



STRONGHOLD ENGINEERING INC

BUILDING CONSTRUCTION EXCELLENCE SINCE 1991

STRONGHOLD SUBCONTRACTORS' BILLING PROCEDURES & REQUIREMENTS

This information contains requirements that Subcontractor will need to comply with, to prepare monthly billings and facilitate Subcontractor receiving prompt payment. To expedite the payment process, the following requirements must be met: Please visit our website:

www.strongholdengineering.com/ for all subcontract billing forms: Schedule of Values, Payment Request Form, Lien Releases, and all general forms. In this exhibit, "Subcontractor" refers to your company and "Contractor" refers to Stronghold Engineering, Inc.

Subcontractors' Monthly Billings will be deemed compliant if it meets the following:

- Billings must be submitted on Stronghold template Payment Request Form, Schedule of Values listing scope of work items and values of each should be included, along with providing all required lien releases. These forms may be downloaded at www.strongholdengineering.com/prequalification-requirements-and-forms/
- Subcontractor **must** obtain approval from Stronghold Project Manager, approving the pencil draft of Subcontractors billing, **no later than the 22nd of the month**, prior to submitting invoice to Accounting and Stronghold Project Managers email.
- Final billings **must** be completed and **submitted by the 25th of the month**; projecting the work complete through the end of the month. Billings must be submitted through **e-mail** only to Stronghold Accounting department's email address: subcontractspayable@teamsei.com and Stronghold Project Managers email.
- **Retention will be based on executed contract.** Please refer to your contract for the retention percentage and/or if you are exempt from retention. Subcontractors' net dollar amount (#10 on Stronghold pay app.) must match the dollar amount on Subcontractors' conditional lien release.
- All pay requests **must** state Stronghold Engineering's Job number for the job you are billing for, which can be found on the first page of your subcontract agreement.
- Billing for **approved** work will only be accepted. Change orders cannot be billed until Contractor has issued a Change Order. Invoices that include unapproved change orders will be returned to Subcontractor and Contractor will not bill on Subcontractor's behalf for unapproved CO's.
- Pay requests **must** be accompanied with an appropriate conditional lien release for Subcontractor for month of current pay request, along with an unconditional lien release for Subcontractor for previous month of current pay request.
- Conditional lien releases for current month for Subcontractors Suppliers **must** be submitted as soon as possible following the last day of the month, along with Suppliers unconditional lien releases for previous month of current pay request.
- Unconditional releases are **required** if payment has been received or if there was no billing submitted in previous month of current pay request. If Subcontractor has not received payment for previous pay app, unpaid amounts must be listed in 'exceptions' on conditional release.
- If Stronghold job is outside of California, please use appropriate releases for the State of the job location. The State specific releases can also be found on Stronghold's website.
- Invoice from Subcontractor **must** be correct in its entirety from previous pay application and schedule of values. Previously approved completed-to-date values must be properly reflected in

subsequent pay-applications and schedule of values under 'From Previous Applications' (Column D), among other items that must be accurate.

- Subcontractors' and Sub-Tiers (if applicable), labor compliance **must** be approved for the month of Subcontractors billing, unless Subcontractor or Sub-Tier is exempt from compliance requirements. Please submit all compliance documents to laborcompliance@teamsei.com.

Prior to payment being made to Subcontractor the following must be received by Contractor:

- a) Executed Subcontract Agreement.
- b) Compliant certificate of insurance for Subcontractor and any Sub-Tiers, to be submitted to our office and submitted to vicky@teamsei.com
- c) Labor compliance required documentation for Subcontractors and all Sub-Tiers (unless exempt), to be submitted to laborcompliance@teamsei.com
- d) Affidavit of Supplier/Subcontractor – complete, sign, and return even if you will not have any tiered Subcontractors and/or Suppliers.

Prior to issuing final payment, Subcontractor must perform the following:

- a) Submit all plans and specs, warranties, guarantees, manuals, record drawings and technical data, as required by the specifications in the quantities indicated to the Contractor.
- b) Leave the premises free of all liens and claims chargeable to the Subcontractor.
- c) Subcontractor must submit a retention invoice with all appropriate final lien releases.

Thank you,

Subcontracts Accounts Payable

Stronghold Engineering, Inc.

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(951) 367-4624 | Fax

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