



PACIFIC MODERN HOMES, INC.

OFFICE & FACTORY ♦ 9723 Railroad Street ♦ Elk Grove, CA 95624
MAIL ♦ Post Office Box 670 ♦ Elk Grove, CA 95759-0670
TELEPHONE ♦ (916) 685-9514 FAX ♦ (916) 685-1306
E-MAIL ♦ info@pmhi.com WEBSITE ♦ www.pmhi.com

SUPPLYING QUALITY HOME PACKAGES TO THE WORLD SINCE 1968

Contract Cancellation

Policies and Procedures

6/1/05

The following is the Contract Cancellation procedure after expiration of the Contract Rescission Period (if applicable) and acceptance of the Contract by Pacific Modern Homes, Inc. (PMHI).

For a contract to be canceled with PMHI, we must first receive an Original Signed Change Order with Original Signatures. These Signatures are to include both the Customer and Licensed Dealer that originally sold the project. Once we receive this document we will then process the Cancellation.

It is important to note that once a contract has been scheduled for delivery it can not be canceled. This is in accordance with the back of the contract. This is due to the fact that after a contract has been scheduled for delivery PMHI has ordered all needed material to produce the project and has, in many cases, built the project as well.

PMHI processes all Cancellations within sixty (60) days from the receipt of the Original Change Order. During the processing time, PMHI evaluates the project for any potential monies that should be deducted from the deposit prior to any credit issuances. The potential charges that are looked for are as follows;

- ✓ Any time spent on the processing of the order for production
- ✓ Any material ordered for the project
- ✓ Truss Calculations not already paid for
- ✓ Balances due not already paid for, such as Drafting and Engineering
- ✓ Cancellation charges, such as the 5% cancellation charge identified on the back of the contract

During the processing time, PMHI also makes sure that all monies paid have properly cleared all banks and have been fully paid as identified by the Contract. Additionally, if PMHI extended a 50% discount off of the Signature Series Plans then PMHI will bill the unpaid balance toward the deposit. This is done because PMHI in good faith extended the discount with the understanding that the Customer was going to build a home with PMHI. If, in turn, the contract is canceled, then the balance of the remaining 50% is re-applied.

Should you have any further question regarding the PMHI cancellation process, please contact your local representative.