

GBR PAVING PAYMENT TERMS



Below are four reasons why we collect payment within 30 days.

Project Cost Coverage

Progress payments provide a regular stream of income, unlike a final payment at the end of the project. This allows **GBR PAVING** to cover day-to-day expenses and keep the project moving forward. As work progresses, **GBR PAVING** incurs costs for materials, labor, and other project-related expenses. These costs are usually due upfront or on a weekly basis. Progress payments help us recoup these costs and ensure we have the necessary funds to complete the work while also allowing **GBR PAVING** to pay employees and suppliers on time. Additionally, **GBR PAVING** implements a 10% retention rate upon final payment, which enables our clients to receive a 30- to 60-day net payment term upon submitting a credit form for **GBR PAVING** to approve.

PRELIMINARY NOTICE: In California, contractors who are not in direct contract with the property owner, such as subcontractors and suppliers, need to send preliminary notice, also known as a "20-day notice," to protect their right to file a mechanics lien in case of nonpayment. This notice informs the property owner, the general contractor, and often the construction lender, that they are working on the project and could potentially file a lien.

Owner Assessment

Progress payments allow owners to review and verify the quality and progress of the work before making a final payment. This reduces the risk of disputes and ensures the project is completed to their satisfaction.

Reduced Financial Risk

By receiving payments throughout the project, **GBR PAVING** reduces the risk of financial strain or potential bankruptcy if the project encounters unexpected delays or issues. When suppliers are not paid, our 30-day credit accounts may be shut down or placed on hold until payment is satisfied, which also can cause delays in work completion in case more materials are needed.

"Under the Mechanics' Lien Law" (California Code Civil Procedure, Section 1193, 3097, 3098) any contractor, sub-contractor, laborer, supplier, or other person who helps to improve your property but is not paid for this work or supplies, has the right to force a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, but the sub-contractor, laborer or supplier remains unpaid.

Improved Communication

The process of submitting and reviewing progress payments encourages open communication and collaboration between the owner and **GBR PAVING**, which can help resolve potential problems early on.

PAYMENT TERMS & CONDITIONS

Schedule of Payments "The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services supplied in each phase, along with the amount of each proposed progress payment. It is against the law for a contractor to collect payment for work not yet completed, or for materials not yet delivered. However, a contractor may require a down payment."

PASS OR NOT AN INSPECTION IS NOT A CONDITION OF MISSED PAYMENT ON SCHEDULE

If the work does not pass, it will be corrected. Progress payments and Change orders must be paid as agreed on time before continuing any work.

Full payment is DUE and payable upon job completion or upon contract agreement with **GBR PAVING** credit approval.

Customer agrees to pay court costs and reasonable attorney's fees including collection expenses in the event of delinquent payment.

After all, our partial work is completed, any **UNPAID INVOICE 30 days late, voids any WARRANTY** and unpaid amount will be subject to a monthly interest of 2.5% monthly financial fee plus \$65.00 late payment per month on unpaid balances. Invoices are considered paid when payment check is cleared into **GBR PAVING** bank's account.

Customer agrees that if PAYMENTS are not furnished as scheduled **GBR PAVING** can stop any work in progress until payment is received; after a 90% payment is received 10% of the Total payment, can be retained until job is completed.

ALL PAYMENTS SHALL BE MADE UPON THE PRESENTATION OF A BILL ON THE DAY THEY HAVE ACCRUED. PAYMENTS MAYBE MADE AT THE JOBSITE OR AT THE OFFICE BY APPOINTMENT.

Sincerely,

WILLIE RESENDIZ

President

willie@gbrpaving.com

*We specialize in providing
SERVICE SOLUTIONS
Tailored to your exact needs!*