order that has not shipped within 120 days of the order acceptance date or that has a period of 60 days of inactivity (i.e., permit status, Builder delay to schedule, job on hold, etc.). DSB may place a building on hold for non-payment or unavailability of funds. Any job that remains inactive will be invoiced for all work done to date. This will include a processing charge of \$250.00, as well as direct labor charges for engineering and drafting, payable within established terms.

Building cost will be subject to price increase if not on **active** “Go” status.

A. Orders Placed on Hold

It is highly impractical to place an order on hold after it has begun any stage of fabrication. The building must be completely fabricated if it has reached any point in the production lines. Only in the most extreme circumstances may a fabricated building be held in the plant. If an order is placed on hold, it will be subject to a minimum of \$250.00 rescheduling charge and if any portion of the job is made, it will be subject to moving, storage, and restaging charges. If the job remains on hold longer than 1 week, it will be subject to price increase.

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If a fabricated building remains on hold for 2 months or more, DSB, at its sole option, will move the building to off-site outside storage. Builder will be invoiced for loadout, handling, freight, unloading, and storage charges in addition to the purchase order amount. The storage charges will be stated on the status change or change order form.

Once the Builder releases the job from hold or inactive status, the building will be rescheduled at the first convenient opening in the schedule. If parts have been made, DSB will inspect materials prior to shipping, and if necessary will repaint structural members at an additional charge to the Builder.

Note: Builder should provide clauses in his contract so that charges created by customer delays will be paid by his customer.

TO PLACE AN ORDER ON HOLD, THE BUILDER MUST NOTIFY DSB IN WRITING AND ALLOW SUFFICIENT TIME FOR THE HOLD NOTICE TO REACH ALL AFFECTED DEPARTMENTS. IN THE EVENT DSB IS UNABLE TO REACH BUILDER IN ORDER TO SCHEDULE OR CONFIRM THE SCHEDULE, DSB MAY, AT ITS OPTION, PLACE THE BUILDING ON HOLD SUBJECT TO THE TERMS ABOVE.

B. Cancellation

DSB reserves the right to accept or decline written requests for cancellation of the order. Acceptance of cancellation can only be granted by the president of the company. Cancellation requests may be declined due to, but not limited to, the following:

1. The building order has been manufactured and is, in essence, completed.
2. DSB has committed to fabrication of the building and it may be more costly to stop than to complete the order.
3. A letter of credit was accepted as payment method and DSB's only recourse for collection under the letter requires delivery of the order.

If DSB agrees to the written request for cancellation, at a minimum, there will be a \$250.00 charge, plus direct labor for engineering and drafting, and any other charges incurred to date on the job. Charges could also include any items ordered specifically for the job, plus all material that has been fabricated up to the date DSB processes the written notice to cancel the job.

ARTICLE IX - SHIPPING POLICY

- A. Upon submittal of an order, Builder must specify the desired week of shipment on the Purchase Order. Terms such as "ASAP" and "Immediately" should be avoided. Whenever a true urgency in shipping is involved, such urgency should be noted on the order or else be made known to the Builder's salesperson. DSB

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will use its best efforts at all times to make shipment of standard jobs on or around the date requested by the Builder, provided such date is reasonable and within DSB's current manufacturing schedule, but shall not be liable to the Builder for failure to fill orders or to make shipment on the scheduled date due to circumstances of any kind beyond DSB's reasonable control.

The Customer Service Department will keep Builder updated on shipping schedule. If Builder changes the shipping date after the job has been released for manufacturing, Builder will be assessed a \$250.00 rescheduling charge. If the building has been loaded onto a trailer for shipment prior to notice or written request to reschedule, the Builder will be charged a \$250.00 unloading fee and a \$250.00 reloading fee as DSB trailers cannot remain indefinitely loaded with jobs that are not shipping as scheduled. Buildings will be unloaded onto the ground in trailer-load stacks for future reloading. The Builder will also be charged trailer-load demurrage/storage charge. The amount of charge will be stated on the status change or change order form.

- B. Title to all products sold by DSB to Builder shall pass to Builder upon delivery to the carrier at the point of shipment. Neither Builder nor Consignee (if other than Builder) shall have the right to divert or re-consign any shipment to a destination other than that specified on the Bill of Lading and Jobsite Directions without the permission of DSB.
- C. The Builder is responsible for supplying equipment and personnel for unloading the trucks at the jobsite. Builder will be responsible for the conditions of the ground at the jobsite as it relates to the safety of the equipment and accessibility.
- D. DSB allows three (3) hours to unload each truck. Detention charges will apply after three (3) hours. It is the Builder's responsibility to check each load for shortage or overage. Driver may help confirm exceptions, but the accuracy of the count is the responsibility of the Builder.

Any shortage, overage, or damage **must be acknowledged on the delivery receipt** (Shipping Order). DSB will not be responsible for shortages or damages not noted on delivery receipt. Shipments must be thoroughly checked by Builder. Failure to note damages or shortages on the receipt constitutes materials received complete and in good condition, and therefore, relieves the carrier of any legal responsibility. Concealed shortages or damages (i.e., hardware items) must be reported within seven (7) days of receipt of materials.

All claims for damaged materials or shortages must be presented in writing within seven (7) days of receipt of materials. Failure to do so voids any claim.

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Types of shortages:

1. Item is not shown on shipping papers, but should have been supplied according to DSB's drawings; or
2. Item is shown on shipping papers, but is shown as not shipped or partially shipped due to shortage of raw material supply or items out of stock at time of delivery; or
3. Items shown as complete on shipping papers but discrepancy exists at time of checking and/or acceptance of delivery by the Builder. Shortage may be due to miscount at time of loading, item lost in transit, or item delivered but has been mismarked or overlooked.

To correct shortages, DSB will supply or manufacture the item in its most expedient manner, and will deliver it with Builder's next scheduled delivery. If Builder chooses to expedite the shorted item before his next delivery, the freight will be paid by the Builder, and the item will be sent freight collect.

Shortages that are determined after the order has been accepted by the Builder are handled as follows:

1. If items should have been on the shipping papers according to DSB's drawings, but were not shipped, DSB will determine if the items were to be part of the order and not shown, or if there is a misunderstanding on the application of an item or erection that could lead to the assumption of a shortage (i.e., using bolts where not required, using panels in the wrong location, etc.), or if the item was not part of the order per DSB's Purchase Order and/or drawings. If the item is part of the order and was not shown, the material will be supplied as in #3 above.
 2. Items that were shown as accepted, but later found to be missing, may have been overused in erection, miscounted at the time of acceptance, or stolen from the jobsite. In any of these instances, DSB has no obligation to correct the shortage. The items will have to be reordered on a Special Work Order (parts order) and billed accordingly.
- E. It is DSB's option to deliver shipments on whatever common carrier it chooses, unless otherwise specified. Small shipments of miscellaneous materials may be shipped by common carrier, freight collect. Items purchased from suppliers other than DSB may be shipped direct, freight collect, unless otherwise specified.

Arrangements may be made by Builder for pick-up of orders at DSB's plant. Builders may pick up their own orders, provided the following procedure is observed:

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1. The scheduled day during which pick up can be made will be arranged by Customer Service. Builder will be notified of the date and time of pick up approximately one (1) week prior to the scheduled date. Builder must arrange to pick up on the date and time specified. DSB reserves the right to designate the hour of pick up. Builder will be charged for any overtime incurred by delay of pick up. Loading times are 8:00 a.m. - 12:00 noon and 1:00 p.m. - 3:00 p.m.
 2. Builder must provide adequate equipment, properly prepared to receive the load (i.e., flat bed trailer with six (6) sets of chains and binders per terms and conditions of Purchase Order). DSB will not construct racks or sides.
 3. Driver must check load with shipping foreman and sign receipt. Driver will be completely responsible for the safety and security of the load after leaving the plant. Warning: dunnage can compress during shipment causing chains to become loose in transit. Driver should continually check for tightness during transit.
 4. Under no circumstances will DSB allow shipment if the truck or driver is in violation of I.C.C. regulations.
- F. Savings on individual loads of freight may be possible by combining orders for shipment, although when combining orders, difficulty may be encountered in proper separation at jobsite. While DSB will make every effort to stage and load jobs to expedite unloading, Consignee must assume full responsibility for delivery to correct jobsite. A charge of \$150.00 per additional stop will be assessed on any combined load provided the jobsites are in close proximity. Jobsites further than 10 miles apart will be assessed additional freight.

It will be the practice of the Shipping Department to combine shipments whenever possible in the following cases:

1. Individual shipments that do not meet the weight requirements necessary for the most economical freight rate, in the judgment of DSB's Shipping Department, can be consolidated to take advantage of such savings.
2. Jobs that are scheduled to be shipped within the same week and will not jeopardize the delivery schedule.
3. The stops are in the same general direction and do not require circuitous routing.
4. Consolidation is requested by the Builder and stated on the Purchase Order. However, if one building is delayed, the balance of the load will be delayed as well. The Builder may opt to split the shipment and pay full freight for each load.

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5. DSB may consolidate different Builders' orders to one (1) truck. In this case, freight may be pro-rated proportionally to the weight and distance of each order. Stop-off charges will apply.

DSB will not prepay freight charges on buildings delivered by carriers that were not selected by DSB.

- G. All weights for parts and components are approximate weights. For the purpose of rate calculation, a load will be considered up to 40,000 lb. A mile will be considered a one-way mile. Any load exceeding 40,000 lb. but not greater than 80,000 lb. must be considered a second load.

Trucks will be loaded to within legal limits in regard to weight and size for all states through which the truck must travel in order to reach the unloading point. DSB will endeavor at all times to load 40,000 lb., however, certain items, such as bulky assembled ventilators, large (deep) frames, and standing seam roof systems, may preclude this. Extra loads will be invoiced to the Builder.

Routing and mileage calculation is based on the use of Federal (U.S.) or State highways approved for maximum load limits. All freight rates are "net" prices.

Fuel surcharges may be added to offset rising fuel costs.

- H. The jobsite information is an important factor in maintaining delivery schedules. DSB must be given the following information on the Job Site Directions form:

1. Specific, accurate "Ship to" address (including numbered street address);
2. Simple map showing jobsite location. If Mapquest (or similar) is furnished, Builder is responsible for accuracy;
3. A guide to meet the truck driver at a predetermined time and location if the job is in a remote or rural area.
4. **Phone number and job coordinator's name that the truck driver can call if a situation arises that will cause delay in delivery time. Both day and night phone numbers are to be given.**
5. Builder's routing and carrier instructions must be current with the conditions of the route and the rules and regulations of the I.C.C. or other regulatory bodies having local jurisdiction. The Builder should note any weight or height restrictions that could alter the route. Toll roads or bridges should be avoided if possible (these charges can be added to the Builder's invoice).

ARTICLE X: BACKCHARGES

DSB bases its backcharge policy on the policy set forth by our industry and as outlined in the M.B.M.A. Metal Building Systems Manual, Section 6.10:

“6.10 Correction of Errors and Repairs

The correction of minor misfits by the use of drift pins to draw the components into line, shimming, moderate amounts of reaming, chipping and cutting, and the replacement of minor shortages of material are a normal part of erection and are not subject to claim.

Except for friction type structural connections (not normally utilized in metal building system design), visible gaps between column and/or rafter connection plates can occur as a result of various causes without critical effect to the structural integrity. Minimal shimming at bolt locations is considered acceptable regardless of material yield and does not require full surface contact of the connection plates. The purpose of shimming, besides any aesthetic benefits, is to provide resistance to the tightening procedures of high-strength bolts for proper installation. The types of shim can be of a uniform thickness, full size, tapered or notched around bolts to permit installation without removal of bolts. Bolt holes oversized by 3/16” are permitted in full-size shims to facilitate alignment.

For further information regarding shimming, refer to the AISC publication, “Engineering for Steel Construction.” In the event of connection gaps, the manufacturer must be consulted for approval and specific recommendations for proper shimming.

The Manufacturer does not pay claims for error correction unless the following claim and authorization procedure is strictly complied with by the Builder, or if the corrective work is begun prior to receipt by the Builder of the Manufacturer’s written “Authorization for Corrective Work.” Of erection is bot by the Builder, the Erector is responsible for providing the Builder the information necessary to make claim to the Manufacturer as provided below.

The Manufacturer is not liable for any claim resulting from use of any drawings or literature not specifically released for construction for the project.

The Manufacturer is not liable for any claim resulting from use by the Erector of any improper material or material containing defects, which can be detected by visual inspection. Costs of disassembling such improper or defective material and costs of erecting replacement material are not subject to claim.

6.10.1 Initial Claim

In the event of an error, the Builder shall promptly make a written or verbal “Initial Claim” to the Manufacturer for the correction of the design, drafting, bill of material or fabrication error. The “Initial Claim” includes:

1. Description of nature and extent of the errors including quantities.

2. Description of nature and extent of proposed corrective work including estimated man-hours.
3. Material to be purchased from other than the Manufacturer including estimated quantities and cost.
4. Maximum total cost of proposed corrective work and material to be purchased from other than the Manufacturer.

6.10.2 Authorization for Corrective Work

If the error is the fault of the Manufacturer, an "Authorization for Corrective Work" shall be issued in writing by the Manufacturer to authorize the corrective work at cost not to exceed the maximum total cost set forth.

Alternative corrective work other than that proposed in the "Initial Claim" may be directed by the Manufacturer in the "Authorization of Corrective Work." Only certain persons specifically designated by the Manufacturer may authorize corrective work.

6.10.3 Final Claim

The "Final Claim" in writing shall be forwarded by the Builder to the Manufacturer within ten days of completion of the corrective work authorized by the Manufacturer. The "Final Claim" shall include:

1. Actual number of man-hours by date of direct labor used on corrective work and actual hourly rates of pay.
2. Taxes and insurance on total actual direct labor.
3. Other direct costs on actual direct labor.
4. Cost of material (not minor supplies) authorized by the Manufacturer to be purchased from other than the Manufacturer including copies of paid invoices.
5. Total actual direct cost of corrective work (sum of 1, 2, 3, and 4). The "Final Claim" shall be signed and certified true and correct by the Builder. "Final Claims" are paid to such the Builder by the manufacturer in an amount not to exceed the lesser of the maximum total cost set forth in the written "Authorization for Corrective Work" or the total actual direct cost of corrective work.
6. Cost of equipment (rental or depreciation), small tools, supervision, overhead and profit are not subject to claim."

The Salesperson must be notified at once when a condition becomes apparent that may result in a backcharge by the Builder. Notification by phone must be confirmed in writing. Some approximation of the amount of the backcharge must be established at this time and an authorization from DSB must be secured **before** the work is started.

DSB will not honor any field corrections or backcharges unless prior notice has been given and agreed upon. All discrepancies must be agreed upon, in writing, before DSB will honor any backcharges. DSB will then pay this agreed amount upon presentation of an invoice for same. Payment will be by credit memo to the Builder's account.

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Any work which is undertaken without such notification and authorization will not be honored as a backcharge.

Should a condition exist that warrants correction, DSB may elect to do one of the following:

1. Ship materials from its plant for field correction (freight allowed);
2. Allow Builder to purchase material locally for field correction;
3. Modify existing materials previously shipped to conform to requirements;
4. Return material to DSB's plant for exchange or modification (freight allowed).

DSB will not accept any backcharges due to late arrival of the carrier. When the carrier is furnished by DSB, it is the carrier's intent to arrive on the jobsite at a pre-designated time and every effort will be made to do so.

DSB will not pay claims for improper unloading of material, improper storage of material, or delays or damages caused by improper erection techniques.

DSB may make changes from time to time in its product lines by discontinuing, altering, or modifying any or all of the products included therein and by adding new and additional products thereto. DSB will endeavor to give prompt notice of all such changes to Builder. DSB shall not, however, be liable to Builder in any way or for any reason on account of any change in DSB's product line or materials used in its building systems.

ARTICLE XI: STORAGE AND PROTECTION OF MATERIALS

- A. When Galvalume™, galvanized, or galvanized prepainted coatings on piled flat sheets or nested formed sheets become wet from rain, natural condensation, or other causes, a discoloration known as "white rust" may result. This may occur either in transit or in storage at the installation site. On prepainted sheets, "white rust" may also occur at minute cracks in the paint and at cut edges.
- B. It is important, upon receipt of material, to examine packages for damage. Builders should take prompt action where cuts, tears, or other damage is evident. If moisture is present, the panel should be dried at once. Panels that will be exposed to the elements, should be restacked individually with spacers put between them so that air can circulate. Bundled panels should be off the ground sufficiently to prevent rising water from coming in contact with the panels. Bundled panels should also be slanted so that any condensation may be drained off. All bundled panels should be thoroughly covered with a waterproof canvas tarp.

- C. Roof and wall panels should be erected as soon as possible after their arrival at the jobsite. If prolonged jobsite storage may be required, Builder is advised to store panels out of the elements.

ARTICLE XII: ERECTION

- A. DSB and Builder agree that all erection will be treated as outlined in the American Institute of Steel Construction (AISC) Code of Standard Practices for Steel Buildings, Section 7. Section 7.12 outlines the method for correction of errors:

“Normal erection operations include the correction of minor misfits by moderate amounts of reaming, chipping, welding or cutting, and the drawing of elements into line through the use of drift pins. Errors which cannot be corrected by the foregoing means, or which require major changes in member configuration, are reported immediately to the owner and fabricator by the erector, to enable whoever is responsible either to correct the error or to approve the most efficient and economic method of correction to be used by others.”

- B. In cases where the Builder believes there are errors in the shop fabrication that prevent the proper assembling and fitting of parts by the use of drift pins, reaming, chipping, shimming, or cutting, the Builder shall immediately report such matters to DSB so that DSB may either correct the error or approve the method and cost of the correction to be made. Builder shall furnish a clear description of the problem in his report to DSB and shall also furnish a suggested solution and the cost thereof. DSB shall have the option of: (1) replacing the defective material with freight allowed to the jobsite by carrier of DSB’s choice; or (2) authorizing field correction of the problem by method and at the cost agreed upon by DSB. Where field correction is authorized, Builder shall be allowed credit for the agreed cost, but in no event shall DSB be liable for consequential damages.
- C. Upon completion of the erection of each building, Builder shall obtain from the customer a signed completion certificate which will be retained by Builder and made available for inspection by DSB upon request. DSB shall have the right to inspect, from time to time, all erection work being performed by the Builder or by others for the account of the Builder. DSB shall have no liability to Builder, or any of Builder’s customers, for defective workmanship in the erection of buildings, including by way of description, but not by way of limitation, defects arising out of materials furnished and/or installed by Builder or others. Builder agrees to indemnify and hold DSB harmless from any and all claims which may be made against DSB by any customer or Builder arising from or growing out of defects in the erection of any building erected by, under the direction of, or for the account of the Builder.

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- D. The Builder recognizes that a building will give proper service and customer satisfaction only if it is properly erected. The Builder agrees to be responsible for the quality of erection of all buildings sold by him, whether or not the erection was done by him.

ARTICLE XIII: WARRANTIES

A. Fabrication Warranty - Quality Assurance

It is DSB's policy to direct all activities of its organization in a manner that ensures its building systems will meet the quality requirements as specified in DSB's Standard Specifications, latest edition.

Products fabricated by DSB are warranted against failure due only to defective materials or workmanship for a period of **one (1) year from date of delivery of such products**, and includes no other warranties, expressed or implied. Under reasonable and ordinary conditions, and when properly erected, the product will do the job which recommended by DSB. This warranty covers only those products manufactured by DSB. Accessories, parts, or attachments not manufactured by DSB are covered only to the extent of the warranty given to DSB by the actual manufacturer of such parts.

1. DSB's liability for breach of warranty, under defective material, is limited to furnishing (but not dismantling and installing) necessary replacement material, F.O.B. DSB's plant, freight allowed. DSB is not liable for any other damages, direct or consequential, which Builder may suffer.
2. Builder agrees to give written notice or tender defective material to DSB's plant before bringing any claim against DSB. After disclosure to DSB's satisfaction that materials are defective, and for a period not to exceed thirty (30) days, DSB will furnish replacement material on the condition stated above. Builder's failure to give written notice and/or tender defective material to DSB's plant shall by that act constitute an unconditional acceptance of each building and will be a fulfillment and waiver of all warranties.
3. DSB's buildings are fabricated with good workmanship and are free and clear of latent defects. DSB's liability for breach of this warranty under workmanship is the same as that of warranty under defective materials.

B. Purchased Paint and Panel Guarantees

1. At an additional charge, DSB offers paint finish and panel perforation guarantees extended to DSB through its suppliers. The terms and conditions of each type of guarantee will be explained on the face and reverse side of the guarantee issued to the Builder.

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2. These guarantees will record the coil identification numbers used for the material for the project. Guarantees must be purchased at the time of building order to ensure proper materials are available and used in producing the order.
3. Guarantees will only be issued when the job has been paid in full, at which time the guarantee will be mailed to the Builder. **The effective date shall be the ship date of the building from DSB's plant.**

ARTICLE XIV: INSURANCE REQUIREMENTS

It is the Builder's responsibility to carry the proper business and liability insurance. Builder must supply DSB with a copy of the Builder's certificate of insurance, furnished by the Builder's insurance company, stating the coverages of the Builder.

ARTICLE XV: CREDIT POLICY – DOMESTIC SHIPMENTS

DSB does not extend credit to first-time buyers or end-use customers. Standard payment terms are 20% deposit with the balance due via cashier's check on delivery of the building (C.O.D.). In cases where there are special purchase items, additional downpayment will be required to cover the cost of these items.

Established domestic Builders may request Net 30 terms. Builder is expected to furnish DSB with sufficient financial information and credit history to warrant extension of credit in accordance with the amount of the purchases. Once credit is extended, an audited financial statement must be forwarded at least once a year. All financial information furnished to DSB will be held in strictest confidence.

DSB operates as a material supplier and does not provide financing for Builders or their customers. Builder is expected to have adequate working capital or borrowing capacity to finance his operation and pay DSB promptly. Principals or Owners of a corporation must personally guarantee the obligations of their company. If the firm is a subsidiary or affiliate of a larger firm, the parent company must furnish DSB with a guaranty.

DSB requires its Builders to provide completed Job Fact Sheets, Notice of Commencements, or other documentation showing owner information and property legal description, in order to protect our lien rights. If we do not receive the requested information, payment terms will be payment in full prior to building shipment. DSB will also require prepayment on projects that are to be constructed on leased property.

In some instances it may be advantageous or necessary to adopt special terms on a job, such as: Letter of Credit, Cash on Delivery, or Joint Check agreement with the owner. In these cases, Builder should work directly with DSB's Credit Department to coordinate payment.

The purchase price shall be paid by terms as agreed to, in writing, by the Builder and DSB's Credit Department. In the event no written agreement as to terms of payment is

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reached, the purchase price shall be paid via Cashier's Check on delivery, per industry standard. Building(s) may not be off-loaded until driver is presented with the Cashier's Check. For multiple shipment orders, C.O.D. payment is due on arrival of the first truck. A C.O.D. Shipment Notice with current contract balance will be sent to C.O.D. customers prior to shipment of the building.

Invoices will be mailed upon shipment of materials. On fabricated jobs for which Builder delays shipment, DSB will invoice all fabricated materials as ready to ship, due and payable upon offer to ship.

All invoices are to be paid in full. Retainage is not allowed. There should be no backcharges or deductions for any reason unless prior approval has been given by DSB and a credit memo issued. If a Builder exceeds 30-day terms, a service charge will be assessed on a monthly basis at a rate of 1-1/2% per month/18% per annum. If the maximum legal rate in the state involved is less than 18%, that rate shall apply.

DSB will not continue to ship pending orders or quote buildings to a Builder who has a past due balance. Any account with a past due balance will receive shipments on a C.O.D. basis until the account is paid in full. DSB reserves the right to revoke a builder's credit for failure to pay within terms or if otherwise warranted in the opinion of DSB. It is also DSB's policy to follow the lien laws, as defined by State Statutes.

A most important aspect of the relationship between Builder and DSB's Credit Department is communication. Builder should keep them informed of any pertinent development in his financial position on a particular job or relating to his company in general. DSB's Credit Department will help in every manner possible.

Please remember that Builders are customers of DSB and not agents. Builders have no authority to bind or commit DSB in any way in their dealings with their customers.

ARTICLE XVI: EXPORT POLICY

Export sales and shipments have special requirements. The following guidelines are to be used:

- A. Terms of Sale
 - 1. All prices given are F.O.B. factory.
 - 2. It is the Builder's responsibility to arrange for shipment of his orders from DSB's plant to the final destination. In order that the shipment be considered an export and not subject to Florida Sales Tax, the exportation process begins at the time of sale and must remain continuous and unbroken until the order is exported from Florida. This process must begin at DSB manufacturing plant when the order is delivered to a licensed exporter for export outside Florida, to a common carrier for shipment, or mailed by US mail to a destination outside Florida. DSB should not be designated the consignee or shipper on the Forwarder's Booking Form or

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the Bill of Lading of their common carrier. DSB will advise on the number of flat racks to spot at its plant in Fort Myers, Florida. DSB's responsibility for material ceases at their plant.

3. If open (rag) top containers are selected, additional loading time, and charges for same, will be applied to that order.

B. Payment Terms

Export jobs require a 20% downpayment. Orders that include materials not fabricated by DSB (i.e., insulation, overhead doors, etc.), must have additional downpayment in an amount to cover the cost of these items. The remaining balance must be received at least one week prior to download (approx. 2-3 weeks prior to loading), in the form of a Cashier's Check or Wire Transfer. Jobs will not be released for fabrication until full payment is made. DSB's Credit Department will provide export customers with Wire Transfer information and specific transfer instruction.

C. Scheduling

Export shipments are typically scheduled for pick up near the beginning of the week to allow time for trucks to meet sailing schedules. DSB's Customer Service Department will contact the Builder with the scheduled day and time for load out. Trucks should arrive at their scheduled time and allow 4 - 6 hours for load out of each truck.

In all cases where Letters of Credit are being opened, they must be raised in the following manner:

1. The beneficiary should always read:

Dean Steel Buildings, Inc.
2929 Industrial Avenue
Fort Myers, Florida 33901

2. The Letter of Credit must be irrevocable and must be advised by SunTrust Bank, 25 Park Place, Suite 1600, Atlanta Georgia.
4. Documentation requirements should be kept to an absolute minimum.
5. The port of embarkation is to be shown as "any U.S.A. port".
6. The Letter of Credit should allow partial shipments.
7. The validity date should be at least 120 days from date of shipment.
8. The Letter of Credit should not specify count (i.e., number of pieces, dozens, etc.). The product description should be in general terms; i.e.,

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knocked down steel building or metal building, whichever the case may be.

9. The Letter of Credit should specify one amount, such as F.O.B. or C.I.F. amount, depending on the terms specified on the Purchase Order.
10. All banking charges are to be for the account of the Builder.
11. In the event of a Letter of Credit not being in accordance with terms specified herein, the order will be put on hold pending receipt of necessary amendments.