

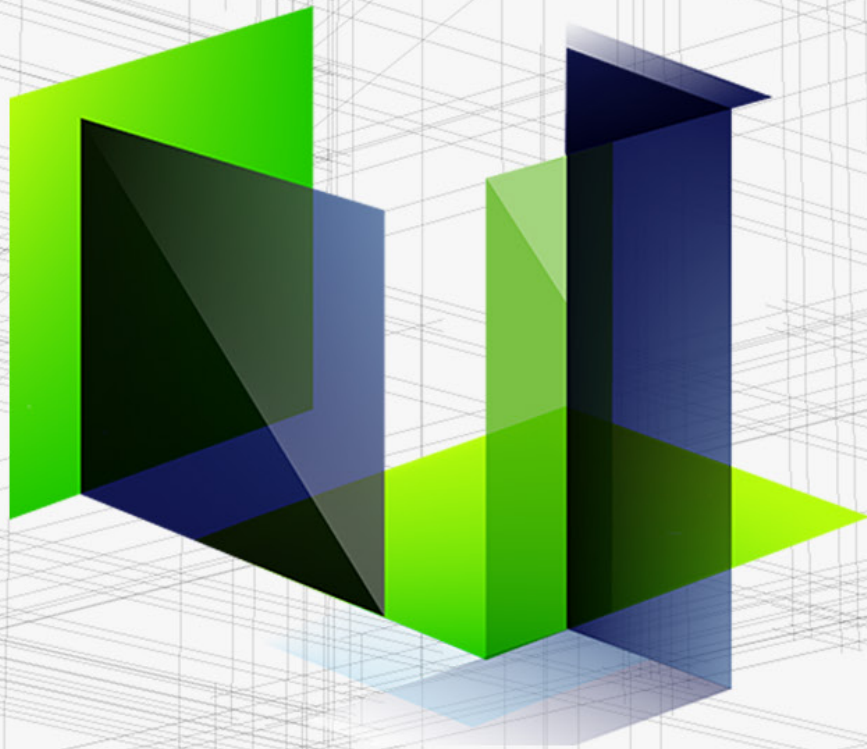
CONFERENCES & WORKSHOPS



CONSTRUCTION LEGAL FORUM

OCTOBER 27, 2026

Cerritos, CA



Welcome to Atkinson, Andelson, Loya, Ruud & Romo's 2025 Construction Legal Forum. AALRR is pleased to provide an insightful half-day of legal and industry presentations addressing today's construction challenges for the private sector.

It's important for construction professionals and contractors to stay informed and adapt to the changing landscape of the regulatory authorities and protect their organization at every level. Contractors and their associations were among AALRR's original clients when the firm was founded in 1979. Our construction attorneys have been recognized statewide and nationally as top lawyers in their field.

AALRR welcomes mid-day guest speaker Todd Bloomstine, a veteran legislative advocate who has spent 25 years representing the interests of California's construction industry.

Attending the AALRR Construction Legal Forum is an investment in your professional development and can enhance your ability to navigate the complex legal landscape of the construction industry. It also provides a platform to learn, network, and stay informed about legal issues that can significantly impact your work. The 2026 Forum promises to be an informative program aimed at addressing the timeliest legal topics in the construction industry.

We thank each of you for attending.

2026 Construction Legal Forum Committee

AGENDA & TABLE OF CONTENTS

SESSION & TITLE	TIME	PAGE#
Welcome and Introduction Anthony Niccoli, Partner	8:00-8:15am	1 - 3
Session One: <i>Public Works Compliance: Prevailing Wage, Apprenticeship, and Skilled Workforce Updates</i> <i>Speaker:</i> Steve Araiza, Of Counsel	8:15-9:15am	4 - 6
Session Two: <i>Keeping Ahead of Cal/OSHA</i> <i>Speaker:</i> Jonathan Vick, Partner	9:15-9:45am	7 - 15
Session Three: <i>Construction Change Orders: New Laws and Practical Implications</i> <i>Speakers:</i> Bryce Chastain & Anthony Niccoli, Partners	9:45-10:30am	16 - 18
BREAK – 15 Minutes		
Session Four: <i>Labor Law Update: Key Developments and Employer Compliance Strategies</i> <i>Speaker:</i> Thomas Lenz, Partner	10:45-11:15am	19 - 26

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Session Five: <i>Alternative Construction Project Delivery</i> Speakers: Bryce Chastain, Hal Block, Partners, & Randy Parent, Of Counsel	11:15-12:00pm	27 - 43
BREAK/LUNCH – 30 Minutes		
General Session/Guest Speaker: <i>Guest Speaker: Todd Bloomstine</i>	12:00-1:15pm	44 - 51
Session Six: <i>Buying and Selling a Construction Company</i> Speakers: Cindy Strom Arellano, Partner & Evan J. Gautier, Senior Associate	1:15-1:45pm	52 - 61
Session Seven: <i>Construction Liens: Protecting and Enforcing Your Right to Payment</i> Speaker: Anthony Niccoli, Partner	1:45–2:30pm	62 - 91
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Introduction & Welcome

Presented by:

Anthony Niccoli, Partner

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SESSION ONE

The Latest on Prevailing Wage, Apprenticeship, and Skilled and Trained Workforce Requirements

Presented by:

Steve Araiza, Of Counsel

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SESSION TWO

Keeping Up with Cal/OSHA Compliance

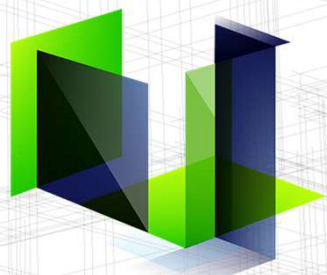
Presented by:
Jonathan Vick, Partner

aa/rr Atkinson, Andelson
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**KEEPING AHEAD OF CAL/OSHA:
Here's some new stuff.....**

PRESENTED BY:
Jonathan Vick, Partner

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Riverside • Sacramento • San Diego • Westlake Village



NEW **FIRST AID** EMPLOYER DUTIES & ACTION ITEMS

- Status/action: The Standards Board approved the revisions in September 2026; final OAL/Secretary of State processing remained pending as of October 19.
- Revisions address Title 8 Sections 3400 (Medical Services and First Aid-General Industry) and Section 1512 (Emergency Medical Services-Construction)
- Purpose is to facilitate employer compliance and reduce costs by harmonizing the requirements for the first-aid kits with the 2021 ANSI Standard.

GENERAL INDUSTRY EMPLOYERS (SECTION 3400)

Significant revisions to Section 3400:

- Replaces current physician-approved first-aid materials framework with an alternative compliance approach.
 - Kit contents
 - Access/Communication
 - First Aid Guide
 - Workplace evaluation
 - Chemical injury supplies



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COMPARISON OF OLD RULE AND NEW RULE – GENERAL INDUSTRY

Topic	Existing Rule	New Rule
Kit Contents	Adequate First Aid materials must be readily available. No requirement for first-aid "kits". No mandatory first-aid guide.	Employers may use an ANSI/ISEA Z308.1-2021 Class A compliant kit <u>OR</u> have contents determined by a physician/other licensed healthcare professional. Include ANSI-based first aid guide or guide selected by healthcare professional.
Physician Approval	General industry typically required first-aid materials approved by a consulting physician.	Physician approval is no longer the sole compliance path. ANSI-compliant kits are sufficient.
Number of Kits	No detailed hazard-based evaluation requirement.	Employers must evaluate employee locations and workplace conditions/hazards to determine whether additional kits are needed.
Location of Kits	First-aid supplies had to be available, but no express location-marking requirements.	Employers must communicate kit locations and, where feasible, identify them with signage or labeling.
Hazard Assessment	Focused on maintaining supplies.	Employers must assess workplace-specific hazards and provide specialized supplies where necessary.
Inspection/Replenishment	Supplies generally had to be maintained in serviceable condition.	Explicit emphasis on inspection and replenishment of supplies as needed.



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CONSTRUCTION INDUSTRY EMPLOYERS (SECTION 1512)

Revisions to Section 1512

- Section 1512 contains a detailed list of first-aid requirements so, changes are less extensive.
- Existing requirements for training first-aid personnel, emergency communications, washing facilities, emergency call systems and written emergency medical service plans remain unchanged.
- Principal changes:
 - “Sufficient number” based on need to access.
 - “Readily available” and must be communicated.
 - ANSI-based first-aid kits or authorized licensed healthcare professional.

COMPARISON OF OLD RULE AND NEW RULE – CONSTRUCTION INDUSTRY

Topic	Existing Rule	New Rule
Kit Contents/Physician Approval	Contents dictated by Section 1512 and licensed physician.	Employers may use either an ANSI/ISEA Z308.1-2021 Class A compliant kit <u>OR</u> rely on contents determined by an employer-authorized physician or other licensed healthcare professional.
First- Guide	Existing mandatory first-aid manual.	Kits must include an ANSI-based first-aid guide or guide selected by an employer-authorized licensed healthcare professional.
Number of Kits/Location	No express requirement for first-aid kits to be “readily available” for use by employees and no express requirement for communication/signage.	Express requirement for first-aid kits to be readily available.. Employers must communicate kit locations and, where feasible, identify them with signage or labeling.
Hazard Assessment	No express hazard-assessment required or requirement of specialized supplies for unique hazards.	Employers must assess workplace-specific hazards and provide specialized supplies where necessary. Must evaluate hazards and need for sufficient number of kits.
Inspection/Replenishment	Kits must be inspected regularly.	Kits must be checked when kit is put into service and ensure that any expended items are promptly replaced.



TO DO LIST

No changes are required unless and until final rule takes effect. Employers should assess the following:

- ✓ First aid kit contents. Evaluate workplace to determine if “unique, reasonably anticipated, and potentially workplace hazards” exist.
- ✓ How to communicate the location of kits to employees and provide signage.
- ✓ Standards Board explained proposal intended for employees to have access within 3-4 minutes based on Fed/OSHA guidance. Board removed specific time and inserted “ready access” and “readily available.” This will impact number of and location of kits.
- ✓ If chemical injury response is likely, consider appropriate supplies.
- ✓ Evaluate workplaces to determine whether additional first-aid kits, supplies, or specialized equipment are necessary based on employee locations and workplace hazards.

Cal/OSHA **ENGINEERED STONE** PROPOSAL

- Status: The Standards Board granted Petition 609 in part and directed Cal/OSHA to pursue expedited rulemaking. The proposal is not yet final.
- Core proposal: Prohibit fabrication and installation tasks that generate dust—such as cutting, grinding, and polishing—on engineered/artificial stone containing more than 1% crystalline silica by weight.
- Reason for change: Cal/OSHA cites the rapidly increasing number of severe silicosis cases among artificial-stone fabrication workers and concerns that existing controls alone are not preventing disease.

ENGINEERED STONE: CURRENT DUTIES & WHAT TO WATCH

- Current rules still apply: Until a new rule is adopted, employers must continue complying with Title 8 CCR §5204, including effective wet methods, regulated areas, required respiratory protection, medical surveillance, training, housekeeping controls, and no dry cutting.
- Implementation issues: Watch for the final product definition, treatment of installation and minor fit adjustments, effective date, transition period, existing inventory, and any exceptions.
- Employer action: Verify supplier silica-content data, identify lower-silica alternatives, review contracts and inventory, and maintain full compliance with existing silica controls.



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NEW SAFETY BILLS

AB 2321: Cal/OSHA Bureau of Investigation (BOI)

- BOI must “promptly” investigate cases within its jurisdiction and provide a rationale for declining to investigate or refer to the District Attorney for prosecution.
- DOSH must notify appropriate prosecuting authority of a fatality, serious injury or exposure affecting five or more employees or a Division representative’s request for prosecution.
- First responders at these incidents must notify DOSH and county prosecuting authority.
- DOSH can disclose confidential company information to prosecutors and law enforcement.
- Effective January 1, 2027.



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NEW SAFETY BILLS

SB 1046: Requires Cal/OSHA to propose a standard to protect outdoor workers along the southern border from “transboundary” pollution originating from Mexico.

- 4 years to propose a standard.
- Applies to lifeguards, park rangers and other employees Cal/OSHA deems to be at high risk working within a 10-mile radius of Tijuana River Valley Regional Park, Tijuana Slough Wildlife Refuge; Tijuana River and The New River.
- Tijuana River carries millions of gallons of untreated sewage and waste across the border daily.



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RULEMAKING IN PROCESS

- Workplace Violence standards in healthcare—install weapons detection systems.
- Construction Personnel Hoists (Section 1630)
- Heat Illness [Sections 3395/3396]
- Bracing for rebar sections [Section 1711]



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NEW **WALKAROUND** REGULATION (Proposed)

- Addresses who can accompany inspectors on workplace visits.
- Implements federal regulation on who can be considered a “representative” for purposes of accompanying a Cal/OSHA inspector. Employees in a non-union workplace can designate a representative to “assist” in inspections.
- Could this allow third parties such as plaintiff attorney or a union representative in a non-union shop if chosen by employees?
- Federal regulation is currently being challenged.



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10 **MOST CITED** STANDARDS

1. 3203 IIPP
2. 3395 Outdoor Heat
3. 1509 Construction IIPP
4. 342 Serious Injury Reporting
5. 3314 Hazardous Energy
6. 5144 Respiratory Protection
7. 5194 Hazardous Communication
8. 1512 Emergency Medical Services
9. 5204 Exposure to Respirable Crystalline Silica
10. 6151 Portable Fire Extinguishers



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Q&A

Do you have any questions?

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THANK YOU!

For questions or comments, please contact:

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SESSION THREE

Construction Change Orders: New Laws and Practical Implications

Presented by:

**Bryce Chastain & Anthony Nicolli,
Partners**

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SESSION FOUR

Labor Law Update: Key Developments and Employer Compliance Strategies

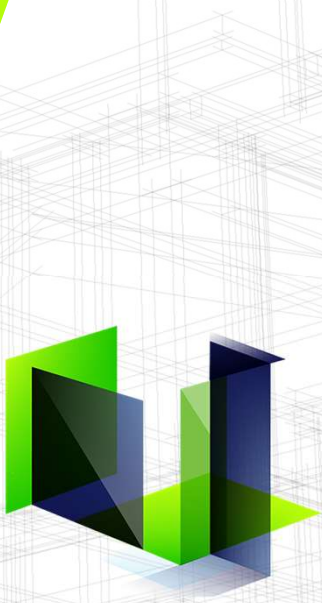
Presented by:
Thomas Lenz, Partner

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LABOR LAW UPDATE
AALRR CONSTRUCTION LEGAL
FORUM

PRESENTED BY:
Thomas Lenz, Partner

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Thomas Lenz, Partner

Meet Tom

- Thomas Lenz is a Partner practicing labor and employment law from the Firm's Pasadena office
- Serves in a general counsel capacity for many organizations
- He began his career at the National Labor Relations Board in Los Angeles
- Graduated from Marquette University (BA) and the Louisiana State University Law Center (JD)
- Active with California Lawyers Association
- Teaches at the USC Gould School of Law

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TOPICS

- NLRB AND STATE LABOR LAW DEVELOPMENTS
- GENERAL COUNSEL POLICIES
- LINGERING IMPACT OF CEMEX AND THYRV CASE DECISIONS
- PROJECT LABOR AGREEMENTS AND RELATED POLICY DEVELOPMENTS
- UNION ORGANIZING AND RELATED STRATEGIES
- PROPOSED LEGISLATION
- THINGS CONSTRUCTION EMPLOYERS SHOULD BE THINKING ABOUT



National Labor Relations Board (NLRB) developments

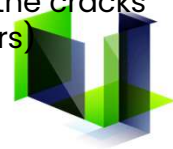
- NLRB now has a majority appointed by President Trump
- As litigated cases reach the Board panel there will likely be changes in legal standards affecting both unionized and non-union construction businesses
- Union organizing
- Scope of protections for employee activity
- Employer communications about unions
- Impact of construction labor agreements
- Legality of picketing and other pressure campaigns
- Workplace policies
- Other





State Labor Law Developments

- California and other states have enacted legislation purporting to fill gaps left by NLRB
- This includes “gag laws” intended to forbid mandatory meetings related to union organizing
- And “trigger laws” intended to channel labor disputes covered by federal law into the state system
- Courts have been striking down these laws
- But there are some nuances to be aware of, particularly for workers who fall through the cracks (“independent contractors” among others)



NLRB General Counsel policies

- New NLRB General Counsel was a management-side attorney
- Changing course from the heavily pro-union agenda of the previous Administration
- Day to day policy has changed how cases are investigated to weed out bad and weak cases without burdening accused parties (usually employers)
- Making it easier to settle cases
- Easier to comprehensively address cases through grievance-arbitration rather than letting NLRB have a second bite at the apple
- Freeing up employers to enact workplace rules unless clear interference with employees' labor law rights

Cemex ruling lives on – but for how long?

- **Cemex ruling threw NLRB's election process and employees under the bus where an employer receives a recognition demand from a union**
- **Union can become legal representative of employees without an election or generally required proof that a majority of employees support the union**
- **Employer has 14 days to file for an election**
- **If employer is accused of breaking the law the election could be canceled and union forced upon employer and employees**
- **Courts have been lukewarm – Trump NLRB expected to overrule the Cemex rule when the right case comes their way**



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Thryv ruling lives on – but for how long?

- Thryv ruling expanded traditional NLRB remedies
- NLRB remedies are restorative, historically based in actual loss
- No fines or penalties
- Thryv standard allows employees and unions to assert consequential damage claims and expand employer liabilities when accused of unlawful acts
- What is a foreseeable loss such that employer should be liable?
- If employee loses his job and is entitled to backpay should the employee also be entitled to medical expenses for subsequent health issues or a house if mortgage forecloses?
- Trump NLRB and courts expected to grapple with this standard and scale it back



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PROJECT LABOR AGREEMENTS

- PLAs are booming – public, private, all over California
- Legislation encourages PLAs – skilled & trained workforce, etc.
- Important to know the landscape of working on a PLA
- Dealing with Building Trades, CREED, individual unions
- Will you be required to become signatory beyond the PLA scope?
- Federal work – PLAs are not going away – Biden Executive Order stays in effect
- New federal procurement policies comparing prices with and without PLA

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UNION ORGANIZING

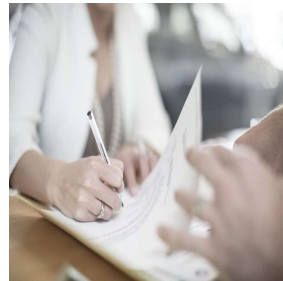
- In construction it's often driven by market forces
- Not as much by disgruntled employees – but it can be
- Some unions still engage in salting
- And stripping away key employees
- Important to train supervisors and managers on do's and don'ts as well as to have a process in place to deal with potential recognition demands and the Cemex rule (mentioned earlier)
- New union chemistries – for example Laborers & Painters partnering

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PROPOSED LEGISLATION

- Includes but is not limited to:
- Protecting the Right to Organize Act (aka PRO Act) – a wish-list for unions to overhaul federal labor law and the NLRB
- Faster Labor Contracts Act – a joint effort of Senator Josh Hawley and the Teamsters Union – which would upend the bargaining process and could force employers into labor agreements even when good faith negotiations reached a lawful impasse
- Expect that union master labor agreements would be the guidepost for contracts imposed in the construction industry
- Can your business and market handle that?



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THINGS CONSTRUCTION EMPLOYERS SHOULD BE THINKING ABOUT

- What markets do you serve – or want to serve
- Is there a union presence
- Will you do the work signatory or not
- Will you do PLA work
- Should you have a dual shop and, if so, how to keep it legal
- Staffing – how and where to meet manpower requirements
- Workplace policies
- Management/supervisory training
- What else?



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THANK YOU!

For questions or comments, please contact:

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Q&A

Do you have any questions?

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SESSION FIVE

Alternative Construction Project Delivery

Presented by:
Bryce Chastain and Hal Block,
Partners
&
Randy Parent, Of Counsel



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Alternative Construction Project Delivery

PRESENTED BY:
Randy Parent, Of Counsel
Bryce Chastain, Partner
Hal Block, Partner

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Context and Framework

- Delivery method = risk allocation
- Design Bid Build as baseline
- Risk lens for all methods

Why Delivery Method Selection Matters

- Cost certainty
- Schedule control
- Risk ownership
- Claims exposure



What We Mean by “Risk”

- Design risk
- Cost risk
- Schedule risk
- Coordination risk



Design Bid Build as the Baseline

- Traditional public works model
- Separate designer and constructor
- Illustrates traditional risk allocation



Design Bid Build: How It Works

- Design completed first
- Separate owner contracts
- Competitive low bid



Design Bid Build: Risk Allocation

- Owner bears design risk
- Contractor builds to plans
- Change orders common



DBB: Owner Perspective

- Transparency
- Competitive pricing
- Higher claims risk



DBB: Contractor Perspective

- Reliance on plans
- Limited design control
- Claims opportunities

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When Design Bid Build Makes Sense

- Clearly defined scope
- Low to moderate complexity
- Schedule flexibility
- Owner comfortable managing design risk

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Design Build: How It Works

- Single contract
- Performance based criteria
- Integrated team



Design Build: Risk Shift

- Design risk transferred
- Single point of responsibility
- Reduced coordination risk



Design Build: Owner Pros and Cons

- Faster delivery
- Fewer design claims
- Less design control



Design Build: Constructor Pros and Cons

- Design control
- Pricing risk
- Early commitment



When Design Build Works Best

- Schedule driven projects
- Complex coordination
- Experienced owners



Progressive Design Build

- Two phase procurement
- Collaborative design
- Price set later



Construction Manager as Advisor (CM Agency) Structure

- Owner separately contracts with the architect, CM, prime contractor
- Construction Manager serves solely as the Owner's professional advisor and representative
- CM provides preconstruction, scheduling, estimating, coordination, and construction administration
- Prime contractor remains directly responsible to the Owner for complete construction



Construction Manager as Advisor (CM Agency) Advantages and Challenges

- Advantages
 - Owner control over procurement and project decisions
 - Independent construction expertise and advice throughout design and construction
 - Early constructability review and cost estimating
 - Compatible with traditional Design-Bid-Build procurement
- Challenges
 - Owner retains virtually all risk
 - CM has limited authority over contractor
 - Success depends heavily on owner engagement and experienced project management



Construction Manager Multi-Prime (CMMP) Structure

- Owner contracts separately with multiple prime trade contractors
- Construction Manager coordinates, administers, and monitors all prime contracts
- CM manages schedule, sequencing, logistics, meetings, and pay application review
- Each prime contractor is responsible only for its own scope of work
- CM does not hold the trade contracts or guarantee construction cost
- Owner remains the contracting party for all construction contracts
- Overlap with CMAR if assigning trade contracts to CM



Construction Manager Multi-Prime (CMMP) Advantages and Challenges

- Advantages
 - Increased owner control over trade contractor selection
 - Potential reduction in general contractor markup
 - Greater transparency into trade pricing
 - Flexible procurement and phased bidding opportunities
- Challenges
 - Owner assumes substantial coordination and gap/overlap risk
 - Greater administrative burden from multiple prime contracts
 - Increased potential for scope gaps and trade disputes
 - Requires sophisticated scheduling and project management



Construction Manager at Risk (CMAR) Structure

- Owner contracts with the architect and a single Construction Manager at Risk
- CMAR provides preconstruction services during design
- CMAR later serves as the general contractor during construction
- Construction proceeds under a Guaranteed Maximum Price (GMP) or similar pricing mechanism
- CMAR assumes responsibility for coordinating and managing construction
- Can use hybrid CMMP then assignment of trade contracts to CM



Construction Manager at Risk (CMAR) Advantages and Challenges

- Advantages
 - Single point of responsibility for construction
 - Early CM collaboration
 - Reduced coordination risk
 - Flexible over time – phasing / financing
- Challenges
- Reduced owner control of contractor selection
 - GMP negotiations are complex – more so for hybrid with legal limitations
 - Success depends on collaborative owner-CMAR relationship – flexibility comes with uncertainty
 - Procurement is more complex than traditional Design-Bid-Build – not-counties must carefully thread the legal limits on CM duties



Lease Leaseback: Overview

- Alternative financing structure
- Specific procurement method for school districts



Lease Leaseback: Risk and Scrutiny

- Blurred risk transfer
- Heightened legal scrutiny
- Great flexibility for schools – alternative to CMAR



Comparative Risk Allocation

- No delivery method eliminates risk
- Each method reallocates risk differently
- Owner, designer, and constructor roles shift by method
- Goal: align risk with the party best positioned to manage it



Selecting a Delivery Method

- Project complexity
- Schedule constraints
- Risk tolerance
- Staff capacity



What Owners Often Get Wrong

- Retaining risk unintentionally
- Under resourcing projects



Market Conditions Matter

- Labor availability
- Bid climate
- Contractor appetite



Public Sector Considerations (Supplemental)

- Statutory authority required
- Not all methods available



Permissible Methods by Public Entity Type

- Cities and Counties
 - Design-Bid-Build ()
 - Design Build (Gov. Code §§ 22160–22169)
 - CMAR for Counties (Pub. Contract Code § 20146)
 - CMAR for other SPECIFIED entities (i.e. Pub. Contract Code §§ 22190 et seq. re terminal development project at the Port of Long Beach)
- School Districts (K–12)
 - Design Bid Build (Ed. Code §§ 20111)
 - Design Build (Ed. Code § 17250.10)
 - Lease-Leaseback (Ed. Code § 17406)
- Community College Districts
 - Design Bid Build (Pub. Contract Code § 20651)
 - Design Build (Ed. Code §§ 81700–81709)
- Special Districts
 - Authority depends on enabling statutes
- Statutes change frequently: always verify current law and entity specific authority.



THANK YOU!

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GENERAL SESSION

Legislative Update for the Construction Industry

**Guest Speaker:
Todd Bloomstine, Owner/Advocate
Bloomstine & Bloomstine**

GUEST SPEAKER

Todd Bloomstine

Todd Bloomstine is a seasoned government relations professional and principal at Bloomstine & Bloomstine. Representing the Southern California Contractors Association since 2001, he advocates for legislation supporting California's construction industry, including contractors' rights, regulatory reforms, and legal protections.





Agenda

- Personal Introduction
- Major Influences in California Politics and Policy
- Legislative Trends
- 2026 Legislation
- General Election
- Happening, Not Happening, and On the Horizon

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From the roof to the Capitol

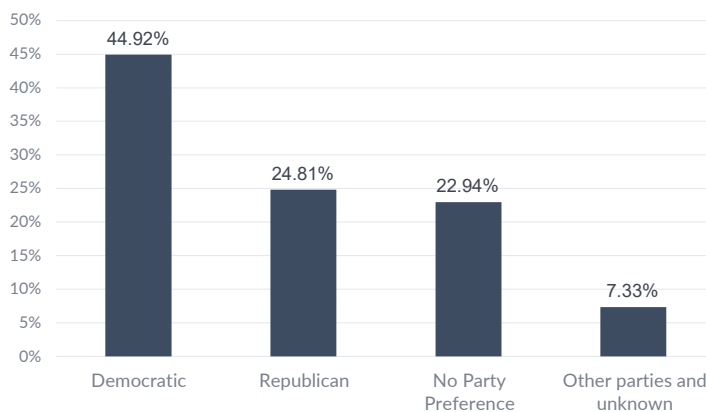
Todd Bloomstine

Roofing for his uncle at age 12
 B.S. in Government, Sacramento State
 Five years as a Capitol legislative aide
 Founded Bloomstine & Bloomstine in 2001
 Shaped SB 661 (2016), AB 930 (2021), SB 440 (2025)



MAJOR INFLUENCES IN CA POLITICS AND POLICY

Registration strongly favors Democrats



Legislature

Assembly

60 Democrats
 19 Republicans
 1 vacant

Senate

29 Democrats
 10 Republicans
 1 vacant

Source: CA Secretary of State, 60 Day Report of Registration, as of September 4, 2026. Legislature: assembly.ca.gov, senate.ca.gov (October 22, 2026).

LEGISLATIVE TRENDS

STW

Skilled and Trained Workforce keeps expanding

Public Contract Code 2600 to 2603

2026 adds CSU projects (AB 1235) and advanced nuclear (AB 2647)

Expect more

LEGISLATIVE TRENDS

Union battles leave detritus in the Legislature



Image: Tenet (2020), Warner Bros. Pictures. Still via stillslab.com

Detritus: inverted debris left behind by labor fights

- AB 1859: Authorizes JLMC jobsite inspection. Died.
- SB 1065: Apprenticeship regulations. Died.
- AB 2287: Shields contractors for using automation. Signed.

LEGISLATIVE TRENDS

Contractor workers killed on Caltrans highway projects since August 10

Three died in one crash on I 10 near Blythe on September 25. Caltrans ordered a statewide safety stand down.

AB 289 (Haney), Ch. 684 of 2025: state highway work zone speed safety program

195 Caltrans employees killed on the job since 1921

LEGISLATIVE TRENDS

Three more efforts shaping the jobsite

Retention

- AB 1885 (Carrillo) would end retention on state contracts
- Held under submission, May 2026
- Caltrans ended it in 2008 (SB 593)

Change orders

- SB 33 (Cortese) makes the public works claims process permanent
- SB 440 (Ochoa Bogh), Ch. 583 of 2025: private works change orders

LA28 moratoriums

- Caltrans: no work on 19 freeway segments, June 1 to September 1, 2028
- LA City: May 1 to September 1, 2028
- \$2.4 billion of work at risk (ARTBA)

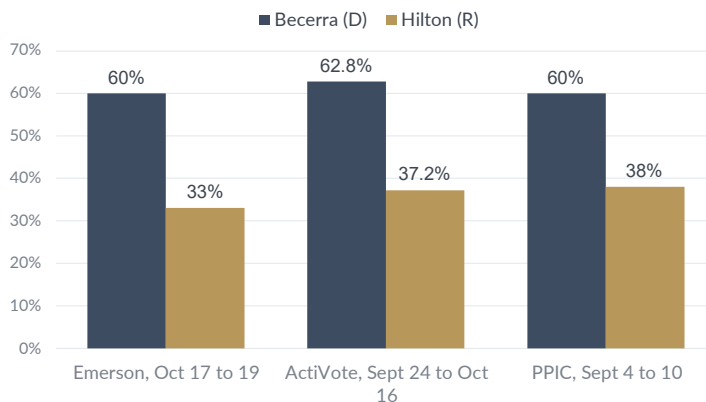
Eight new laws for 2027

- **AB 1198 (Haney), Ch. 513:** prevailing wage changes apply sooner (July 1, 2027)
- **AB 1235 (Rogers), Ch. 362:** Skilled and Trained Workforce on CSU projects
- **AB 1838 (Berman), Ch. 551:** disclose wage and hour violations at bid
- **AB 2059 (Wilson), Ch. 576:** rural transportation projects and VMT under CEQA
- **SB 33 (Cortese), Ch. 99:** public works change order process made permanent
- **SB 342 (Umberg), Ch. 967:** sue for pay despite a brief license lapse
- **SB 909 (Smallwood-Cuevas), Ch. 660:** higher DIR registration fees and penalties
- **SB 1165 (Caballero), Ch. 111:** CSLB discipline for unpaid CDTFA taxes

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Becerra leads Hilton in every recent poll



Governor, Nov. 3, 2026, likely voters. Sources: Emerson College Polling (n=1,000); ActiVote (n=400); PPIC Statewide Survey (Sept n=1,103; June to July n=1,003).

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Prop 45

Environmental review for certain projects

PPIC, Sept 4 to 10

Yes 49%, No 46%

PPIC, June 29 to July 6

Yes 73%, No 24%

Asked before the ballot label

Where things stand

Happening

- Skilled and Trained Workforce expands to CSU and advanced nuclear
- Change order reform: SB 33 and SB 440
- Work zone safety: AB 289 speed safety program

Not Happening

- Wholesale CEQA Reform
- Ability to use market solutions for public policy problems. All solutions are government based.
- Wholesale ability to increase market price housing.

On the Horizon

- Budget shortfalls: \$18.5B deficit in 2026 to 27 (LAO)
- More Skilled and Trained Workforce
- More work on retention payments
- Lawsuits outside union grievance process
- GGRF: \$5.1B (2023 to 24) to a projected \$2.7B

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Questions?

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SESSION SIX

Buying and Selling a Construction Company

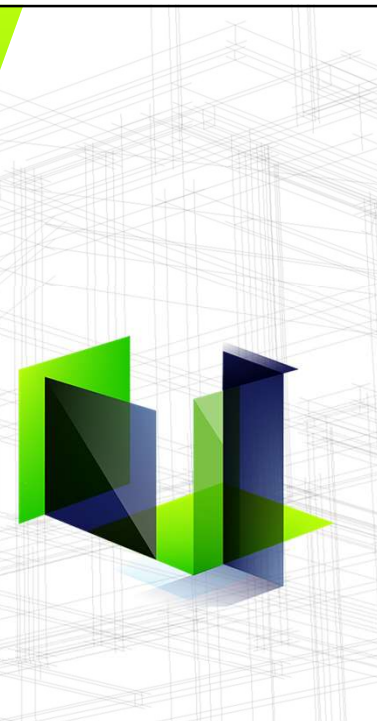
Presented by:
Cindy Strom Arellano, Partner
Evan J. Gautier, Senior Associate

aa/r/r Atkinson, Andelson
Loya, Ruud & Romo
A Professional Law Corporation

Buying and Selling Construction Businesses

PRESENTED BY:
Cindy Strom Arellano, Partner
Evan J. Gautier, Senior Associate

Cerritos • East Bay • Fresno • Irvine • Marin • Pasadena
Riverside • Sacramento • San Diego • Westlake Village



Meet Cindy

- Cindy Strom Arellano is head of the firm's business and tax team and represents clients in all types of general corporate transactional matters.
- Ms. Arellano's practice areas include mergers and acquisitions, corporate governance issues, shareholder disputes, and other general transactional business matters. She also represents clients with respect to employee benefits and executive compensation, qualified and non-qualified deferred compensation plans, and MBE/WBE/DBE certification.
- Ms. Arellano regularly assists clients with executive and deferred compensation plans and agreements and advises on a variety of issues relating to 401(k), 403(b), 457 and other deferred compensation/retirement plans, audits and tax controversies and appeals of an assessment by the IRS, EDD, SBE and/or FTB.

aa/r/r

Cindy Strom Arellano, Partner



Meet Evan

Evan Gautier, Senior Associate

- Evan Gautier is a corporate transactional and tax attorney.
- Mr. Gautier's practice focuses on mergers and acquisitions, general corporate law including entity formation and corporate governance issues, transactional tax planning, real estate, property tax planning and general tax and business matters. Mr. Gautier regularly assists clients with drafting and reviewing transaction documentation and with tax controversies.
- Mr. Gautier serves the legal community through involvement in various legal and civic organizations.
- Mr. Gautier has authored numerous articles on law, tax, and personal finance topics, many of which have been published.



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AGENDA

- TYPICAL PHASES OF A TRANSACTION
- STRUCTURES AVAILABLE FOR A CHANGE IN CONTROL TRANSACTION
- KEY ISSUES BUYERS AND SELLERS NEGOTIATE
- CONSTRUCTION SPECIFIC DILIGENCE AND DEAL ISSUES
- CSLB LICENSING AND THE QUALIFYING INDIVIDUAL
- WOMAN/MINORITY OWNED, SMALL BUSINESS AND DBE CERTIFICATIONS
- SURETY BONDING
- POST CLOSING CONSIDERATIONS



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Typical Phases of a Transaction

- No One Size Fits All Approach; Involve Advisors Early
- Preparing for a Sale – Diligence ready?
- Deal or No Deal?
 - Identifying a Buyer
 - Agreeing on a Price



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Typical Phases of a Transaction (con.)

- Preliminary Documents –
 - NDA
 - Indication of Interest/Letter of Intent/Term Sheet
- Definitive Deal Documents
- Closing
- Post-Closing



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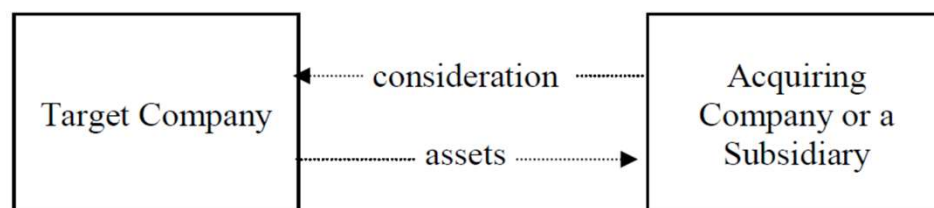
Structures Available for a Change in Control Transaction

- Asset sale – Target company is the seller
- Stock sale – Selling owners transfer their ownership interests
- Merger

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Structures Available – Asset Sale

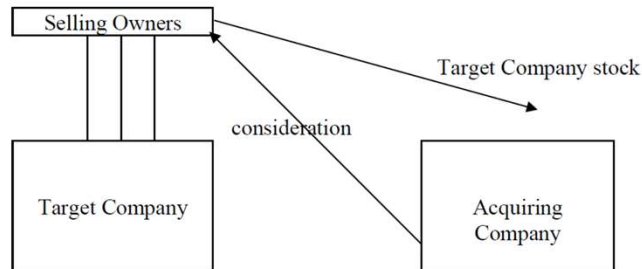


- **CONSTRUCTION NOTE** – The CSLB license, DIR registration, and agency certifications do NOT pass with the assets. The buyer must already hold, or separately obtain, the license and classifications needed to perform the acquired backlog and must obtain consent of surety to take over bonded projects.

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Structures Available – Stock/Ownership Interest Sale



- **CONSTRUCTION NOTE** – The license stays with the entity, but the CSLB must be notified within 90 days of changes in personnel/officers/members. If the departing owner was the RMO/RME qualifier, a replacement qualifier must be reported within 90 days, or the license is automatically suspended.

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4

Key Issues that Sellers and Buyers Negotiate

- Purchase Price – Business Value, Earn-Outs and Acquisition Financing
- Closing Conditions – Fundamental Items, Required Consents and Regulatory Approvals
- Representations and Warranties – Disclosure re: Target Business and Post-Closing
- Post-Closing Liabilities and Obligations – Purchase Price Adjustment, Indemnification and Restrictive Covenants

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Construction Specific Diligence Issues

- Contractor licensing (CSLB) and the qualifying individual (RMO/RME)
- Woman/Minority Owned and/or Disadvantaged Business Enterprise (DBE) Certifications
- Surety bonding capacity and the indemnity



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Change of Control and CSLB License

- CSLB license is not transferable to any person or entity, so a buyer cannot take over the seller's license.
- A corporation or LLC license may be canceled upon the entity's dissolution or merger and the CSLB must be notified in writing within 90 days.
- Licensees must notify the CSLB within 90 days of any change in listed personnel, officers or members.
- A stock sale can allow the CSLB license to remain intact, but an asset sale or a merger generally does not.



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Types of Minority & Women Owned Business Certifications

- MBE – Minority Owned Businesses
- WBE – Woman Owned Businesses
- DBE – Disadvantaged Business Enterprise Certification
- Deal takeaway: a sale of control to a non-disadvantaged buyer generally invalidates these certifications. If the company relies on any of these certifications for revenue/contracts, buyers should carefully consider whether the certifications can be preserved (or reobtained) post closing.



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Post Closing Considerations

- Purchase-price adjustments and true-ups
 - Finalize working-capital, retention and work-in-progress calculations, and resolve any earn-outs
- CSLB filings
 - Report changes in personnel/officers/members within 90 days to avoid automatic suspension
 - Complete any required license-number reissuance or new-license applications
- Secretary of State Filings
- Submit any required re-certification or new application for WBE or DBE certifications
- Release of escrowed funds/payment on promissory notes



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THANK YOU!

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Q&A

Do you have any questions?

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SESSION SEVEN

Construction Liens: Protecting and Enforcing Your Right to Payment

Presented by:

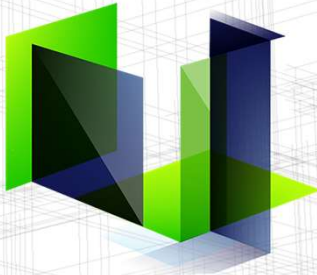
Anthony Niccoli, Partner

aa/rr Atkinson, Andelson
Loya, Ruud & Romo
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CONSTRUCTION LEGAL FORUM
What Every Contractor Must
Know About Mechanics Liens and
Statutory Remedies to Get Paid

PRESENTED BY:
Anthony Niccoli, Partner

Cerritos • East Bay • Fresno • Irvine • Marin • Pasadena
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AGENDA

PRELIMINARY NOTICES	03
MECHANICS LIEN AND STOP PAYMENT NOTICE	08
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CHANGE ORDERS – NOTICE & CLAIMS PROCEDURES	73

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STANDARDIZED NOTICE

- Most notable remedies/notices affected by standardized notice provisions under Civil Code § 8102
 - Preliminary notice
 - Stop payment notice
 - 15/75 day bond claim notice
 - Notice of Completion/Cessation
 - Notice of Recording Notice of Completion
 - Notice of Non-Responsibility
 - Stop work notice
 - Notice to claimant of posting of Mechanics Lien Release Bond
- No effect on mechanics lien



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STANDARDIZED NOTICE

CONTENT: Civil Code § 8102

- The name and address of:
 - the owner or reputed owner
 - direct contractor
 - construction lender, if any
- Description of the site sufficient for identification (street address-ok)
- Name/address/relationship to parties of person giving the notice
- If the person giving notice is a claimant:
 - General statement of work provided
 - Name of person to or for whom work is provided
 - Statement or estimate of the claimant's demand, if any, after deducting all just credits and offsets
- Variance not fatal if notice sufficient to substantially inform recipient
- Additional notice for failing to pay laborer full compensation (§ 8104)



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STANDARDIZED NOTICE

MANNER: (Civil Code §§ 8106/8110)

- Personal Delivery
- Mail
 - Registered mail
 - Certified mail
 - Express mail
 - Overnight delivery by an express service carrier
- Leaving notice/mailling copy per CCP § 415.20 for service of summons and complaint



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STANDARDIZED NOTICE

PROOF: (Civil Code § 8118)

- Proof of Notice Declaration:
 - Type or description of the notice given
 - Date/place/manner of notice, and facts showing that notice was given in the manner required by statute
 - Name/address of the person to which notice was given, and title or capacity in which the person was given notice



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STANDARDIZED NOTICE

PROOF: (Civil Code § 8118)

- **Proof of Notice Declaration:** (cont'd)
 - If the notice is given by mail, the declaration must include **ONE** of the following:
 - Documentation provided by USPS (registered/certified/express mail) or express service carrier (overnight) showing that payment was made to send the notice
 - Signed “green card” no longer mandatory
 - A return receipt, delivery confirmation, signature confirmation, tracking record, or other proof of delivery or attempted delivery provided by USPS, or a photocopy of the record of delivery and receipt maintained by USPS or the envelope in event of non-delivery
 - A tracking record or other documentation provided by an express service carrier



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STANDARDIZED NOTICE

WHERE NOTICE GIVEN:

- **Owner**
 - the owner's address shown on the direct contract
 - the building permit
 - a construction trust deed
- **Public Entity**
 - the office of the public entity or another address specified by the public entity in the contract or elsewhere for service of notices, papers, and other documents
- **Construction Lender**
 - the construction lender's address shown on the construction loan agreement or construction trust deed



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STANDARDIZED NOTICE

WHERE NOTICE GIVEN:

- Direct Contractor/Subcontractor
 - the contractor's address shown on the building permit
 - on the contractor's contract
 - on the records of the Contractors' State License Board
- Claimant
 - the claimant's address shown on the claimant's contract
 - preliminary notice
 - claim of lien
 - stop payment notice
 - claim against a payment bond
 - CSLB records
- Surety
 - surety's address shown on the bond for service of notices, papers, and other documents
 - records of the Department of Insurance



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PRELIMINARY NOTICE

- Critical first step in perfecting mechanics lien and stop payment notice rights
 - ➡ Failure to serve = Waiver!
- Rationale: Protects owners and lenders from “secret liens”



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PRELIMINARY NOTICE

Required of All Claimants EXCEPT:

- Actual laborer for wages [includes union trust funds]
- Private Works - A claimant with a direct contractual relationship with an owner or reputed owner required to give preliminary notice only to the construction lender or reputed construction lender, if any
- Public Works - A claimant that has a direct contractual relationship with direct contractor



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PRELIMINARY NOTICE CONTENTS:

- Description of work/materials
- *Reasonable* estimate of cost
- Claimant's name and address
- Name of person who ordered work
- Precise location of job site
- Identify owner, lender, and original contractor
- Warning in statutory language re lien rights
- Private works: Subcontractors must include name/address of laborers not fully paid and to whom compensation is due
 - Copy of invoice for material or certified payroll that contains this information is sufficient



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PRELIMINARY NOTICE

Who Must Be Served?

- Owner/reputed owner
- Direct contractor/reputed direct contractor
- Construction lender/reputed construction lender



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PRELIMINARY NOTICE

Method of Service: (Civil Code § 8106)

- Personal Delivery
- Registered Mail
- Certified Mail
- Express Mail
- Overnight Delivery by Express Service Carrier
- Leaving notice/mailling copy per CCP § 415.20 for service of summons and complaint

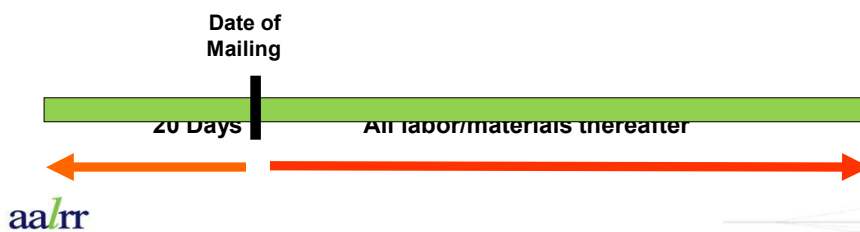


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PRELIMINARY NOTICE

Serve within 20 days after claimant first furnishes labor, services, or material to site

- ➔ Recommended: Contract signing/first furnish labor/material
- ➔ If claimant failed to serve within 20 days, not a complete bar



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MECHANICS LIEN

- Constitutional in origin (Art. XIV, § 3)
- Private works only
- Takes an unsecured claim and makes it secured by real property
- Owner equity in property – leasehold interest
- Foreclose lien/public sale – pay lien

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MECHANICS LIEN

Persons Entitled to Lien - Civil Code § 8400

- Direct contractor and subcontractors
- Material suppliers and equipment lessors
- Design professional
- Machinists, truckers
- Laborer [includes union trust funds CC § 8024]
- Person performing site work



99

MECHANICS LIEN

Requirements for Lien

- Notice of Mechanics Lien – language prescribed by statute
- Mechanics lien must be served by claimant on property owner by registered mail, certified mail or first class mail
- Proof of Service affidavit must be completed
- Failure to serve lien on owner renders it unenforceable
 - ➔ If owner cannot be served, then original contractor or lender can be served instead



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MECHANICS LIEN

NOTICE OF MECHANIC'S LIEN

ATTENTION!

Upon the recording of the enclosed MECHANIC'S LIEN with the County Recorder's Office of the county where the property is located, your property is subject to the filing of a legal action seeking a court-ordered foreclosure sale of the real property on which the lien has been recorded. That legal action must be filed with the court no later than 90 days after the date the mechanic's lien is recorded.

The party identified in the mechanic's lien may have provided labor or materials for improvements to your property and may not have been paid for these items. You are receiving this notice because it is a required step in filing a mechanic's lien foreclosure action against your property. The foreclosure action will seek a sale of your property in order to pay for unpaid labor, materials, or improvements provided to your property. This may affect your ability to borrow against, refinance, or sell the property until the mechanic's lien is released.

BECAUSE THE LIEN AFFECTS YOUR PROPERTY, YOU MAY WISH TO SPEAK WITH YOUR CONTRACTOR IMMEDIATELY OR CONTACT AN ATTORNEY. OR FOR MORE INFORMATION ON MECHANIC'S LIENS GO TO THE CONTRACTORS STATE LICENSE BOARD WEBSITE AT www.cslb.ca.gov.

AFFIDAVIT OF SERVICE ON THE OWNER

I, _____, served a copy of this Mechanic's Lien and Notice of Mechanic's Lien by depositing a copy thereof for delivery by registered mail, certified mail, or first-class mail, postage prepaid, addressed as follows, to the owner(s) or reputed owner(s) of the property described in this claim of lien.

Name and title of person served: _____

Service Address: _____
(owner's residence or business address, or address shown by the building permit on file with the permitting authority for the work)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 20____ at _____, California.

Signature of Person Serving

ALTERNATE AFFIDAVIT FOR SERVICE ON CONSTRUCTION LENDER OR ORIGINAL CONTRACTOR

I, _____, declare that the owner or reputed owner cannot be served with a copy of this Mechanic's Lien and Notice of Mechanic's Lien by registered mail, certified mail, or first-class mail. Pursuant to California Civil Code section 9804(c)(1)(B), I served a copy of this Mechanic's Lien and Notice of Mechanic's Lien by registered mail, certified mail, or first-class mail, evidenced by a certificate of mailing, postage prepaid, addressed as follows to the construction lender or original contractor as follows:

Name and title of person served: _____

Service Address: _____

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 20____ at _____, California.

Signature of Person Serving



MECHANICS LIEN

Timing

- The **earliest** a Lien can be recorded:
 - ➔ Direct Contractor cannot record until entire contract completed
 - ➔ All others cannot record until their contract has been “performed, excused or otherwise discharged”

MECHANICS LIEN

Timing

- The **latest** a Lien can be recorded:
If a valid Notice of Completion
 1. Direct Contractor has 60 days;
 2. All others have 30 days
- ➔ Beware that many Notices of Completion are invalid for failure to meet statutory requirements



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MECHANICS LIEN

Timing

- The **latest** a Lien can be recorded:
If no Notice of Completion
 - All claimants have 90 days from “actual completion”

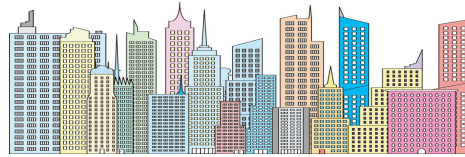


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NOTICE OF COMPLETION

What Is "Completion": Private Work

- Actual completion of the work of improvement
- Occupation/use by owner accompanied by cessation of labor
- Cessation of labor for a continuous period of 60 days
- Final acceptance of work by owner/agent
- Recordation of a notice of cessation after cessation of labor for continuous period of 30 days
- If the work of improvement is subject to acceptance by a public entity, completion occurs on acceptance



105

NOTICE OF COMPLETION

What Is "Completion": Public Work

The earliest of the following times:

- Acceptance of the work of improvement by the public entity
- Cessation of labor on the work of improvement for a continuous period of 60 days



106

NOTICE OF COMPLETION

- Recorded by Owner or agent in County where project located
- Recorded within 15 days after actual completion of work
- If a work of improvement is made pursuant to two or more direct contracts, owner may record a notice of completion of a direct contract for a portion of the work of improvement
- Private Works: Mail within 10 days after recordation to original contractor and claimants providing preliminary notice
 - ➔ Failure to give timely notice extends mechanics lien/stop payment notice period



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MECHANICS LIEN RELEASE BOND

- Owner/Direct Contractor/Subcontractor may record a release bond
- On recordation of the bond, the property is released from the lien and from any action to enforce the lien
- The bond must be equal to 125% of the amount of the claim of lien
- Person who records the release bond must give claimant notice
- The claimant shall commence an action on the bond within six months after notice is given



108

MECHANICS LIEN

Enforcement Action

- Lawsuit must be filed no later than 90 calendar days from the date of recordation
- Failure to do so renders lien null and void by operation of law – No exceptions!
- If you missed deadline, other basis for recovery such as breach of contract and/or quantum meruit



109

STOP PAYMENT NOTICE

Stop Payment Notice – What is it?

- A stop payment notice is a notice to the owner or construction lender (or both) to withhold construction funds to satisfy the claim
- Freezes portion of funds otherwise to be paid to GC – only undisbursed construction fund
- Takes an unsecured claim and makes it secured by a lien on construction funds
- Complements the mechanics lien claim



110

STOP PAYMENT NOTICE

- Private work – Any claimant who has mechanics lien rights also has stop payment notice rights
 - ➔ Direct contractor has rights only if lender involved
- Public work – A person that provides work for a public works contract authorized by:
 - Direct contractor/Subcontractor
 - Architect/project manager, or
 - Other person having charge of all or part of the public works contract
- Actual laborer (includes union trust fund)



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OTHER STOP PAYMENT NOTICE ISSUES

- Stop payment notice on an Owner funded project does not have to be bonded
- To compel a construction lender to withhold funds, stop payment notice must be accompanied by a bond
- Bond must be 125% of the stop payment notice – Purpose of bond is to protect lender if wrongful stop payment notice



112

STOP PAYMENT NOTICE

Timing

The earliest a Stop Payment Notice can be served:

- ➡ It can be served at any time



113

STOP PAYMENT NOTICE

Timing

The latest a Stop Payment Notice can be served:

If a valid Notice of Completion:

- (1) Direct Contractor has 60 days
- (2) All others have 30 days



114

STOP PAYMENT NOTICE

Timing

The **latest** a Stop Payment Notice can be served:

If no Notice of Completion

- All claimants have 90 days from “actual completion”



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STOP PAYMENT NOTICE

Method of Service: (Civil Code §8106)

- Personal delivery
- Registered mail
- Certified mail
- Express mail
- Overnight delivery by express service carrier
- Leaving notice/mailling copy per CCP § 415.20 for service of summons and complaint



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STOP PAYMENT NOTICE

- Claimant pays \$10 at the time of stop payment notice, public entity must give notice within 10 days of:
 - Acceptance or cessation
 - Recordation or a notice of cessation or completion
- Further, public entity must advise claimant of deadline to bring action to enforce stop payment notice



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STOP PAYMENT NOTICE

Enforcement Action

- Earliest: 10 days from the date the claimant gives the stop payment notice
- Latest: Not later than 90 days after expiration of the time within which a stop payment notice must be given



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PAYMENT BOND

Public Works Payment Bond

- Required on public works typically in excess of \$25,000
(Civil Code § 9550)
➡ No mechanics lien right on public property
- Recent legislation clarifies that subcontractors and suppliers of any tier can recover on bond
- All claimants (except laborers, trust funds, and claimants with contractual relationship with direct contractor) must serve preliminary notice
- Action must be commenced within 6 months after period in which stop payment notice may be given — Right to recover attorneys' fees by statute
- If failed to serve preliminary notice, statutory "safety net"
➡ 15/75 Day Notice served on principal and surety



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PAYMENT BOND

15/75 Day Notice

- Notice includes (see Civil Code § 8102)
 - a. Name of claimant
 - b. Type of work or materials furnished
 - c. Name of party to who claimant furnished work or material
 - d. Amount of claim
- Must be given within 15 days after recordation of Notice of Completion or 75 days after actual completion
- Service must comply with Civil Code § 8106
- No formal or statutory procedure for processing bond claims – Provide surety with written backup documentation



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PAYMENT BOND

Limitations on Payment Bond Claims

- If claimant provides 15/75 day notice rather than Preliminary Notice, then subcontractors/suppliers have NO bond rights if:
 - ➡ All progress payments (except those disputed in good faith) have been made to first tier subcontractor
 - ➡ First tier subcontractor terminated from project and all progress payments (except those disputed in good faith) have been made
- Applies to both public and private projects
(Civil Code § 8612 and § 9560)



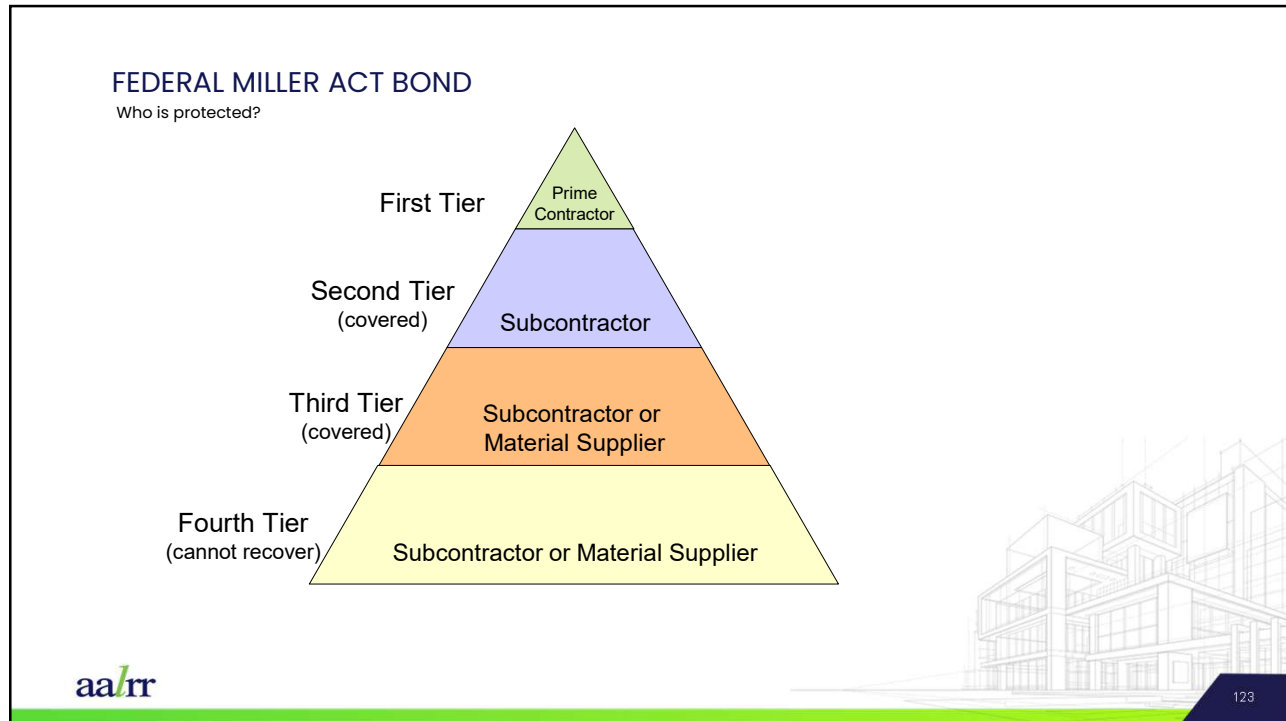
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FEDERAL MILLER ACT BOND

- Equivalent to payment and performance bond provisions on state public works
(40 U.S.C. §§ 3131-3134)
- Amount of bond = Amount of prime contract
(unless Contracting Officer determines in writing with specific findings that a lesser amount is acceptable)



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FEDERAL MILLER ACT BOND
Ninety-Day Bond Notice

- Not required if claimant has direct contract with prime contractor
- Condition precedent to right to sue on bond
- Send notice within 90 days after claimant last furnished labor and/or materials to project
- Send notice by any means that provides "written third party verification of delivery"

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FEDERAL MILLER ACT BOND

Ninety-Day Bond Notice – Contents

- Furnished labor and/or material intended for use on job
- Identify amount that remains unpaid
- Performed those services for a specified party
- Seeking to recover from contractor and surety



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FEDERAL MILLER ACT BOND

Enforcement Action

- Suit brought within one year after claimant last furnished labor and/or materials
Time at which prime contractor completed work is irrelevant!
-  Repair and warranty work performed by claimant do not extend one-year statute



126

STATUTORY RELEASE FORMS

Revised Forms (effective July 1, 2012)

- Changes to Conditional/Unconditional Waiver and Release forms:
 - 1) Completely reformatted with BOLD NOTICE language at top of form
 - 2) All forms have added a line for identification of the claimant's customer
 - 3) Conditional Waiver and Release on Progress Payment adds language relating to progress payments covered by previous releases that have not been paid
- Waiver and release is void and unenforceable unless substantially in form prescribed by statute
(Civil Code §§ 8132 – 8138)



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STATUTORY RELEASE FORMS

- For conditional releases to be effective, there must be evidence of payment:
 - 1) Endorsement on single or joint payee check that has been paid by bank
 - 2) Written acknowledgement of payment by claimant

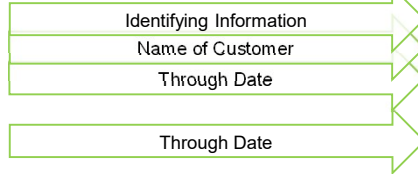


Do not use unconditional release form if you have not been paid!



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STATUTORY RELEASE FORMS



CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
California Civil Code Section 8132

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant: _____
 Name of Customer: _____
 Job Location: _____
 Owner: _____
 Through Date: _____

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____
 Amount of Check: \$ _____
 Check Payable to: _____

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:
 Date(s) of waiver and release: _____
 Amount(s) of unpaid progress payment(s): \$ _____
- (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Signature

Claimant's Signature: _____
 Claimant's Title: _____
 Date of Signature: _____

aa/r/r

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STATUTORY RELEASE FORMS

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payments:

Date(s) of waiver and release:

Amount(s) of unpaid progress payment(s)

\$ -----

- (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
California Civil Code Section 8132

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant: _____
 Name of Customer: _____
 Job Location: _____
 Owner: _____
 Through Date: _____

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____
 Amount of Check: \$ _____
 Check Payable to: _____

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:
 Date(s) of waiver and release: _____
 Amount(s) of unpaid progress payment(s): \$ _____
- (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Signature

Claimant's Signature: _____
 Claimant's Title: _____
 Date of Signature: _____

aa/r/r

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STATUTORY RELEASE FORMS

The claimant has received the following progress payment: \$ _____

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
California Civil Code Section 9134

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT. EVEN IF YOU HAVE NOT BEEN PAID, IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Identifying Information

Name of Claimant: _____
 Name of Customer: _____
 Job Location: _____
 Owner: _____
 Through Date: _____

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has received the following progress payment \$ _____.

Exceptions

This document does not affect any of the following:

- (1) Retentions.
- (2) Extras for which the claimant has not received payment.
- (3) Contract rights, including (A) a right based on revision, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Signature

Claimant's Signature: _____
 Claimant's Title: _____
 Date of Signature: _____



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STATUTORY RELEASE FORMS

- Release forms related to final payment:
 - (1) Does not include a section to identify previous progress payments not made
 - (2) Only includes a space to identify disputed claims for "extras" that are excluded from release
 - (3) Conditional Final Release cannot be given for retention before all progress payments have been made because there is no place to exclude those progress payments on the release



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STATUTORY RELEASE FORMS

Exceptions

This document does not affect any of the following:
Disputed claims for extras in the amount of \$ _____

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT
California Civil Code Section 9136

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant: _____
Name of Customer: _____
Job Location: _____
Owner: _____

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____
Amount of Check: \$ _____
Check Payable to: _____

Exceptions

This document does not affect any of the following:
Disputed claims for extras in the amount of: \$ _____

Signature

Claimant's Signature: _____
Claimant's Title: _____
Date of Signature: _____



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STATUTORY RELEASE FORMS

THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Exceptions

This document does not affect the following:
Disputed claims for extras in the amount of \$ _____

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT
California Civil Code Section 9138

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Identifying Information

Name of Claimant: _____
Name of Customer: _____
Job Location: _____
Owner: _____

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for all labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has been paid in full.

Exceptions

This document does not affect the following:
Disputed claims for extras in the amount of: \$ _____

Signature

Claimant's Signature: _____
Claimant's Title: _____
Date of Signature: _____



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PROMPT PAYMENT STATUTE

- California statutes govern timing for payment of retention and progress billings
- Violation can be cause for: (1) disciplinary action, (2) 2% per month penalty, and (3) prevailing party has right to recover attorneys' fees and costs
- Contractor may contractually require certain release documents as a condition of payment
- Contractor and Owner have right to withhold up to 150% for a "good faith" or "bona fide" dispute, which terms are not defined by statute
- Does not apply to unapproved change orders



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PROMPT PAYMENT STATUTES – PUBLIC WORKS

PAYOR	PAYEE	TYPE	TIME	PENALTY	WAIVABLE
Public Entity	Direct Contractor	Retention (PCC §7107)	60 days after date of completion	2% per month in lieu of interest; prevailing party to recover attorney fees and costs	No
State Agency	Direct Contractor	Progress payments (PCC §10261.5)	30 days after receipt of undisputed payment request	10% annual interest	Not addressed
Local Agency	Direct Contractor	Progress payments (PCC §20104.5)	30 days after receipt of undisputed payment request	10% annual interest	Not addressed
Any Direct Contractor or Subcontractor	Subcontractor (all tiers)	Progress payments (B&P Code §7108.5 and PCC §10262.5)	7 days after receipt of funds by contractor	2% per month in lieu of interest; discipline by CSLB; termination by contracting agency; prevailing party to recover attorney fees and costs	Yes
Direct Contractor	Subcontractor	Retention (PCC §7107)	7 days after receipt (unless retention designated for particular subcontractor)	2% per month in lieu of interest; prevailing party to recover attorney fees and costs	No

Note: Not intended to be inclusive of all statutes



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PROMPT PAYMENT STATUTES – PRIVATE WORKS

PAYOR	PAYEE	TYPE	TIME	PENALTY	WAIVABLE
Owner	Direct Contractor	Progress payments (Civil Code §8800)	30 days after payment request	2% per month in lieu of interest; prevailing party to recover attorney fees and costs	Yes
Owner	Direct Contractor	Retention (Civil Code §8812)	45 days after date of completion	2% per month in lieu of interest; prevailing party to recover attorney fees and costs	No
Any Direct Contractor or Subcontractor	Subcontractor (all tiers)	Progress payments (B&P Code §7108.5)	7 days after receipt of funds by contractor	2% per month in lieu of interest; discipline by CSLB; prevailing party to recover attorney fees and costs	Yes
Direct Contractor	Subcontractor	Retention (Civil Code §8814)	10 days after receipt of funds by contractor (unless retention designated for particular subcontractor)	2% per month in lieu of interest; prevailing party to recover attorney fees and costs	No

Note: Not intended to be inclusive of all statutes



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PROMPT PAYMENT STATUTES

Withholding Retention: *United Riggers & Erectors v. Coast Iron & Steel* (2016) 243 Cal.App.4th 151

FACTS:

- Coast acted as general contractor on Universal Studios Hollywood project and executed subcontract with United
- At conclusion of project United made claim for unpaid change orders and delay and disruption damages
- Coast withheld retention proceeds citing “good faith dispute” with United

HOLDING:

- Appellate Court found violation of prompt payment statutes
- “Good faith dispute” must relate to retention itself – Not any dispute



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DISCLAIMER

This AALRR presentation is intended for informational purposes only and should not be relied upon in reaching a conclusion in a particular area of law. Applicability of the legal principles discussed may differ substantially in individual situations. Receipt of this or any other AALRR presentation/publication does not create an attorney-client relationship. The firm is not responsible for inadvertent errors that may occur in the publishing process.

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For further information about our firm, please
visit our website at www.aalrr.com





CONSTRUCTION LAW PROFILE

Firm History

A full-service firm with over 300 attorneys in ten strategic California offices, Atkinson, Andelson, Loya, Ruud & Romo provides practical legal solutions in the areas of employment, labor, construction, education, real estate, general business and business litigation, water, and corporate. Established in 1979, AALRR has been providing legal solutions to clients for more than 45 years.

- August 2026, Ranked Among *Construction Executive Magazine's* Top 50 U.S. Construction Law Firms
- June 2026, Moved up 20 positions, from 195th to 175th place, in the *National Law Journal's* 2026 NLJ 500
- May 2026, Named by *The American Lawyer* to the 2026 Am Law 200 list for the fourth consecutive year, moving up five spots from last year
- November 2025, Recognized as a Regional Tier 1 firm in the 2026 "Best Law Firms" awards from *U.S. News – Best Lawyers®*
- June 2025, Ranked 185 on *Law360* list of 400 firms.
- May 2025, Four AALRR Attorneys Named on Pasadena Magazine's "Top Pasadena Attorneys 2025" List
- April 2025, Ranked by the Los Angeles Times as a Top Law Firm in Los Angeles and Orange County.
- March 2024, Nominated for the Los Angeles Business Journal's Diversity, Equity + Inclusion Award.
- June 2023, Ranked Top 5 in the Nation for Ethnic Diversity on the American Lawyer's 2023 Diversity Scorecard.
- Named Best Firm in the Nation for minority equity partners for the second year in a row by *Law360*—and eighth in the nation for minority attorneys in general
- Received the Associated Builders and Contractors' National Diversity Excellence Award for the fifth year
- Received the California Lawyers Association's inaugural Diversity Award
- AALRR Construction Practice Group and Attorney Again Recognized as Top in the Nation in Chambers USA Best Lawyers and Law Firms Guide

Representative Practice Areas

Areas of Experience - Construction Law

Facilities

Drafting and negotiating contract documents involving a variety of contract delivery methods, including traditional design-bid-build, design-build, construction manager agency, construction manager at risk, multi-prime contracts and continuously evolving alternative delivery systems embraced by the industry, such as integrated project delivery

Bid protests, affirmative action issues, subcontractor listing law disputes, and other administrative proceedings.

	Contracts and Bids - Contract Preparation, Bid Specification, Breach of Contract, Bid Protests, Claims
	Project management assistance including contract administration, handling of change orders, differing site condition claims, schedule monitoring, prevailing wage compliance, and project close-out
	Construction Claims - Construction Defects, Builder Liability, Engineering and Design Failures, Soil Erosion, Stop Notices, bond Claims, Delay Claims
Claims/ Defects/ Performance	Preparation and/or evaluation of construction for completion issues including delay, disruption and acceleration claims, loss of productivity and cost overruns
	Contract performance defaults and terminations, and related surety tender issues
Real Property	Real Property - Developer Fees, CEQA, Eminent Domain, Joint Use Facility Agreements, Leases, Sales & Exchanges, Redevelopment Matters, Environmental Regulation

At the core of this firm is our commitment to the construction industry. Contractors and their associations were among the firm's original clients. The firm represents owners, developers, contractors, and public entities in all phases of the construction process.

From its early days, AALRR has been a leader in the dynamic practice of construction labor law. The firm handles labor law issues for more contractors in Southern California than any other firm. From strikes and picket lines to wage and hour lawsuits and NLRB proceedings, the firm has been at the forefront of representing contractors in dealing with their employees and unions.

Our lawyers are well-respected for their experience in contractor labor law, prevailing wage, public works, and wage and hour. Our attorneys frequently speak at association and industry conferences on these topics and are attuned to the unique needs of contractors. Many of our attorneys have other professional degrees related to construction and pride themselves on their knowledge of construction and their ability to craft practical, real world solutions. For example, one of our partners is a licensed architect. This insider's knowledge allows the firm to work hand-in-hand with clients to provide precise litigation strategies and proactive advice.

The construction group also handles all matters relating to land use and construction. Land use attorneys assist clients with issues such as CEQA, eminent domain, leases, sales and exchanges, and environmental regulations. The firm's construction attorneys provide counseling and litigation services in areas such as bidding, contract formation, claims, and collections.

As a full-service firm, corporate attorneys offer advice to contractors, developers and owners on buying and selling construction companies, employee retention, and management succession. Litigation attorneys are also available to handle breach of contract, insurance coverage, and trade secret violations for construction clients.

Firm Philosophy

The firm's philosophy is rooted in understanding the broad spectrum of legal issues that affect businesses and individuals. We believe in preventive law. For example our firm believes in being involved in the early stages of litigation, arbitration, or mediation to ensure that all legal issues are raised and explored.

We also believe that companies must properly train officers, managers and supervisors on a regular basis in order to effectively deal with legal issues and limit company liability. To further this end, the firm encourages and offers presentations and other training programs for business owners, officers, managers and supervisors to educate them

in various legal areas, including employment, construction, corporate, tax, real estate and estate planning. We take an active role in representing our clients' interests throughout California and across the country. We are proficient in a number of foreign languages which is consistent with the firm's belief in being attentive to the diversity of our clients and their communities.

Client Representation

Over the last two decades, we have earned a strong reputation as one of California's most widely respected law firms representing both private and public sector construction clients. Our private sector clients include manufacturing, wholesale, retail, construction, service, professional, real estate, and other businesses, along with industry trade groups and other nonprofit organizations. Our public sector clients include school districts, county offices of education, state agencies, community college districts, California State University, the University of California, cities, counties, and special districts. We pride ourselves in assisting many public agencies in proactively planning and managing their projects and capital improvement programs to ensure that they are delivered both on time and within budget. In fact, over the years the firm has represented more than 250 public agencies in construction/facilities work.

Firm Experience

The construction law group provides comprehensive legal guidance and counseling to clients at every stage of the construction process to assist clients in carrying out successful projects. AALRR attorneys have extensive experience in virtually every type of construction project, including transportation/highway, airports, hospitals and medical centers, major sports and public assembly venues, correctional facilities, universities, industrial and processing plants and office/retail buildings. AALRR is privileged to represent every participant in the construction industry ranging from public and private owners, design professionals, and general contractors, to subcontractors and material suppliers.

While our goal is to help clients find solutions and settle disputes to avoid costly and time consuming legal proceedings, we are prepared when circumstances require engage in legal battles. All litigators within the firm regularly handle mediations, arbitrations and traditional litigation before both federal and state courts and administrative agencies. Our office routinely works with professional consultants with construction, scheduling, engineering, architectural, and/or financial backgrounds to assist us in the evaluation of construction claims and the preparation and presentation of technical data. With the joint efforts of these consultants and the attorneys of the firm, we are capable of assisting our clients with the broad range of issues that arise throughout the design and construction process. We have found that both our expertise and reputation has helped us in resolving major disputes in both public and private projects at their earliest possible time with favorable outcomes for our clients.

Members of AALRR's construction practice are also active academically. Attorneys in our firm regularly present seminars to lawyer and trade associations and author articles and publications on construction topics. The firm has established strong partnerships with numerous industry associations and firm attorneys regularly serve on the board and legislative committees of organizations such as the Associated Builders and Contractors, Associated General Contractors of America, California Chamber of Commerce, Construction Management Association of America, Engineering Contractors Association, and the Southern California Contractors Association.

Facilities

Our firm provides full construction-related services from preparing and negotiating contract documents, bidding and construction administration, to handling claims and litigation. Details regarding our firm's scope of services and representation related to public works projects include the following:

Contract and Bid Documents

Based on our years of experience representing numerous contractors, corporations, and public agencies in construction and construction-related matters, we have developed and maintained our own set of bid documents and general conditions for public works projects. The documents contain all of the necessary notices and instructions to bidders, all relevant bid documents to be submitted by prospective bidders and general conditions for construction of a project. In addition to bid documents and general conditions for the traditional design-bid-construct project delivery

method, we have developed a similar set of documents for projects employing the multiple-prime project delivery method.

Our firm also represents contractors, corporations, and public agencies with respect to virtually all types of transactions and agreements, including, architect agreements, construction management agreements, inspector agreements, lease and purchase contracts for equipment and supplies, food service contracts, transportation contracts, consultant and professional contracts, energy conservation and management contracts, contracts for information technology hardware and software, as well as all bidding and notice requirements for these transactions.

We will review proposed agreements for compliance with law, as well as determine whether the agreement is in the client's best interests. In addition, our firm drafts such agreements and negotiates the terms and conditions with the other party.

Public Bidding & Contracting

Our firm has extensive experience in all aspects of competitive bidding for public works projects, including reviewing bid packets and proposals, handling bid protests, and related litigation. Our comprehensive services include determining when an item must be publicly bid and what legal obligations exist in receiving and accepting bids.

We have experience in handling disputes as to the bidding process and award of contracts, as well as claims against successful bidders. Once an entity awards a contract, we can subsequently handle disputes related to prevailing wages, disputes with subcontractors and suppliers, stop notices, change orders and the sufficiency of bonds.

Real Property Acquisition, Disposition & Leasing

AALRR represents contractors, corporations, and public agencies with respect to the acquisition of property and property disposition by sale or lease of surplus property, including purchase and escrow agreements; leases and licenses; joint use and occupancy agreements; civic center agreements; and California Environmental Quality Act (CEQA) compliance. Our services in this area include both transactional and litigation assistance.

Zoning Amendments

Our firm represents contractors, corporations and public agencies in issues related to zone change applications, zoning litigation, subdivision map act issues, CEQA litigation, negotiations with local county and city governments, and vested rights issues associated with subdivision and building permit approvals.

Eminent Domain

Our eminent domain practice includes both advice and counsel on the procedural aspects of property acquisition as well as litigation. On the technical side, we prepare, file, and serve summons, complaints, and all related documents. We have obtained and served writs of assistance in order to evict owners from the property. Our counsel services include review of litigation guarantees, acquisition negotiations, and property valuation.

Construction Claims

The firm excels in the area of handling and resolving construction and design claims, liens, and bonds. Our attorneys are well regarded for their experience in these areas and have resolved several issues in regard to claims. Our claims experience includes contractor claims concerning extra costs, entitlement issues concerning contract extras regarding proposed change orders or alleged design changes, design coordination issues, subcontractor coordination issues, design and engineering errors and omissions claims, disruption and loss of productivity claims, contract performance delay claims including critical path schedule analysis, contract entitlement to time extensions, both compensated and uncompensated, liquidated damages analysis and assessment, and the whole panoply of construction design performance and contract issues regarding public construction.

Representative Construction Projects

AALRR is skilled at handling multi-party construction disputes that involve a variety of design, construction and legal

issues. AALRR attorneys have been involved in some of the most complex and document intensive cases in the construction industry. What follows are some representative examples:

City of Glendale Police Facility

This engagement concerned the construction of a police facility and jail. The project was over one year late with 1300 unresolved change order requests prior to involvement of our firm. Ultimately, we had to counsel the City to terminate the contractor for default and complete the work with a replacement contractor when the performance bond surety refused. The contractor filed a lawsuit against the City, as did a number of its subcontractors. We successfully mediated to resolution the claims by the general contractor and its subcontractors in excess of \$24 million. At the conclusion of the case, the original construction budget developed by the City nearly a decade ago was exceeded by less than 4% after accounting for the settlement payment and attorney's fees incurred. As a result of this favorable outcome, the firm was again engaged to draft the form of design-build contract that would be utilized by the City for its future capital improvements program.

Reno Transportation Rail Access Corridor (ReTRAC)

This case involved representing the City of Reno, Nevada concerning a project known as ReTRAC, which is a 2.25-mile below grade rail transportation corridor and related facilities running through the heart of downtown. The ReTRAC project was awarded in 2002, and at the time, was the largest public work ever undertaken in Northern Nevada. Part of this project involved the relocation of a subterranean, high-pressure petroleum pipeline in a railroad right-of-way that was necessary to accommodate the construction. The litigation surrounded the responsibility for the costs (and arguable betterments) associated with the relocation effort that doubled from the budget provided by the pipeline owner and the general contractor retained to perform the work. The City prevailed in the litigation of this case.

Alameda Corridor

This case involved the representation of the Alameda Corridor Transportation Authority on the \$2 billion Alameda Corridor which was a series of design-build contracts for the construction of a 20-mile rail trench running from the Ports of Los Angeles and Long Beach to rail switching yards in downtown Los Angeles. The principal contractor on the project was Tutor Saliba. All issues that came about during the construction were dealt with proactively as they occurred instead of being left to fester and grow into considerable disputes. As a result, the Alameda Corridor project has received great notoriety as it was delivered on time and within budget with no resulting litigation.

Los Angeles County Central Jail

This involved the design and construction of a new 5,000 bed jail, a central energy plant, an inmate reception center, and a first in California, an acute care medical facility built into a jail. Unique regulatory and design issues were encountered because of the new type of project being built. The construction of the over one million square foot facility resulted in \$66-million claim arising out of 6,000 proposed change orders involving over 13,000 RFIs. This claim for contract extras, delays, disruptions and loss of productivity was resolved for less than one percent of the \$66-million claim.

Walt Disney Concert Hall

This project involved the construction of the world-famous concert hall designed by architect Frank Gehry using a form of Building Information Modeling. This structure is most notable for the complexity of its design due to the number of curved surfaces. The project was plagued by design errors and changes that resulted in over 10,000 RFIs. Ultimately, the contractor's claim for over \$50 million due to schedule delays and cost overruns was successfully resolved through mediation early in the litigation process, and thereby, containing legal costs.

LA County + USC Replacement Hospital

This project concerned an \$800 million program to replace the aging County facility with a new 1.7 million square foot acute care hospital, patient tower, diagnostic and treatment center and medical center. The project used state of the art electronic design and construction management systems to manage the building process. AALRR was called

upon to resolve a number of design and construction issues including the resolution of delay and impact claims. Claims for extra compensation were in excess of \$70 million. A focus of the disputes was how to allocate a \$39.5 million contingency for construction and a \$15 million contingency related to design issues. While the project finished far behind schedule and \$200 million over budget, all claims were resolved without litigation involving the firm's client.

St. John's Medical Center

A multiphase medical campus building program designed to replace existing medical facilities, concurrent with ongoing operations. The project was beset with many setbacks including the unforeseen bankruptcy of the general contractor. This was a doomsday scenario for the owner. AALRR resolved an \$85-million claim on this multiphase project.

Anaheim Convention Center

This project was a renovation and 750,000 square foot expansion of a facility that had to remain open and operational during construction. The resolution of the general contractor's claim was unique in that the multi-million-dollar claim was resolved using complex statistical analysis to value alleged cost overruns due to design errors and omissions. The parties resolved their claims, and the facility opened to rave reviews and is a premier facility on the West Coast.

Kenneth J. Norris Cancer Institute

The project involved work on behalf of the University of Southern California in connection with a cancer institute located on the USC Health Science Campus. This case involved multi-million-dollar claims made by the general contractor and its subcontractors regarding a number of requirements implemented by OSHPD (the regulatory agency) and various seismic bracing issues. A settlement was reached with the general contractor and all trades except the drywall subcontractor. This remaining dispute went to trial and USC was awarded a defense judgment. Thereafter, the subcontractor appealed the ruling and USC prevailed once again.

Aladdin Hotel and Casino and Desert Passage

This matter involved a design-build contract for the construction of a nearly \$2 billion hotel and retail project in Las Vegas which is now the site of the Planet Hollywood Hotel. Claims on the project reached over \$250 million and involved a number of parties and complex construction, sub guard insurance and bankruptcy issues. At the time, this was the largest construction claim ever filed in the Western Region of the American Arbitration Association. After several years of arbitration and through a series of mediations, a successful settlement in favor our contractor client was achieved.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

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Steve Araiza, Of Counsel

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Steve Araiza represents clients and works on matters involving all aspects of labor and employment law including collective bargaining, labor relations, project labor agreements, discrimination, harassment, wrongful termination, skilled and trained workforce requirements, and wage and hour disputes. He works directly with developers to gather support from construction unions for building projects and to resolve CEQA and other land-use/entitlement and labor disputes. Additionally, Mr. Araiza advises employers on compliance with federal immigration laws including I-9 completion and audits, as well as government searches, warrants and raids. Prior to joining AALRR, Mr. Araiza worked as the Director of the Contract Department for the Western States Regional Council of Carpenters, a union which represents nearly 100,000 workers across twelve states.



Cindy Strom Arellano, Partner

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Cindy Strom Arellano has represented numerous clients in the trucking, construction, entertainment, and other industries in connection with tax audits and controversies with the Employment Development Department (EDD), Internal Revenue Service (IRS), Franchise Tax Board (FTB) and State Board of Equalization (SBE). Audits and tax controversies handled by Ms. Arellano have covered a multitude of issues including worker misclassification, sales, income and employment tax disputes and trust fund recovery penalty assessments. Ms. Arellano has successfully appealed many tax assessments, and has negotiated many favorable alternate payment arrangements and settlements of disputed tax liabilities on behalf of clients who are in collections, under audit or, who have a pending appeal of an assessment by the IRS, EDD, SBE and/or FTB..



Hal Block, Partner

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Hal Block practices exclusively all aspects of construction law, including litigation and transactional contract issues, with particular emphasis on the representation of developers, institutional clients, contractors, suppliers, and design professionals. He has handled in excess of 2,400 construction disputes and has drafted/negotiated over 1,000 contracts and general conditions. Mr. Block has a professional degree in architecture from the Illinois Institute of Technology and worked as an architect in Chicago for five years before obtaining his law degree in 1982.



W. Bryce Chastain, Partner

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Bryce Chastain brings the acumen and expertise he has developed over more than two decades in the practice of law for our clients. His primary areas of practice are in construction, real estate, and business transactions for California public agencies with a deep focus on complex matters in public works. He has deep experience in the full real estate development cycle, including property assessment and acquisition, counseling and contract development for engineering, design and construction, and resolution of any conflicts arising at any stage in the cycle, including development entitlements, contract disputes, and post-completion defect, warranty, and premises liability matters. He represents clients in disputes and litigation on matters

ranging from environmental issues to professional liability issues, including California Environmental Quality Act compliance, site contamination and asbestos remediation, engineers' and architects' standards of care and contract performance, contractor disputes ranging from design conformance, construction defect, indemnity, delay and defaults, to surety takeovers.



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Gautier also has extensive experience forming nonprofit entities, assisting nonprofits with obtaining and maintaining federal and state tax-exempt status, advising nonprofits regarding governance issues and best practices, as well as helping nonprofits regain or reinstate their tax-exempt status in cases where it has been suspended or revoked. Mr. Gautier regularly assists clients with drafting and reviewing transaction documentation, shareholder agreements, buy-sell agreements, and other commercial contracts. Mr. Gautier handles tax audits for clients and assists clients with tax controversies involving the Internal Revenue Service (IRS), Franchise Tax Board (FTB), Employment Development Department (EDD), and various County Assessors' Offices throughout California.



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Thomas Lenz handles all aspects of labor and employment law issues and heads the firm's traditional labor and National Labor Relations Board practices. He works with employers in all major industries across California and the West. Mr. Lenz served as Chair of the Labor and Employment Section for the California Lawyers Association (formerly the State Bar of California) during the

2017-2018 term. He serves as a Lecturer in Law, teaching at the USC Gould School of Law. Mr. Lenz began his law practice with the National Labor Relations Board, Region 21, in Los Angeles, where he investigated and tried unfair labor practice cases, ran workplace elections, and acted as an administrative hearing officer. Mr. Lenz was assigned difficult cases, including numerous charges involving SEIU's Justice for Janitors campaign activity throughout Los Angeles. The majority of his cases required work in the Spanish language. He received a formal commendation for his performance from the Agency's General Counsel.



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Anthony Niccoli has extensive experience representing contractors, subcontractors, material suppliers, and owners for a full range of construction issues, including licensing, contract drafting and negotiations, bid disputes, responsive and responsibility issues, change order disputes, terminations, and indemnity obligations and claims. In addition, he handles breach of contract actions such as delay, disruption, acceleration, mechanics' lien, stop payment

notice, payment bond actions, including Federal claims and Miller Act Bonds, and labor issues. Mr. Niccoli has obtained hundreds of favorable outcomes for his clients through litigation,

mediation, arbitration, and settlement. He has worked on cases concerning large construction projects such as the Pasadena Power Plant, new school construction and modernizations, and the River at Rancho Mirage. Mr. Niccoli is currently the chairperson of the Engineering Contractor's Association Legal Committee and has been a member of the Board of Directors for over ten years, and the Chairperson of the Legal/Legislative Committee for the Southern California Chapter of the Construction Management Association. In 2021, Mr. Niccoli will commence his sixth year on the Los Angeles/Orange County Board of Directors for the Associated General Contractors. Mr. Niccoli is also the Legal/Legislative Committee Chair of the Construction Management Association of America.



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Randy Parent represents public and private clients for their facilities, construction, and property needs. Mr. Parent's practice involves all aspects of construction law and public contracting law for a variety of matters involving construction contracts, business contracts, bidding and RFP procurement documents and processes, sole source procurement negotiations, claims defense and resolution, litigation, mediation, and arbitrations, board governance issues, facilities use, and non-profit entity establishment and governance.



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Jonathan Vick is a member of the Facilities, Construction, and Property Practice Group and has more than 30 years of experience in state and federal courts and administrative agencies. He started his career working for the United States Department of Labor, Office of the Solicitor where he was responsible for enforcing the Fair Labor Standards Act, Davis Bacon and Related Acts, the Occupational Safety Health Act, the Mine Safety and Health Act, and other federal statutes. Since leaving the government, he has gained extensive experience with construction claims, mechanics liens, wage and hour, prevailing wage, OSHA, wrongful termination, catastrophic personal injury, toxic torts, and environmental cases. Mr. Vick has demonstrated an ability to expertly manage all stages of high profile, complex, multi-party litigation cases. In June 2015, Mr. Vick was named an "at large" member to the Division of Occupational Safety and Health Advisory Committee by Juliann Sum, Chief of Cal/OSHA. The mission of the Cal/OSHA Advisory Committee is to promote and improve occupational health and safety conditions and public safety in California. The committee functions by providing information, advice, and assistance regarding programs and activities within the Department of Industrial Relations, particularly those of the Division of Occupational Safety and Health.

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