Progress Payment Schedule for Modular Housing Construction & Installation

5%	 <u>Step 1</u> (On acceptance of proposal)) Deposit paid for preliminaries, drawings etc Non refundable to prepare contracts, specifications and drawings
25%	 <u>Step 2</u> (On contract execution) Purchaser pays 25% Deposit Manufacturer provides matching 25% Bank Guarantee or Letter of Credit
	 <u>Step 3</u> (On completion of prototype) Client to visit factory to inspect prototype and sign off that it is finished to specification and standards prior to preceeding
30%	 <u>Step 4</u> (On acceptance and completion of total build in factory) Purchaser pays 30% Progress Payment or Purchaser provides 30% Bank Guarantee or LOC
30%	 <u>Step 5</u> (On arrival at nominated Port) Purchaser pays 30% Progress Payment via cash or bank finance takeout or Purchaser provides 30% Bank Guarantee or LOC
10%	 <u>Step 6</u> Purchaser deposits remaining 10% into solicitor's Trust account for defect review & rectification period before releasing final payment. (or BG/LOC)

Note: Provision of 70% Bank Guarantee or Letter of Credit from purchaser can be issued at Step 2 instead of segmenting the process.