MODULAR BUILDING ASSOCIATES

RFQ DESIGN PACKAGE

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I. MBA RFQ DESIGN PACKAGE OVERVIEW

Planning is the backbone of any new modular construction project. In order to provide the best possible modular construction experience for our clients, Modular Building Associates (MBA) offers our unique Request for Quotation (RFQ) Design Package. The MBA RFQ Design Package is much more than a simple floor plan and generic specifications as offered by other modular companies. Other modular companies often offer "free" design services as a loss-leader marketing technique in order to get your business. More often than not, they are primarily concerned with meeting sales quotas rather than keeping your best interests in mind.

This is where Modular Building Associates differs from other modular companies. We are modular construction specialists, offering clients our expertise to guide you through the complexity of the modular construction process, ensuring that you get the best possible building at the lowest possible price and, in the process, saving you both TIME and MONEY.

The MBA RFQ Design Package is a complete development plan for your modular building construction project. It is a detailed analysis of your unique needs, project objectives, site conditions and budget parameters. It eliminates potential planning issues related to all aspects of your modular building project before they develop into problems, saving you both TIME and MONEY. And the best part about the MBA RFQ Design Package is that it pays for itself through the savings generated by using our services.

II. KEY QUESTIONS TO ASK

Before starting a new modular construction project, the key questions to ask are: **Who, What, When, Where** and **Why?** The answers to these questions will determine the success of your project.

Who

... should help me select the modular manufacturer and/or general contractor to develop the site and install the new modular building?

... will instruct the modular manufacturer and/or general contractor on how to best develop the site and apply the predetermined Installation Criteria necessary to properly install the modular building?

... will be looking out for my best interests?

... will be my "go-to guy" when trouble occurs?

Answer: Modular Building Associates

What

... is the MBA RFQ Design Package?

... is the cost of the MBA RFQ Design Package?

... is the benefit of using the MBA RFQ Design Package compared to its cost?

Answer: The MBA RFQ Design Package is much more than a basic floor plan and generic specifications; it is a complete development plan for your modular construction project (both the building and the

property). The cost structure of the MBA RFQ Design Package is a flat fee along with a percentage of the project. However, when all is said and done, you will most likely find that the cost of the MBA RFQ Design Package is more than absorbed by the savings that are generated by using our services. The benefit of using the MBA RFQ Design Package is that you will be getting the highest-quality modular building at the lowest possible price, and in the process, saving yourself both TIME and MONEY.

When

... do I need to start planning for construction?

... do I need occupancy of the new modular building?

Answer: Begin planning now. Give yourself enough time to properly plan the development of your site in order to timely occupy your modular building. (Some aspects of site development, such as zoning issues, can take several weeks or months to address.)

Where

... is the best location for my new modular building?

Answer: The location will depend upon your current specific needs, your project objectives and your long-range construction plans. The selection of the optimal location for your modular building is a key element of a successful modular construction project. As part of the MBA RFQ Design Package, we evaluate your site to determine the

installation criteria necessary to ensure your building is properly installed at the best possible location.

Why

... do I need the MBA RFQ Design Package?

... not use the “free” design offered by XYZ company?

Answer: The bottom line is that you get what you pay for. Modular Building Associates (MBA) is a modular construction specialist. MBA is not trying to sell you a modular building in order to meet a sales quota. MBA is offering you their modular expertise to guide you through the complexity and unique challenges associated with a modular construction development project and, in the process, to save you both TIME and MONEY.

III. MBA RFQ DESIGN PACKAGE


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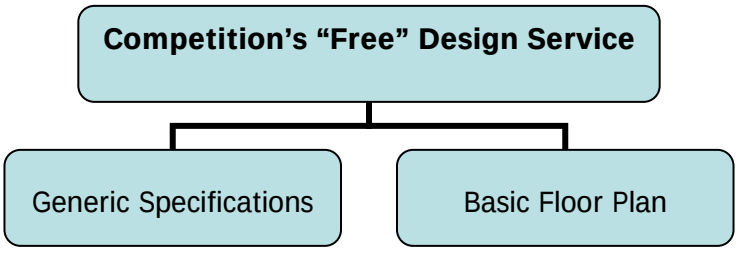
#4
Modular Construction Specialist
#5
Building Specifications
#6
Scopes of Work
#7
Installation Criteria
#8
Floor Plan & Construction Drawings
MBA RFQ Design Package


Competition's "Free" Design Service
Generic Specifications
Basic Floor Plan

B. MBA RFQ Design Package Components

1. **Project Objectives & Overall Project Plan:** What are you trying to achieve by using a modular building? Why are you considering using modular construction over other forms of construction? What are your future construction plans? The answers to these questions form the cornerstone for all future decisions related to the project.

Both short-term and long-term plans should be taken into consideration as valuable components of the modular building design process. Failure to properly plan all phases of a project will cost you both time and money. The Overall Project Plan helps you to foresee any obstacles and/or opportunities that may be associated with the project.

2. **Customer Need Evaluation:** Form and function are the keys to effective modular design. The objective of the MBA RFQ Design Package is to provide our clients with the space that best suits their unique needs. As an example, MBA typically interviews all primary occupants of the proposed building in order to ascertain the proper space requirements. Key management personnel are encouraged to be involved in pre-design meetings to avoid unnecessary change orders during construction which add expense and delays to the project.

3. **Modular Design Criteria:** Modular Design Criteria is the decision-making process where material selections for the exterior and interior of the building are balanced against both the form and function of the building and the budget parameters, resulting in an aesthetically-pleasing environment.

4. **Modular Construction Specialist:** Architects and engineers are assets to any construction team, but few have extensive modular construction experience. Since modular buildings are a highly specialized product, having a modular construction specialist (such as **Modular Building Associates**) on your construction team saves you both time and money.

When bids are received on the modular building, someone must review the proposals to ensure the low bidder followed the bid documents. Only a modular construction specialist who is intimately acquainted with modular factory production techniques can identify any potential “red flags”. For example, an untrained eye might automatically award the project to Bidder B who has a 25% lower bid than Bidder A whereas a modular construction specialist will be able to identify precisely why Bidder B’s bid was so much lower than Bidder A’s bid. Bidder B might have made a slight change to the specifications in order to get the award (with plans to present the client with costly change orders at a later date). Having a modular construction specialist on your team assures you that your best interests are protected.

5. **Building Specifications:** Specifications are the primary determining factor in formulating your overall modular building project costs. The Modular Design Criteria component defines which types of materials (the building specifications) should be used to construct your modular building (based upon the level of quality desired and the major functional requirements of the building).

6. **Scopes of Work:** Site development is the secondary determining factor in formulating your overall modular building project costs (for a new modular construction project). Understanding the Overall Project Plan is critical when defining the Scopes of Work (as related to site development) as this will determine the cost of future development and the extent of each company's performance in support of the project at hand. Not having properly defined Scopes of Work often results in projects spinning out of control and running over budget, costing you both time and money.

7. **Installation Criteria:** Installation criteria determine whether or not your modular building is seamlessly integrated into the building site and surrounding environment. The decisions made regarding installation are critical and determine whether or not your building will look like either a temporary trailer or a planned addition. Formulating the best possible installation criteria with the assistance of a modular construction specialist is the defining step in achieving an overall attractive appearance of your modular building project.

8. **Floor Plan & Construction Drawings:** Although developing a floor plan can be a simple process, care must be taken to ensure that proper function of the building is achieved. Successful space planning is as much an art form as it is a science. The vital information gleaned from the initial planning components of the MBA RFQ Design Package (Project Objectives, Overall Project Plan and Customer Needs Evaluation) is taken into account during floor plan development.

CAD (Computer-Aided Design) construction drawings are also included in this component, affording you the opportunity to clearly visualize the modular building (both exterior and interior views) before construction.

C. MBA RFQ DESIGN PACKAGE STEPS

1. Complete review of proposed site and verification of existing conditions.
2. Assistance in determining overall project objectives through a complete customer needs evaluation and review of short-term and long-range project plans.
3. Determination of exact building specifications required to satisfy project objectives within projected budget margins.
4. Development of complete project scope of work for all major construction activities required for occupancy of modular building.
5. Establish exact installation criteria required to create an attractive and professional building appearance.
6. Preparation of the MBA RFQ Design Package documents (which include the following):
    - Complete CAD drawings of building
    - Detailed site plan showing building layout
    - Detailed building specifications
    - Detailed Scopes of Work for project subcontractors
    - Exact installation criteria

7. Extensive project administrative support:

- Assist and/or advise client in pre-qualifying potential modular manufacturers and/or general contractors.
- Assist and/or advise client in requesting bids.
- Assist and/or advise client in evaluating proposals to ensure proper adherence to specifications.
- Assist and/or advise client in negotiations with successful low bidder.
- Assist and/or advise client in requesting additional engineering, geotechnical and other support services which may be required for project completion and building occupancy.
- Assist and/or advise client during construction to include: what to look for when performing site inspections, review of payment applications, preparation of change orders and communications with the modular manufacturer and/or general contractor.

D. MBA RFQ DESIGN PACKAGE PROCESS

1. PHASE ONE: Initial Design

a. Conceptual Design

- Client's project objectives will be established after Modular Building Associates (hereafter known as MBA) has performed an evaluation of Client's needs and reviewed the overall project plan.
- Conceptual designs will be established and serve as the basis for a two-day review period by Client. These conceptual designs will be discussed, refined and changed as necessary to satisfy the Client's specific project objectives.

b. Schematic Design

- Design will be refined from a single-line diagram to a schematic design.
- Construction specifications will be established for the modular building.
- Client will develop a preliminary furniture layout based upon design.
- MBA will prepare and submit for the Client's approval a written estimated project cost based upon the initial objectives established.

Client Responsibilities:

- Secure certified plot plan and verify proper zoning of property for intended use.
- Establish immediate construction priorities in order of importance.
- Determine the need for future expansion possibilities.
- Evaluate optional improvements in relation to construction budget.
- Discuss the different options proposed with MBA and decide upon one plan to develop further. The complete project scope of work and an approximate construction budget will be determined at the end of this phase.

MBA Responsibilities:

- Outline the construction options in relation to total budget and project objectives.
- Prepare an “Existing Conditions” drawing (if necessary) showing areas to be affected by the construction activity and modular building addition.
- Notify Client of any potential regulatory concerns to be addressed.
- Prepare the preliminary design options with budget estimates for each.

2. PHASE TWO: Design Development

Client Responsibilities:

- File for permits with the local building inspection department.
- Make any required changes to the design documents for construction.
- Subcontract for any engineering, geotechnical and other support services which may be required for project completion or in support of bid documents.

MBA Responsibilities:

- Prepare initial drawings for the preliminary modular building design.
- Prepare and submit for the Client's approval any changes in project construction costs based upon any requested specification and/or design changes to the building.
- Define the interior and exterior finishes for the proposed modular building.
- Define support systems to include mechanical, electrical and structural systems.
- Perform an internal energy-saving analysis for insulating, glazing and solar heating.

Client's approval of initial drawings is required before the construction documents phase can begin.

3. PHASE THREE: Construction Documents

Client Responsibilities:

- Approve final drawings and specifications for submittal to potential bidders.
- Respond to any questions regarding specific details of the modular construction project.

MBA Responsibilities:

- Provide CAD (Computer-Aided Design) working drawings in enough technical detail for a modular manufacturer and/or general contractor to bid the construction project. The CAD building drawings will include floor plan, structural, mechanical, electrical systems and other required details related to the building specifications. Drawings will provide sufficient detail to describe the size, character and quality of materials as well as the sizes and types of structural, mechanical and electrical systems for the entire project. The final drawings and specifications shall be in full compliance with all applicable building codes, laws, ordinances and other regulatory authorities.
- Prepare an attachment to the drawings to include building specifications, scope of work and installation criteria in support of the established project objectives.

4. PHASE FOUR: Request for Quotation (RFQ)

Client Responsibilities:

- Screen modular manufacturers and/or general contractors who will be asked to bid on the project.
- Select the successful modular manufacturer and/or general contractor.

MBA Responsibilities:

- Assist and/or advise Client on how to request bids, screen potential bidders and respond to questions.
- Assist and/or advise Client in evaluating the submitted bids for compliance to the requested specifications, scope of work and installation criteria.
- Assist and/or advise Client in the initial negotiations with the apparent low bidder.

5. PHASE FIVE: CONSTRUCTION

Client Responsibilities:

- Carry personal liability and property insurance for construction activities on the site.
- Approve payment requests from and supply payments to the modular manufacturer and/or general contractor.
- Approve any and all requested change orders.
- Approve and supply final payments.

MBA Responsibilities:

- Assist and/or advise Client in communications with modular manufacturer and/or general contractor.
- Assist and/or advise Client in review of the contract with modular manufacturer and/or general contractor.
- Assist and/or advise Client in the review of work and how to determine if the work conforms to the specifications, scope of work, installation criteria and/or other contract documents.
- Assist and/or advise Client in review of modular manufacturer and/or general contractor applications for payment to determine if appropriate percentages of work have been completed.
- Assist and/or advise Client regarding change orders for any additional work.

Modular Manufacturer and/or General Contractor Responsibilities:

- Supervise all construction activity at site.
- Determine the methods and procedures to be used to complete construction.
- Hire all laborers and secure all equipment, provide for temporary site utilities and pay for all construction permits.
- Hire, supervise and pay for all required subcontractors.
- Provide Client and MBA with the names of those supplying or executing major portions of the project. (Client and/or MBA retain the right to object to the use of certain subcontractors, suppliers

and/or materials.)

- Responsible for safety conditions on the job.
- Provide Client and/or MBA with certificates of insurance (with Client named as additional insured) from all subcontractors and temporary laborers.
- Provide Client and/or MBA with executed lien releases from all subcontractors.
- Apply for payments from Client at set intervals.
- Negotiate changes in specific work.

IV. MBA RFQ DESIGN PACKAGE DOCUMENTS

A. TABLE OF CONTENTS EXAMPLE

B. MODULAR MANUFACTURER AND/OR GENERAL CONTRACTOR SELECTION PROCEDURE EXAMPLE

A. All firms interested in submitting bids for your modular construction project will be sent a project brief describing the overall work required. The brief will advise potential bidders that they must make a mandatory site visit while attending a pre-bid conference to receive the complete Bid Package. The pre-bid conference will be held at least three weeks prior to the actual bid due date.

B. All interested firms must submit a single-page letter of interest two weeks prior to the final bid date stating their intent to bid the project. The letter need only state the firm's desire to submit a full proposal. This letter may be sent via facsimile as long as the original is mailed.

C. Submittal of Qualifications: One (1) original copy signed by an officer authorized to bind the company and two (2) copies of the bid form must be submitted in a sealed envelope by the time and date stipulated for opening. Proposals may be mailed or hand-delivered. The responsibility of timely delivery is entirely up to the bidder. Additional information submitted with the bid shall be no more than twenty (20) pages.

Each sealed package shall be properly addressed with the name of the firm, date and time of bid opening, "Sealed Bid for Modular Building" written on the outside of the package and then either delivered or mailed to:

Client Name, Address, City, State, Zip

Proposals received after the stipulated time and date will not be considered and any package received after the scheduled closing time shall be returned to the firm unopened. Questions concerning the bid request should be directed to Jeff Austin at Modular Building Associates, 866-266-4MBA or 972-471-3456.

ADDENDUMS

1. Proposal Withdrawal: No proposal may be withdrawn after having been formally opened by Client.
2. Legal Disputes: Bidder agrees and stipulates that the first course of action to resolve any and all disputes will be through mediation and binding arbitration.
3. City & Licenses: Firm must be licensed by the State. Any and all fees and taxes are the responsibility of the bidder.
4. Rejection of Bids: Client reserves the right to: 1) reject any and all bids and 2) issue subsequent Requests for Proposals.
5. Bidder Responsibility of Costs: It is to be understood and agreed by offeror that this Bid Request does not obligate Client to pay any costs incurred by offeror in the preparation and submission of a proposal.
6. Proposals: After evaluation and award by Client, the unsuccessful offeror(s) may submit a written request for debriefing regarding their proposal.
7. Proposal Format: Fax bids will not be accepted by Client.
8. Equal Opportunity/Affirmative Action: All Equal Employment Opportunity laws apply to this project.
9. Standard Requirements: Any resulting contract will be subject to the standard requirements, terms and conditions of Client covering such contracts. An official and signed copy of the contract requirements (Agreement) will be furnished to the firm awarded this contract.
10. Subcontractors: Client and/or MBA reserve the right to approve any subcontractors proposed for work under this agreement.

C. MODULAR MANUFACTURER AND/OR GENERAL CONTRACTOR AWARD EVALUATION PROCESS EXAMPLE

A. Modular manufacturer and/or general contractor qualifications will be reviewed by a Selection Team consisting of one (1) representative of Modular Building Associates and one (1) member representing the Client. The Selection Team shall also serve as a steering committee throughout the duration of the review process. Selection of the modular manufacturer and/or general contractor will be made on the basis of demonstrated competence and qualifications to perform the service at a fair and reasonable price.

Evaluation of proposals will be based on the following:
1. Firm's past performance, experience and client references (Factor 10%)
2. Key personnel experience, availability and qualifications (Factor 10%)
3. Time frame for project completion (Factor 10%)
4. Low-bid results and compliance to the Bid Documents (Factor 70%)

B. The Selection Team has the option to request that a firm provide further information in order to complete the evaluation.

C. The Selection Team will request a contract agreement from the firm that best meets the outlined qualifications. If for some reason terms cannot be met, the next most qualified firm will be asked to negotiate and so on until an agreement is reached.

All bidders will be notified, upon final determination by the Selection Team, of the firm selected to perform the requested work.

V. PROJECT PROFILES

A. DESIGN: 9,000 SF Medical Office Building with Retail

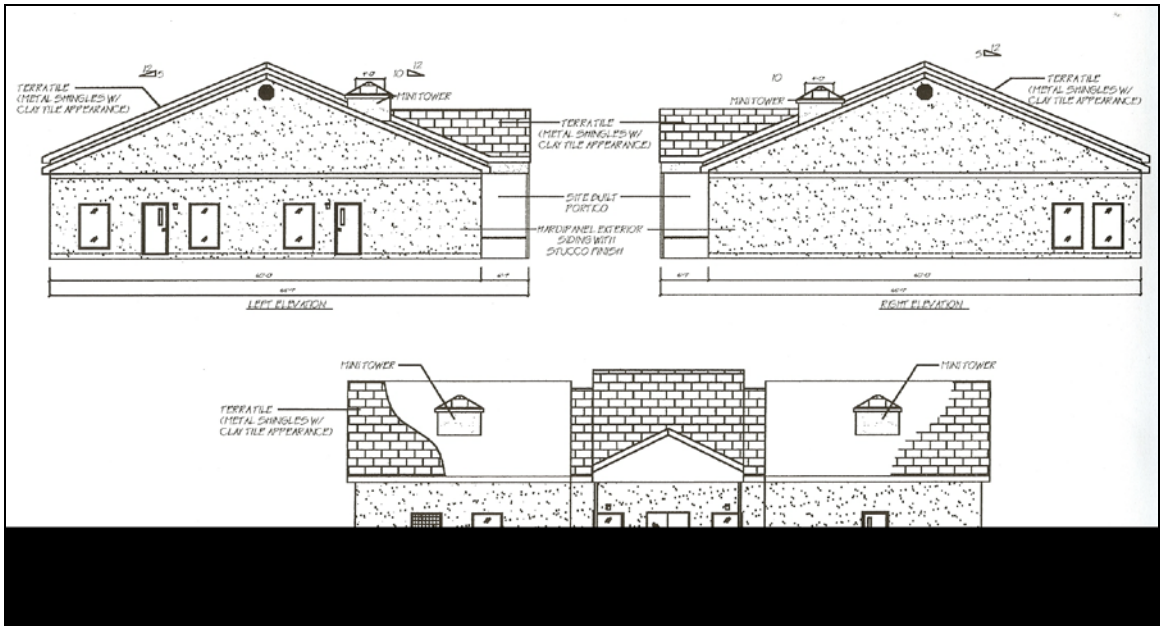
Above is an artist's rendering of a permanent modular medical building that was planned for construction in Florida in 2004. The MBA RFQ Design Package was used to design this permanent modular medical office building to accommodate four doctors and staff.

Before hiring MBA, the client was about to sign a contract with a large national retailer. This retailer had provided the client with a simple floor plan and basic specifications, but the client had some doubts and called MBA. The client sent MBA the construction documents and, after careful review, MBA fully explained and showed the client examples of the type of building indicated by the retailer's specifications and floor plan. This was not the type of building that the client had in mind.

The large national retailer had sold the client, but they had not listened to or accurately evaluated his needs. The client later said that hiring MBA was the best decision he had made in years.

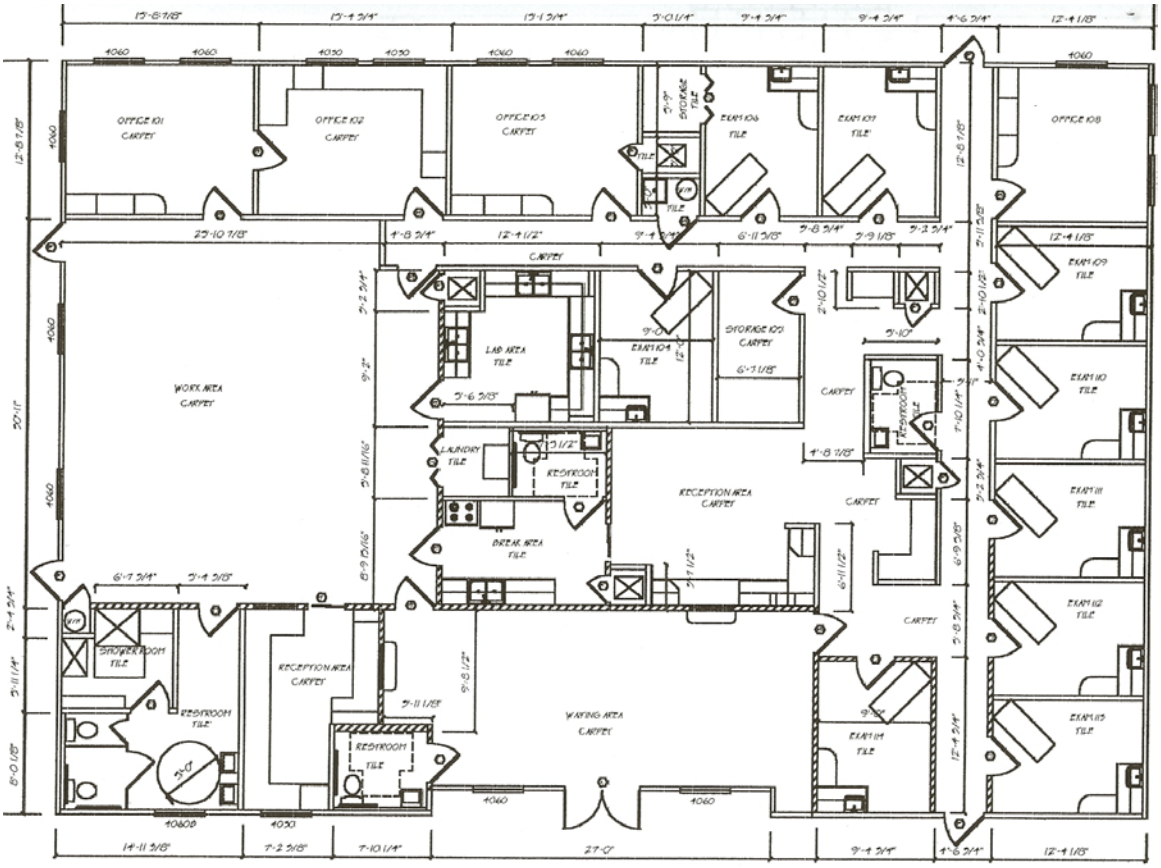
The building began as a 6,000 square-foot building with a future Phase Two retail expansion of an additional 3,000 square-feet. In late 2004, after the MBA RFQ Design Package had been prepared and bids were being requested, Florida experienced multiple major storms and hurricanes, placing excessive strain on the modular manufacturing industry in Florida and the Southeast, resulting in a situation where the building could not be built within the client's timeframe. This project was constructed at a later date as a site-built building with the client utilizing the MBA RFQ Design Package to assist with the project development.

B. DESIGN: 5,467 SF Medical Office & Laboratory Facility



Above is an architectural drawing of another Florida project designed in late 2004 using the MBA RFQ Design Package. The modular building was designed to be constructed with a concrete floor system and a three-dimensional roof line. This project was scheduled for installation in 2005 in anticipation of the modular factories in Florida and the Southeast resuming normal production schedules after the devastating 2004 storm and hurricane season. However, 2005 proved to be the most disastrous year for Florida in terms of hurricanes and storms. Once again, modular factories in Florida and the Southeast suffered and production off-line dates were pushed several months to a year out.

The client could not wait until the modular manufacturing production schedule returned to normal and, although the project was not built as a modular building, the client used the MBA RFQ Design Package to serve as the outline for a successful site-built construction project.



C. DESIGN: 11,000 SF Office Building for Eight Doctors

Above is an example of a public bid project for a modular building. The client called a national retailer requesting information about temporary construction trailers to be used by a group of doctors. Jeff Austin (now VP of Modular Building Associates) evaluated the client's situation, visited the site and provided the initial construction plans so the client could request bids for the project. He designed this 11,328 square-foot medical office building for doctors who were accustomed to the amenities of a high-rise office building. The project required developing specifications and a flowing design to meet the demands of a professional medical staff. The construction portion of the project involved pulling permits with the local building inspection department, installing utilities from the modular building to service, site-application of tape/bed/texture and paint on most of the interior walls, installation of custom manufactured carpet, installation of an upgraded suspended ceiling system, installation of custom cabinets at multiple nurse stations and site installation of the exterior veneer.

D. DESIGN: 6,000 SF Administrative Building for Hospital

A growing hospital needed additional office space. They were renting a trailer from a national retailer and the hospital management could not tolerate the unattractive appearance of the eyesore any longer. Because of the growth of the hospital, the temporary trailer was taking up precious parking spaces. Jeff Austin designed a modular building with an exterior veneer that copied several features from the hospital which allowed the temporary modular addition to blend into the hospital campus (the exterior veneer applied on the modular building was a concrete spray covered by an elastomeric paint, creating a stucco-type appearance which matched the main hospital facility). The construction aspect of the project required pulling permits with the local building inspection department, contracting for utility connections to service, excavation of a hillside to lower the building profile and construction of concrete decks, steps and ramp.

E. GENERAL CONTRACTING: 2,000 SF Office for Hospital

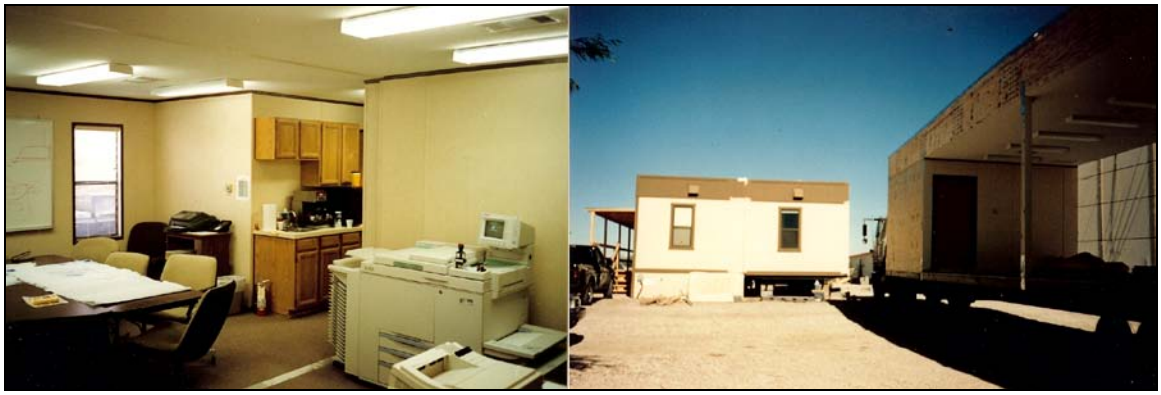
Above is another project for the hospital profiled on Project Profile D. They called MBA looking for a small medical facility to be used on the other side of the hospital campus. The hospital wanted MBA to utilize the same installation techniques for this project in order to minimize the trailer appearance. MBA handled all construction activity associated with the project. The project involved site excavation and construction of a retaining wall to lower the floor level of the building (to provide access from the rear parking lot into the building without ramp or steps). Utility connections were required to service. This was a challenge because the sanitary sewer line had to cross three driveways and a parking lot. The front entrance received poured concrete steps and concrete ramp for access.

F. DESIGN: 5,900 SF Temporary Education Wing

This client originally requested pricing for six standard double-wide trailers as this was a temporary space need for a private school that was relocating across town with their church. The church was building a multi-million dollar facility that would require several years to complete. However, after performing a complete customer needs evaluation, Jeff Austin concluded that six double-wide trailers would not best meet their needs - two classrooms, a library, a fire-rated science lab and separate boys and girls locker rooms. He showed the client a price comparison between six double-wide trailers versus building a new modular education wing using colors and textures that would ensure that the temporary structure would seamlessly blend with the new school campus. He designed this 5,900 square-foot modular education wing with an upgraded exterior finish to match the new multi-million dollar church facility.

G. REMODEL & DESIGN: 10,752 SF of Used Buildings

Before:



After:

This project involved the relocation of sixteen modular sections or floors, re-design of the interior and extensive remodeling. The work was to be done in a short time-frame in order to create a new administrative office complex. The client had unique specifications they wanted incorporated into the exterior appearance and there were significant site-related issues to be overcome requiring extensive logistical planning and modular construction experience.

The client had considered several modular companies offering a wide range of modular building solutions, but could not find anyone they trusted to meet their unique space needs and budget constraints. Jeff Austin was able to solve their space problem with a cost-effective solution by utilizing used modular office buildings. This project required a modular construction specialist to assess the interior remodeling needed and to deal with the local building inspection department in securing permits. The remodeling aspect of the project involved demolition and construction of over 755 linear feet of walls. The building received fresh tape, bed, texture and paint on all interior walls and ceilings, new floor coverings and the exterior received a facelift using a fiber-cement exterior block veneer.

H. DESIGN: 2,000 SF Custom Sales Office

The project above was developed as a sales center for a high-end retirement community. The developer did not want the project to look like a typical modular building so it was designed (by Jeff Austin and the project architect) to look like an old country store. The porch system was not connected to the modular building, but was built as an independent structure with board-on-board cedar planks and a high-rib metal roof. In order to blend with the look and feel of the project, the modular building was sided with board-on-board cedar planks and fitted with custom wood windows and doors. The lush landscaping also contributed to the look and feel of the project desired by the developer.