



VENDOR MANAGEMENT PROGRAM GUIDELINES

(Effective Date 06/01/2024)

SECTION 1 – INTRODUCTION & PROGRAM OBJECTIVES

Universal Development & Construction, LLC, and its affiliates, including Universal Living, Universal Storage Solutions, and Universal Wine and Spirits (collectively the “**Company**”) values the contributions of all vendors and subcontractors that deliver goods and/or services to our various business units. The relationship is important, as mutual success depends greatly on the quality and commitment of the Company and its vendors and subcontractors. For this reason, the established guidelines have been developed to create a disciplined framework for the expectations the Company has for the working relationship with all its vendors and subcontractors.

By developing these guidelines, the Company’s intention is to eliminate any confusion about the goals and expectations upfront and serve as a reference tool for Subcontractors, Supplies and Material Vendors and other Services Vendors. While hoping to develop a lasting relationship with our vendors/subcontractors, the Company wishes to align itself with like-minded businesses that are dedicated to; operating with integrity, mitigating risks, improving service, delivering quality, and creating efficiencies, while providing the opportunities for both the Company and its vendors and subcontractors to succeed.

While the guidelines documented in this program represent the basic expectations for vendors and subcontractors, UDC reserves the right to amend, introduce, or discontinue certain specific guidelines and expectations as may be necessary from time -to- time to support changing operational, regulatory, and best practices needs of both the company and its vendors and subcontractors.

On behalf of the Company, we thank you in advance for your efforts to support us in better servicing our customers/clients by supporting us.

SECTION 2 – VENDOR & SUBCONTRACTOR SELECTION & DUE DILIGENCE

As part of a more comprehensive due diligence process in selecting preferred vendors and subcontractors, certain criteria are considered and may include but are not limited to the following:

- Cost of product(s) or service(s);
- “Best fit” in meeting strategic goals and objectives of the company.
- Mitigating risk exposures.
- Complexity, materiality and uniqueness of product(s) or service(s).
- Business relationships, past performance, referrals, and feedback.
- Financial condition and reputation of vendor/subcontractor; and
- Company’s confidence in the vendor/subcontractor.

There are other potential factors that could lead to selection decisions. Regardless, we value all prospective vendors and subcontractors and appreciate their interest in serving the Company.

SECTION 3 – INSURANCE REQUIREMENTS

Managing risk exposures is a component of managing a successful business and we value our business partners that share these same values. To ensure that the Company and its vendors and subcontractors are working together to mitigate these shared risks, the Company has developed and implemented minimum insurance requirements for all vendors and subcontractors servicing our various business units. The required insurance coverage and prescribed limits, along with the proper policy endorsements shall be evidenced by the appropriate insurance certificate as part of the required vendor and subcontractor setup process. The vendor and subcontractor setup process will be further explained in Section 13 of this program guide.

The minimum vendor and subcontractor insurance requirements are as follows:



- **General Liability Policy** – Shall minimally provide for a \$1,000,000.00 per occurrence / \$2,000,000.00 general aggregate limit (completed operations, including personal and advertising injury). **Universal Development & Construction, LLC** shall be the certificate holder on all vendor and subcontractor certificates of insurance. The certificate of insurance shall also be endorsed to include **Universal Development & Construction, LLC** as “additional insured”. (See sample certificate included as an addendum for reference).

Workers Compensation – Any commercial vendor and subcontractor performing services on a Company owned, managed, or otherwise controlled premises or worksite shall maintain a workers compensation policy. This policy shall be in accordance with the laws of the state(s) in which the vendor or subcontractor operates. This policy shall be properly endorsed to include employer’s liability. The said policy shall be endorsed with a waiver of subrogation in favor of the certificate holder, which shall list **Universal Development & Construction, LLC**, 2304 Silverdale Drive, Suite 300, Johnson City, TN 37601. **Any Subcontractor allowing their worker’s compensation coverage to either expire or be cancelled during work being performed for the Company will be responsible for any financial penalties or additional premiums incurred by the Company because of the Subcontractor’s non-compliance with these guidelines.**

Any Subcontractor qualifying under their State’s Workers Compensation Exemption Program and electing such exemption on their Worker’s Compensation policy shall evidence those qualified exempted individual(s) on their Certificate of Insurance provided for their Workers Compensation policy. The Individual exemptions do not affect the Contractor’s requirement for their employees and subcontractors to have an “in-force” policy for workers brought onto a company worksite. Please do not forget to submit a copy of the “waiver of subrogation” endorsement and the State Workers Compensation Exemption Certificate along with the Certificate of Insurance provided for the Vendor Setup Agreement.

- State Workers Compensation Exemptions will be accepted for the purposes intended by the State. All Vendors and Subcontractors have the responsibility to know and understand the intended provisions of its use and that its exempts only owners and **the Owner’s exemption does not extend to other workers brought onto a company jobsite by the vendor or subcontractor possessing the owner exemption.**
- **Other Liability Insurance** – To the extent that the subcontractor’s work includes design services, the subcontractor shall evidence professional errors and omissions coverage with a minimum limit of \$1,000,000.00 combined single limit.
- **Commercial Automobile Insurance** – Shall be required for all commercial vendors and subcontractors performing services on-site at a Company owned, managed, or otherwise controlled premises or worksite. This policy shall minimally provide for a \$1,000,000.00 limit.
- **Excess Liability** – Excess liability coverages and limits, if any, will be determined on a case-by-case basis based on the type of services and scope of work being performed by the vendor or subcontractor.
- **Pollution** – If deemed applicable, a subcontractor may be required to carry contractor’s pollution coverage with minimum limit of \$1,000,000.00. This coverage will be evaluated based on the nature and scope of the work being performed on a case-by-case basis.
- **XCU** – Explosion, collapse and underground (property damage hazard) coverage will be assessed on an individual basis based on the nature and scope of specific work to be performed by subcontractor.

Note: All Subcontractors are advised to seek the assistance of their insurance Agent or Broker when preparing and submitting the required Certificates of Insurance along with other Setup Documentation required. This step in the process will enhance the successful submission of the vendor setup package and avoid unnecessary delays and communications to re-work the submission. A “SAMPLE” Certificate of Insurance has been included as an Addendum to the Vendor Management Program Guidelines.



SECTION 4 – NON-DISCLOSURE

During the selection or bidding process, the Company may disclose confidential or proprietary information or documents to a subcontractor intended to aid the subcontractor in the submission of a timely, complete, and accurate bid. The unauthorized disclosure of such information could damage the Company and/or create unfair competition. Accordingly, subcontractors to whom this information may be provided shall be subject to this confidentiality and agree to abide by these confidentiality provisions by entering into an agreement to be a subcontractor in the setup process. This acknowledgment in the vendor setup agreement may be subject to legal recourse should negligence or intentional act(s) breach this standard of confidentiality. In certain instances, and on a case-by-case basis, a formal non-disclosure agreement (NDA) may be required.

SECTION 5 - SAFETY DATA SHEETS (SDS)

All vendors and subcontractors shall maintain a hazard communication program and provide the Company safety data sheets for any such chemicals or materials delivered to the Company or Company worksite. This also includes subcontractors using chemicals or hazardous material on a worksite. The intent of this provision is to assist in maintaining awareness and compliance with the OSHA Hazard Communication Standard 29 CFR 1910.1200 and the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals.

SECTION 6 - SAFETY & CONDUCT

All vendors and subcontractors shall take all reasonable safety precautions when servicing a Company owned, leased, managed or otherwise Company-controlled worksite. Vendors and subcontractors shall comply with all applicable laws, rules, ordinances, regulations, and orders of public authorities. The safety of all employees, visitors, vendors, subcontractors, customers, clients, and other invitees is of the utmost importance. Vendors and subcontractors shall always conduct themselves professionally and responsibly. Below, are a few basic expectations and not considered to be all-inclusive:

- Non-discrimination and EEOC compliance. The Company has a zero tolerance for any form of discrimination within the Company or within the companies that we conduct business with. This includes, but is not limited to race, religion, ancestry, national origin, and sex.
- Harassment of any kind will not be tolerated. The Company is committed to providing and maintaining a workplace free of harassment, intimidation, or retaliation of any kind.
- A drug-free workplace is the right of every employee to work in a safe environment that is free from the illegal possession, use, distribution, or manufacture of any controlled substance. This includes Company owned, managed, or controlled worksites. All vendors and subcontractors are expected to comply.
- Violence of any kind will not be tolerated.
- It is expected that all vendors and subcontractors will adhere to the terms and conditions outlined in this guideline. Any violation of the Company safety & conduct guidelines will be grounds for immediate termination of any existing contract or work order.

SECTION 7 – LOGISTICS

Supply chain plays a significant role in the Company's business operations. Orders placed for general supplies and materials along with on-time delivery are critical to normal day-to-day operations and meeting on-time production goals and objectives. Vendors should manage these obligations and commitments that are timeline driven. All supply chain solutions should drive efficient and cost-effective solutions.

Shipment of Product or Materials – In an effort to avoid unnecessary or unexpected cost, ship-payment terms for all orders shipped to a Company location or worksite shall be shipped “FOB, Destination, Freight Prepaid” unless otherwise agreed to in writing by the Company. Under no circumstance will a vendor shipment be shipped “Prepaid & Add”. All freight billed to the Company shall be “Freight Prepaid” included in the cost quoted to the Company. Failure to ship by unauthorized terms can



result in a deduction to vendor invoice if not agreed upon in advance of shipment or when purchase order or work order is issued.

Common Carriers – Shipments for the Company shall be tendered to the carrier on a prepaid basis to common carriers. Any accessorial charges for the tendered shipment shall be pre-factored in the cost quotes to the Company and billed to vendor unless otherwise agreed upon by the Company.

SECTION 8 – CONTRACTED GOODS & SERVICES

Certain vendors and subcontractors by the nature of the goods and services along with scope of work will work exclusively under contract. As such, it is critically important that the duties and obligations of these agreements are understood. It is, therefore, the duty of both parties to clearly outline the scope of the work so that all expectations are satisfied. Contract elements to consider may include, but are not limited to, the following; scope of work, clear and measurable standards, key performance indicators, reports and information dissemination, security, confidentiality and other controls, business interruption and contingency plans, cost of service, licensing, permitting, bonding and other regulatory obligations, dispute resolution, liability limits and indemnification, assignment of rights under the contract, contract termination clause, etc.

SECTION 9 – VENDOR AND SUBCONTRACTOR INVOICES, LIEN WAIVERS & PAYMENTS

Vendor and subcontractor invoices shall contain the following: (1) unique invoice number; (2) invoice date; (3) service date(s); (4) project name and address; (5) description of services or work performed; and (6) original purchase order, if any.

Invoices that include billing for parts, material, and labor shall be separated into two separate categories of billing, which shall be **MATERIAL or LABOR**. Under no circumstance will an invoice be listed as material and labor. When billing is not designated accordingly, the Company can be exposed to additional insurance premiums for misclassification. Additionally, invoices for purchases and or services performed by vendors and subcontractors must be invoiced in a timely fashion within 30 days of completion or delivery. Invoices submitted in a timely manner will in turn be processed for payment in a timely manner. **Invoices being received for the first time over 90 days old will not be processed.**

Subcontractors and Vendors should understand that the company reserves the right to utilize Lien Waivers on construction and/or renovation projects exceeding \$10,000. These Lien Waivers are used to release a lien on property when a subcontractor or material supplier is paid for either goods or services or a combination of both when rendered. These Lien Waivers will be required to for any project participation by a subcontractor or materials vendor when the aggregate anticipated invoicing will exceed \$10,000. The company will utilize both "Waiver of Lien To-Date" and "Final Waiver of Lien". The Waiver of Lien to-date will be utilized as requests for payment are processed periodically throughout the life of the project, while the Final Waiver of Lien will be utilized in conjunction with the final payment processing for the project.

Subcontractors and Material Vendors need to be familiar with these Lien Waivers and submit completed and executed lien waiver forms with all requests for payment by the company for projects as described above. The company Project Manager overseeing the project will be responsible for the proper designation of the project as it relates to Lien Waivers and ensuring proper submission with approved invoicing for payment processing. (Sample Lien Waiver Forms are included in this guide)

An Electronic Funds Transfer Agreement and Disclaimer will be required for those Vendors or Subcontractors approved by the company for this method of payment for products or services.

SECTION 10 – WARRANTY OF GOODS / MATERIALS

The vendor and subcontractor shall represent and warrant that all goods and/or materials that it may provide are merchantable as represented by the manufacturer and are fit for the purpose they are intended.

SECTION 11 – HOLD HARMLESS AND INDEMNIFICATION (SUBCONTRACTOR)

The work by a subcontractor shall be at the risk of the subcontractor exclusively. To the fullest extent permitted by law, the subcontractor shall indemnify and defend at its sole expense of the subcontractor and hold harmless the Company, its owners,



partners, joint venturers, representatives, members, designees, officers, directors, shareholders, employees, agents, successors and assigns (indemnified partners) from and against any and all claims for bodily injury, death, damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations, and any liabilities, costs and expenses, including, but not limited to, investigative and repair costs, attorney fees and costs, consultant fees and costs, and claims which arise from or are in any way connected with work performed, materials furnished, or services provided under any written or verbal agreement for services or materials supplied to the Company, to include work or service performed by its employees or agents, whether active or passive. The said indemnity and defense obligations shall further apply, whether or not said claim arises out of concurrent act, omission, or negligence of the indemnified party(s), whether active or passive. The subcontractor shall not be obligated to indemnify and defend the Company for claims found to be due to the sole negligence or willful misconduct of the indemnified parties. The Company may satisfy such indemnity (in whole or in part) by way of deduction from any payment due to such subcontractor.

The subcontractor's indemnification and defense obligations hereunder shall extend to claims occurring after any agreement is terminated as well as while it is in force and shall not end until it is finally adjudicated that any and all actions against the indemnified parties for such matters which are indemnified hereunder are fully and finally barred by applicable laws.

SECTION 12 – VENDOR PERFORMANCE & COMPLIANCE

Internal vendor and subcontractor reviews are performed periodically for the purpose of qualifying a vendor's service performance. Being responsive and taking the appropriate follow-up actions when warranted is a key factor in maintaining a current vendor status. Responses to requests for updated information such as current insurance certificates along with other pertinent updated information inquiries is critical to remaining on the approved vendor list. Vendor contact information such as contact name, current email contact and physical business and remittance addresses is critical and the obligation of the vendor to update us in any of the following changes:

- Business name change
- Current W-9
- Current insurance certificate
- EFT changes
- Addresses
- Contact name.
- Email address and phone number(s)

The Company must have updated information to maintain contact, communications and ensure payments are processed to each vendor and subcontractor as intended and on a timely basis to terms.

SECTION 13 – VENDOR SETUP SUBMISSION PROCESS & PROCEDURE

The Company encourages direct contact with any vendor and subcontractor management questions. Please feel free to email any question or concern to: vendors@coxuniversalgroup.com

or by calling Corporate Risk Management at (423) 282-6582.

All inquiries will be responded to in a timely fashion and every effort will be made to assist current and prospective vendors or subcontractors in expediting a response to inquiries.

VENDOR / SUBCONTRACTOR SETUP PROCESS

1. Go to the Company's website at www.udctn.com and learn about the Company.
2. Complete the Vendor Setup Form/Agreement. This form is the same for supply vendors and subcontractors. Please make sure the information is complete, legible, signed, and dated. This form is available on-line. A sample is attached hereto.



3. Complete the federal W-9 form. The blank W-9 form is available on-line along with complete instructions. A sample is attached hereto. Please be sure to complete the form accurately so your tax status is properly recorded in our vendor master and payment system. Incomplete forms will not be accepted.
4. Provide your insurance agent/broker with the proper insurance requirements so they can properly produce the required proof of insurance for the proper coverages, limits, and policy endorsements needed. Providing your agent/broker with a copy of these vendor management guidelines will ensure they can provide proper guidance regarding the requested coverage and endorsements.
5. Once the Vendor Setup Form/Agreement, W-9 and insurance certificates are complete, send all three required documents via email to VENDOR EMAIL, vendors@coxuniversalgroup.com
6. Upon review of the vendor submission, you will receive a confirming email of acceptance or notification of the deficiency needing attention. Defective submissions will only be held for fifteen (15) days following notice before discarded and new completed submission is required.
7. If a non-disclosure or any other requirement is necessary based on the service or work to be performed, you will be notified accordingly.

VENDOR MANAGEMENT CONTACT INFORMATION

Cox Universal Group
Attention: RISK MANAGEMENT DEPARTMENT
Cox Universal Group
2304 Silverdale Drive, Suite 200
Johnson City, TN 37601
Tel: (423) 282-6582
Email: vendors@coxuniversalgroup.com

SECTION 14 – VENDOR MANAGEMENT PROGRAM GUIDELINES ADDENDUMS

- SAMPLE VENDOR SETUP FORM/AGREEMENT
- EFT AUTHORIZATION FORM
- FEDERAL W-9 FORM & INSTRUCTIONS
- SAMPLE CERTIFICATE OF INSURANCE
- LIEN WAIVER FORMS

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