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Credit Policy

Terms: The following are the three approved Credit Terms offered by the Sabre Group

Levels

A. C.O.D.

- C.O.D. must be paid by cash, credit card, debit at time of rental and/or purchase

B. Net 10

- Maximum \$1,000 limit without approval from Manager
- Valid credit card on file which is processed automatically on the 10th of the month following the incurred charges, as per the end of month statement
- If, during the month, the credit limit is exceeded, customer will be contacted for payment of outstanding balance (Net 25 Trade Credit may be suggested)
- To qualify, customer's account must remain in good standing
- If no activity for 6 months, customer will be downgraded to C.O.D.

C. Net 25 - Trade Credit

- Credit limit to be established by credit department (see below), maximum initial credit limit not to exceed \$10,000 without Manager's approval
- Customer qualifies for Net 25 terms through Sabre standard credit application
- Customer must qualify as "Pays Within Terms," for two or three listed vendors
- Customer's account must remain in good standing
- If no activity for 6 months, customer will be downgraded to Net 10

Credit Limit

- C.O.D. (credit card) and Net 10 have a credit limit of \$1,000. Manager reserves the right to increase or decrease each customer's credit limit based on review.
- Customers desiring trade credit must complete, sign and submit a credit application. The required information on the credit application includes your business bank, three current trade references, and ownership information. Once we receive the completed credit application, Sabre will contact the listed references. It generally takes five working days to process the Credit Application. The process will take longer than five days if the information submitted is inaccurate, incomplete or if the listed references do not respond promptly. Net 25 terms will be established by taking 80% of average credit given by a minimum of two creditors reporting from customer's credit application
 - Example: Listed Vendor A reports a credit limit of \$4,500, Vendor B reports a credit limit of \$5,000 and Vendor C reports a credit limit of \$3,625. We would establish a credit limit of \$3,500 ($\$4,500 + \$5,000 + \$3,625 = \$13,125 / 3 = \$4,375$ (average), $\$4,375 * 80\% = \$3,500$)

Credit Hold

- Any invoice 90 days or more past due will cause the account to be placed on credit hold. No current orders will be processed, and no future orders will be accepted until the account is placed back in "Active," and good standing status by Accounts Receivable.
- Any account over established credit limit. No current orders will be processed, and no future orders will be accepted until the account is paid down or has been approved for a credit increase through the credit application process, or by the Manager.

Downgrade of Terms

- Any account that is placed on credit hold twice in a six month period, will be downgraded one level.
- Example: Customer A has been placed on credit hold for past due invoices twice in the last six months. They had Net 10 terms with a \$1,000 credit limit. All orders will now be processed as C.O.D.
- With a new three month history of maintaining account in good standing, account can qualify for Net 10 terms again.

Collection Action: The following is our collections procedure:

A – Contact customer

- Contact customer within 10 days of due date to confirm receipt of all necessary documents and confirm invoice will be paid on time.

B – Follow up call

- If payment is not received within the next 10 days, contact will be made to update account on anticipated date of pay.

C – Credit hold

- If amount due goes an additional 15 days or more past due, account will be placed on Credit Hold, and customer will be informed.

D – Management contact

- If entire amount due is not received within 15 days of Credit Hold, Sabre management will contact customer management
- If management is not satisfied with the customer's effort made to reconcile the account we will proceed to collections
- If management deems that there is no interest to pay, we will proceed to collections

E – Collection letter

- If entire amount due is not received within 15 days of Management contact, a collection letter will be sent to customer demanding payment in full, reminding them of our collections policies and penalties, and informing them that account will go to a collections agency if the amount is not paid in full within 15 days.

F – Collection Agency

- If entire amount due is not received within 15 days of issuing Collection letter, the account will be turned over to Sabre collections agency for reconciliation. If collection is required for any invoice, the customer agrees to pay for all costs of collection, including attorneys' fees, travel expenses and court and witness fees and costs.

My signature below indicates I have read both pages of the Sabre Group Credit Policy and agree to abide by the terms and conditions stated therein.

Name: _____

Title: _____

Signature: _____

Date: _____

Yes, I would like to receive Marketing materials on occasion