



HANDY LEGAL DOCUMENT FOR THE CONTRACTOR'S TOOL BELT

Cover Letter for Payment Application and Lien Waiver

When progress payment applications are submitted, there are often outstanding claims not included. For example, there could be work performed but not yet billed, pending change order requests or extended general conditions. When that happens it is important to clearly note on the pay application that other claims are outstanding and not included. In addition to the pay application, it is critically important to carefully review the accompanying lien waiver to see if it has now common language waiving all claims for work or events up to that date. If it does and there are any potential outstanding claims, they should be specifically noted on and excluded from the lien waiver. Along with the critical specific notations on the pay application and lien waiver, another safeguard is to include language in a **cover letter** sending the pay application, such as the one shown below, to help later if there is a dispute as to whether or not the pay application or lien waiver covered all claims up to that date.

CONSTRUCTION COMPANY LETTERHEAD
[DATE]

[NAME]
[COMPANY]
[ADDRESS]

Re: [PROJECT NAME AND LOCATION]

Dear [PRIME CONTRACTOR, OWNER or ARCHITECT]:

Attached is our Pay Application Number _____ for this Project along with supporting documents. If you need anything additional from us related to this Pay Application, please let me know. Also, please advise if you have any questions on anything included in this Pay Application or with the Project in general. **CONTRACTOR reserves its rights to seek compensation in the future for amounts, events, delays, change order requests or work that may be currently accruing, ongoing, pending or unknown and nothing that is included with this correspondence is intended to waive any of those claims.**

Thank you for your attention to this.

Sincerely,

CONTRACTOR

If you have any questions about this or implementing this pay application cover letter as a part of your Contractor's Tool Belt, please let us know. For additional information, visit www.alabamaconstructionlaw.com.

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