



# VENDOR MANAGEMENT

Introduction Manual

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## Vendor Management Department Overview

### Support Services – Vendor Management (formerly Procurement/Purchasing)

The Vendor Management Team's goal is to simplify the relationship between you and your vendors, saving you time and money. We want to find new avenues for cost reduction tailored to your dealership and companywide. Contact Vendor Management if you are in need of a vendor or want to make sure you are getting the best pricing with your current vendor. We will reach out to vendors in your area, request bids, analyze proposals, and present our findings to you so that you can make the most informed decision that is best for your store. All contracts go through Vendor Management via [Contracts@lithia.com](mailto:Contracts@lithia.com) for analysis, legal review, and approval signature. We store all contracts in a secure electronic database in order to regularly check that you are receiving the correct discounts and to provide you with a 90-day contract expiration notice. We can also help you renew your current contracts or help you negotiate a better deal by leveraging the full scale of our company.

Lithia has discounted rates with hundreds of vendors throughout the country for almost anything your store might need, from office supplies to oil and gasoline. Vendors may also provide a rebate based on all stores' total spending. The more you spend with these vendors, the more you will get back. One hundred percent of rebates earned by your store go directly back to your store.

We also have exclusive national contracts with several vendors that provide very large discounts and/or rebates. Please contact Vendor Management to get set up with these vendors and start saving money. If your store has a contract in place for a similar vendor, contact Vendor Management to help create a plan for a seamless transition at the end of the current contract. Full store participation with our exclusive vendors is necessary to secure the best pricing. These vendors are:

- Gasoline – Chase Fuel
- Oil- Exxon
- Package Shipment – UPS
- Janitorial Supplies, Paper, Ink/Toner – Office Depot
- Uniforms – Cintas
- Detail Supplies – MetroTech
- Postage – Stamps.com
- Office Supplies, Forms, Business Cards, Stationary - Purchasing Portal via SPARK

Please contact us for any of your current and future Vendor Management decisions. You may reach out to us directly or reach any member of our team at [Procurement@lithia.com](mailto:Procurement@lithia.com).

### **Important Note on All Contracts**

Centralized contract management is vital to the Vendor Management process. We can use our consolidated spend information to negotiate contract terms that significantly benefit you and enforce vendors' compliance with these terms. In order to effectively manage contracts, please adhere to the following:

- Send all contracts to [Contracts@lithia.com](mailto:Contracts@lithia.com)
- All contracts must be reviewed and signed by a corporate officer
- All large contracts (\$100,000+) must be reviewed by the Large Spend Committee

## Vendor Management Objectives

### Relationship

- Serve as the first point of contact for all vendor service requests and escalations.
- Liaise with other internal departments as required to resolve vendor's issues and questions.
- Partner with departments to ensure excellent execution of outsourcing/professional services engagements, monitoring vendor compliance, contractual obligations and measure performance.
- Supplier Performance Management – manage relationships with key suppliers, which include establishing KPI's, participating in supplier reviews and performing supplier invoice audits.
- Establishing long-term supplier relationships that will enable suppliers and organizations to meaningfully collaborate and create synergies for maximized performance for the long run.
- Leveraging supplier relationships in times of organizational or external distress to ensure business performance doesn't fluctuate.
- Maintain a high level of communication with all stakeholders, manage reporting and monitoring, conduct regular performance reviews for vendors and internal stakeholders
- Handle inbound service requests and ensure that they are properly assigned or addressed.
- Provide guidance to internal stakeholders on processes and maintain vendor management ethics in accordance with global policies.
- Identify, articulate, and advocate for what vendors need to be successful.
- Evaluating supplier performance.

### Contract

- Work with business partners (including Legal, Risk and IT), and suppliers to review, negotiate, and execute contracts with suppliers.
- Monitor contractual agreements, access, assets and spend by external vendor.
- Negotiate contracts, review business aspect of dealership contracts, review with Legal.
- Track and review contracts for renewal, monitor expiration dates, renewal options, proactively review for termination or renewal with department or dealership confirmation.

### Research

- Coordinate vendor processes (e.g. track, measure, report and evaluate vendor performance).
- Lead & project manage procurement initiatives requiring coordination across departments and dealerships.
- Coordinate and prepare business reviews with stakeholders to review vendor performance, future opportunities, and/or challenges.
- Conduct data analysis and present insights with internal stakeholders to understand opportunities to improve.
- Innovate within the space creating, automating or improving tools or processes that support better management of vendors and associated spends within contractual agreement.
- Cost Savings – collaborate with business partners to identify and realize cost-savings opportunities.
- Make recommendations and create proposals on program changes and conduct cost/benefit analysis of potential operational improvements, as well as day to day decisions.
- Sourcing and Selection – work with business partners to manage the sourcing and selection of suppliers and assist with identifying new suppliers.
- Understand and apply program strategies to decision making and proposals.

### Manage

- Employ critical thinking and creative problem-solving skills to navigate complex issues that arise.
- Managing supplier data that allows organizations to streamline crucial supplier data to provide meaningful insights for improving supplier management.
- Develop and ensure standard operating procedures are in place for programs supported by the team globally.
- Monitor vendor output, activities, and KPIs to ensure they meet performance standards.
- Develop and implement new processes, protocols, dashboards, or systems to improve vendor relationships and performance.

- Address ad hoc questions and inquiries as needed to support the vendor management program.
- Identify opportunities to optimize and make programs consistent globally while balancing the business need for flexibility.
- Oversee Program Implementation, management and maintenance.
- Managing supplier data that allows organizations to streamline crucial supplier data to provide meaningful insights for improving supplier management.
- Establish standardized program reporting to deliver insights to program managers.
- Drive strategic decisions around vendor utilization - what work is done by which groups - to optimize our team's performance and efficiency.

## Vendor Management

Lithia has several different types of vendors that help run our business model. Dealerships use different service providers; Support Services uses different services providers. There are national vendors, as well as local vendors that support our business.

Facility - Utilize national vendors to put together a comprehensive list of assets at each location to create and budget for upcoming years.

Vendor Terms - Leverage longer terms for large vendors to offset the need to be flexible for smaller vendors.

Vendor reporting/auditing - Procurement will review consolidated corporate invoices to ensure contracted pricing is billed

## National Programs

Consolidated/National Accounts		National Accounts invoiced at store level
Neopost (rental)	CDK	Enterprise
Neopost/Mailfinance (leases)	Chase/Chase Fuel	NAPA
AirGas	Conversica	Autozone
Iron Mountain	CP Handheld	Carquest/Advance Auto
Fed Ex	Dealer Socket	O'Reilly
UPS	Firstlook	WorldPac
TSD	HomeNet	Keystone
Office Depot	IntellaCar	LKQ
MetroTech	Laser Appraiser	ThermoFluids/Safety Kleen
KeyTrak	Loomis	Guardian
AllData	Optionsoft	Reynolds & Reynolds
SnapOn (subscriptions)	Ricoh	Cintas
Advent	CDK Forms/Taylor	Overhead Doors
Autopoint	Tire Management	Rytec
Authenticom (Data Specialty)	UCS	Hunter Engineering
Avertium	UTA	Sunbit
Brinks	vAuto	CarCareOne
CallSource	VinSolutions	Rotary
Carfax	xTime	Eyewitness
CCC Information Services	OE Connect	IFM/MicroCat

## Benefits of National Programs

Many times, we have the ability to negotiate pricing programs or rebates that will benefit the entire dealer group. Rebates are received at Corporate but pushed back to the dealerships.

### Rebate programs

Vendors provide rebates based on dealership purchases and program participation. If a rebate is received, the purchase breakdown is required to allocate rebates back to the dealerships correctly. Vendors will email rebate report and mail rebate check. When check is received, give to CorporateAP and send the report. The report needs to have location info and amount allocated to each.

Parts (NAPA, O'Reilly, Advance Auto, Autozone, Aftermarket Auto Parts Alliance)

Office Supplies (Office Depot, Wholesale Auto Supplies)

### Program Pricing

Outside Services (Snap On, InfoMedia, TSD, OE Connect)  
Service Supplies (MetroTech)

## Program Implementations –

Procurement will introduce national programs and aid in roll out with vendor participation. New programs are introduced to the dealership group and supplier introductions are made. Suppliers are instructed to reach out and provide further information on programs, department manager information is provided to supplier.

## Program Management

Service Drive Financing - Sunbit

Shredding – Iron Mountain

Package Delivery/Freight –

- Fed Ex – To request a new account number, please email [Procurement@lithia.com](mailto:Procurement@lithia.com). Each location is set up with one account for Sales and one account for Parts. If you do not have your current account number, please let us know.
- UPS

Postage – Neopost (Suggested for large mail volume stores) & Stamps.com (Suggested for smaller mail volume)

Office Supplies – Office Depot

## Vendor Administration

The Vendor Administrator is responsible for maintaining our Master Vendor file. They build in all new vendors, maintain vendor compliance, collect and verify vendor data and process 1099s at year end. They will also perform Audits as well as monthly reporting

- Build all new vendors and deactivation of non-compliant vendors.
- Reclassify vendors that do not meet documentation requirements.
- Collect and maintain current certificate of insurance for all vendors as necessary.

- Update Existing Vendor information – Address, Payment Terms in CDK.
- Keep Consolidated Vendor List up to date.
- Complete Credit Applications.

### New Vendor Set Ups

In order to receive payment from Lithia, all vendors must be set up correctly within CDK. The following documents are required for each new vendor:

- **W-9 form** (all vendors)
- **Lithia Standard Vendor Agreement Form** (all vendors)
- **COI - Certificate of Liability Insurance and Workers Comp** for vendors who perform a service on company property or vehicle (see the category list). We need General Liability or Automobile Liability and Workers Comp. The certificate holder on the document should read:  
Lithia Motors, Inc.  
PO Box 1148  
Medford, OR, 97501
- If the vendor needs to provide liability insurance and workers comp but does not have it, the signed copy of the **Lithia Standard Vendor Agreement** will suffice.
- If **no invoice** is provided a **Vendor Add Request form** is required.

If a dealership sends in a contract in place of the Lithia Standard Vendor Agreement, send to Procurement to review.

Once documents are received, send to VendorAdmin@lithia.com to be entered reviewed and entered.

### Vendor Administrator Response Times

- **AP Dash Pay** requests will be processed within 24 hours but will not be paid until the next check run. If the **AP Dash Pay** is submitted by Monday, it will be paid on the Wednesday check run of that week. If the **AP Dash Pay** is submitted after Monday it will be paid on the Wednesday check run of the following week.
- **Vendor Add Requests** will be processed within 48 hours.
- **Credit Applications** will be processed within 72 hours.

### DNU'd Vendors (Do Not Use)

If vendors fall out of compliance, don't have current forms on file (i.e. current COI) or at the dealership or department request, may be put on "Do Not Use" status. If the COI is expired, the vendor will be notified to submit a current certificate and is advised until document provided, they are on a DNU status. Once certificate is received, the vendor is returned to good status.

## Purchasing Portal

The Purchasing Portal is single sign on access to specific vendor purchasing resources. Users are set up with their email address.

Refer to User Guide for additional Portal information. **Lithia Admin Portal Overview.pdf**

Procurement will set up user access and if requested will require order approval by manager.

Through the Purchasing Portal, you may be set up with access to the following:

- CDK Checks and Forms
- Office Depot
- Business Cards, Stationery & Name Badges
- Branded Apparel
- Branded Corporate Items
- Sales Supplies
- Service Items
- LAD Print
- Marketing Campaigns

The screenshot displays the LITHIA PURCHASING PORTAL interface. At the top, there is a navigation bar with the LITHIA logo and 'PURCHASING PORTAL' text. To the right, several partner logos are visible: LITHIA AUTO STORES, DCH AUTO GROUP, ALL AMERICAN, Carbone AUTO GROUP, BAIERL, DTLA, DAY Automotive Group, and prestige. Below the navigation bar, there are links for 'Home', 'Contact', a search bar with a 'GO' button, and a shopping cart summary showing 'Order Total: \$0.00', '0 Item(s)', and a 'View My Cart' button. The main content area features a large banner for the '4 PRINT CENTER' with the text 'NEWLY IMPROVED. EASY ORDERING.' and 'CARDS & STATIONERY MADE SIMPLE.' A 'WELCOME' sidebar is on the left, and a 'BUSINESS CARDS & STATIONERY' preview is on the right. Below the banner, there are navigation links for 'My Favorites', 'My Previous Orders', 'My Invoices', and 'My Account'. The main content is organized into a grid of service categories: 'SALES ITEMS' (with an image of a hand holding a car key), 'SERVICE ITEMS' (with an image of hands working on a car engine), 'APPAREL' (with an image of a blue LITHIA polo shirt), and 'BUSINESS CARDS, STATIONERY & NAME BADGES' (with images of business cards and a name badge). Below this grid, there are four more categories: 'STORE BRANDED' (with an image of a license plate and 'ACCESS FORD LINCOLN'), 'OFFICE ADVANTAGE' (with the Office DEPOT logo), 'LAD PRINTING' (with the LAD PRINTING logo), and 'MARKETING CAMPAIGNS' (with the MARKETING CAMPAIGNS logo). At the bottom, there are two more categories: 'CDK EASY SOURCE' (with the LITHIA logo and 'FORMS & CHECKS') and 'BRANDED CORPORATE ITEMS' (with logos for LITHIA, Carbone, BAIERL, DAY Automotive Group, Ray Laks, ARMORY, and prestige).



## Chase Credit Card Program

Procurement manages and requests credit cards for all Lithia employees. Before a Corporate Credit Card is issued to an employee, a request must be made via email with manager's approval to the Procure to Pay team at [creditcards@Lithia.com](mailto:creditcards@Lithia.com).

If approved, before being issued a Corporate Credit Card, a User Agreement for Lithia-Issued Credit Card Form (Appendix B) must be completed and signed by the employee.

By signing the form, the employee acknowledges, among many things:

1. Receipt of training and understanding of the regulations for use and protection of Corporate Credit Card.
2. Understanding of responsibilities in reconciliation process and billing disputes.
3. Understanding and acceptance of consequences for Corporate Credit Card violations.

The Cardholder is responsible for the card's safekeeping. The card may not be transferred to, assigned to, or used by anyone other than the designated Cardholder. Lithia may, at any time, suspend or cancel the Cardholder's privileges for any reason and the cardholder will surrender the credit card to his/her supervisor upon request. Use of the credit card or account by the Cardholder after notice of its cancellation may be considered fraudulent and legal actions by Lithia or Chase may take place against the cardholder.

Please see Corporate Credit Card Policy for more information.

### Types of Credit Cards Available:

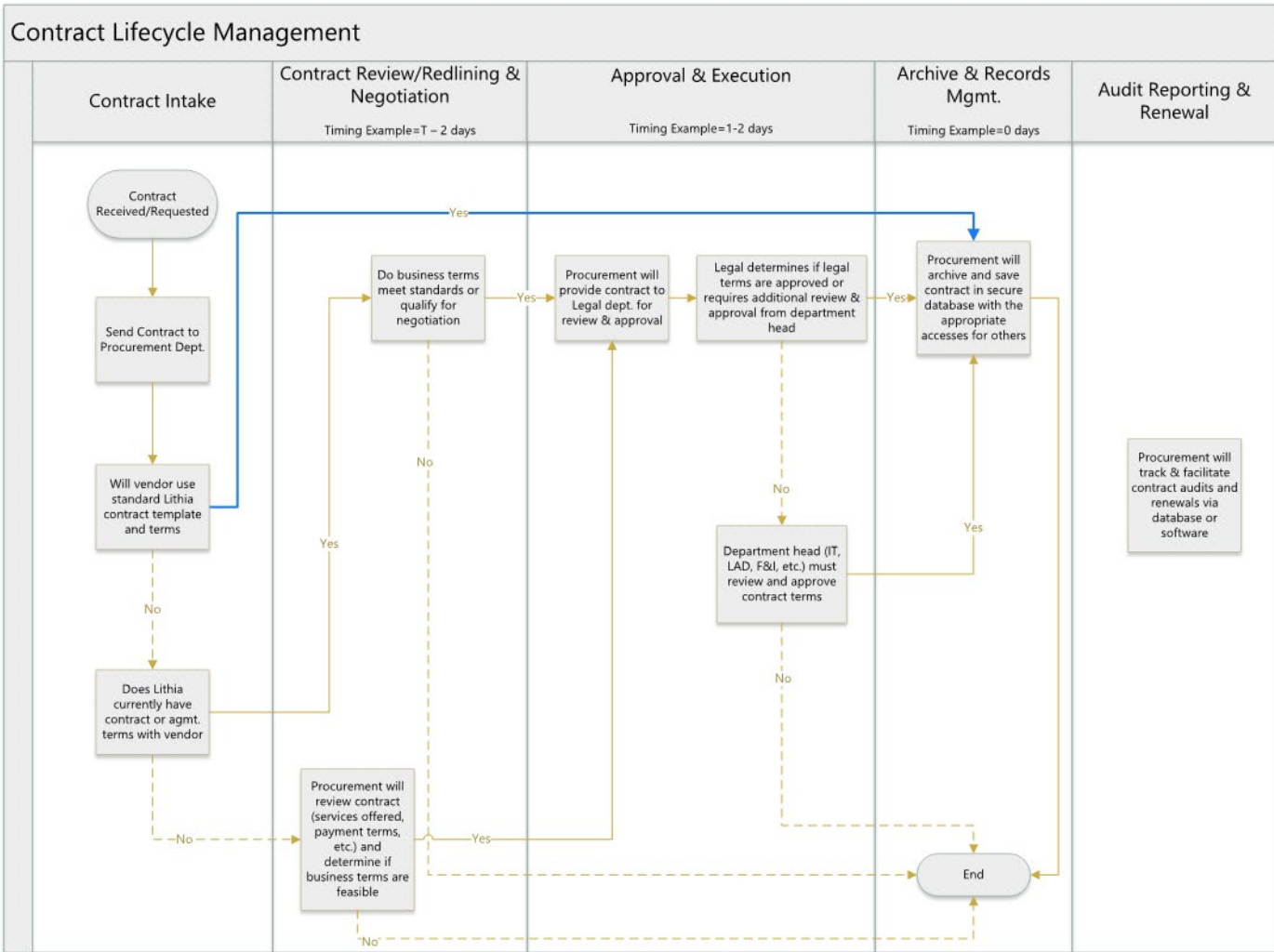
- Fuel Cards
- Travel Cards
- Purchase Cards

## Contracts

### Contract Review

All dealerships and Lithia departments are asked to send contracts to Procurement for review. Procurement will review the business terms of the contract and look for specific language, however, Legal will review specific legal language.

Contracts need to be signed by CFO or VP level. Exception – if Master Agreement is signed, dealership add-ons are ok to be signed by GM. Copies of signed contracts are returned back to vendor or dealership and filed.



## Gatekeeper Contract Management Software

More information to follow

## Termination of Services/Contract Termination

If you need a contract terminated, please notify procurement. If you have a copy of the agreement to be terminated, please provide. Procurement will review the termination clause and submit termination accordingly.

# Reference Documents for New Vendor

Vendor Add Request form (1 page) – PDF version available in Lithia Document Library



## VENDOR ADD REQUEST

- ▣ Completed Vendor Add Request Form
- ▣ W-9
- ▣ Certificate of Insurance and/or Vendor Agreement (for all vendors performing a service, not for the purchase of products)

Certificate of Insurance Requirements- Please list Lithia Motors Inc, PO Box 1148, Medford, OR 97501 as the Certificate Holder, Primary and Additional Insured. Please see additional pages with explanation of insurance requirements.

Vendor Type	General Liability (\$1MM per occ. occurrence)	Auto Liability (\$1MM combined single limit)	Cargo Liability	Workers Compensation	Umbrella (Optional)
Advertising	X			X	X
Contractor	X			X	X
Sublet Vendors (Vendors coming onsite to perform work or pick up vehicles / parts to perform work offsite)	X	X		X	
Transportations/Towing		X	X	X	X

Company Name	_____			
DBA/Owner/Representative	_____			
Payment Remittance Address	_____			
City/State/Zip/Country	_____			
E-Mail	_____			
Phone Number	_____		Fax Number	_____
Sole Proprietor _____	Corp _____	LLC _____	Partnership _____	Other _____
Payment Terms (please mark)	Net 45 _____	2/20 _____	(2% discount taken if invoice paid within 20 days)	
Service/Product to be provided	_____			
Signed contract or agreement?	Y / N		If yes, please provide a copy	
Does this vendor need to receive a 1099?	Y/N			
Vendor Signature <small>(indicates acceptance of terms)</small>	_____			

Requesting Dept Manager	_____	Date	_____
Printed Name	_____	Store #	_____
Approved by (OM or GM)	_____	Date	_____
Printed Name	_____	Store #	_____

# Lithia Vendor Services Agreement (3 pages) – PDF version available in Lithia Document Library



## VENDOR SERVICES AGREEMENT

This vendor services agreement ("Agreement") dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ ("Effective Date") is made between Lithia Motors, Inc. and its affiliates including ("Lithia"), with a principal business office located at 150 North Bartlett, Medford, OR 97501, and \_\_\_\_\_ ("Company").

### Relevant Company Information:

Full Legal Name: \_\_\_\_\_  
Legal Entity: \_\_\_\_\_  
e.g. corporation, LLC, sole proprietorship  
State of Incorporation: \_\_\_\_\_  
Address: \_\_\_\_\_  
Business Telephone: \_\_\_\_\_  
Professional Licenses: \_\_\_\_\_

**Work to Be Performed:** The "Work" is described in the attached proposal, scope of work, quote, bid, work order or similar document that is mutually agreed upon by Lithia and Company.

**Payment Terms:** Lithia shall pay Company in accordance with the following payment terms:

- Standard Terms: Lithia will pay all undisputed invoices forty-five (45) days after receipt.
- Standard Terms: Lithia will pay all undisputed invoices at a 2% discount within twenty (20) days after receipt.

Term: Effective Date is date of latest signature below      Expiration Date \_\_\_\_\_

Please read all Terms and Conditions on Pages 2 - 3 before signing.

\_\_\_\_\_  
(Company)      Lithia

Signature \_\_\_\_\_      Signature \_\_\_\_\_  
Printed Name \_\_\_\_\_      Printed Name \_\_\_\_\_  
Date \_\_\_\_\_      Date \_\_\_\_\_

OPERATIONS/ACCOUNTING OFFICE/PAYABLES    AR.1217 | JRASOR.PHENDERSON@BELDEN | REV'0818

1. **Independent Contractors:** The relationship created by this Agreement is that of independent contractors. Company is not a partner, agent, or employee of Lithia. Unless expressly stated in the Word description, (i) the relationship under this Agreement is non-exclusive and (ii) Company has no power to bind Lithia. Company and Company's employees, agents and subcontractors are not eligible for and shall not participate in any employer benefit of Lithia including health insurance or other fringe benefits.

2. **Taxes and Expenses:**

a. **Taxes:** Payroll taxes including federal, state and local taxes shall not be withheld or paid by Lithia. (B) The Work will be performed for the employees of Company. Neither Company nor any of Company's employees, agents, or subcontractors shall be treated as an employee of Lithia for federal or state tax purposes with respect to the Work performed by Company hereunder. Company shall be responsible to pay all taxes as mandated by law.

b. **Expenses:** Unless otherwise agreed in writing by Lithia, Company shall be responsible for and bear all expenses in connection with the Work including, without limitation, all materials, supplies, equipment and tools necessary to accomplish the Work.

3. **Company's Representations and Warranties:**

a. **Work Quality:** Company represents and warrants that: (A) it has complied with (or, as applicable, will comply with) all federal, state and local laws regarding business permits and licenses that may be required to carry out the Work; (B) the Work will be performed in compliance with (i) the highest applicable industry standards; and (ii) all applicable federal, state, provincial, and local laws and regulations; (C) the Work shall: (i) be free from defects in design, material, and workmanship; (ii) strictly conform to all specifications requested by Lithia (and all other specifications requested by Lithia and agreed to by Company); (iii) when completed, be suitable for its intended purpose; (iv) be equivalent in materials, quality, fit, finish, workmanship, performance, and design to any samples approved by Lithia; and (v) strictly comply with all other representations and warranties made by Company (whether oral or written); (D) the Work and the Company's methods of performing the Work shall not infringe any patent, trademark, trade dress, trade name, trade secret, copyright, proprietary right, or other right of any third party; and (E) Company's method of performing the Work is not and has not been subject to infringement claims. In addition to the warranties and guarantees given herein, Company agrees that, as to the Work, Lithia shall have all other warranties and guarantees given or implied or by law.

b. **Remedies:** All warranties set forth in sub-paragraph a above shall survive any inspection, acceptance, and/or payment, and such warranties shall run to Lithia, its successors, assigns, and customers. In the event the Work (or any portion thereof) fails to conform to the representations or warranties ("Y") as stated in this Agreement and/or ("Z") as expressly made by Company (including any warranties made during the discussions concerning this Agreement), Lithia may elect any of the remedies as listed in paragraph 6 of this Agreement.

4. **Insurance:** While the Agreement is in effect, Company shall at Company's expense obtain and keep in effect: (A) commercial general liability insurance including contractual, product liability and completed operations, with minimum coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (B) comprehensive automobile liability insurance on Company owned or leased vehicles used for Work with minimum liability limits of \$1,000,000 combined single limit per accident, and, if applicable, (C) professional errors and omissions with a minimum limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate. The full amount of insurance coverages under (A) and (B) of this

Company's direct and full employment (and then only on a need to know basis in furtherance of this Agreement) and shall only use Lithia's confidential information to the extent necessary to perform Company's obligations under the Agreement and only for Lithia's benefit.

8. **Artwork, Inventions and Discoveries:** Company agrees that all illustrations, photographs, and artwork requested, commissioned or created pursuant to this Agreement (collectively, "Creations") shall be works for hire. Company further acknowledges that performance of this Agreement may result in the discovery, creation or development of inventions, combinations, techniques, processes, improvements, software designs, computer programs, strategies, specific computer-related know-how, data and original works of authorship (collectively "Work Product"). Company hereby confirms that all rights in Creations and Work Product belong to Lithia and Company irrevocably assigns to Lithia all of Company's rights in the Creations and Work Product, including, without limitation, all worldwide copyright rights, all rights of reproduction, and the right to prepare derivative works. If and to the extent that Company may, under applicable law, be entitled to claim ownership interest in Creations and/or Work Product, Company hereby transfers, grants, conveys, assigns and relinquishes exclusively to Lithia any and all right, title and interest it now has or may hereafter acquire in and to the Creations and/or Work Product under patent, copyright, trade secret and trademark law in perpetuity or for the longest period otherwise permitted by law.

9. **Termination:**

a. Lithia may terminate this Agreement for Company's breach of any provision of this Agreement effective immediately upon the giving of written notice. Further, Lithia may terminate this Agreement for convenience by giving five (5) days written notice to Company. Upon receipt of such termination notice, Company shall stop work as of the date of termination specified in the notice. Stopping work shall include, without limitation, Company terminating all of its purchase orders and subcontractors to the extent they relate to this Agreement.

b. Company, within five (5) days from receipt of Lithia's termination notice, shall provide Lithia with a written accounting detailing (A) the work already completed pursuant to the Agreement and (B) if applicable, any claims for unavoidable costs for work in progress that: (i) are unique and directly attributable to the Work, and (ii) were incurred before Company received Lithia's notice of termination. Lithia, in its sole discretion, may, within a reasonable time after providing notice of termination (and, if applicable, within a reasonable time after receiving Company's written accounting), revoke its termination notice and require Company to complete the Work.

10. **Auditing:** During the term of this Agreement and for three (3) years thereafter, Company shall permit Lithia or its appointed representatives, upon notice, to audit, as necessary to verify Company's performance and/or compliance with this Agreement, Company's facilities, records, and business practices utilized in connection with Company's performance under the Agreement. Such audit will be conducted during normal business hours. Company will reasonably cooperate with Lithia in such audits.

11. **Force Majeure:** Lithia may terminate this Agreement in the event of an interruption in the business of Lithia caused by strikes, labor, disturbances, lockout, riot, fire, terrorism, act of God, or any other cause beyond Lithia's reasonable control. A change in the control of Company shall be considered a force majeure event for the purposes of this Agreement.

12. **Limitation of Liability:** IN NO EVENT SHALL LITHIA BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, ARISING OUT OF OR RELATING TO THIS AGREEMENT, EVEN IF LITHIA WAS ADVISED OR AWARE OF THE POSSIBILITIES OF SUCH DAMAGES. IN NO EVENT SHALL THE AGGREGATE LIABILITIES OF LITHIA TO COMPANY ARISING OUT OF OR

RELATING TO THIS AGREEMENT EXCEED THE PRICE PAID BY LITHIA TO COMPANY HEREUNDER.

13. **Miscellaneous:**

a. **Press Releases:** Company shall not, without the prior written consent of Lithia, refer to Lithia in any manner in any press releases, advertising, or other public or promotional statements.

b. **Assignment and Change of Control:** Company shall not assign any of its rights under this Agreement without the prior written consent of Lithia. Subject to the foregoing restriction, this Agreement will be fully binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns. In the event of a transaction that alters the ownership of Company (e.g., merger and/or consolidation, stock sale, and/or other asset sale, or related transactions), Lithia shall have the option but not the obligation to cancel the Agreement to the extent the Work has not been fully performed. A change of control is defined as any transaction that: (i) results in a change of control of the party to this Agreement, or (ii) results in a change of control of the party to this Agreement, or (iii) results in a change of control of the party to this Agreement.

c. **Waiver:** No right of Lithia under the Agreement may be waived except as expressly set forth in a writing signed by an authorized representative of Lithia. No waiver of any provision shall be implied by Lithia's failure to enforce any of its rights or remedies herein provided, and no express waiver shall affect any provision other than that to which the waiver is applicable and only for that occurrence.

d. **Notices:** Notices shall be given in writing and delivered either by hand to the party or by certified mail, return receipt requested, or by fax to the party at that party's address stated herein which a party may change with written notice.

e. **Severability:** If any provision of this Agreement is held invalid or unenforceable to any extent by a court or tribunal of competent jurisdiction, then the invalid portion shall be deemed conformed to the minimum requirements of law to the extent possible. In addition, all other provisions shall not be affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

f. **Agreement Interpretation:** If any provision of this Agreement is held invalid or unenforceable to any extent by a court or tribunal of competent jurisdiction, then the invalid portion shall be deemed conformed to the minimum requirements of law to the extent possible. In addition, all other provisions shall not be affected and shall continue to be valid and enforceable to the fullest extent permitted by law. Any rule of agreement interpretation that holds that ambiguities will be construed against the drafter will not be given effect. The Headings in this Agreement are solely for use in helping to navigate the document, and are not otherwise part of this Agreement.

g. **Disputes / Governing Law:** All disputes, claims, or controversies between the parties that arise from or relate to this Agreement (including disputes about the validity of this Section) shall be resolved by binding arbitration by, and under the Code of Procedure of, the National Arbitration Forum. Judgment upon the award rendered may be entered in any court having jurisdiction. This Agreement shall be governed by the laws of the State of Oregon, USA, exclusive of its conflicts of law principles and of the UN Convention on the International Sale of Goods.

h. **Entire Agreement:** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior agreements or discussions between the parties on the subject matter of this Agreement. This Agreement shall be modified or amended except by a written instrument executed by authorized representatives of both parties. No documents made subsequent to the date of this Agreement (including, without limitation, any conflicting term or condition contained in any order confirmation, invoice, or other document submitted by Company) stating a term other than those specified herein, or in any other manner modifying this Agreement, shall be binding on Lithia unless such term is expressly agreed to and signed by an authorized representative of Lithia.

i. **Surviving Rights and Duties:** The rights and duties of the parties under paragraphs 3, 4, 5, 6, 7, 8, 10, 12, and 13 will survive expiration and any termination of this Agreement.

Form <b>W-9</b> (Rev. October 2018) Department of the Treasury Internal Revenue Service	<h2 style="margin:0;">Request for Taxpayer Identification Number and Certification</h2> <p style="margin:0;">▶ Go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> for instructions and the latest information.</p>	<b>Give Form to the requester. Do not send to the IRS.</b>																								
<b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.																										
<b>2</b> Business name/disregarded entity name, if different from above																										
Print or type. See Specific Instructions on page 3.	<b>3</b> Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor or single-member LLC  <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____  <input type="checkbox"/> C Corporation  <input type="checkbox"/> S Corporation  <input type="checkbox"/> Partnership  <input type="checkbox"/> Trust/estate  <input type="checkbox"/> Other (see instructions) ▶ _____  <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from FATCA reporting code (if any) _____  (Applies to accounts maintained outside the U.S.)																								
<b>5</b> Address (number, street, and apt. or suite no.) See instructions.		Requester's name and address (optional)																								
<b>6</b> City, state, and ZIP code																										
<b>7</b> List account number(s) here (optional)																										
<b>Part I Taxpayer Identification Number (TIN)</b>																										
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.																										
<b>Note:</b> If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.																										
Social security number <table border="1" style="width:100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>														OR Employer identification number <table border="1" style="width:100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>												
<b>Part II Certification</b>																										
Under penalties of perjury, I certify that:																										
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and																										
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and																										
3. I am a U.S. citizen or other U.S. person (defined below); and																										
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.																										
<b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.																										
<b>Sign Here</b>	Signature of U.S. person ▶ _____	Date ▶ _____																								
<b>General Instructions</b>																										
Section references are to the Internal Revenue Code unless otherwise noted.																										
<b>Future developments.</b> For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> .																										
<b>Purpose of Form</b>																										
An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.																										
<ul style="list-style-type: none"> <li>• Form 1099-DIV (dividends, including those from stocks or mutual funds)</li> <li>• Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)</li> <li>• Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)</li> <li>• Form 1099-S (proceeds from real estate transactions)</li> <li>• Form 1099-K (merchant card and third party network transactions)</li> <li>• Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)</li> <li>• Form 1099-C (canceled debt)</li> <li>• Form 1099-A (acquisition or abandonment of secured property)</li> </ul> Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.																										
If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See <i>What is backup withholding, later</i> .																										
Cat. No. 10231X		Form <b>W-9</b> (Rev. 10-2018)																								



**Points of Interest: Certificate of Insurance**

Date Certificate was issued to Certificate Holder

**ACORD** HANSAUT-03 DGUSTIN

**CERTIFICATE OF LIABILITY INSURANCE** DATE (MM/DD/YYYY) 04/04/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. IF SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: Billings Office, Vest Insurance, Inc., 30638 L, MT 59107-0638

CONTRACT NAME: Billings Office, PHONE: (406) 238-1900, FAX: (406) 245-9887

INSURER(S) AFFORDING COVERAGE: INSURER A: Western National Assurance Company (NAIC # 24465), INSURER B: Lloyds of London, INSURER C: Admiral Insurance Company, INSURER D: , INSURER E: , INSURER F:

INSURED: Budget Towing Inc., 430 S. Billings Blvd, Billings, MT 59101

COVERAGES: CERTIFICATE NUMBER: REVISION NUMBER:

General Liability policy that covers third-party lawsuits over bodily injuries and property damage.

LINE	TYPE OF INSURANCE	ACORD FORM NO.	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXP. DATE (MM/DD/YYYY)	LIMITS
A X	COMMERCIAL GENERAL LIABILITY		CPP108554404	02/01/2018	02/01/2019	EACH OCCURRENCE \$ 1,000,000 POLICE TO RENTED EQUIP. (Per occurrence) \$ 100,000 MED EXP. (Per one person) \$ 5,000 PERSONAL & ADV. INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPOUND AGG. \$ 2,000,000
A	AUTOMOBILE LIABILITY		CPP108165804	02/01/2018	02/01/2019	COMBINED SINGLE LIMIT (SA accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A X	UMBRELLA LIAB.		UMB101428404	02/01/2018	02/01/2019	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
A	WORKERS COMPENSATION		WCV101258003	07/01/2017	07/01/2018	X PER \$50,000 OTH- \$50,000 E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - SA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Commercial Umbrella		CA5000030501	02/01/2018	02/01/2019	Aggregate \$ 3,000,000
C	Commercial Pollution		FEIECC1884304	02/01/2018	02/01/2019	Per Occurrence \$ 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 321 - Additional Remarks Schedule, may be attached if more space is required)  
Motor Truck Cargo-On Hook Liability Limit is \$1,000,000

Each Policies Expirations Dates (can be different dates)

CERTIFICATE HOLDER: Lithia Motors, Inc., PO Box 1148, Medford, OR 97501

CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE: *Debbie Gustin*

Proof of Insurance was issued too.

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Name of Insured Vendor performing the service

Budget Towing Inc.  
430 S. Billings Blvd  
Billings, MT 59101

DATE (MM/DD/YYYY)  
04/04/2018

General Liability policy that covers third-party lawsuits over bodily injuries and property damage.

Automobile Liability- covers the financial responsibility if the vendors or its employee is at fault in an accident and people are injured or their property is damaged. A minimum amount of commercial auto liability insurance is required in most states.

Umbrella Liability- policy is extra liability insurance coverage that goes beyond the limits of the General or Auto coverage. It provides an additional layer of security to those who are at risk for being sued for damages to other people's property or injuries caused to others in an accident.

WC Employee Liability Limit & Statutory Limit (limitations are set by the state legislation).

Cargo Coverage Limit