



October 5, 2021

Dear Valued Vendors,

At Parakeet Communities we are continuing our effort to enhance our systems and improve efficiencies in 2021, so please review the below guidelines we are now implementing. We need your continued cooperation in order to ensure timely processing and ensure payment procedures are being followed. The process outlined below was designed to be mutually beneficial for both our company and **"YOU"** our valued vendors.

Please read the below and share with your employees to guarantee better communication and a smooth transition for all:

- ▶ Invoices received need to be date stamped and will require an inspection, by the appropriate Parakeet Communities employee to verify accuracy and completion of all work assigned per the terms of the estimate **"approved by both parties in advance"**. Failure to get approval in writing prior to work commencing could result in failure to get paid. All invoices over \$500 require a bid previously approved and signed by Parakeet Communities. Any estimate for work over \$1000.00 requires the approval and signature of the Regional Manager or Facility Manager. If you fail to get written approval from RM or FM, you will not be paid for work. Please protect your interests and ours by maintaining these procedural guidelines.
- ▶ Invoices must be submitted within **5 days** from the date the work was completed. We are too often getting invoices several weeks after the invoice date. This not only affects processing time which may delay the receipt of payment, it interrupts our budget schedules which could limit cash flow for future work assigned.
- ▶ Invoices submitted for payment should be dated **after the work** is completed never before. All invoices should be emailed to accounting@parakeetcommunities.com along with a copy of the approved estimate, before and after photos (if work is being done underground or behind walls, progress photos are required) as well as a signed notarized waiver for any invoice \$3,000 or more. If you send an invoice without the required documents this will delay the payment process. You will be asked to re-submit your invoice with proper documents attached and then the clock starts with that date when corrected. This helps to avoid any unnecessary delays in payment upon the absence of the community manager for any reason. It is preferred, but not mandatory, that an agent from your company be present with the manager when conducting final inspections of work performed. This is subject to scheduling limitations. The CM may perform inspections without your agent present and send approved invoices to the Accounts Payable Department for processing. However, if work is incomplete or substandard, the invoice will be held. Notification via email will be sent to you from the AP department with supporting details for further action required before the invoice can be approved for processing and payment. Until you return to correct or complete the deficient items, we cannot move forward. Furthermore, failure to complete these items within 7 days of notification, you will be required to re-submit your invoice with the revised date for completion.
- ▶ Contractors should send a copy of the monthly statement showing outstanding balances to the Community Manager with a cc to our AP Representative every month until corrected. If we are missing an invoice, we will request an invoice be emailed to us instead of the statement. We will **only** pay from an invoice. **Please do NOT contact our RM or CM; they have been instructed that ONLY Accounts Payable is authorized to deal with issues relating to invoicing.**
- ▶ Invoices are paid on a net 30 day basis from the date of invoice unless approved in writing by RM or CEO in advance of work being done. If you do not receive payment within 45 days of an invoice being submitted, it is **your responsibility** to contact AP or RM to inquire about payment status.
- ▶ All invoices **must have your company stamp (letter head) to include your address and contact information**. It is our policy that if hand-written invoice is submitted we will have to reject it until new invoice submitted properly. For timely payment, all invoices submitted must include the following: date, the work that was completed, lot number, (if required) community name clearly stated, breakdown of materials, equipment, and labor (**no lump sum totals**) and an invoice number for reference. The project number you were given with your approved bid/estimate must also show on the invoice. Additionally, a brief but detailed description of all work completed with itemized cost of materials and labor. We can no longer pay invoices which provide only total charge without associated costs itemized as charge detail. Invoices received

which do not include all required information will be returned. (Good Example: Cut tree down at Lots 138, 142-stumps ground and all hauled away).

- ▶ Insurance MUST be presented and approved by our RM/FM and/or AP Department prior to any work being started. Please maintain all required insurance to avoid interruption when completing work for Parakeet Communities. **Please mail the insurance certificate to our Corporate Office - Attn: Accounts Payable. Lien Wavers are required to be notarized. Please submit lien waivers with all invoices exceeding \$3,000.00.** All vendors are required, prior to commencement of work, to provide Parakeet Communities with a signed list of all subcontractors the vendor intends to use on a project. The vendor as well as the subcontractors is required to provide lien waivers prior to releasing payment to a vendor.

A current Form W-9 must be on file with our AP department, or you will not receive payment. Please complete this form and email to accounting@parakeetcommunities.com before beginning work.

Insurance must be presented and approved by our AP department prior to any work being started. Our insurance requirements are follows:

- i. Workers Compensation and Occupational Disease Insurance – Employer’s Liability in an amount of not less than \$1,000,000
- ii. Commercial Liability Insurance (Primary) written on an occurrence of \$1,000,000 with a per project aggregate amount of not less than \$2,000,000.

- ▶ All checks will be sent by regular mail. We will not send via Fed-Ex or UPS. Unless otherwise approved in writing by a RM or authorized representative or CEO.

Please contact our AP department with questions or concerns related to outstanding invoices and payment status. Thank you for your cooperation and we look forward to a mutual and continued partnership. This letter MUST be signed and on file with us before ANY work can commence in our communities. By signing you are confirming receipt and acknowledge Parakeet Communities Invoicing Procedures and Guidelines. Please sign and return to our Corporate Office:

Parakeet Communities

Attention: Accounts Payable Department
10221 River Road
Suite 59831
Potomac, MD 20859

to avoid any disruption to your active vendor status. No work will be authorized until we receive your signed acknowledgement. Thank you for your cooperation in this matter.

Sincerely,

Austin Berk
CEO
Parakeet Communities

Please sign below confirming the receipt and acknowledgement of Parakeet Communities - **Invoicing Procedures and Guidelines 2021**

Company Name

Signature of Authorized Agent

Name of Authorized Agent

Date

Title

Please return this form to: Accounts Payable Department
Email: accounting@parakeetcommunities.com

