

# PACCAR

Columbus Engine Plant

1000 PACCAR Drive  
Columbus, MS 39701

## Standard PO

NUMBER 4500588087		PAGE 1	DATE OF ORDER 07/23/2019
CONFIRMING [X] YES [ ] NO		BUYER NAME 810, BRIDGETT GAY	
TO		AUTHORIZED BY Division Controller	

ACCEPTANCE OF THIS PURCHASE ORDER AND ANY CONTRACT FORMED THEREBY SHALL BE EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS ON THE FACE AND REVERSE HEREOF.

VENDOR NO.: 300766

MOCK INC

SHIP TO:

Columbus Engine Factory

COLUMBUS

1000 PACCAR Drive

Columbus MS US 39701

JACKSON MS US 39207-295

FAX TO:		STATUS: Print output 07/25/2019 06:07:09 0				TOTAL NUMBER OF PAGES: 3	
SHIPPING INSTRUCTIONS:		SCAC:	F.O.B. POINT: Free on board	FREIGHT TERMS: FOB	PAYMENT TERMS: Net 30 Days	SALES TAX APPLICABLE: [ ] YES [X] NO	
SPECIAL INSTRUCTIONS:							
ITEM	VENDOR PART NUMBER	PACCAR PART NUMBER	QTY	ON DOCK DATE	UNIT PRICE AND U/M	EXTENDED PRICE	TOTAL PRICE TAX RATE
00010	Jib Crane OP235 Block Machining		1	09/16/2019	USD 23406.00 EA	USD 23406.00	USD 23406.00 0%
SUB TOTAL					USD 23,406.00		
TAX					USD 0.00		
TOTAL					USD 23,406.00		

# PURCHASE ORDER TERMS AND CONDITIONS

1. Complete agreement, no modification. Acceptance of this purchase order is expressly limited to these terms and conditions. Any additional or different terms in Supplier's form are hereby deemed to be material alterations and notice of objection to them and rejection of them is hereby given. If this purchase order is construed as an acceptance of Supplier's offer, this acceptance is expressly conditioned on Supplier's agreement to any different or additional terms from Supplier's offer contained in these terms and conditions. This purchase order, together with (a) any supply agreement covering the subject matter of this purchase order, (b) any exhibits or supplements, (c) any additional warranties given by Supplier, (d) any documents referenced in this purchase order, and (e) PACCAR's written instructions shall contain the complete and final agreement between PACCAR and Supplier. No agreement or any other understanding in any way purporting to modify these terms and conditions shall apply unless agreed to in a writing signed by PACCAR's authorized representative.
2. Prices and payment terms. Unless PACCAR consents in writing, this purchase order may not be filled at a price higher than that on the face hereof, or if it does not state a price, at a higher price than that previously quoted to or charged to PACCAR. Delay in receiving invoices or errors or omissions on invoices will be considered just cause for withholding payment and will not affect any of PACCAR's cash discount privileges. In addition to any right of setoff provided by law, all amounts due Supplier shall be net of Supplier's indebtedness to PACCAR, its subsidiaries and affiliates, and PACCAR may deduct such indebtedness from any payments. Any reduction in Supplier's costs resulting from refunds, rebates, reductions or drawbacks of freight rates, customs duties (including antidumping and countervailing duties), import taxes, excise taxes and/or sales taxes is to be paid to PACCAR through a price reduction. PACCAR shall be entitled to all customer's duty and import drawback that Supplier can transfer, including rights developed by substitution and rights from Supplier's suppliers. Supplier will inform PACCAR of any such rights and will supply any required documents. To the extent any advance or progress payment by PACCAR to Supplier is used by Supplier to acquire inventory, raw materials, equipment or other components or materials (collectively, the "Collateral"), or any such Collateral is purchased by PACCAR and delivered to Supplier, to be used by Supplier in fulfilling its obligations under this Purchase Order, Supplier hereby grants to PACCAR a security interest in all such Collateral. Supplier expressly authorizes PACCAR to file financing statements and take any other action of record in Supplier's name reasonably necessary to perfect or otherwise evidence the security interest.
3. Changes. Before goods or services are received, PACCAR's authorized representative may issue a change order or release authorization changing drawings, specifications, statements of work, methods of packing and shipping, and/or time and place of delivery or completion. Supplier shall notify PACCAR within ten (10) days after receipt of the change order or release authorization if the change will affect its time of performance or the amount to be paid. Supplier's failure to advise PACCAR within ten (10) days of the effect of any change shall constitute its consent to conform to the change without an increase in the price or a change in other terms and conditions. The change order or release authorization shall be effective notwithstanding the absence of Supplier's written acceptance. If the change causes a material increase or decrease in costs, then an equitable adjustment of the price shall be negotiated.
4. PACCAR's option to terminate. PACCAR may terminate this purchase order, blanket purchase order or any release issued under a blanket purchase order in whole or in part by written notice to Supplier. Upon termination, PACCAR shall pay Supplier (a) the purchase order price for goods and services completed prior to Supplier's receipt of notice, and (b) the pro rata portion of the purchase price per unit corresponding to the percentage of completion of work specifically identified to this purchase order for uncompleted work in progress prior to receipt of notice. All completed or uncompleted goods shall be held by Supplier for the benefit of PACCAR until receipt of PACCAR's shipping instructions. PACCAR's responsibility for tooling, equipment, plant refurbishing, additional rework or repair expenses incurred by Supplier will be limited to the amounts PACCAR has specifically authorized in writing. PACCAR shall never be liable for incidental or consequential damages, overhead or other indirect costs, or lost profits. Payments made under this paragraph shall not exceed the purchase order price of the quantities specified in the PACCAR's purchase order or release. PACCAR may audit Supplier's records before or subsequent to payment to verify amounts requested in Supplier's termination claim.
5. Time of essence. PACCAR's production schedules are based upon the agreement that materials will be delivered by the date specified on the face of this purchase order. Time is of the essence. If for any reason Supplier fails to make delivery within the specified time, PACCAR may, at its option, approve a revised delivery schedule, request shipment via air or expedited routing (at Supplier's expense), or terminate this purchase order without any liability.
6. Proprietary rights/Tooling. Unless PACCAR otherwise agrees in writing, all drawings, designs, prototypes, specifications, tools, equipment, or materials of every description furnished to Supplier or paid for by PACCAR and all tooling, patterns, and molds manufactured from PACCAR's specifications and/or paid for by PACCAR shall be and remain PACCAR's property, which shall be held at Supplier's risk and insured at Supplier's expense in an amount equal to its replacement cost with loss payable to PACCAR, and safely stored, maintained, and wherever possible clearly marked "Property of PACCAR Inc.". PACCAR may enter Supplier's premises to inspect the property and Supplier's related records. Upon PACCAR's request, Supplier shall (a) prepare the property for shipment and redeliver it to PACCAR in the same condition in which it was received, reasonable wear and tear excepted, (b) assemble the property for pickup, or (c) destroy the property and certify its destruction. The right to use any of PACCAR's drawings, designs, specifications, prototypes, trademarks, patents, tools, molds, or equipment is limited to producing goods exclusively for PACCAR and its divisions, subsidiaries and affiliates, and not for any other purpose. PACCAR's transfer of information or property shall not be construed as granting Supplier a license or any right of ownership. All designs, plans, specifications, improvements and inventions developed by Supplier in the course of performance under this purchase order and all rights appertaining thereto shall be promptly disclosed to PACCAR and shall become PACCAR's sole and exclusive property. Supplier shall only use the PACCAR trademarks on Products and Parts and shall not use PACCAR trademarks on any other products without the written consent of PACCAR. Supplier shall obtain the prior written approval of PACCAR for use of the PACCAR trademarks in Supplier's marketing materials and on such material having distributed to PACCAR authorized dealers shall obtain editorial format and layout approval. All plans, drawings, specifications, design and other technical material or documents, including those in electronic form, produced or furnished by PACCAR, and PACCAR is purchase order, have been specially ordered and commissioned by PACCAR, and PACCAR is vested with all rights therein, whether created by common law, statutory law or by equity. Supplier agrees that all of those items shall be "work for hire" for copyright purposes, copyrights therein owned by PACCAR. To the extent that such items do not qualify as a work for hire under applicable law, and to the extent that items include material subject to copyright, patent, trade secret, or other proprietary rights, Supplier hereby assigns to PACCAR, its successors and assigns, all right, title and interest thereto, including, but not limited to, all rights in and to any inventions and designs embodied in such items or developed in the course of their creation. Supplier hereby irrevocably transfers and assigns to PACCAR any and all "moral rights" that Supplier may have in such items, and also forever waives and agrees never to assert any and all "moral rights" it may have therein. At PACCAR's expense, Supplier shall execute and deliver such instruments and take such other action as PACCAR may request to perfect or protect PACCAR's ownership rights and to carry out these assignments. PACCAR will issue a purchase order (and, if necessary, a release thereunder) for its requirement for tooling. All such orders shall be made pursuant to, and shall be governed by, the terms and conditions of PACCAR Corporate Tooling Purchase Order, maintained on PACCAR's Enterprise Portal SupplierNet or any successor thereto. All such tooling shall be the sole property of PACCAR. Supplier shall have the responsibility for performing repair and maintenance for all PACCAR owned tooling. Preventative maintenance costs shall be the responsibility of Supplier unless otherwise agreed in writing by PACCAR. Costs to repair broken tooling shall be submitted to the appropriate PACCAR division for approval prior to the repair. Repairs made to tools without the prior consent of PACCAR are not subject to reimbursement by PACCAR. PACCAR owned tooling shall not be used to manufacture Products for customer other than PACCAR without the express written consent of PACCAR.
7. Shipping release. Supplier shall not fabricate any goods, procure any materials, or ship any goods to PACCAR unless specific delivery dates or an authorization for raw material acquisition and stocking periods is provided in this purchase order, in a blanket purchase order that is referenced on this purchase order, or in PACCAR's written instructions. PACCAR shall not be responsible for goods when delivery dates or written instructions have not been provided. PACCAR may return shipments in excess of those authorized at Supplier's expense.
8. Packing, marking and shipping. All goods shall be properly packaged to prevent damage or deterioration and to obtain the lowest transportation rates. PACCAR will pay no charge for packing, shipping, drayage or storage or for preparation, crating, dunnage or other materials unless separately stated on this purchase order. Each packing slip, bill of lading, invoice, container, tag and correspondence shall bear the applicable purchase order number (or the release order number applicable to each shipment if this is a blanket purchase order) and the location of the facility to which goods are to be shipped. A waterproof master packing slip shall accompany each shipment and shall be included in one of the packages marked "Packing Slip Inside" or, in the case of a carload shipment, be conspicuously displayed on the inside of the freight car. The original bill of lading shall be sent to the attention of PACCAR's traffic manager at the final destination on date of shipment.
9. Ingredients disclosure; special warnings and instructions. From time to time PACCAR is required by law to disclose information concerning the ingredients and materials contained within its products and product components. Upon request from PACCAR, Supplier agrees to promptly provide PACCAR with such information relating to the ingredients and materials in the Products that PACCAR may require in order to meet its legal obligations. In addition, Supplier shall promptly furnish to PACCAR in such form and detail as PACCAR may direct: (a) a list of all ingredients in the goods; (b) the amount of one or more ingredients; and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipment of the goods, Supplier shall furnish sufficient written warning and notice (including appropriate labels on goods, containers and packing) of any hazardous material which is an ingredient or a part of the goods, together with such special handling instructions necessary to advise carriers, PACCAR and their respective employees of how to exercise that measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use, or disposal of the goods, containers and/or packing.
10. Country of origin; NAFTA. Supplier shall promptly notify PACCAR of any applicable export or import requirements or restrictions of any governmental entity with respect to the goods or services. All goods shall be properly identified as to country of origin and all documentation shall comply with all applicable governmental regulations. Upon request, Supplier shall promptly furnish PACCAR an accurate and complete North American Free Trade Agreement Certificate of Origin. Supplier shall indemnify PACCAR and/or its customers and hold them harmless from the costs arising out of Supplier's delay in furnishing such certificates, incorrect information furnished by Supplier, the failure of the goods to be properly marked, or the failure of such documentation to comply with all applicable governmental regulations, including but not limited to (a) all costs incurred in bringing the goods or the documentation into compliance with governmental regulations, (b) all freight costs for additional materials to cover production or customer requirements, (c) any fines, penalties or forfeitures levied by any government or governmental agency, and (d) any legal expenses and fees as they are incurred.
11. Canadian Goods and Services Tax. Supplier shall furnish PACCAR with its Canadian Goods and Services Tax registration number and warrants that any Goods and Services Tax registration number furnished is the registration number assigned to it by the Government of Canada.
12. Electronic data interchange. If PACCAR and Supplier choose to engage in Electronic Data Interchange ("EDI"), Supplier shall comply with the terms and conditions of PACCAR's EDI Implementation Guidelines maintained on PACCAR's Enterprise Portal SupplierNet or any successor thereto. Supplier and PACCAR agree that any EDI will be deemed a "writing" sufficient for enforceability under any statute of frauds or similar law.
13. Inspection. Notwithstanding prior payment, all goods are subject to PACCAR's inspection and acceptance within a reasonable time after they arrive at destination. At PACCAR's election, rejected goods may be held for Supplier's account or returned to Supplier at Supplier's risk and expense. No replacement or correction of nonconforming goods shall be made without PACCAR's written authorization.
14. Returns. Returns of goods shall be in accordance with the PACCAR Return Goods Policy in effect on the date of the return.
15. Recall. If the goods or services create or contribute to a vehicle recall due to a motor vehicle safety defect or noncompliance with the United States National Motor Vehicle Traffic Safety Act or the Canadian Motor Vehicle Safety Act, as amended, Supplier shall pay the costs and expenses of recall and correction.
16. Termination for Supplier's default. If Supplier (a) refuses or fails to deliver the ordered goods and/or services, or (b) fails to perform any other provisions of this purchase order and does not cure such failure within a period of ten (10) days after receipt of PACCAR's notice, PACCAR may terminate this purchase order and the contract formed thereby in whole or in part.
17. Compliance with laws and regulations. Supplier shall comply with all applicable federal, state and local laws and regulations, and will indemnify and hold PACCAR harmless from any claim, loss or damage arising from Supplier's violation or alleged violation thereof. PACCAR may serve as a contractor to the United States government from time to time. Supplier agrees that, if applicable to this purchase order, Supplier will comply with the requirements of U.S. Executive Order 11246, 41 C.F.R. § 60-250.4, 41 C.F.R. § 60-741.4, and other applicable equal employment opportunity laws. Contract clauses required by the U.S. Government in such circumstances are incorporated herein by reference. Supplier certifies that it complies with all applicable laws concerning minimum employment age, working condition and compensation, and does not engage in slavery or human trafficking.
18. Warranty. Supplier warrants that the goods and services covered by this purchase order will conform to the specifications, drawings, samples, or other description furnished or specified, and will be fit and sufficient for the intended purpose, merchantable, and free from defects. All materials shall be new, and both workmanship and materials shall be of good quality.
19. Intellectual Property. Supplier warrants that the goods (and their sale or use, alone or in combination) and/or services purchased under this purchase order will not infringe or contribute to the infringement of any patents, trademarks or copyrights, and Supplier shall defend, indemnify and hold PACCAR and anyone selling or using any of PACCAR's products harmless against all loss, damage, liability, costs, expenses and legal fees as they are incurred by reason of any infringement or alleged infringement.
20. Insurance. Supplier shall maintain Commercial General Liability (including Broad Form Contractual Liability, Products/Completed Operations, Independent Contractors, Premises/Operations and Broad Form Property Damage) - \$5,000,000 Each Occurrence; \$5,000,000 Personal & Advertising Injury; \$5,000,000 General Aggregate; \$5,000,000 Products/Completed Operations Aggregate. At PACCAR's request, Supplier shall furnish to PACCAR insurance certificate(s) naming PACCAR as an additional insured. Each certificate of insurance shall have attached to it each applicable policies endorsement ISO Form CG 20 10 07 04 specifically confirming additional insured status. Each certificate shall disclose the applicable deductible and/or self-insured retention and contain a statement of the insurer's obligation to notify PACCAR at least thirty (30) days prior to cancellation, expiration or material change in any covered policy. These policies shall be endorsed to be primary to and noncontributory with PACCAR's insurance and provide a waiver of subrogation rights against PACCAR as additional insured. Supplier's purchase of insurance coverage or the furnishing of insurance certificates shall not release Supplier of its obligations or liabilities under this purchase order. In the event of Supplier's breach of this provision, PACCAR shall have the right to cancel the undelivered portion of any goods or services covered by this order and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.
21. Waivers of subrogation. PACCAR and Supplier waive all rights against (a) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (b) separate contractors, if any, and any of their subcontractors, sub-subcontractors, agents and employees for damages caused by fire or other causes of loss to the extent covered by property insurance applicable to the work, except such rights as they have to proceeds of such insurance held by PACCAR as fiduciary. PACCAR or Supplier, as appropriate, shall require of the separate contractors, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.
22. Indemnification. Supplier shall protect, defend, indemnify and save harmless PACCAR, its employees, agents and customers and the users of any Products, materials or work covered by this Agreement from any and all suits, actions, liability, loss of life or personal injury (including but not limited to property of Supplier or of PACCAR), including costs and reasonable attorney fees, arising out of, or in connection with, or resulting from the activities of Supplier, its employees, agents or subcontractors, or in connection with the work performed, services rendered, or Products or materials furnished, under this Agreement.

# PURCHASE ORDER TERMS AND CONDITIONS

23. Confidentiality. Supplier agrees to keep any information (whether tangible or verbal) that PACCAR identifies as confidential or proprietary in strict confidence and not to disclose that information to third parties or Supplier's employees, shareholders, officers or directors who do not have a legitimate need to know in connection with Supplier's performance of this purchase order.

24. Transportation. Supplier shall use the PACCAR Transportation System when shipping Product to a PACCAR plant or a PACCAR designated facility in North America. The specific functions required within the PACCAR Transportation System are: (a) Entering and maintaining/updating Parts Packaging data at the part number level by PACCAR Plant for all Products supplied to PACCAR. (b) Entering and maintaining the Supplier Holiday Calendar for all locations shipping Product to PACCAR. (c) Confirming shipping requests sent to Supplier within the system, 48 hours prior to Truckload scheduled departures and 6 hours prior to Less than Load (LTLD) departures. (d) Utilizing the PACCAR Bill of Lading for all shipments of Product to PACCAR and providing a copy of the Bill of Lading to the designated transportation carrier.

25. Surplus and Obsolete Material. Supplier shall be responsible for addressing the reduction or elimination of surplus and obsolete inventories of Product on a quarterly basis with the appropriate PACCAR Division Material Director. Any surplus and obsolete material not addressed within one hundred twenty (120) days will automatically be Supplier's responsibility.

26. Foreign Corrupt Practices. Supplier shall comply and require its subcontractors and Suppliers to comply with all applicable Laws in force from time to time in every jurisdiction in which Supplier manufactures, delivers or performs services related to the subject matter of this Agreement. Supplier represents and warrants that: (a) it has not and will not, in connection with the transactions contemplated by this Agreement or in connection with any other business transactions involving PACCAR, make, offer or promise to make any payment or transfer government-controlled corporations and public international organizations), (ii), to any political party, official of a political party or candidate, (iii), to an intermediary for payment to any of the foregoing, or (iv), to any other person or entity if such payment or transfer would violate the laws of the country in which made. (b) It is not a government official, political party official or candidate, or an immediate family member of such an official or candidate. (c) It is the intent of the parties that no payments or transfers of value shall be made which have the purpose or effect of public or commercial bribery, acceptance of acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business. If Supplier becomes aware of any circumstances suggesting that any such payment or transfer has occurred, it will immediately notify PACCAR, and PACCAR may immediately terminate this Agreement by written notice. For the purposes of the

Foreign Corrupt Practices Section of this Agreement "government official" means any officer or employee of any government or any department, agency or instrumentality thereof, or of any government-owned or government-controlled corporation or any public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, instrumentality, corporation or public international organization. (d) Supplier agrees that it will, at the request of PACCAR, certify that, in relation to this Agreement, it has not, and to Supplier's knowledge no other person, including but not limited to every employee, representative, and agent of Supplier or of PACCAR, made, offered to make, or agreed to make any loan, gift, donation or other payment, directly or indirectly, whether in cash or in kind to or for the benefit of any government official, political party, party official or candidate for political office in order to secure or retain business. Supplier further agrees that, should it learn of or has reason to know of any such payment, offer, or agreement to make a payment to a government official, political party, or political party official or candidate in connection with PACCAR business, it will immediately advise PACCAR of such knowledge or suspicion. (e) PACCAR shall be allowed reasonable access to Supplier's books and records, and shall have the right to audit Supplier on a periodic basis.

27. General. Any assignment of this purchase order or any interest therein without PACCAR's prior written approval shall be void. No waiver of any provision of this purchase order shall constitute a waiver of any other provision, or a waiver of any subsequent default. Usage of trade shall not be applicable to this purchase order unless consistent with these terms and conditions. If any provision in these terms and conditions is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, and this purchase order shall be construed as if such invalid or unenforceable provision had not been included. This purchase order and the contract it forms shall be governed by and construed and enforced in accordance with the laws of the State of Washington. The United Nations Convention on Contracts for the International Sale of Goods shall not apply. Any specific remedies provided for in these terms and conditions are cumulative and in addition to any other or remedies PACCAR may have.

Should either party employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interests in any manner arising under this Agreement, or to recover damages for the breach hereof, the non-prevailing party in any action pursued in courts of competent jurisdiction (finality of which action is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages, and expenses, including attorney's fees, expended or incurred in connection therewith.

Nothing contained in this Agreement shall create any agency, fiduciary, joint venture, or partnership relationship between PACCAR and Supplier.

## SUPPLEMENTAL TERMS AND CONDITIONS FOR SERVICES

The following terms and conditions supplement the general terms and conditions of this purchase order when PACCAR is purchasing services. To the extent these terms and conditions are inconsistent with the general terms and conditions, these terms and conditions shall govern the performance of the work.

1. Scope of work. Supplier, as promptly and as economically as practicable, shall perform all necessary engineering services, shall procure, order, and furnish all required materials, labor, and equipment, and perform all of the services necessary for the construction, installation, and completion of, and shall construct, install, and complete all of the work specified in this purchase order and in any specifications, drawings, and other descriptive data provided by PACCAR (collectively, the "Contract").

2. Time of completion. Supplier shall complete the work in accordance with the specifications on or before the date set forth in the Contract. If Supplier fails to do so, PACCAR in addition to any other remedies may terminate the agreement on the notice to the supplier. If Supplier is delayed in performing or completing the work by lockouts, fire, unavoidable casualties, or other causes beyond the Supplier's control and without its fault or negligence, then the time for completing work may be extended for a reasonable period, but any extension for a period of seven days or more shall be valid only with PACCAR's written approval.

3. Payments. PACCAR shall pay Supplier the sum set forth on the face of this purchase order for the performance of the work under the Contract (the "Contract Sum"). The Contract Sum shall be due thirty days after the work is finally completed in accordance with the specifications; provided, however, that payment shall not be due until Supplier has delivered a complete release of all liens, receipts in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to PACCAR indemnifying it against any lien. Supplier shall pay the costs of the work as they are incurred, and shall promptly pay each subcontractor, upon receipt of payment from PACCAR, out of the amount paid to Supplier on account of such subcontractor's portion of the work the amount to which each subcontractor is entitled. Supplier shall, by appropriate agreement with each subcontractor, require each subcontractor to make payments to sub-subcontractors in a similar manner. PACCAR shall have no obligation to pay or see to the payment of money to a subcontractor except as may otherwise be required by law. If Supplier fails to pay any costs, including payments to subcontractors, PACCAR shall have the right to pay such amounts directly, upon twenty-four hours written notice to Supplier, and deduct such costs from the Contract Sum. Any expense or cost arising out of the negligence of Supplier or that of its agents or employees, for replacing defective work, for damage to property, and for the disposal of material wrongly supplied, may be paid by PACCAR for the account of Supplier and deducted from the Contract Sum.

4. PACCAR's rights. PACCAR shall have the right to inspect the work at all times. Such inspection shall not relieve Supplier of any of its obligations to perform the work strictly in accordance with the Contract. PACCAR shall at all times have access to the work and Supplier shall provide facilities for such access. PACCAR shall have authority to reject work, which does not conform to the Contract. PACCAR may require special inspection or testing of the work, whether or not such work has been fabricated, installed or completed. If PACCAR reasonably believes that Supplier is failing to carry out the work in accordance with the Contract, then PACCAR may order Supplier to stop the work, or a portion of the work until such time as the cause for such stop order has been eliminated. PACCAR's right to stop the work shall not obligate PACCAR to do so for the benefit of Supplier. If Supplier should fail to prosecute the work properly (including the failure to staff the job due to labor disputes of any type) or fail to perform any provision of the Contract Documents, including unauthorized schedule delay, PACCAR, after three (3) days' written notice to Supplier without correction, may, without prejudice to any other rights or remedy PACCAR may have, have such deficiencies made good by others, and may deduct the cost thereof from the Contract Sum. These rights shall be in addition to and not in limitation of any other rights of PACCAR granted in the Contract or at law or in equity.

5. Insurance. Supplier shall maintain insurance coverage in at least the following amounts: (a) Workers Compensation-Statutory Limit(s) for the jurisdiction(s) in which this purchase order is to be performed (or evidence of authority to self-insure); (b) Employer's Liability - \$1,000,000; (c) Commercial General Liability (including Contractual Liability, Products/Completed Operations Independent Contractors, Premises/Operations and Broad Form Property Damage) - \$1,000,000 Each Occurrence, \$2,000,000 Annual Aggregate; and (d) Automobile Liability (including owned, non-owned and hired vehicles) - \$1,000,000 Each Occurrence (\$2,000,000 if operating vehicles owned by PACCAR and/or agent(s) thereof). At PACCAR's request, Supplier shall furnish to PACCAR insurance certificate(s) naming PACCAR as an additional insured for coverages described in (c) and (d). Each certificate of insurance shall have attached to it each applicable policy endorsement ISO Form CG 20 10 0704 specifically confirming additional insured status. Each certificate shall disclose the applicable deductible and/or self-insured retention and contain a statement of the insurer's obligation to notify PACCAR at least thirty (30) days prior to cancellation, expiration or material change in any covered policy. These policies shall be endorsed to be primary to and noncontributory with PACCAR's insurance and provide a waiver of subrogation rights against PACCAR as additional insured. Supplier's purchase of insurance coverage or the furnishing of insurance certificates shall not release Supplier of its obligations or liabilities under this purchase order. In the event of Supplier's breach of this provision, PACCAR shall have the right to cancel the undelivered portion of any goods or services covered by this order and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.

6. Drug and alcohol use. If Supplier is to perform services on PACCAR's premises, Supplier will advise its employees, agents, and subcontractors that it is PACCAR's policy to (a) prohibit the use, possession, sale, and distribution of alcohol, illegal drugs, or other controlled substances on its premises, and (b) prohibit the presence on PACCAR's property of employees of Supplier, any subcontractor, or agent who has such substances in his or her body for nonmedical reasons. Entry onto PACCAR's property constitutes consent to an inspection of the employees of the Supplier, subcontractor, or agent, including vehicles and personal effects when entering, while on, or upon leaving PACCAR's property. Any Supplier employee, subcontractor, or agent who is found in violation of this policy will be removed and barred from PACCAR's premises.

7. Compliance with PACCAR's environmental procedures. If Supplier encounters or becomes aware of any environmentally related issues including, but not limited to (a) the release or substantial threat of release of a hazardous substance, (b) the discovery of materials or substances of unknown origins on or under the premises, or (c) the discovery of any underground storage tank, and/or similar occurrences, then Supplier shall immediately notify PACCAR. With the exception of appropriate emergency actions necessary to prevent or contain the spread of hazardous substances, Supplier shall not take any action in respect of such environmentally related issue without first obtaining PACCAR's written authorization. Supplier shall indemnify and hold harmless PACCAR, its divisions, subsidiaries, and affiliates, their officers, directors, agents, and employees from every claim, damage, loss, liability, action or cause of action, complaint, or suit, whether or not groundless or fraudulent for bodily injury, sickness, disease, or death or damage to property arising out of any breach of its obligations to comply with PACCAR's environmental procedures.

8. Subcontracts. Unless PACCAR approves in writing, Supplier shall obtain the agreement of every subcontractor to be bound to these terms and conditions.

9. Separate Contracts. PACCAR shall have the right to let other contracts in connection with this and other work and Supplier shall (a) afford other vendors or contractors opportunity for the execution of their work and (b) properly connect and coordinate its work and theirs.

10. Use of Premises. Supplier shall confine its equipment, the storage of materials, and the operations of its workers to limits indicated by law, ordinances, or permits, and shall not unreasonably encumber the premises. Before storing any materials or equipment, Supplier shall obtain PACCAR's clearance designating the location and space for such storage.

11. Permits and Regulations. Before commencing work, Supplier shall supply or obtain all necessary building permits and other necessary permits and licenses. If Supplier is unable to procure necessary permits, PACCAR may (a) cancel the Contract without any liability whatsoever, or (b) procure the permits with the costs to be deducted from the Contract Sum. Supplier shall comply with all standards and regulations of the Occupational Safety & Health Administration.

12. Cleaning Up. Supplier shall (a) keep the premises free from accumulations of waste material or rubbish caused by its employees or work, (b) remove all rubbish, implements, and surplus materials from the premises and (c) leave the premises broom clean.

13. Taxes. Supplier agrees that, unless otherwise indicated in the Contract, the Contract Sum (a) does not include any state or local sales, use, or other tax from which an exemption is available, and (b) includes all other applicable federal, state, and local taxes. Supplier agrees to accept and use tax exemption certificates when supplied by PACCAR if acceptable to the taxing authorities. In case it shall ever be determined that any tax included in the Contract Sum was not required to be paid by Supplier, Supplier agrees to notify PACCAR and to make prompt application for the refund thereof, to take all proper steps to procure the same and, when received, to pay the same to PACCAR.

14. Affordable Care Act Compliance. Supplier represents and warrants that with respect to any services provided to PACCAR it complies, and covenants and agrees that it will continue to comply at all times during the term of the Agreement, with all applicable provisions of the Affordable Care Act and the Reconciliation Act, including, without limitation, the provisions relating to shared responsibility for employers to offer "minimum essential coverage" to "full-time employees" (as those terms are defined in section 4980H of the Internal Revenue Code ("Code")), and the applicable employer information reporting provisions under Code §§6055 and 6056). Supplier and PACCAR agree that for all purposes including the Affordable Care Act and Reconciliation Act: (i) Supplier is the common law employer (as defined in Treas. Reg. §31.3401(c)-1(c)) of its employees providing services to PACCAR, and (ii) Supplier will not take any contrary position with respect to the foregoing, including, without limitation, before any regulatory agency or in any court proceeding. Although the parties agree that Supplier is the common law employer of its employees providing services to PACCAR, the parties also agree that Supplier's offer of group health coverage in compliance with the Affordable Care Act satisfies the requirements of Treas. Reg. §54.4980H-4(b)(2) and may be treated as an offer of coverage by PACCAR for all purposes of Code §4980H. Supplier shall require any sub-Suppliers providing services pursuant to the purchase order to comply with this section. Supplier shall provide PACCAR with evidence of Supplier's compliance, and any sub-Supplier's compliance with this section upon PACCAR's request.